



City Council, Successor Agency to the Brea Redevelopment Agency, and Brea Public Financing Authority Agenda

Tuesday, July 16, 2019

5:30 p.m. - Closed Session

6:30 p.m. - Study Session

7:00 p.m. - General Session

Christine Marick, Mayor

Marty Simonoff, Mayor Pro Tem

Cecilia Hupp, Council Member

Glenn Parker, Council Member

Steven Vargas, Council Member

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

Procedures for Addressing the Council

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

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

Special Accommodations

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

Important Notice

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

CLOSED SESSION
5:30 p.m. - Executive Conference Room
Level Three

CALL TO ORDER / ROLL CALL - COUNCIL

1. Public Comment

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

2. Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8.

Property: Birch Hills Golf Course

City of Brea Negotiators: City Manager Bill Gallardo and Public Works Director Tony Olmos

Negotiating Parties: Chevron Land and Development, Birch/Kraemer, LLC

Under Negotiation: Price and Terms of Payment

3. Conference with City's Labor Negotiator Pursuant to Government Code 54957.6

Regarding the Brea Fire Management Association (BFMA) - Mario E. Maldonado and Chris Emeterio, Negotiators

4. Conference with Real Property Negotiator Pursuant to Government Code § 54956.8.

Property: California Domestic Water Company Common Stock Representing Water Rights

City of Brea Negotiator: City Manager Bill Gallardo

Negotiating Party: California Domestic Water Company

Under Negotiation: Price and Terms of Payment

5. Conference with Real Property Negotiator Pursuant to Government Code § 54956.8.

Property: 101 S. Brea Blvd – City Owned Parking Garage

City of Brea Negotiator: Community Development Director David Crabtree

Negotiating Party: Verizon Wireless

Under Negotiation: Price and Terms of Payment

6. Public Employee Performance Evaluation Pursuant to Government Code Section 54957(b).

Title: City Manager

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

CALL TO ORDER / ROLL CALL - COUNCIL

7. Public Comment

8. Clarify Regular Meeting Topics

DISCUSSION ITEMS

9. Update on Active Transportation Plan Progress

10. Designate Voting Delegate and Alternative for League of California Cities Annual Conference October 16-18, 2019 in Long Beach.

REPORT

11. Council Member Report/Requests

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

CALL TO ORDER/ ROLL CALL - COUNCIL

12. Pledge of Allegiance: Boy Scout Troop 801

13. Invocation: Rick Darden, Friends Community Church

14. Presentations: Brea Korean Sister City Association Activities and Goals

15. Report - Prior Study Session

16. Community Announcements

17. Matters from the Audience

18. Response to Public Inquiries - Mayor / City Manager

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

CITY COUNCIL - CONSENT

19. June 18, 2019 City Council Regular Meeting Minutes - Approve.

20. June 20, 2019 City Council Special Meeting Minutes - Approve.

21. **Professional Services Agreements for Annual As-Needed Construction Management and Inspection Services for Various Capital Improvement and Private Development Projects -** Approve Professional Service Agreements between City of Brea and LAE Associates, Inc., Onward Engineering, Willdan Engineering, Interwest Consulting Group, Inc., and KOA Corporation for Construction Management and Inspections Services in the annual amount not-to-exceed \$300,000 for a period of 1 (one) year plus optional three 1-year extensions, and Authorize City Manager to approve extensions. Funding for these projects will come from various Capital Improvement Project Funds. There is no fiscal impact to the General Fund.
22. **Change Order to the Purchase Order with IntelesysOne -** Authorize the Purchasing Agent to issue a change order in the amount of \$10,609.74 to the original purchase order with IntelesysOne for furnishing and installing the Mitel telephone and voicemail system increasing the amount from \$313,005.36 to \$323,615.10. Funding for this change order will come from Fund 475, Information Technology Fund. There is no fiscal impact to the General Fund.
23. **Copier Equipment Rentals and Leases -** Authorize the Purchasing Agent to execute the rental, lease, and maintenance agreements with Canon Solutions America, Inc. for a total of \$14,816.49 per year based on 60-month rentals and leases of digital printing/copying equipment plus as-needed print charges estimated to be \$6,285.26 per year; and to issue annual purchase orders based on available budget appropriations. Funds for this agreement are budgeted in the General Fund in Administrative Services Department.
24. **Organizational Consulting Services for the Brea Police Department -** Approve the Agreement with Management Partners to provide Organizational Consulting Services for the Brea Police Department in an amount not-to-exceed \$88,600.00; and authorize the Chief of Police to issue up to two six-month extensions. Funds for this service are budgeted in the General Fund in Police Services Department.
25. **Professional Services Agreement with PeopleSpace for the Brea Civic and Cultural Center 3rd Floor Redesign and Furniture Purchase (CIP 7955)-** Approve agreement with PeopleSpace in the amount not-to-exceed \$347,606; and authorize City Engineer to approve change orders up to 10% of the not-to-exceed amount. Funds for this Capital Improvement Project have been budgeted and funded from Fund 172, The Fixed Asset Replacement Program. There is no fiscal impact to the General Fund.
26. **Pre-Employment Background Investigation Services -** Approve the Agreement with RCS Investigations & Consulting LLC to provide the Police Department with pre-employment background investigation services in the amount not-to-exceed \$75,000 per year; and authorize the City Manager to issue up to four one-year extensions exclusive of any cost increases. Funds for this service are budgeted in the General Fund in Police Services Department.
27. **June 21 & 28 and July 5 & 12, 2019 City Check Registers -** Receive and file.
28. **Monthly Report of Investments for the City of Brea for Period Ending May 31, 2019 -** Receive and file.

CITY/ SUCCESSOR AGENCY - CONSENT

29. **June 28, 2019 Successor Agency Check Register** - Receive and file.
30. **Monthly Report of Investments for the Successor Agency to the Brea Redevelopment Agency for Period Ending May 31, 2019** - Receive and file.

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

31. **Authorization for the Issuance and Sale of the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds and the Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019 to Refinance the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2005 Special Tax Refunding Bonds and the Brea Public Financing Authority Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A** - Adopt Resolution No. 2019-050 authorizing the issuance of the refunding bonds, providing for the execution of a Fiscal Agent Agreement and other related matters and making findings with respect to and approving the issuance of refunding bonds by the Brea Public Finance Authority. There is no fiscal impact to the General Fund.

BREA PUBLIC FINANCING AUTHORITY/ CITY COUNCIL ADMINISTRATIVE ITEMS - *This agenda category is for the Brea Public Financing Authority and City Council consideration of a wide variety of topics related to the City's operations. Public comments regarding items in this section should be presented during "Matters from the Audience."*

32. **Authorization of the Issuance of the Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019** - Adopt Resolution No. A-2019-03 authorizing the issuance of the Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019; approving documents and authorizing related actions.
33. **Authorization of an Escrow Agreement Relating to the Refunding of the Outstanding 2009 Series A and B Water Revenue Bonds and the 2010 Series B Water Revenue Bonds** - Adopt Resolution No. A-2019-04, authorizing the execution and delivery of an Escrow Agreement relating to the refunding of the outstanding 2009, Series A and B Water Revenue Bonds and the 2010, Series B Water Revenue Bonds, and approving related actions.
34. **Authorization for the Issuance and Sale of the 2019 Water Revenue Refunding Bonds to Refinance the Outstanding 2009 and 2010 Water Revenue Bonds of the Brea Public Financing Authority, and Approving Related Documents and Actions** - Adopt Resolution No. 2019-051, approving the issuance and sale of the City of Brea 2019 Water Refunding Bonds to refinance the 2009 Water Revenue Bonds, Series A and B and the 2010 Water Revenue Bonds, Series B of the Brea Public Financing Authority and approving related documents and actions.
35. **Solid Waste Services Rate Increase for Commercial Customers for Commercial Organics Recycling Program; Amendment No. 1 to Brea Disposal (Republic) Contract** - Adopt Resolution No. 2019-052 approving the proposed solid waste services rate increase of 3.06% for commercial customers; and approve Amendment No.1 to Agreement with Brea Disposal (Republic).

ADMINISTRATIVE ANNOUNCEMENTS

- 36. City Manager**
- 37. City Attorney**
- 38. Council Requests**

COUNCIL ANNOUNCEMENTS

ADJOURNMENT

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 07/16/2019

SUBJECT: Designate Voting Delegate and Alternative for League of California Cities Annual Conference October 16-18, 2019 in Long Beach.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Lillian Harris-Neal, City Clerk

Attachments

Attachment



Council Action Advised by August 30, 2019

June 10, 2019

TO: Mayors, City Managers and City Clerks

**RE: DESIGNATION OF VOTING DELEGATES AND ALTERNATES
League of California Cities Annual Conference – October 16 - 18, Long Beach**

The League's 2019 Annual Conference is scheduled for October 16 – 18 in Long Beach. An important part of the Annual Conference is the Annual Business Meeting (during General Assembly), scheduled for 12:30 p.m. on Friday, October 18, at the Long Beach Convention Center. At this meeting, the League membership considers and takes action on resolutions that establish League policy.

In order to vote at the Annual Business Meeting, your city council must designate a voting delegate. Your city may also appoint up to two alternate voting delegates, one of whom may vote in the event that the designated voting delegate is unable to serve in that capacity.

Please complete the attached Voting Delegate form and return it to the League's office no later than Friday, October 4. This will allow us time to establish voting delegate/alternate records prior to the conference.

Please note the following procedures are intended to ensure the integrity of the voting process at the Annual Business Meeting.

- **Action by Council Required.** Consistent with League bylaws, a city's voting delegate and up to two alternates must be designated by the city council. When completing the attached Voting Delegate form, please attach either a copy of the council resolution that reflects the council action taken, or have your city clerk or mayor sign the form affirming that the names provided are those selected by the city council. Please note that designating the voting delegate and alternates **must** be done by city council action and cannot be accomplished by individual action of the mayor or city manager alone.
- **Conference Registration Required.** The voting delegate and alternates must be registered to attend the conference. They need not register for the entire conference; they may register for Friday only. To register for the conference, please go to our website: www.cacities.org. In order to cast a vote, at least one voter must be present at the

Business Meeting and in possession of the voting delegate card. Voting delegates and alternates need to pick up their conference badges before signing in and picking up the voting delegate card at the Voting Delegate Desk. This will enable them to receive the special sticker on their name badges that will admit them into the voting area during the Business Meeting.

- **Transferring Voting Card to Non-Designated Individuals Not Allowed.** The voting delegate card may be transferred freely between the voting delegate and alternates, but *only* between the voting delegate and alternates. If the voting delegate and alternates find themselves unable to attend the Business Meeting, they may *not* transfer the voting card to another city official.
- **Seating Protocol during General Assembly.** At the Business Meeting, individuals with the voting card will sit in a separate area. Admission to this area will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate. If the voting delegate and alternates wish to sit together, they must sign in at the Voting Delegate Desk and obtain the special sticker on their badges.

The Voting Delegate Desk, located in the conference registration area of the Sacramento Convention Center, will be open at the following times: Wednesday, October 16, 8:00 a.m. – 6:00 p.m.; Thursday, October 17, 7:00 a.m. – 4:00 p.m.; and Friday, October 18, 7:30 a.m.–11:30 a.m.. The Voting Delegate Desk will also be open at the Business Meeting on Friday, but will be closed during roll calls and voting.

The voting procedures that will be used at the conference are attached to this memo. Please share these procedures and this memo with your council and especially with the individuals that your council designates as your city's voting delegate and alternates.

Once again, thank you for completing the voting delegate and alternate form and returning it to the League's office by Friday, October 4. If you have questions, please call Darla Yacub at (916) 658-8254.

Attachments:

- Annual Conference Voting Procedures
- Voting Delegate/Alternate Form



Annual Conference Voting Procedures

1. **One City One Vote.** Each member city has a right to cast one vote on matters pertaining to League policy.
2. **Designating a City Voting Representative.** Prior to the Annual Conference, each city council may designate a voting delegate and up to two alternates; these individuals are identified on the Voting Delegate Form provided to the League Credentials Committee.
3. **Registering with the Credentials Committee.** The voting delegate, or alternates, may pick up the city's voting card at the Voting Delegate Desk in the conference registration area. Voting delegates and alternates must sign in at the Voting Delegate Desk. Here they will receive a special sticker on their name badge and thus be admitted to the voting area at the Business Meeting.
4. **Signing Initiated Resolution Petitions.** Only those individuals who are voting delegates (or alternates), and who have picked up their city's voting card by providing a signature to the Credentials Committee at the Voting Delegate Desk, may sign petitions to initiate a resolution.
5. **Voting.** To cast the city's vote, a city official must have in his or her possession the city's voting card and be registered with the Credentials Committee. The voting card may be transferred freely between the voting delegate and alternates, but may not be transferred to another city official who is neither a voting delegate or alternate.
6. **Voting Area at Business Meeting.** At the Business Meeting, individuals with a voting card will sit in a designated area. Admission will be limited to those individuals with a special sticker on their name badge identifying them as a voting delegate or alternate.
7. **Resolving Disputes.** In case of dispute, the Credentials Committee will determine the validity of signatures on petitioned resolutions and the right of a city official to vote at the Business Meeting.

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
DATE: 07/16/2019
SUBJECT: June 18, 2019 City Council Regular Meeting Minutes

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager
Prepared by: Victoria Popescu, Deputy City Clerk
Concurrence: Lillian Harris-Neal, City Clerk

Attachments

Draft Minutes

DRAFT

BREA CITY COUNCIL SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY MEETING

MINUTES June 18, 2019

CLOSED SESSION 6:15 p.m. - Executive Conference Room Level Three

CALL TO ORDER / ROLL CALL - COUNCIL

Mayor Marick called the Closed Session to order at 6:17 p.m., all members were present.

Present: Marick, Simonoff, Hupp, Parker, Vargas

1. **Public Comment**
None.

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

2. **Conference with Legal Counsel Pursuant to Government Code Section 54956.9(d)(2) - Anticipated Litigation.**

Significant Exposure to Litigation: 1 potential case.

Facts and Circumstances: Shenkman & Hughes, PC California Voting Rights Act Claim

Mayor Marick adjourned the Closed Session at 6:25 p.m.

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

CALL TO ORDER / ROLL CALL - COUNCIL

Mayor Marick called the Study Session to order at 6:30 p.m., all members were present.

3. **Public Comment**
None.

4. **Clarify Regular Meeting Topics**

Councilmember Hupp requested clarification on the contract terms and optional extensions on Item Number 25, concrete maintenance agreement for the removal and replacement of sidewalks, curbs and gutters throughout the City.

Councilmember Vargas commented on the process for contract approvals. Councilmember Vargas requested clarification on Item Number 37, assignment of Senior Citizen Housing Subsidy Agreements

to the City of Brea and execution of an assignment agreement and taking other related actions, as it relates to housing funds.

DISCUSSION ITEMS

5. Bridges at Kraemer Advisory Board Appointment

Council unanimously appointed Police Chief Burks to the Bridges at Kraemer Advisory Board.

REPORT

6. Council Member Report/Requests

Councilmember Vargas requested that Council further discuss funding allocation for senior affordable housing.

Councilmember Parker reported attending a policy meeting and noted he spoke with the Governor's appointment to the PERS Board.

Mayor Marick reported attending the Orange County Waste Management Meeting where the annual report was provided and a presentation on recyclables was given. She also announced that she is serving as the Vice Chair of the Board.

Mayor Marick adjourned the meeting at 6:39 p.m.

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

CALL TO ORDER/ ROLL CALL - COUNCIL

Mayor Marick called the General Session to order at 7:00 p.m., all members were present.

7. Pledge of Allegiance

Fullerton Cadet Honor led the Pledge of Allegiance.

8. Invocation

Todd Dixon, Calvary Community Church, delivered the Invocation.

9. Report - Prior Study Session

City Manager Gallardo provided the Study Session report.

10. Community Announcements

Councilmember Hupp announced that due to a recent influx at the Orange County Animal Shelter, OC Animal Care is holding a special adoption event during which several fees, including the adoption fee, are waived.

Councilmember Parker invited the community to an interactive design workshop focusing on connectivity and active transportation on Wednesday, June 19, from 6-8 p.m. to help design improvements for biking, walking and other experiences in the Brea Core Planning Area.

Mayor Marick invited the community to the SR-57/Lambert Road Interchange Improvement Project Groundbreaking Ceremony Friday, June 21st and noted that the ceremony will be held at 10:00 a.m. at the corner of Lambert Road and the SR-57 (1700 E Lambert Rd, Brea, CA 92821). She announced that Caltrans is the lead agency on the project, which will provide additional capacity, relieve congestion and enable future construction of the SR-57 northbound truck climbing lane.

Mayor Pro Tem Simonoff invited the community to the 40th annual Country Fair on July 4th at City Hall Park, noting that the event will open with a Kiwanis Pancake Breakfast at 7:00 a.m. followed by the Brea Ministerial Association Morning Service. He announced that the fair opens at 9:00 a.m. and

will run until 3:00 p.m. with live entertainment, food, games and more. Admission is free.

Councilmember Vargas reminded the community to be safe by carefully following the ban on fireworks in Brea, noting that the sale, use or discharge of all fireworks are prohibited, even the “safe and sane” variety sold in other cities; and that violators face a fine of up to \$1000.

11. Matters from the Audience

None.

12. Response to Public Inquiries - Mayor / City Manager

None.

PUBLIC HEARINGS FOR THE CITY COUNCIL, SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY, BREA PUBLIC FINANCING AUTHORITY, BREA COMMUNITY BENEFIT FINANCING AUTHORITY, MIDBURY ASSESSMENT AUTHORITY AND INDUSTRIAL DEVELOPMENT AUTHORITY-

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

13. Public Hearing to Consider the Adoption of the City of Brea FY 2019-20 Operating Budget

Administrative Services Director Russell presented the details of the report, including 2019-20 Council top priorities, FY 2019-20 budget process, authorized positions by fiscal year, FY 2019-20 budget highlights, fire deployment clarification, economic outlook, proposed operating budget, FY 2019-20 General Fund, sales tax trend, budget assumptions, five year projections, Successor Agency budget, Public Financing Authority budget, Brea Community Benefit Financing Authority budget, and the Midbury Assessment Authority budget.

Councilmember Vargas inquired about the closure of the Midbury Assessment Authority.

Administrative Services Director Russell spoke about the future dissolution of the Midbury Assessment Authority.

Deputy Director of Public Works/City Engineer Ho spoke about the 18/19 CIP list of accomplishments, projects in construction, projects in design, and new projects for FY 2019-20.

Mayor Marick opened the public hearing.

Dwight Manley requested clarification on water bond refinancing.

Noting no further members of the public wishing to address the Council, Mayor Marick closed the public hearing.

Administrative Services Director Russell spoke about the Public Financing Authority and the Water Enterprise Fund annual obligation.

Councilmember Parker spoke about the phased approach to the fire deployment plan and expressed support for the package.

Councilmember Hupp noted concurrence with Councilmember Parker regarding the fire deployment package.

Councilmember Vargas spoke about Fund 470, Risk Management Fund, and inquired about a transfer from Fund 420, Water Utility Fund.

Administrative Services Director Russell provided clarification on the repayment of the loan for Fund 420, Water Utility Fund.

Councilmember Vargas inquired about the status of the project at Wildcatters Dog Park.

Assistant City Manager/Community Services Director Emeterio provided an update of the improvements at Wildcatters Dog Park.

Councilmember Hupp thanked Administrative Services Director for providing a breakdown of the Paramedic Services Fund.

Motion was made by Mayor Pro Tem Simonoff, seconded by Council Member Vargas to adopt Resolution No. 2019-042, approving the Fiscal Year 2019-20 Operating Budget and appropriating funds for the City of Brea Fiscal Year 2019-20 Operating Program.

AYES: Mayor Marick, Mayor Pro Tem Simonoff, Council Member Hupp, Council Member Parker, Council Member Vargas

Passed

14. Capital Improvement Program Budget For Fiscal Year 2019-2020

Motion was made by Mayor Pro Tem Simonoff, seconded by Council Member Parker to adopt Resolution No. 2019-043 for the Capital Improvement Program (CIP) Budget for FY 2019-2020.

AYES: Mayor Marick, Mayor Pro Tem Simonoff, Council Member Hupp, Council Member Parker, Council Member Vargas

Passed

15. Public Hearing to Consider the Adoption of the Successor Agency to the Brea Redevelopment Agency 2019-20 Operating Budget

Motion was made by Mayor Pro Tem Simonoff, seconded by Council Member Hupp to adopt Resolution No. SA 2019-02, appropriating funds for the Successor Agency to the Brea Redevelopment Agency 2019-20 Proposed Operating Budget.

AYES: Mayor Marick, Mayor Pro Tem Simonoff, Council Member Hupp, Council Member Parker, Council Member Vargas

Passed

16. Public Hearing to Consider Adoption of 2019-20 Operating Budget for the Brea Public Financing Authority

Motion was made by Mayor Pro Tem Simonoff, seconded by Council Member Hupp to adopt Resolution No. A-2019-02 appropriating funds for the Brea Public Financing Authority 2019-20 Operating Budget.

AYES: Mayor Marick, Mayor Pro Tem Simonoff, Council Member Hupp, Council Member Parker, Council Member Vargas

Passed

17. Public Hearing to Consider Adoption of 2019-20 Operating Budget for the Brea Community Benefit Financing Authority

Motion was made by Mayor Pro Tem Simonoff, seconded by Council Member Hupp to adopt Resolution No. BCBFA 2019-01 appropriating funds for the Brea Community Benefit Financing Authority 2019-20 Operating Budget.

AYES: Mayor Marick, Mayor Pro Tem Simonoff, Council Member Hupp, Council Member Parker, Council Member Vargas

Passed

18. Public Hearing to Consider Adoption of 2019-20 Operating Budget for the Midbury Assessment Authority Commission

Motion was made by Mayor Pro Tem Simonoff, seconded by Council Member Parker to adopt Resolution No. M-01-2019 appropriating funds for the Midbury Assessment Authority Commission 2019-20 Operating Budget.

AYES: Mayor Marick, Mayor Pro Tem Simonoff, Council Member Hupp, Council Member Parker, Council Member Vargas

Passed

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

CITY COUNCIL - CONSENT

19. June 3, 2019 City Council Special Meeting Minutes

The City Council approved the June 3, 2019 City Council Special Meeting Minutes.

20. June 4, 2019 City Council Regular Meeting Minutes

The City Council approved the June 4, 2019 City Council Regular Meeting Minutes.

21. Upcoming City Council Topics July – December 2019

The City Council received and filed the upcoming City Council topics for July – December 2019.

22. Professional Services Agreements for As-Needed Landscape Design Services for Capital Improvement Projects

The City Council approved the Professional Services Agreement with Land Concern in the amount not-to-exceed \$50,000 per year; approved Professional Services Agreement with BMLA in the amount not-to-exceed \$50,000 per year; approved Professional Services Agreement with Nuvis Landscape in the amount not-to exceed \$50,000 per year; and authorized the City Manager to execute up to three (3) one year extensions for each of these agreements with Council approval.

23. Professional Services Agreement with DMS Consultants, Inc. on Design Services for Alley Rehabilitation Projects, CIP Project Numbers 7319, 7320, 7321

The City Council approved the Professional Services Agreement (PSA) with DMS Consultants, Inc. in the amount of \$35,850 plus 10% contingency for the Design of Alley Rehabilitation Project Numbers 7319, 7320, 7321.

24. Professional Services Agreement with Calabrese Architect for Design Services for the Civic Center Security System Improvement Project (CIP 7954)

The City Council approved the agreement with Calabrese Architect in the amount of \$30,000, and approved a 10% design contingency.

25. Concrete Maintenance Agreement for the Removal and Replacement of Sidewalks, Curbs, and Gutters throughout the City

The City Council awarded a contract to CT&T Concrete Paving, Inc. in the amount of \$180,000 for a period of one (1) year; and authorized the City Manager to approve up to four (4) additional one (1) year extensions in the annual amount of \$180,000 with Council approval.

26. Renewed Measure M (M2) Eligibility Submittal Package For FY 2019-20

The City Council adopted Resolution No. 2019-044, authorizing submittal of Renewed Measure M Eligibility package to Orange County Transportation Authority (OCTA).

- 27. Extend Landscape Maintenance Contracts for One Year in Maintenance Districts Nos. 1, 3, 5 and 6**
The City Council authorized the City Manager to extend the current landscape maintenance contracts for one (1) additional year in Maintenance Districts Nos. 1, 3, 5 and 6.
- 28. Authorize Contribution to the City's Section 115 Trust Fund through Public Agency Retirement Services (PARS) for Post-Employment Pension Obligations Costs in the amount of \$756,800 from the City's Enterprise Funds (Fund 410, Fund 420, Fund 430 and Fund 460)**
The City Council authorized the contribution to the Pension Trust Fund.
- 29. Approve the Execution of An Assignment Agreement Between the Successor Agency to Brea Redevelopment Agency and the City, and the related assumption by the City, of Senior Housing Assistance Payments to be Paid from the City's Affordable Housing Trust Fund And Taking Other Related Actions**
The City Council adopted Resolution No. 2019-045, a Resolution of the City Council of the City of Brea, approving the execution of an assignment agreement between the Successor Agency to Brea Redevelopment Agency and the City, and the related assumption by the City of senior housing assistance payments to be paid from the City's Affordable Housing Trust Fund and taking other related actions.
- 30. Update to City's Local Debt Policy**
The City Council adopted Resolution No. 2019-046, updating the City's Local Debt Policy.
- 31. Approval of the Fiscal Year 2019-20 Appropriations Limit**
The City Council adopted Resolution No. 2019-047 approving the Fiscal Year 2019-20 Appropriations Limit.
- 32. Approval of Fiscal Year 2019-20 Property Tax Rate to Fund the City's Paramedic Program**
The City Council adopted Resolution No. 2019-048, a Resolution of the City Council of the City of Brea fixing the rate of tax upon the taxable property within the City of Brea for the Fiscal Year 2019-20 necessary to maintain a mobile intensive care program known as paramedics within the area of the City of Brea and certifying said rate of taxation to the Orange County Auditor-Controller.
- 33. Custodial Services Agreement**
The City Council approved the agreement with Guaranteed Janitorial Service, Inc. to provide the City with custodial services in the amount not-to-exceed \$416,026.00; and authorized the City Manager to issue up to six one-year extensions exclusive of any cost increases.
- 34. Agreement for Legislative Advocacy Services**
The City Council approved the agreement with Townsend Public Affairs to provide Legislative Advocacy Services in an amount not-to-exceed \$60,000; authorized the City Manager to issue up to four one-year extensions; and authorized the Purchasing Agent to issue Purchase Orders accordingly.
- 35. Monthly Report of Investments for the City of Brea for Period Ending April 30, 2019**
The City Council received and filed the Monthly Report of Investments for the City of Brea for period ending April 30, 2019.
- 36. Outgoing Payment Log and June 7 and 14, 2019 City Check Registers**
The City Council received and filed the Outgoing Payment Log and June 7 and 14, 2019 City Check Registers.

Motion was made by Council Member Hupp, seconded by Council Member Parker to approve City Council Consent Item Numbers 19-36.

AYES: Mayor Marick, Mayor Pro Tem Simonoff, Council Member Hupp, Council Member Parker, Council Member Vargas

Passed

CITY/ SUCCESSOR AGENCY - CONSENT

37. Assignment of Senior Citizen Housing Subsidy Agreements to the City of Brea and Execution of an Assignment Agreement and Taking Other Related Actions

The City Council, as the Successor Agency, approved Resolution No. SA 2019-03, a Resolution of the City Council of the City of Brea, acting as the Successor Agency to the Brea Redevelopment Agency, approving the assignment of senior citizen housing subsidy agreements to the City of Brea and the execution of a related assignment agreement and taking other related actions.

38. Monthly Report of Investments for the Successor Agency to the Brea Redevelopment Agency for Period Ending April 30, 2019

The City Council, as the Successor Agency, received and filed the Monthly Report of Investments for the Successor Agency to the Brea Redevelopment Agency for period ending April 30, 2019.

Motion was made by Council Member Parker, seconded by Council Member Hupp to approve City/Successor Agency Consent Calendar Items 37-38.

AYES: Mayor Marick, Mayor Pro Tem Simonoff, Council Member Hupp, Council Member Parker, Council Member Vargas

Passed

ADMINISTRATIVE ANNOUNCEMENTS

39. City Manager

City Manager Gallardo thanked the budget team for their hard work and effort on the preparation and presentation of the budget.

40. City Attorney

City Attorney Boga noted that in Closed Session, the Council adopted a Settlement Agreement with Shenkman & Hugues regarding district-based elections.

41. Council Requests

None.

COUNCIL ANNOUNCEMENTS

Councilmember Vargas thanked staff for their effort in putting together the memorial for the 75th anniversary of D-Day.

ADJOURNMENT

Mayor Marick adjourned the General Session at 7:43 p.m.

Respectfully submitted,

The foregoing minutes are hereby
approved this 16th day of July, 2019.

Lillian Harris-Neal, City Clerk

Christine Marick, Mayor

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
DATE: 07/16/2019
SUBJECT: June 20, 2019 City Council Special Meeting Minutes

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager
Prepared by: Victoria Popescu, Deputy City Clerk
Concurrence: Lillian Harris-Neal, City Clerk

Attachments

Draft Minutes

DRAFT

BREA CITY COUNCIL SUCCESSOR AGENCY TO THE BREA REDEVELOPMENT AGENCY SPECIAL MEETING

MINUTES June 20, 2019

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

CALL TO ORDER / ROLL CALL - COUNCIL

Mayor Marick called the Closed Session to order at 6:32 p.m., all members were present.

Present: Marick, Simonoff, Hupp, Parker, Vargas

- 1. Public Comment**
None.

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

- 2. Conference with Real Property Negotiators Pursuant to Government Code Section 54956.8.**
Property: Birch Hills Golf Course
City of Brea Negotiators: City Manager Bill Gallardo and Public Works Director Tony Olmos
Negotiating Parties: Chevron Land and Development, Birch/Kraemer, LLC
Under Negotiation: Price and Terms of Payment

Mayor Marick adjourned the Closed Session at 6:50 p.m.

GENERAL SESSION SPECIAL MEETING 7:00 p.m. - Council Chambers Plaza Level and

**Via Teleconference - Front Desk, Navy Lodge North Island
Building 1401-A, Hangar Road, Coronado, CA 92135**

CALL TO ORDER/ ROLL CALL - COUNCIL

Mayor Marick called the General Session to order at 7:02 p.m., all members were present.

- 3. Matters from the Audience**
Dwight Manley spoke in support of Item Number 5, District-Based Elections for City Council, and requested legal clarification on the intent of Council's action.

4. Response to Public Inquiries - Mayor / City Manager

City Attorney Boga indicated he would respond to comments made during Matters from the Audience during the presentation of Item Number 5, District-Based Elections for City Council.

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

5. District-Based Elections for City Council

City Attorney Boga presented the details of the staff report, including background, California Voting Rights Act, demand letters to change from at-large to district-based elections, safe-harbor process, settlement agreement with Shenkman & Hughes, P.C., and the 2020 Census.

Councilmember Hupp inquired as to when the City will have the results of the 2020 Census.

City Manager Gallardo indicated that the City will have the results of 2020 Census by the Spring of 2021.

Motion was made by Mayor Pro Tem Simonoff, seconded by Council Member Hupp to adopt Resolution No. 2019-049, a Resolution declaring the intent to transition from at-large elections for City Council to district-based elections pursuant to Elections Code Section 10010 after receipt of the 2020 Census results.

AYES: Mayor Marick, Mayor Pro Tem Simonoff, Council Member Hupp, Council Member Parker,
Council Member Vargas

Passed

ADMINISTRATIVE ANNOUNCEMENTS

6. City Manager

None.

7. City Attorney

None.

8. Council Requests

None.

ADJOURNMENT

Mayor Marick adjourned the General Session at 7:08 p.m.

Respectfully submitted,

The foregoing minutes are hereby
approved this 16th day of July, 2019

Lillian Harris-Neal, City Clerk

Christine Marick, Mayor

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 07/16/2019

SUBJECT: Professional Services Agreements for Annual As-Needed Construction Management and Inspection Services for Various Capital Improvement and Private Development Projects

RECOMMENDATION

1. Approve Professional Service Agreements between City of Brea and LAE Associates, Inc., Onward Engineering, Willdan Engineering, Interwest Consulting Group, Inc., and KOA Corporation for Construction Management and Inspections Services in the annual amount not-to-exceed \$300,000 for a period of 1 (one) year plus optional three 1-year extensions, and
2. Authorize City Manager to approve extensions

BACKGROUND/DISCUSSION

The City of Brea has a seven year Capital Improvement Program (CIP) that includes rehabilitation of arterial highways, residential streets and alley ways, replacement of undersized and deteriorated sewer and water lines, installation of traffic enhancements, and rehabilitation of City-owned facilities. The CIP also includes the largest Public Works project ever undertaken by the City, which is the State Route 57/Lambert Interchange Project. Within the next 4 years, the average annual CIP budget is approximately \$16 million.

As mentioned at the April 16, 2019 City Council Study Session, Public Works Engineering uses as-needed professional services contracts to efficiently and effectively deliver CIP projects. Within the next 4 years, staff estimates that approximately \$1,500,000 per year of construction management and inspection services will be needed in order to deliver the projects in the CIP.

Since the existing Professional Service Agreements (PSA's) with a number of engineering firms to provide construction management and inspection services expired on April 1, 2019, staff issued a Request for Proposals (RFP) for these services. The intent of the RFP was to select five firms that can provide these services on various CIP projects over the next four years. The City administers several construction projects simultaneously, thus, it would be prudent to maintain a multiple number of on-call contracts that would be qualified and available to provide these services. On May 16, 2019, proposals were received from the following nine (9) firms:

1. Anderson-Penna Partners, Inc.
2. Willdan Engineering
3. Ghirardelli Associates
4. Griffin Structures

5. Interwest Consulting Group, Inc.
6. KOA Corporation
7. LAE Associates, Inc.
8. Onward Engineering
9. SA Associates

The proposals were reviewed and evaluated based on the firms' relevant experience, qualifications of proposed project team members, scope of services provided, experience in federally funded projects and cost effectiveness.

Based on the above criteria, LAE Associates, Inc., Onward Engineering, Willdan Engineering, Interwest Consulting Group, Inc., and KOA Corporation were selected as the top five firms (not necessarily ranked in order). All five firms have extensive experience with the requested services working for state and local agencies. They have successfully completed their projects on schedule and within budget.

Their hourly rates may be increased based on various factors, such as Consumer Price Index for the Los Angeles/Orange County/Sacramento area, but generally not more than five percent per year. Any proposed increases to their overall annual amount will not go in effect without City Council approval.

Staff is recommending that the City Council approve PSAs with LAE Associates, Inc., Onward Engineering, Willdan Engineering, Interwest Consulting Group, Inc., and KOA Corporation in the amount not-to-exceed \$300,000 per firm, per term year to provide construction management and inspection services for various CIP projects in the City. Each agreement shall include a provision that the City has the option to extend the agreement under the same terms and conditions for a maximum of three 1-year terms.

The inspection costs for private development and third-party construction in City right-of-way are paid through the Development Service (DS or CD) accounts that are established by private entities, such as developers and utility companies. Since these are pass-through costs, the inspections costs for the private projects are not part of the not-to-exceed amounts in these agreements.

COMMISSION/COMMITTEE RECOMMENDATION

The Finance Committee reviewed staff's recommendation at their July 9, 2019 meeting and recommended to proceed. However, Finance Committee raised several concerns regarding the selection of Griffin Structures based on their role in the City's parking structure project. After further consideration, staff has decided to replace Griffin Structures with KOA Corporation since their proposal ratings were comparable and KOA's recent performance on the 57/Lambert project was exceptional.

FISCAL IMPACT/SUMMARY

For FY 2019-2020, all costs related to construction management and inspection services are included in the approved budget for these projects. Similarly, for future projects, costs related to construction management and inspection will be included in the proposed budget for City Council consideration. Staff is estimating that these costs will not exceed \$300,000 per term year for each firm.

Funding for these projects will come from Gas Tax, Measure M, Proposition 42, Community

Development Block Grant, Urban Run-off, Water, Sewer, Capital/Mitigation Improvements, Impact Fees, and Federal and State Grants. There will be no impact to the General Fund.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Michael Ho, P.E., Deputy Director of Public Works / City Engineer

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

Attachments

RFP

Addendum 01 CM & Inspection RFP 2019

Proposals

PSA - Onward

PSA - LAE

PSA - Interwest

PSA - Willdan



CITY OF BREA

**PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION**

REQUEST FOR PROPOSALS (RFP)

**Professional Consulting Services
for
Construction Management
& Inspection Services
FY 2018-2019**

**Engineering Division
Public Works Department
City of Brea
1 Civic & Cultural Center
Brea, CA 92821-5732**

Key RFP Dates

Issued:	April 12, 2019
Written Questions:	April 26, 2019
Proposals Due:	May 10, 2019

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CITY OF BREA

**PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION**

REQUEST FOR PROPOSALS (RFP)
for
Construction Management & Inspection Services
for FY 2018-2019

April 2019

PROPOSAL SUBMITTALS: Responses to the Request for Proposal (RFP) are to be submitted to:

**Michael S. Ho, P.E.
Deputy Director of Public Works/City Engineer
Public Works Department - Engineering Division
City of Brea
1 Civic & Cultural Center
Brea, CA 92821-5732**

no later than 2:00 P. M. on May 10, 2019. Original plus three (3) copies and PDF (on a CD or flash drive) of the proposal shall be submitted in a sealed envelope and marked: "Proposal for Construction Management & Inspection Services for FY 2018-2019." **Proposals received after the specified time will not be accepted and will be returned unopened.** Questions regarding this request may be directed to:

**Michael S. Ho, P.E.
Deputy Director/City Engineer
Phone: 714-990-7657
Email: michaelh@cityofbrea.net**

SECTION I
INSTRUCTIONS TO OFFERORS

SECTION I - INSTRUCTIONS TO OFFERORS

A. EXAMINATION OF PROPOSAL DOCUMENTS

By submitting a proposal, Offeror represents that it has thoroughly examined and become familiar with the work required under this RFP and that it is capable of performing quality work to achieve the City's objectives.

B. ADDENDA

Any changes to the requirements will be made by written addendum to this RFP. Any written addenda issued pertaining to this RFP shall be incorporated into the terms and conditions of any resulting Agreement. City will not be bound to any modifications to or deviations from the requirements set forth in this RFP as the result of oral instructions. Offerors shall acknowledge receipt of addenda in their proposals.

C. CITY CONTACT

All questions and/or contacts with City staff/representative regarding this RFP are to be directed to the following:

Michael S. Ho, P.E.
Deputy Director of Public Works/City Engineer
Public Works Department – Engineering Division
City of Brea
1 Civic Center Circle, Brea, CA 92821-5732
Phone: 714-990-7657, Fax: 714-990-2258
Email: michaelh@cityofbrea.net

D. CLARIFICATIONS

1. Examination of Documents

Should an Offeror require clarifications of this RFP, the Offeror shall notify the City in writing in accordance with Section D.2 below. Should it be found that the point in question is not clearly and fully set forth; the City will issue a written addendum clarifying the matter which will be posted on the City's website.

2. Submitting Requests

- a. All questions must be put in writing and must be received by the City no later than 4:00 p.m., April 26, 2019.

CITY OF BREA

Construction Management & Inspection Services RFP, April 2019

- b. Requests for clarifications, questions and comments must be clearly labeled, "Written Questions – Construction Management & Inspection Services for FY 2018-2019 RFP". City is not responsible for failure to respond to a request that has not been labeled as such.
- c. Any of the following methods of delivering written questions are acceptable as long as the questions are received no later than the date and time specified above:
 - (1) U.S. Mail or Personal Courier:
Michael S. Ho, P.E., Deputy Director of Public Works/City Engineer, Engineering Division – Public Works Department, City of Brea, 1 Civic Center Circle, Brea, California 92821-5732.
 - (2) Facsimile: Fax number is 714-990-2258.
 - (3) E-Mail: Michael S. Ho, P.E., Deputy Director/City Engineer, e-mail address is michaelh@cityofbrea.net.

3. Consultant Project Manager - Contact Information

The requested services are for Construction Management & Inspection Services. Some projects may include Federal-aid funds, thus federal provisions including UDBE goal may apply. All "Prime Consultants" shall email their designated Project Manager's name and contact information to the email address: **michaelh@cityofbrea.net**. This information may be made available to the DBE/UDBE organizations and companies.

4. City Responses

Responses from the City will be provided no later than close of business on May 2, 2019.

To receive e-mail notification of City responses when they are posted on City's website, firms must email their contact email addresses to michaelh@cityofbrea.net with the subject title "Email notifications for Construction Management & Inspection Services RFP".

E. SUBMISSION OF PROPOSALS

1. Date and Time

Proposals must be submitted at or before 2:00 p.m. on May 10, 2019.

Proposals received after the above specified date and time will not be accepted by the City and will be returned to the Offeror unopened.

2. Address

Proposals delivered in person, using the U.S. Postal Service or other means shall be submitted to the following:

**Mr. Michael S. Ho, P.E.,
Deputy Director of Public Works/City Engineer
Public Works Department - Engineering Division
City of Brea
1 Civic & Cultural Center
Brea, CA 92821-5732**

Offeror shall ensure that proposals are received by the City on or before the specified date and time.

3. Identification of Proposals

Offeror shall submit original plus three (3) copies and PDF (on CD or a flash drive) of its proposal in a sealed package, addressed as shown above, bearing the Offeror's name and address and clearly marked as follows:

"Construction Management & Inspection Services for FY 2018-2019 RFP"

4. Acceptance of Proposals

- a. City reserves the right to accept or reject any and all proposals, or any item or part thereof, or to waive any informalities or irregularities in proposals.
- b. City reserves the right to withdraw or cancel this RFP at any time without prior notice, and the City makes no representations that any contract will be awarded to any Offeror responding to this RFP.
- c. City reserves the right to postpone proposal openings for its own convenience.
- d. Proposals received by the City are public information and must be made available to any person upon request.
- e. Submitted proposals are not to be copyrighted.

F. PRE-CONTRACTUAL EXPENSES

City shall not, in any event, be liable for any pre-contractual expenses incurred by Offeror in the preparation of its proposal. Offeror shall not include any such expenses as part of its proposal.

CITY OF BREA

Construction Management & Inspection Services RFP, April 2019

Pre-contractual expenses are defined as expenses incurred by Offeror in:

1. Preparing its proposal in response to this RFP;
2. Submitting that proposal to the City;
3. Negotiating with the City any matter related to this proposal; or
4. Any other expenses incurred by Offeror prior to date of award, if any, of the Agreement.

G. JOINT OFFERS

Where two or more Offerors desire to submit a single proposal in response to this RFP, they should do so on a prime-subcontractor basis rather than as a joint venture. City intends to contract with a single firm and not with multiple firms doing business as a joint venture.

H. PROTEST PROCEDURES

Any protests filed by an Offeror in connection with this RFP must be submitted in writing via certified mail to the following:

Michael S. Ho, P.E.
Deputy Director of Public Works/City Engineer
Public Works Department - Engineering Division
City of Brea
1 Civic & Cultural Center
Brea, CA 92821-5732

I. FEE PROPOSAL

Provide a schedule of hourly rates that will be charged to perform services specified in Section III. The City proposes to issue a contract for a period of one (1) year with the City having the option to extend under the same terms and conditions for a maximum of three (3) one (1) year options.

The consultant will enter into an agreement with the City based upon the contents of the RFP and the consultant's proposal. The City's standard form of agreement is included in Section IV. The consultant shall carefully review the agreement, especially with regard to the indemnity and insurance provisions, and include with the proposal a description of any exceptions, technical or contractual, requested to the standard contract. If there are no exceptions, a statement to that effect shall be included in the proposal.

J. PREVAILING WAGES

Certain labor categories under this project are subject to prevailing wages as identified in the State of California Labor Code Sections 1720-1815 and Federal Wage Rates. Consultant and its sub-contractors shall conform to applicable wage rates. It is required that all mechanics and laborers employed or working at the site be paid not less than the basic hourly rates of pay and fringe benefits as shown in the current minimum applicable wage schedules. Offerors and their sub-contractors must use the current wage schedules applicable at the time the work is in progress.

K. INSURANCE REQUIREMENTS

The consultant shall take out and maintain at all times during the term of the contract, the insurance specified in the agreement and acceptable to the City. Insurance "Acceptable to the City" shall be defined as a company admitted (licensed) to write insurance in California and having a Best's Guide rating of not less than A VII. These minimum levels of coverage are required to be maintained for the duration of the project:

- A. **General Liability Coverage** - \$2,000,000 per occurrence for bodily injury and property damage. If Commercial General Liability Insurance or other form with a general limit is used, either the general aggregate limit shall apply separately to this project/location or the general aggregate limit shall be twice the required occurrence limit.
- B. **Professional Liability Coverage** - Professional Errors and Omissions Liability - insuring against all liability arising out of professional errors and/or omissions, providing protection of at least \$2,000,000.00 for errors and/or omissions ("malpractice") of CONSULTANT in the performance of this Agreement.
- C. **Worker's Compensation Coverage**: State statutory limits.

Deductibles, Self-Insurance Retentions, or Similar Forms of Coverage Limitations or Modifications, must be declared to and approved by the City of Brea.

All insurance policies required shall name as additional insureds the City, its elected officials, officers, employees, attorneys and agents, and any other parties, including subcontractors, specified by City to be included.

The consultant is encouraged to review details of insurance requirements as noted in Section IV, "Professional Service Agreement" and contact its insurance carriers during the proposal stage to ensure that the insurance requirements can be met if selected for negotiation of a contract agreement.

SECTION II
PROPOSAL CONTENT

SECTION II - PROPOSAL CONTENT

A. PROPOSAL FORMAT AND CONTENT

Although no specific format is required by the City, this section is intended to provide guidelines to the consultant regarding features which the City will look for and expect to be included in the proposal.

1. Presentation

Proposals shall be typed, with 12 pt font, double spaced and submitted on 8 1/2 x 11" size paper, using a single method of fastening. Charts and schedules may be included in 11" x 17" format. Offers should not include any unnecessarily elaborate or promotional material. Lengthy narrative is discouraged, and presentations should be brief and concise. Proposals should not exceed fifty (50) pages in length, including appendices.

2. Letter of Transmittal

The Letter of Transmittal shall be addressed to Michael S. Ho, P.E., Deputy Director of Public Works/City Engineer, at a minimum, contain the following:

- a. Identification of Offeror that will have contractual responsibility with the City. Identification shall include legal name of company, corporate address, telephone and fax number. Include name, title, address, and telephone number of the contact person identified during period of proposal evaluation.
- b. Identification of all proposed subcontractors including legal name of company, contact person's name and address, phone number and fax number. Relationship between Offeror and subcontractors, if applicable.
- c. Acknowledgment of receipt of all RFP addenda, if any.
- d. A statement to the effect that the proposal shall remain valid for a period of not less than 90 days from the date of submittal.
- e. Signature of a person authorized to bind Offeror to the terms of the proposal.
- f. Signed statement attesting that all information submitted with the proposal is true and correct.

3. Technical Proposal

a. Qualifications, Related Experience and References of Offeror

This section of the proposal should establish the ability of Offeror to satisfactorily perform the required work by reasons of: experience in performing work of the same or similar nature; demonstrated experience working with local agencies and cities directly involved in this project; strength and stability of the Offeror; staffing capability; work load; record of meeting schedules on similar projects; and supportive client references. Equal weighting will be given to firms for past experience performing work of a similar nature whether with the City or elsewhere.

Offeror to:

- (1) Provide a brief profile of the firm, including the types of services offered; the year founded; form of the organization (corporation, partnership, sole proprietorship); number, size and location of offices; number of employees.
- (2) Provide a general description of the firm's financial condition, identify any conditions (e.g., bankruptcy, pending litigation, planned office closures, impending merger) that may impede Offeror's ability to complete the project. City does not have a policy for debarring or disqualifying.
- (3) Describe the firm's experience in performing work of a similar nature to that solicited in this RFP, and highlight the participation in such work by the key personnel proposed for assignment to this project.
- (4) Describe experience in working with the various government agencies that may have jurisdiction over the approval of the work specified in this RFP. Please include specialized experience and professional competence in areas directly related to this RFP.
- (5) Provide a list of past joint work by the Offeror and each subcontractor, if applicable. The list should clearly identify the project and provide a summary of the roles and responsibilities of each party.
- (6) A minimum of three (3) references should be given. Furnish the name, title, address and telephone number of the person(s) at the client organization who is most knowledgeable about the work performed. Offeror may also supply references from other work not cited in this section as related experience.

b. Proposed Staffing and Project Organization

This section of the proposal should establish the method that will be used by the Offeror to manage the project as well as identify key personnel assigned. Proposed Staffing and Organization are to be presented by Offeror for both project segments identified in the Scope of Services.

Offeror to:

- (1) Provide education, experience and applicable professional credentials of project staff. Include applicable professional credentials of "key" project staff.
- (2) Furnish brief resumes (not more than two [2] pages each) for the proposed Construction Manager, Inspector and other key personnel.
- (3) Identify key personnel proposed to perform the work in the specified tasks and include major areas of subcontract work. Include the person's name, current location, and proposed position for this project, current assignment, and level of commitment to that assignment, availability for this assignment and how long each person has been with the firm.
- (4) Include a project organization chart that clearly delineates communication/reporting relationships among the project staff, including subconsultants.
- (5) Include a statement that key personnel will be available to the extent proposed for the duration of the project, acknowledging that no person designated as "key" to the project shall be removed or replaced without the prior written concurrence of the City.

c. Detailed Work Plan

Offeror shall provide a narrative that addresses the Scope of Services and shows Offeror's understanding of City's needs and requirements.

The Offeror shall:

- (1) Describe the proposed approach and work plan for completing the services specified in the Scope of Services. The description of the proposed approach shall discuss the services in sufficient detail to demonstrate the Offeror's ability to accomplish the City's objectives.
- (2) Describe approach to managing resources, including a description of the role(s) of any sub-consultants, if applicable, their specific responsibilities, and how their work will be supervised. Identify methods that Offeror will use to ensure quality, budget, and schedule control.

d. Exceptions/Deviations

State any exceptions to or deviations from the requirements of this RFP, segregating "technical" exceptions from "contractual" exceptions. Where Offeror wishes to propose alternative approaches to meeting the City's technical or contractual requirements, these should be thoroughly explained. If no contractual exceptions are noted, Offeror will be deemed to have accepted the contract requirements of the Proposed Professional Services Agreement as set forth in Section IV.

4. Fee Proposal

Provide a schedule of hourly rates that will be charged to perform services specified in Section III. The City proposes to issue a contract for a period of one (1) year with the City having the option to extend under the same terms and conditions for a maximum of three (3) one (1) year options.

5. Appendices

Information considered by Offeror to be pertinent to this project and which has not been specifically solicited in any of the aforementioned sections may be placed in a separate appendix section. Please note that this does not constitute an invitation to submit large amounts of extraneous materials, appendices should be relevant and brief.

B. STATUS OF PAST AND PRESENT CONTRACTS FORM

Offeror is required to complete and sign the form entitled "Status of Past and Present Contracts" provided in this RFP and submit as part of the proposal. Offeror shall list the status of past and present contracts where either the firm has provided services as a prime contractor or a subcontractor during the past 5 years and the contract has ended or will end in termination, settlement or litigation. A separate form shall be completed for each contract. If the contract was terminated, list the reason for termination. Offeror must also identify and state the status of any litigation, claims or settlement agreements related to any of the identified contracts. Each form must be signed by the Offeror confirming that the information provided is true and accurate. Offeror is required to submit only one copy of the completed form(s) as part of the proposal and it should be included in only the original proposal.

SECTION III

EVALUATION AND AWARD

SECTION III - EVALUATION AND AWARD

A. EVALUATION CRITERIA

City will evaluate the offers received based on the following criteria:

- 1. Qualifications of the Firm** - technical experience in performing work of a similar nature; experience working with public agencies; experience working on federally funded projects; strength and stability of the firm; and assessment by client references.
- 2. Proposed Team and Organization** - qualifications of proposed key personnel; logic of organization; and adequacy of labor commitment and resources to satisfactorily perform the requested services and meet the City's needs.
- 3. Detailed Work Plan** - thorough understanding of the City's requirements and objectives; logic, clarity, specificity, and overall quality of work plan.
- 4. Fee Proposal** - reasonableness of proposed fees and competitiveness of the amount compared with other proposals.

B. EVALUATION PROCEDURE

An Evaluation Committee will be appointed to review all proposals. The committee will be comprised of City staff and may include outside personnel. The committee members will review and evaluate the proposals. The committee will recommend to the Director of Public Works the firm whose proposal is most advantageous to the City of Brea. The Director of Public Works will then forward its recommendation to the City Council for final action.

C. AWARD

The City of Brea may negotiate contract terms with the selected Offeror prior to award, and expressly reserves the right to negotiate with several Offerors simultaneously. However, since the selection and award may be made without discussion with any Offeror, the proposal submitted should contain Offeror's most favorable terms and conditions.

Negotiations may or may not be conducted with Offerors; therefore, the proposal submitted should contain Offeror's most favorable terms and conditions, since the selection and award may be made without discussion with any Offeror.

City Council action will be requested by the City staff to award contract to the selected Offeror.

D. NOTIFICATION OF AWARD AND DEBRIEFING

Offerors who submit a proposal in response to this RFP shall be notified regarding the Offeror awarded a contract. Such notification shall be made within three (3) days of the date the contract is awarded.

Offerors who were not awarded the contract may obtain an explanation concerning the strengths and weaknesses of their proposal. Unsuccessful Offerors, who wish to be debriefed, must request the debriefing in writing or electronic mail and it must be received by the City within three (3) days of notification of the award of contract.

SECTION IV

PROFESSIONAL SERVICES AGREEMENT

PROFESSIONAL SERVICES AGREEMENT

This Agreement is made and entered into this ____ day of ____ 2019 between the City of Brea, a Municipal Corporation (hereinafter referred to as "CITY") and _____, (hereinafter referred to as "CONSULTANT").

A. Recitals

(i) CITY has heretofore issued its Request for Proposal pertaining to the performance of professional services with respect to construction management and inspection services for various capital improvement and private development projects on an "as-needed" basis ("Tasks" hereafter), a full, true and correct copy of which is attached hereto as Exhibit "A" and by this reference made a part hereof.

(ii) CONSULTANT has now submitted its proposal for the performance of such services, a full, true and correct copy of which proposal is attached hereto as Exhibit "B" and by this reference made a part hereof.

(iii) CITY desires to retain CONSULTANT to perform professional services necessary to render advice and assistance to CITY, City's Planning Commission, City Council and staff to complete said Tasks.

(iv) CONSULTANT represents that it is qualified to perform such services and is willing to perform such professional services as hereinafter defined.

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

B. Agreement

1. Definitions: The following definitions shall apply to the following terms, except where the context of this Agreement otherwise requires:

CITY OF BREA

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(a) Tasks: Provide professional services as described in Exhibit “A” hereto including, but not limited to, the preparation of maps, reports, and documents, presentation, both oral and in writing, of such plans, maps, reports and documents to CITY as required.

(b) Services: Such professional services as are necessary to be performed by CONSULTANT in order to complete the assigned Tasks. The CONSULTANT will provide services on an “as-needed (on-call)” basis for projects to be determined during the term of the contract. The contract will be for a one-year term with provisions for three-one year extensions with the total term not exceeding four (4) years.

(c) Completion of Tasks: The date of completion of all assigned Tasks, including any and all procedures, development plans, maps, plan documents, technical reports, meetings and oral presentations regarding the completion of Tasks as set forth in Exhibits “A” hereto. Should a task(s) not be completed prior to the conclusion of this contract, said task(s) shall be authorized to be completed under this agreement.

2. CONSULTANT agrees as follows:

(a) CONSULTANT shall forthwith undertake and complete the assigned Tasks in accordance with Exhibits “A” hereto and all in accordance with Federal, State and CITY statutes, regulations, ordinances and guidelines, all to the reasonable satisfaction of CITY.

(b) CONSULTANT shall supply copies of all maps, reports, plans and documents (hereinafter collectively referred to as “documents”) including all supplemental technical documents, as described in Exhibits “A” to CITY within the time specified in Exhibit “A”. Copies of the documents shall be in such numbers as are required in Exhibit “A”. CITY may thereafter review and forward to CONSULTANT comments regarding said

CITY OF BREA

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documents and CONSULTANT shall thereafter make such revisions to said documents as are deemed necessary. CITY shall receive revised documents in such form and in the quantities determined necessary by CITY. The time limits set forth pursuant to this Section B2(b) may be extended upon written approval of CITY.

(c) CONSULTANT shall, at CONSULTANT's sole cost and expense, secure and hire such other persons as may, in the opinion of CONSULTANT, be necessary to comply with the terms of this Agreement. In the event any such other persons are retained by CONSULTANT, CONSULTANT hereby warrants that such persons shall be fully qualified to perform services required hereunder. CONSULTANT further agrees that no subcontractor shall be retained by CONSULTANT except as may otherwise be set forth in Exhibit "B" and upon the prior written approval of CITY.

3. CITY agrees as follows:

(a) To pay CONSULTANT pursuant to the provisions of Exhibit "B" Services required hereunder. Said sum(s) shall cover the costs of all staff time and all other direct and indirect costs or fees, including the work of employees, consultants and subcontractors to CONSULTANT, except as may otherwise be set forth in Exhibit "B". Payment to CONSULTANT, by CITY, shall be made in accordance with the schedule set forth below.

(b) Payments to CONSULTANT shall be made by CITY in accordance with the invoices submitted by CONSULTANT, on a monthly basis, and such invoices shall be paid within a reasonable time after said invoices are received by CITY. All charges shall be in accordance with CONSULTANT's proposal either with respect to hourly rates, time and materials, or lump sum amounts for individual tasks, as approved, in writing, by CITY. In no event shall CONSULTANT, or any person claiming by or through CONSULTANT be paid an

CITY OF BREa

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aggregate amount in excess of two hundred fifty thousand dollars and zero cents (\$250,000.00) per year of the contract. Should the contract be extended past the initial year, any unspent amount in the previous year may be carried over contingent upon the years are consecutive and shall not exceed two (2) years. The costs associated with the Tasks performed for private development projects are not part of the not-to-exceed amount.

(c) CONSULTANT agrees that, in no event, shall CITY be required to pay to CONSULTANT any sum in excess of 95% of the maximum payable hereunder prior to receipt by CITY of all final documents, together with all supplemental technical documents, as described herein acceptable in form and content to CITY. Final payment shall be made not later than 60 days after presentation of final documents and acceptance thereof by CITY.

(d) Additional services: Payments for additional services requested, in writing, by CITY, and not included in CONSULTANT's proposal as set forth in Exhibit "A" hereof, shall be paid on a reimbursement basis in accordance with the fee schedule set forth in said Exhibit "A". Charges for additional services shall be invoiced on a monthly basis and shall be paid by CITY within a reasonable time after said invoices are received by CITY.

4. CITY agrees to provide to CONSULTANT:

(a) Information and assistance as set forth in Exhibit "A" hereto.

(b) Photographically reproducible copies of maps and other information, if available, which CONSULTANT considers necessary in order to complete the Project.

CITY OF BREA

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(c) Such information as is generally available from CITY files applicable to the Tasks.

(d) Assistance, if necessary, in obtaining information from other governmental agencies and/or private parties. However, it shall be CONSULTANT's responsibility to make all initial contact with respect to the gathering of such information.

5. Ownership of Documents: All documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by CONSULTANT pursuant to this Agreement shall be considered the property of CITY and, upon payment for services performed by CONSULTANT, such documents and other identified materials shall be delivered to CITY by CONSULTANT. CONSULTANT may, however, make and retain such copies of said documents and materials as CONSULTANT may desire.

6. Termination: This Agreement may be terminated by CITY upon the giving of a written "Notice of Termination" to CONSULTANT at least fifteen (15) days prior to the date of termination specified in said Notice. CONSULTANT shall not be compensated for any work performed after receipt of the Notice of Termination. CONSULTANT shall provide to CITY any and all documents, whether in draft or final form, prepared by CONSULTANT as of the date of termination. CONSULTANT may not terminate this Agreement except for cause.

7. Notices and Designated Representatives: Any and all notices, demands, invoices and written communications between the parties hereto shall be addressed as set forth in this section 7. The below named individuals, furthermore, shall be those persons primarily responsible for the performance by the parties under this Agreement:

CITY REPRESENTATIVE

Michael S. Ho, P.E.
Deputy Director of Public Works/City Engineer
1 Civic Center Circle
Brea, CA 92821

CONSULTANT REPRESENTATIVE

CONSULTANT NAME
Consultant Title
Consultant Address
Consultant Address

Any such notices, demands, invoices and written communications, by mail, shall be deemed to have been received by the addressee forty-eight (48) hours after deposit thereof in the United States mail, postage prepaid and properly addressed as set forth above.

8. Insurance: The CONSULTANT shall not commence work under this contract until it has obtained all insurance required hereunder in a company or companies acceptable to CITY nor shall the CONSULTANT allow any subcontractor to commence work on its subcontract until all insurance required of the subcontractor has been obtained. The CONSULTANT shall take out and maintain at all times during the life of this contract the following policies of insurance:

(a) Compensation insurance: Before beginning work, the CONSULTANT shall furnish to the CITY a certificate of insurance as proof that it has taken out full compensation insurance for all persons whom the CONSULTANT may employ directly or through subcontractors in carrying out the work specified herein, in accordance with the laws of the State of California. Such insurance shall be maintained in full force and effect during the period covered by this contract. Further, such policy of insurance shall provide

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that the insurer waives all rights of subrogation against CITY and its elected officials, officers, employees and agents.

In accordance with the provisions of Section 3700 of the California Labor Code, every contractor shall secure the payment of compensation to his employees.

CONSULTANT, by executing this Agreement, certifies as follows:

“I am aware of the provisions of Section 3700 of the labor Code which require every employer to be insured against liability for workers’ compensation or to undertake self insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of work of this contract.”

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

(1) Commercial General Liability (occurrence) - for bodily injury, death and property damage for products/completed operations and any and all other activities undertaken by the CONSULTANT in the performance of this Agreement - - or - -:

(2) (Alternative to Commercial General Liability) - Comprehensive, broad form General Public Liability (occurrence) - for bodily injury, death and property damage arising out of any activities undertaken by CONSULTANT in the performance of this Agreement.

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

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(4) Professional Errors and Omissions Liability - insuring against all liability arising out of professional errors and/or omissions, providing protection of at least two million dollars and zero cents (\$2,000,000.00) for errors and/or omissions (“malpractice”) of CONSULTANT in the performance of this Agreement . Such policy may be subject to a deductible or retention in an amount acceptable to CITY and shall further be subject to the provisions of subsections (2) and (6) of Section c, below. If a “claims made” policy is provided, such policy shall be maintained in effect from the date of performance of work or services on CITY’s behalf until three (3) years after the date the work or services are accepted as completed. Coverage for the post-completion period may be provided by renewal or replacement of the policy for each of the three (3) years or by a three (3) year extended reporting period endorsement which reinstates all limits for the extended reported period. If any such policy and/or policies have a retroactive date, that date shall be no later than the date of first performance of work or services on behalf of CITY. Renewal or replacement policies shall not allow for any advancement of such retroactive date. Each such policy or policies shall include a standard “notice of circumstances” provision.

(5) Other required insurance, endorsements or exclusions as required by the Request for Proposal.

(6) The policies of insurance required in this Section 8(b) shall have no less than the following limits of coverage:

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

(ii) \$2,000,000 (Two Million Dollars) for property damage;

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

(c) The policies of insurance required in subsections (1), (2) and (3) of Section 8(b), above shall:

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

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

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

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

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

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

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

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

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

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

(10) Otherwise be in form satisfactory to CITY.

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

9. Indemnification: Other than in the performance of professional services and to the fullest extent permitted by law, CONSULTANT shall indemnify, defend and hold CITY, its employees, agents and officials harmless from and against their tort liability, (including liability for claims, suits, actions, expenses or costs of any kind, whether actual, alleged or threatened, actual attorney's fees incurred by CITY, court costs, interest or defense costs

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including expert witness fees), where the same arise out of, in whole or in part, the performance of the Agreement by CONSULTANT (or any individual or entity that CONSULTANT shall bear the legal liability thereof) and which result in bodily injury or property damage to any individual or entity, including the employees or officials of CONSULTANT.

In addition to the foregoing, CONSULTANT shall indemnify, defend and hold harmless CITY and its officials and employees from and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorney's fees and costs to the extent the same are caused by the professional negligence of CONSULTANT (or any entity or individual that CONSULTANT shall bear the legal liability thereof) in the performance of professional services pursuant to this Agreement.

10. Assignment: No assignment of this Agreement or of any part or obligation of performance hereunder shall be made, either in whole or in part, by CONSULTANT without the prior written consent of CITY.

11. Damages: In the event that CONSULTANT fails to submit to CITY the completed project, together with all documents and supplemental material required hereunder, in public hearing form to the reasonable satisfaction of CITY, within the time set forth herein, or as may be extended by written consent of the parties hereto, CONSULTANT shall pay to CITY, as liquidated damages and not as a penalty, the sum of ____ N/A dollars (\$000.00) per day for each day CONSULTANT is in default, which sum represents a reasonable endeavor by the parties hereto to estimate a fair compensation for the foreseeable losses that might result from such a default in performance by CONSULTANT, and due to the difficulty which would otherwise occur in establishing actual damages

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resulting from such default, unless said default is caused by CITY or by acts of God, acts of the public enemy, fire, floods, epidemics, or quarantine restrictions.

12. Independent Contractor: The parties hereto agree that CONSULTANT and its employers, officers and agents are independent contractors under this Agreement and shall not be construed for any purpose to be employees of CITY.

13. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of California.

14. Attorneys' Fees: In the event any legal proceeding is instituted to enforce any term or provision of the 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.

15. Entire Agreement: 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 and binding. Any modification of this Agreement shall be effective only if it is in writing signed by all parties.

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

CONSULTANT

CITY

Mayor

Attest: _____

SECTION V
SCOPE OF SERVICES

SECTION V – SCOPE OF SERVICES

I. PROPOSED SCOPE OF SERVICES

The City of Brea has several upcoming projects (i.e. Puente Street Water Replacement and Street Rehabilitation, South Brea Waterline Replacement, and Eagle Hills Waterline Replacement). The City of Brea is anticipating over \$15 million in capital improvements for FY 18-19. The Capital Improvement Program (CIP) includes projects in the following categories: street improvements, traffic safety enhancements, water improvements, storm drain improvements, sewer improvements, facility improvements and community facility district improvements. Ongoing annual projects such as slurry seal, sidewalk replacement, sewer mainline relining, and miscellaneous water improvements will continue as funding allows. The purpose of this RFP is to contract with a consultant to provide construction management and inspection services for these projects.

The consultant shall provide services as described in Chapter 16, “Administer Construction Contracts,” of the State of California Department of Transportation’s (Caltrans) Local Assistance Procedure Manual (LAPM).

More specifically, construction management services shall include, but are not limited to:

Pre-Construction Phase:

1. Perform value engineering and constructability review of project plans and specifications.
2. Review engineer’s estimate and approved budget for the project.
3. Prepare and maintain a master project schedule based on anticipated completion of design and construction phases, integrating all reviews and approvals as may be required by City and other regulatory agencies.
4. Package bid documents for advertising.
5. Coordinate with project architect/design consultant in responding to relevant questions during bid phase. Issue addenda as necessary to address these questions or clarifications.
6. Review and evaluate bids received and submit recommendation to award to lowest responsible bidder.

Construction Phase

1. Arrange and conduct Pre-Construction meeting, inviting general contractor and project stakeholders. Prepare minutes of Pre-Construction meeting for distribution to all attendees.
2. Provide and maintain sufficient field personnel to administer and manage construction contract.
3. Review construction schedule, including activity sequences and duration, schedule of submittals and delivery schedule of long lead materials and equipment. Review contractor's update and revisions as may be required to reflect actual progress of work.
4. Schedule and conduct weekly progress meetings to discuss contract issues, procedures, progress, problems, change orders, submittals, request for information (RFIs), deficiencies and schedules. Prepare minutes of progress meetings for distribution to all attendees.
5. Process contractor's submittals for project architect's/design consultant's review and approval.
6. Process and track RFIs, submittals, shop drawings, proposed change orders and revisions.
7. Review and evaluate proposed change orders. Review estimates for reasonableness and cost effectiveness and render recommendations to City.
8. Maintain cost accounting records on authorized work performed under contract unit costs and additional work performed based on actual costs of time (labor) and materials (T&M).
9. Develop a reasonable cost control system, including regular monitoring of actual costs for activities in progress and estimates for uncompleted tasks and proposed changes. Identify variances between actual and estimated costs and report such variances to City at regular intervals.
10. Assist City in coordinating services of other consultants (geotechnical, NPDES, materials testing, deputy inspection, special laboratory testing, etc.) that may be hired or selected for the project.
11. Coordinate with project architect/design consultant contractor's requests for interpretation or clarification of meaning and intent of project plans and specifications.

12. Establish and implement job safety procedures in compliance with CAL-OSHA requirements. Monitor contractor's compliance with established safety program, respond to deficiencies and hazards, and investigate and report on accidents.
13. Track quantities of work completed for progress payment. Develop and implement procedures for review and processing of progress payment applications. Assist City with review and certification for payment.
14. Establish procedures and monitor contractor compliance with federal and state prevailing wage regulations and requirements.
15. Perform quality assurance reviews on a regular basis and recommend changes, as necessary.
16. Comply with federal and state grant funding requirements. Assist City in preparing and processing reimbursements.
17. Maintain a complete project filing system. Filing system shall be in accordance with Section 16.8 (Chapter 16) of the Caltrans LAPM.

Post-Construction Phase

1. Evaluate completion of work and recommend to City when work is ready for final inspection.
2. Conduct final inspection/walk through with City staff, maintenance/service personnel and project architect/design consultant.
3. Issue preliminary and final punch list, including schedule for punch list completion. Monitor and follow through with contractor until completion of all punch list items.
4. Secure and transmit required guarantees, certifications, affidavits, leases, easement deeds, operating & maintenance manuals, warranties and other documents as stipulated in contract documents.
5. Review and process contractor's request for final payment and release of retention.
6. Deliver project files to City.

Construction inspection services shall include, but are not limited to:

1. Review plans, specifications, and other contract and construction-related documents. Become familiar with traffic control plans, construction schedules, construction sequences, and permit requirements from other agencies.
2. Photograph prior, during, and after construction.
3. Attend pre-construction meetings and present special concerns, if any.
4. Interpret plans, specifications and regulations and ensure that contractors are following their contracts. Provide inspections to ensure projects are constructed according to project specifications.
5. Direct and notify construction contractors about non-compliance and correct compliance problems as soon as they are discovered.
6. Maintain daily diaries and daily photos showing site and weather conditions; traffic control measures taken by contractors; labor, equipment and materials used; quantity of work performed; and major incidents/safety violations. Daily diaries shall be submitted to City upon project completion.
7. Review construction progress schedules on a regular basis; verify schedules are on track with project milestones; identify deviations; and ensure that corrective actions are taken to bring projects back on schedule.
8. Provide accurate measurements of work completed by contractors in accordance with contract documents.
9. Review soil compaction and materials testing certifications of compliance (COC). Coordinate with City's Acceptance Testing (AT) and Independent Assurance Program (IAP) testing firms regarding quality of work completed.
10. Ensure that contractors do not install materials without approved material testing certifications. Any failed tests shall be reported and direct contractor to take correction measures to achieve compliance.
11. Monitor contractors' utility coordination to minimize utility conflict delays and potential need for utility relocations. Report potential conflicts to utilities, and advise them to relocate or remove conflicting utilities and report outcome to City.
12. Attend weekly progress meetings to communicate, coordinate and resolve any issues or problems that may arise at the job site. Prepare and submit to contractor a "Weekly Statement of Calendar/Working Days" report.

CITY OF BREA

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13. Conduct field construction employee interviews to comply with Equal Employment Opportunity Law and Davis Bacon Act. Interviews shall be reported to City on a regular basis.
14. Coordinate with contractor access to adjacent businesses/residents during construction. Coordinate mitigation of construction impacts with contractor, City and other agencies.
15. Provide inspection of street lighting, traffic control, channelization, and all other traffic-related work.
16. Provide inspection of public utilities/water construction projects. Inspect workmanship and materials involved in a variety of construction projects, including pipelines, booster stations, wells, and storage reservoirs. Ensure conformance with plans, specifications, department regulations, applicable laws and building codes.
17. Observe construction safety, public safety and convenience, and report discovered problems to City.
18. Monitor compliance with the City's National Pollutant Discharge Elimination System (NPDES) Permits and requirements. Monitor compliance with all other local, state, and federal laws and regulations.
19. Monitor compliance with City's Construction Demolition and Recycling Ordinance.
20. Maintain data for change orders and record information regarding time of dispute, time of notification by contractor, and action taken by inspector.
21. Provide complete measurements and calculations to administer progress payments and make recommendations for payments.
22. Ensure that contractors submit certified payroll reports with monthly progress payment requests. Review reports for compliance with federal and state prevailing wage regulations. Ensure that labor and hours reported by contractors match inspector's daily diaries and inspection reports.
23. Prepare and transmit to contractors correspondence related to construction management and inspection of projects. All correspondence sent to and received from contractors shall be copied and transmitted to City.
24. Coordinate preparation and submittal of as-built plans to City upon project completion.

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25. Prepare preliminary and final punch list and follow through with contractor until completion.
26. Upon project completion, conduct final inspection and close-out encroachment and construction/excavation permits.

Daily progress reports and applicable documents stated herein shall be submitted to the City via the internet using a web-based Virtual Project Manager (VPM) software.

SECTION VI

STATUS OF PAST AND PRESENT CONTRACTS FORM

Status of Past and Present Contracts Form

On the form provided below, Offeror shall list the status of past and present contracts where the firm has either provided services as a prime contractor or a subcontractor during the past five (5) years in which the contract has ended or will end in a termination, settlement or in legal action. A separate form must be completed for each contract. Offeror shall provide an accurate contact name and telephone number for each contract and indicate the term of the contract and the original contract value.

If the contract was terminated, list the reason for termination. Offeror must also identify and state the status of any litigation, claims or settlement agreements related to any of the identified contracts. Each form must be signed by an officer of the Offeror confirming that the information provided is true and accurate.

Project city/agency/other:	
Contact name:	Phone:
Project award date:	Original Contract Value:
Term of Contract:	
1) Status of contract:	
2) Identify claims/litigation or settlements associated with the contract:	

By signing this Form entitled "Status of Past and Present Contracts," I am affirming that all of the information provided is true and accurate.

Signature _____

Date _____

Name: _____

Title: _____



REQUEST FOR PROPOSALS (RFP)

**Professional Consulting Services
for
Construction Management
& Inspection Services
FY 2018-2019**

**ADDENDUM NUMBER 01
Date of Issuance: May 10, 2019**

Notice to All Offerors:

Please note the following **changes** have been made to the subject Request for Proposals (RFP) Documents:

- 1) Responses to the Request for Proposal (RFP) date and time are changed to *May 16, 2019, at 4 P.M.***

CITY OF BREA PUBLIC WORKS DEPARTMENT

Michael Ho, P.E.
Deputy Public Works Director/City Engineer

OFFEROR'S ACKNOWLEDGEMENT

Name of Firm: _____

Name: _____

Signature: _____

This is to acknowledge receipt and review of Addendum No. 01, dated May 10, 2019. It is understood that this document with acknowledgement signature shall be incorporated in the offeror's responses to the proposal.

City of Brea

Proposal for

Construction Management & Inspection Services FY 2018-2019

May 10, 2019



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May 10, 2019

Mr. Michael S. Ho, PE
Deputy Director of Public Works/City Engineer
City of Brea
1 Civic & Cultural Center
Brea, CA 92821

Subject: Proposal for Construction Management & Inspection Services FY 2018-19

The City of Brea (City) is seeking to contract with a consultant to provide construction management and inspection services for several upcoming projects and other Capital Improvement Program (CIP) projects including but not limited to: street improvements, traffic safety enhancements, water improvements, storm drain improvements, sewer improvements, facility improvements and community facility district improvements. Willdan Engineering (Willdan) has been providing on-call construction management and inspection services to California cities and counties for over 55 years. Highlighted below are just a few of the advantages that Willdan offers.

- **Local Knowledge.** Our proposed team members are highly familiar with the City's policies and procedures, VPM, funding sources, and state and federal guidelines and standards. This knowledge and experience enable us to quickly initiate projects and respond appropriately to City staff input and/or concerns. Willdan is providing construction management services in the nearby cities such as Tustin, Laguna Niguel, Newport Beach, Anaheim, Chino and Pomona.
- **Highly skilled Contract Manager.** Mr. Chris Baca, RCI, CESSWI offers over 33 years of construction management and public works experience. Mr. Baca is the current Project Manager for Willdan's City of Brea On-Call contract and has acted as the Construction Manager for several of the City's recent public works projects.
- **Staffing Resources.** Our corporate-wide bench of staffing resources encompasses licensed and certified technical experts and specialists in construction management, construction observation, geotechnical engineering, and materials testing/inspection. We offer specialist in labor compliance, grant funding administration, public outreach coordination, civil and traffic engineering, and other disciplines for energy, financial, and homeland security. Willdan

has the in-house resources to provide all the services necessary for the City's construction management and inspection services contract and will not require subconsultants. Willdan Engineering's corporate office is located in Anaheim, CA 92806. Services for the City of Brea will be coordinated out of our Anaheim office.

Corporate Office

Willdan Engineering
2401 E. Katella Avenue, Suite 300
Anaheim, CA 92806
P: (714) 940-6300 / F: (714) 940-4920

Chris Baca, RCI, CESSWI

Willdan Engineering
13191 Crossroads Parkway North, Ste 405
Industry, CA 91746
P: (562) 364-8198 / F: (562) 695-2120

This proposal will remain valid for a period of not less than 90 days from the date of submittal.

Mr. Baca is authorized to bind Willdan to the terms of this proposal attests that all information submitted is true and correct.

We look forward to partnering with the City to implement upcoming infrastructure and development projects. If there are any questions regarding this proposal, please contact Mr. Chris Baca, RCI, CESSWI by mail at the above address, by phone at (562) 364-8198; or by email at cbaca@willdan.com.

Respectfully submitted,
WILLDAN ENGINEERING



Chris Baca, RCI, CESSWI
Director of Construction Management and Inspection Services



Technical Proposal

a. Qualifications, Related Experience and References of Offeror

1. Firm Profile

Willdan Engineering Services Offered:	Engineering Services: Building and Safety, City Engineering, Capital Program Management, Construction Management/Inspection, Development Services/Plan Review, Environmental/Planning, Flood Control Design, Landscape Architecture, Pavement Management, Structural Engineering, Survey/Mapping, Traffic Engineering, Transportation Engineering, Water/Wastewater Corporate Services: Engineering, Energy Solutions, Homeland Solutions, Financial Services
Year Founded:	1964
Form of Organization:	Corporation
Offices:	Engineering Offices: Anaheim, Elk Grove, Fresno, Industry, Roseville, San Bernardino, Ventura, Henderson, NV, Phoenix, AZ Corporate Offices: California, Arizona, Colorado, Connecticut, District of Columbia, Florida, Idaho, Illinois, Indiana, Iowa, Kansas, Kentucky, Maryland, Massachusetts, Minnesota, Missouri, Nebraska, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, Texas, Utah, Washington, Wisconsin
Employees:	Engineering: 376 Corporate: 1,263

Willdan Engineering, a California corporation since May 1964, is a subsidiary of Willdan Group, Inc., a publicly-traded Delaware corporation. Services are provided to nation-wide clientele through four subsidiary firms – Willdan Engineering, Willdan Energy Solutions, Willdan Homeland Solutions, and Willdan Financial Services – that offer a cadre of diversified strengths.

Throughout our 55-year history, Willdan Engineering (Willdan) has served as a full-service, multidisciplinary firm specializing in municipal engineering and planning services along with a full complement of support disciplines necessary for a sustainable project. Our services and in-house support disciplines encompass traffic, civil, structural, geotechnical, right-of-way, city, and special district engineering; urban and regional planning; program/construction management and inspection; plan, study, and report review; building safety; drainage and flood control; mapping; and other appurtenant services such as GIS, utility coordination and relocation, and landscape architecture.

With this depth of experience, expertise, knowledge, and resources, Willdan offers comprehensive solutions that are timely, cost effective, and tailored to meet the needs of individual communities. *Our understanding of public agency challenges and needs is what makes Willdan unique.*

Construction Management and Inspection

Willdan provides expertise in all areas of project and construction management, construction administration, construction inspection and observation, grant funding administration and compliance, labor compliance, and community relations. We specialize in partnering with clients to maintain good community relations with residents and businesses affected by construction.

Our resident engineers, construction managers, and construction observers offer reliable service, quality workmanship, use of good judgment, fair and equitable treatment, and adherence to our corporate integrity. These experienced team members identify and correct discrepancies, ambiguities, omissions, or conflicts in plans, specifications, and bid schedules that might generate misinterpretation and/or lead to agency and contractor disagreements. Our professionals are adept at anticipating issues before they arise through continual review of project plans, specifications, contractors' schedules, and contract documents. Potential problems are brought to the attention of the City's Project Manager and/or the contractor, along with constructive recommendations for solutions, so that costly delays and negative impacts to the public and the project are avoided.

Although each project may encompass different components and requirements, the general process remains the same – following the Caltrans Local Assistance Procedure Manual (LAPM). Over 26 years ago, Willdan adopted Caltrans' Construction Manual as our in-house standard and has incorporated Caltrans' prescribed standards and procedures into our everyday inspection routine.

SWPPP/WQMP

Willdan's stormwater specialists include Qualified QSD's and QSP's. These certified and highly-trained staff members team with our engineering design and construction management staff to develop effective SWPPPs that conform to both the State's Construction General Permit and the appropriate municipal stormwater permits. Willdan's construction observers are trained to assist with review of the submitted plans and, as necessary, assist with submittal of NOI applications to the state.

Utility Coordination and Permitting

Willdan's utility coordination staff is knowledgeable in effectively identifying existing utilities, providing timely notification, and anticipating and resolving potential conflicts on plans and specifications. They are keenly aware that utility identification and location are crucial to project planning and development and are essential to saving time \and money and keeping a project schedule on track. Our staff is adept at detailed identification and notification processes required for a myriad of project types.

On-Call Construction Inspection Expertise

On-Call Experience Key Advantages

- *Willdan's history of working with on-call contracts has well prepared our staff to respond to all requests for services in a positive, efficient manner*
- *Delivers the combination of experienced, hands-on skills and perspective that ensures the City receives high-quality service at reasonable and competitive cost*
- *Assures that, in hiring Willdan, clients benefit from the expertise, experience, and professionalism needed to be successful in delivering high-quality projects and services on time and within budget*

Willdan has an extensive history of providing on-call construction management and inspection services to municipalities throughout California. We have broad expertise and experience with large and small public works improvement projects involving a myriad of construction improvements such as street reconstruction and rehabilitation, roadway widening, sewers, waterline, drainage, utility relocation, traffic signal, street lighting, parks, slurry seals, and other related improvements. Our history of working with on-call contracts has well prepared our staff to respond to all requests for services in a positive, efficient manner. Our firm's commitment to responsive service and successful project delivery has given us a reputation as a firm that can be trusted to listen and deliver an end product our clients envision and embrace.

We begin our approach by adhering to these basic principles:

- Approach each project with a spirit of resourcefulness and excellence in service
- Maintain high standards of technical quality
- Seek appropriate solutions that fit the project
- Conduct business with truthfulness and high ethical standard

Willdan also understands the unique aspect of working under an on-call contract. Success in working with this type of contract is dependent upon understanding a variety of elements that may be encountered, such as.

- Short project durations and minimal lead times for assignments may be required
- Flexibility in service assignments, understanding work to date, and coordinating completion of project tasks already started by agency staff is crucial
- Availability of our staff to the work assignment as it develops is often critical to moving that project forward
- Efficient use of resources is important for project assignments that are relatively small
- Consistent, organized project management is vital due to the potentially large numbers of projects that may be in process
- Regular attention to quality assurance and control is particularly important as short-term projects may limit the number of interim review steps often associated with a project-specific contract

Claims Resolution Expertise

Willdan's staff of veteran construction engineers, managers, and inspectors have extensive knowledge and experience to quickly understand field

A well-defined work plan is part of Willdan's project-specific quality assurance strategy.

conditions and issues and mitigate those issues with practical, cost-efficient solutions that protect the City's liability exposure while preserving the integrity of the contracted design. Our inspection staff is well versed in reviewing and analyzing critical path method schedules and time impact analysis submittals and in preparing recommendations and presentations for these issues.

Federal Grant Administration and Compliance



Willdan is thoroughly familiar with regulations pertaining to expenditures of federal, state, county, and local funds, including:

- Arterial Highway Rehabilitation Program (AHRP)
- Surface Transportation Program Local (STPL)
- Safe, Accountable, Flexible, Efficient Transportation Equity Act (SAFETEA-LU)
- Community Development Block Grant (CDBG)
- Highway Bridge Program (HBP)
- State Gas Tax; Hazard Elimination Safety (HES)
- Highway Safety Improvement Program (HSIP)
- Various other grant and funding sources

This knowledge is critical in executing projects funded by federal or state programs that have special permitting and reporting requirements.

Willdan offers expertise in funding sources to assist our clients with obtaining available funding for current and future capital improvement projects. Together with our grant funding administration experience, our team offers vast knowledge of local/state/federal funding availability, along with administration and procurement requirements, for a wide variety of funding sources.

2. Firm's Financial Condition

Willdan has the financial strength and wherewithal to complete all projects we undertake. Financial information, including information on revenue, earnings, and cash flow, are issued quarterly and can be found on our website at www.willdan.com.

Corporate-wide resources provide over 1,200 employees in 60 offices nationwide. Our firm organization enables staff to efficiently communicate project challenges and goals companywide – thus capitalizing on Willdan's full resources to deliver the highest quality and most cost-effective project deliverables.

Willdan has sustained a healthy financial performance and has the financial resources and appropriate staffing to perform and complete all contractual obligations. There are no pending conditions such as bankruptcy, litigation, planned office closures, impending merger, etc., that would impede Willdan's ability to fulfill the on-call contract.

3. Experience Performing Similar Work

Qualifications for Providing Similar Work

- *Construction Inspection for thousands of small and large public Works Improvement projects involving:*
 - ✓ *Asphalt rehabilitation*
 - ✓ *Traffic signal installation*
 - ✓ *ADA-compliant improvements*
 - ✓ *Utility adjustments/relocations*
 - ✓ *Water and fire hydrant replacement*
- *In-house Caltrans-certified materials testing laboratory backed by over 10 years of public improvement testing for:*
 - ✓ *Asphalt*
 - ✓ *Concrete*
 - ✓ *Soils*
- *Successful federal/state grant program compliance provided for projects such as:*
 - ✓ *Lambert Road, City of Brea*
 - ✓ *Ayala Widening, City of Rialto*
 - ✓ *Azusa Avenue, City of Azusa*
- *Responsiveness to community concerns through public outreach programs successfully implemented for agencies such as:*
 - ✓ *City of Long Beach*
 - ✓ *City of Rialto*
 - ✓ *City of Santa Monica*
 - ✓ *City of Davis*
- *Claims resolution approach placing the project first and striving for fairness for all parties has resulted in successful construction completion for our clients, including:*
 - ✓ *Palm Springs, Project No. 15-01*
 - ✓ *Rialto, Project No. 16032*
 - ✓ *Ridgecrest, West Ridgecrest Boulevard*

The clients Willdan has chosen to verify our reputation and qualifications will confirm our dedication to expert technical ability, excellent service, and project commitment. We encourage the City to contact the references provided in the following pages. We are confident they will confirm Willdan is the ideal candidate to assist the City of Brea in fulfilling their on-call construction management and inspection needs. More importantly, approximately 98 percent of our proposed team members have worked together at various times on similar projects and successfully completed these projects. Thus, the City's proposed projects benefit by having a strong, cohesive team.

Relevant Project Experience

Willdan has partnered with the City of Brea in past years providing services for construction management and inspection services; and civil and traffic signal design.

We have reviewed the City's proposed Seven Year Capital Improvement Program project list and have determined that the City is preparing to fund a variety of project types such as street improvements, traffic safety, storm water enhancements, sewer improvements, water main replacements, pump station upgrades, and facility improvements.

The projects we have chosen to highlight encompass the same project scope features as the City's capital improvement program list. These services are illustrated in the matrix on the following page. Following the matrix we have highlighted a few of the listed projects.

Project Name	Location	Construction Management	Construction Inspection	Electrical/Fiber Optic Inspection	Materials Testing	SWPPP Compliance	Utility Coordination	Labor Compliance	Public Outreach
Street Improvements									
Base Line Safety Improvements – On-Call Services	Highland	■	■	■	■	■	■	■	■
Pine Avenue Improvements – On-Call Services	Long Beach		■						■
Atlantic Avenue Improvements – On-Call Services	Long Beach	■	■	■		■		■	■
La Brea Avenue Intersection Realignment – Phase III	Inglewood	■	■	■	■	■	■	■	■
La Brea Avenue Intersection Realignment - Phase II	Inglewood	■	■	■	■	■	■	■	■
West Ridgecrest Boulevard Reconstruction	Ridgecrest	■	■	■	■		■	■	■
Base Line Beautification	Highland	■	■	■	■	■		■	■
Glendora Avenue and Temple Avenue Street Improvements	La Puente	■	■		■	■	■		■
Bike Lane Street Paving, Project No. 13-32	Palm Springs	■	■	■	■	■	■	■	■
Lakewood Boulevard – Phase III	Downey		■		■	■			
Ayala Dr. Widening & Jerry Eaves Park Parking Lot Improvements	Rialto	■	■	■	■	■	■	■	■
Imperial Highway Improvements	Inglewood	■	■	■	■	■	■	■	■
Traffic Signal Installation/Modification Projects									
Associated Road/Sleep Hollow Lane Traffic Signal Installation	Brea		■	■			■		
Central Avenue/Tamarack Avenue Improvements	Brea	■	■	■	■	■	■	■	■
Traffic Signal Modifications and Fiber Optic Improvements	Burbank		■	■		■	■		
Birch Street/Rose Drive Fiber Optic Installation & Signal Synchronization	Brea	■	■	■		■	■	■	■
Other CIP Improvement Projects									
Cedar Avenue/SCRRA (Metrolink) Storm Drain Improvements	Rialto	■	■	■	■	■	■	■	■
Rails-to-Trails Walking, Running, and Bicycle Route Improvements	Rialto	■	■	■	■	■	■	■	■
Bus Maintenance Garage and Corporate Yard Site Improvements	Ridgecrest	■	■	■	■	■		■	
Westlake Village Community Park	Westlake Village	■	■	■	■	■		■	■
Elizabeth Reservoir and Booster Pump Station	South Gate	■	■	■	■	■	■	■	
Bolivar Park Storm Runoff	Lakewood	■	■	■	■	■	■	■	■
Fire Station No. 4 Remodel and Expansion	Palm Springs	■			■	■	■	■	
Police Department Remodel	Palm Springs	■			■	■	■	■	
Veterans Memorial Center	Davis	■	■	■	■	■	■	■	■

On-Call Construction Management/Inspection Services

On-Call Public Works and Land Development Inspection

Client: City of Highland

Staff: Chris Baca (Construction Manager), Jason Brown (Construction Manager), Larry Brown (Inspector)

Willdan has been providing on-call public works and land development inspection services for various projects throughout the City of Highland since 2000. Typical projects include large subdivision and capital improvement program projects located throughout the City. Representative projects include:

- East Highland Ranch Home Development
- Baseline Road Safety Improvements (federally funded)
- Trimark Home Development

On-Call Inspection Services

Client: City of Palm Springs

Staff: Chris Baca (Construction Manager), Mike Bustos, PE (Construction Manager), Joe Putrino (Construction Manager), Larry Brown (Project Inspector), Barry Knutson (Project Inspector), Jane Freij (Labor Compliance)

Willdan has provided on-call inspection services for CIP and development projects throughout the City of Palm Springs since 2015. Representative projects include:

- Fire Station No. 4
- Police Department Remodel
- Parcel Map No. 36446 – Desert Fashion Plaza Remodel
- CP15-01 and CP 16-01 Pavement Rehabilitations
- CP13-32 Bicycle Corridors Phase 1

On-Call Public Works and Land Development Inspection

Client: City of Long Beach

Staff: Chris Baca (Project Manager/Public Outreach), Francesca Fuentes (Public Outreach), Ed Cox (Public Outreach/Labor Compliance), Robert Solis (Project Inspector), Rene Bracamontes (Project Inspector), Homer Flewellen (Project Inspector), Danny Ayala (Project Inspector)

Willdan is providing on-call public works inspection for various CIP and permitted projects throughout the City of Long Beach. Willdan has maintained a continuous presence in the City since 2004 and our contract has been extended to the maximum allowed. Willdan is responsible to check grade; monitor curb, gutter, sidewalk, asphalt overlays, storm drains, traffic signal, and sewer system installations; maintain field files in accordance with Caltrans standards; track quantities; assist with labor compliance; coordinate material testing; and other appurtenant work. Representative projects include:

- Pine Avenue Improvements
- Annual Pavement Maintenance – \$4 million average per year
- Atlantic Avenue Improvements
- Bixby/Atlantic and Orange Improvements
- Third and Broadway Bike Lane Improvements
- Broadway Corridor – Alamitos to Redondo – Bike Lane and Street Improvements
- Martin Luther King Boulevard Improvements

On-Call Public Works Observation**Client:** City of Chino**Staff:** Chris Baca (Project Manager), Dennis Parker (Project Inspector)

Willdan has been providing on-call public works observation services for various projects throughout the City of Chino since 2016. Projects, thus far, involve drainage, sewer, water, street overlays, sidewalk, curb/gutter, slurry seals, utility cuts, and National Pollution Discharge Elimination System enforcement. Representative projects include:

- Quadrant III Water Main Replacement
- Lennar Tract No. 18971
- Quadrant 2.2 Water Main Replacement
- DR Horton Tract No. 18982

On-Call Inspection Services**Client:** City of Tustin**Staff:** Lee Marshall (Project Inspector)

Willdan is providing on-call inspection services for CIP and development projects throughout the City of Tustin.

Representative projects include:

- 2018 Annual Asphalt and PCC, ADA-Compliance, Traffic Signal, and ARHM Overlay Repairs
- Linear Park Storm Drain, Landscape, Irrigation System, PCC, Lighting, Landscape, and Monument Sign Improvements
- 2018/19 Median Rehabilitation

Street Improvement Projects**La Brea Avenue Intersection Realignment – Phase III****Client:** City of Inglewood**Staff:** Mike Bustos (Resident Engineer), Masoud Eskandari (Project Inspector), Timothy Scheffer (Project Inspector), Mohsen Rahimian (Materials Testing), Jane Freij (Labor Compliance), Diane Rukavina (Special Funding Engineer)

Willdan provided construction management, inspection, public outreach, utility coordination, materials testing, and federal labor compliance for full pavement removal; 18,000 tons of AC overlay; 18,450 cubic yards of asphalt removal and replacement; PCC improvements; ADA-compliant ramps; and other appurtenant improvements to reconfigure five street intersections at La Brea Avenue, Market Street, Spruce Avenue, and La Palma Avenue.

Ayala Drive Widening and Jerry Eaves Park Parking Lot Improvements**Client:** City of Rialto**Staff:** Chris Baca (Construction Manager), Barry Knutson (Project Inspector)

Willdan provided construction management, public works inspection, labor compliance, federal funding invoicing, and materials testing services for the street widening and parking lot improvement project. Improvements to the Jerry Eaves north and south parking lots.

Traffic Signal Installation/Modification Projects**Central Avenue/Tamarack Avenue Improvements****Client:** City of Brea**Staff:** Chris Baca (Construction Manager), Victor Ayala (Project Inspector)

Willdan provided construction management and public works inspection for the street improvements. The project involved widening the intersection of Tamarack Avenue and Central Avenue; installing a new traffic signal, landscaping, and street lights; constructing drainage upgrades; and other appurtenant work.

Traffic Signal Modifications and Fiber Optic Improvements, Project No. 1426

Client: City of Burbank

Staff: Victor Ayala (Project Inspector)

Willdan is providing construction inspection services for the City's traffic signal project. The project includes street improvements and traffic signal improvements at various locations throughout the City. The traffic signal improvements encompass fiber optics, video detection, traffic signal pole installations, conduits, conductors, and other related improvements. The street worked involved modifications to existing left-turn pockets.

Other CIP Improvement Projects

Rails-to-Trails Walking, Running, and Bicycle Route Improvements

Client: City of Rialto

Staff: Chris Baca (Project Manager), Jason Brown (Construction Manager), Alberto Rosiles (Project Inspector)

Willdan performed construction management and inspection services for the City of Rialto's SCAG Achievement Award winning \$4 million Rails-to-Trails project. Rails-to-Trails promotes linkages to active transportation and transit networks throughout the region, establishing a 21-mile east/ west walking, running and bicycling route between Rialto and Claremont that is separated from vehicular traffic. Improvements encompassed landscaping, concrete trail, pedestrian bridges, traffic signals, water lines, and other related improvements.

Bolivar Park Storm Water and Runoff Capture

Client: City of Lakewood

Staff: Chris Baca (Project Manager), Duane Soileau, (Project Inspector)

Willdan is currently providing construction management and public works observation services for this \$9 million project in the park. The project involves channel drop inlet, diversion structure, two new storm water pump stations, and mechanical and storm drain piping, pavement removal and replacement, underground storage and infiltration area, building expansion, electrical equipment modifications, instrumentation and controls, irrigation and planting, picnic shelters, and tee-ball backstop.

Westlake Village Community Park

Client: City of Westlake Village

Staff: Mike Bustos (Project Manager), Matt Saab (Construction Manager/Project Inspector, David Kelly (Project Inspector)

Willdan provided project management, design, environmental clearance, and construction management and inspection to construct a 20-acre park and YMCA facility. The improvements encompassed mass grading, drainage, on-site utilities, three booster pump stations enclosed within buildings, two concessions/restroom buildings, retaining

walls, access roads, skate park, playground and fitness areas, beach volleyball courts, baseball and soccer fields, and 10,000-square-foot YMCA building.

Fire Station No. 4 Remodel and Expansion

Client: City of Palm Springs

Staff: Chris Baca (Project Manager), Joe Putrino (Construction Manager)

The project involved remodeling and expanding the fire station approximately 2,820 square feet to address sleeping quarter separation, decontamination areas, and general ADA compliance issues. The project construction encompassed demolition, asbestos remediation, structural foundations, structural retrofit and framing, utility equipment yard enclosure, electrical service transformer, wet and dry utilities, fire line, sprinkler and alarm systems, keyless entry system, vehicle emission exhaust system, sand/oil separator, site furnishings and furniture, lighting fixtures, doors and windows, miscellaneous concrete work, ADA-compliant ramps, site drainage, landscaping, signing and striping, emergency alerting system, back-up generator, and fuel tank.

4. Working with Government Agencies

Willdan has worked extensively for and with the CPUC, all Caltrans Districts, Caltrans Division of Structures, Regional Water Quality Control Boards, and the U.S. Army Corps of Engineers. We have processed numerous permits and approvals through FHWA, CPUC, FRA, CTC, CCC, CDFW, RWQCB, etc. We are familiar with funding, permitting, and procedural requirements of these agencies and have an excellent working relationship with the essential staff involved in local agency programs. Our contacts with personnel in these agencies enable us to facilitate permit processing and compliance when required.

In addition, Willdan has experience preparing and processing various Caltrans forms for local agencies, including state and federal funding forms, checklists, invoices, and reports of expenditures. Willdan has assisted local agencies at various stages of state- and federal-funded projects from the initiating request to final invoicing. Our team stays apprised of revisions to the Local Programs Procedures (LPPs) procedures and forms in the LAPM.

5. Joint Work with Subconsultants

Willdan has the in-house resources to provide all the services necessary for the City's construction management and inspection contract.

6. References

The clients Willdan has chosen to verify our reputation and qualifications will confirm our dedication to expert technical ability, excellent service, and project commitment. We encourage the City to contact the references provided below. We are confident they will confirm Willdan is the ideal candidate to assist the City of Brea in fulfilling their construction management and inspection needs.

City of Highland

27215 Base Line
Highland, CA 92346

Carlos Zamano, Assistant Public Works Director
(909) 864-6861
czamano@cityofhighland.org

City of Palm Springs

3200 East Tahquitz Canyon Way
Palm Springs, CA 92262

Marcus Fuller, PE, Assistant City Manager
(760) 322-8339
mfuller@palmspringsca.gov

City of Long Beach

333 West Ocean Boulevard
Long Beach, CA 92802

Marc Wright, Construction Services Officer
(562) 570-5160
Marc.Wright@longbeach.gov

City of Chino

13220 Central Avenue
Chino, CA 91710

Ron Hernandez, Inspection Supervisor
(909) 334-3433
rhernandez@cityofchino.org

City of Inglewood

One West Manchester Boulevard
Inglewood, CA 90301

Albert Mendoza, Senior Transportation Engineer
(310) 412-4261
amendoza@cityofinglewood.org

City of Tustin

300 Centennial Way
Tustin, CA 92780

Eric Johnson, PE, Principal Engineer
(714) 573-3320
EJohnson@tustinca.org

b. Proposed Staffing and Project Organization

Willdan Team Advantages

- *Delivers the combination of experienced, hands-on skills and perspective that ensures the City receives high-quality service at reasonable and competitive cost*
- *Assures that, in hiring Willdan, clients benefit from the expertise, experience, and professionalism needed to deliver successfully constructed projects on time and within budget*
- *Offers high-caliber staff through training and annual performance assessments*
- *Makes safety a priority*

1. Key Project Staff Education, Experience and Applicable Credentials

Willdan has served the City of Brea and local cities for many years providing construction engineering services for street widening, pavement rehabilitation, median, and traffic signals projects. The professionals selected for this on-call contract are highly experienced in managing and inspecting public works projects involving capital improvement program and land development improvements and encroachment permits.

Training and Assessment

Willdan's inspectors are trained to provide construction inspection on a project-by-project basis. Each project has its own set of needs that must be met with the goals of anticipating potential conflicts/issues before they arise through continual review of plans, specifications, contractor schedules, and other documents.

Willdan recognizes that our employees are our most important resource. We provide them with professional development, flexibility, challenge, active listening, and recognition of the strengths they bring to our team. Willdan uses various tools to successfully retain high-performing staff. Our inspectors are provided with an outline of performance standards each inspector is required to meet and uphold. We encourage staff to obtain professional licenses and credentials to enhance their capacity to serve our clients. We pay for courses to prepare for examinations and certifications such as PE, QSP/D, CESSWI, ENV SP, ACIA, or APWA certifications and reimburse staff for certification or license renewals.

Specific to our construction management and inspection staff, Willdan conducts bi-annual in-house seminars, including WATCH Manual and MUTCD compliance; storm water abatement and QSP/QSD training; materials testing and placement; and mass grading. These seminars have all been conducted by Willdan registered engineers who are experts in their respective fields.

Safety Training

Onsite project safety is of paramount importance to Willdan, our clients, general contractors and their subcontractors, and communities we serve. As part of our corporate philosophy, Willdan



makes every effort to provide training opportunities for our construction management/inspection office and field personnel. This includes Cal OSHA construction safety requirements, claims control, and project scheduling. Willdan provides on-line Cal OSHA safety training for each of our inspectors through Click-Safety online training courses. Every inspector must obtain, at minimum, their 30-hour OSHA certification and are encouraged to continue their safety education by enrolling in any Click-Safety applicable construction safety training course. In addition to on-line safety training, Willdan provides bi-annual in-house safety training to each of our inspectors, construction managers, and on-site personnel.

Inspection Certifications

Our inspectors are provided with an outline of performance standards that each inspector is required to meet and uphold. Most of our inspectors have American Construction Inspectors Association certification and attend regular seminars, college courses, and in-house presentations to keep abreast of current construction technologies. Inspectors are required to provide proof of certifications and Willdan assists with payment of the certification/license fees. Many of Willdan's inspectors have obtained their QSP, ACIA, or APWA certifications through this reimbursement program. In addition, our inspectors are encouraged to participate in on-line safety classes conducted by Click-Safety and attend special in-house training from our traffic professionals on traffic control safety.

Inspection Equipment

Willdan has a standard set of equipment that each inspector is required to have on hand. In some cases, Willdan maintains an inventory of the necessary equipment that is utilized by all inspectors. The list includes items such as vehicles and vehicle maintenance; cell phones; laptop computers; digital cameras; hand and other general inspection tools necessary to perform normal public works inspections; general office supplies; safety equipment – boots, hard hats, and vests; and agency standards plans, specifications, and manuals. Willdan maintains checklists of equipment assigned to each inspector for each project.

Project Team

The matrix below shows Willdan's Project Team's education, experience and applicable professional credentials.

Team Member	Role	Education	Credentials
Mr. Chris Baca, RCI, CESSWI <ul style="list-style-type: none"> 36 Years' Experience 32 Years with Willdan 	<ul style="list-style-type: none"> Contract Manager Construction Manager 	<ul style="list-style-type: none"> BS, Public Administration, California State University, Fullerton Public Works Inspection, California State University, Los Angeles Extension Asphalt Paving; Contract Administration and Change Orders for Federally Funded Projects Seminars Inspection Principles; Public Contact; Slurry Seal; and Traffic Signal Inspection and Design Seminars 	<ul style="list-style-type: none"> California, Division IV, Public Works, RCI No. 4161 California, Division I, Engineering, RCI No. 5161
Mr. Michael Bustos, PE, ENV SP <ul style="list-style-type: none"> 18 Years' Experience 18 Years with Willdan 	<ul style="list-style-type: none"> Lead Resident Engineer Construction Manager 	<ul style="list-style-type: none"> Resident Engineer Academy, California Department of Transportation BS, Civil Engineering (magna cum laude); California Polytechnic State University, San Luis Obispo 	<ul style="list-style-type: none"> Resident Engineer Academy, California Department of Transportation BS, Civil Engineering (magna cum laude); California Polytechnic State University, San Luis Obispo
Jason Brown, RCI <ul style="list-style-type: none"> 27 Years' Experience 27 Years with Willdan 	<ul style="list-style-type: none"> Lead Construction Manager 	<ul style="list-style-type: none"> Public Works Inspection, Fullerton Community College 	<ul style="list-style-type: none"> Construction Inspector, California No. 5510
Technical Support Team			
Loren Clifton, PE <ul style="list-style-type: none"> 29 Years' Experience 7 Years with Willdan 	<ul style="list-style-type: none"> Resident Engineer Construction Manager 	<ul style="list-style-type: none"> Civil Engineer, California No. 52167 General Contractor No. B-452908 BS, Civil Engineering, California State University, Chico 	<ul style="list-style-type: none"> Caltrans State and Federal Regional Infrastructure Funding Caltrans Project Engineer, Resident Engineer and Materials Engineering Academy EPA Stormwater Pollution Prevention Program Certification Negotiation Contract Specifications Writing
Cesar Cantuba <ul style="list-style-type: none"> 12 Years' Experience 3 Years with Willdan 	<ul style="list-style-type: none"> Construction Manager Public Works Inspector 	<ul style="list-style-type: none"> BS, Architecture (partial units); Technical Institute of Philippines Interior Design, The Philippine School of Interior Design 	<ul style="list-style-type: none"> Expertise in all facets of construction management and quality control
Joseph Putrino <ul style="list-style-type: none"> 39 Years' Experience 2 Years with Willdan 	<ul style="list-style-type: none"> Construction Manager Public Works Inspector 	<ul style="list-style-type: none"> Uniform Building Code, Fire Code, and ADA Codes, College of the Desert, Palm Desert Construction Management, Architectural Drafting, and Blueprint Reading Courses, Bergen Community College, Paramus 	<ul style="list-style-type: none"> Certified Building Inspector, International Code Council Certified Plumbing Inspector, International Code Council Certified Mechanical Inspector, International Code Council General Contractor, Class A, Contractor, California No. C-10
Duane Soileau, QSP, CESSWI <ul style="list-style-type: none"> 17 Years' Experience 4 Years with Willdan 	<ul style="list-style-type: none"> Construction Manager Public Works Inspector 	<ul style="list-style-type: none"> Not Available 	<ul style="list-style-type: none"> Qualified Stormwater Practitioner Certified Erosion, Sediment and Storm Water Inspector, EnviroCert International, Inc. Traffic Signals, IMSA Acceptance Tester, Caltrans Concrete Inspection, SDSU Concrete Inspection/Testing, ACI Traffic Control, ATSSA Nuclear Gauge, CPN Asphalt Pavement, Asphalt Institute

Team Member	Role	Education	Credentials
Mohsen Rahimian, PE, GE ■ 31 Years' Experience ■ 6 Years with Willdan	■ Materials Testing Specialist	■ MS, Civil Engineering, Tehran University, Tehran	■ Civil Engineer, California No. 73396 ■ Geotechnical Engineer, California No. 3059
Masoud Eskandari ■ 27 Years' Experience ■ 5 Years with Willdan	■ Public Works Inspector	■ BS, Mechanical Engineering, University of Detroit ■ General Courses, Managing Construction, Proving Pricing, Defending Delay and Disruption Claims, Estimating Electrical	■ N/A
Barry Knutson ■ 36 Years' Experience ■ 10 Years with Willdan	■ Public Works Inspector	■ Construction Estimating, Electrical House Wiring, Heat Vent A/C Systems, Fullerton College, Fullerton ■ Graduate, Carpenter's Union Apprenticeship School Local 18	■ Contractor, California No. B-1
Victor Ayala ■ 41 Years' Experience ■ 14 Years with Willdan	■ Public Works Inspector	■ Certificate, Fiber Optic Theory, Air Quality Management District Certificate, Professional Development, Asphalt Institute	■ Contractor, California No. C-10
Larry Brown, RCI ■ 33 Years' Experience ■ 24 Years with Willdan	■ Public Works Inspector	■ Post Certification and Continuing Education Program, San Bernardino Valley College	■ Construction Inspector, California No. 5181, PM-10 ■ AQMD, Public Works Certification, California State University, Los Angeles ■ Macco Trench Shoring ■ Toxler Nuclear Soils Testing Equipment
Glenn Stanley ■ 20 Years' Experience ■ 18 Years with Willdan	■ Public Works Inspector	■ Technology Course for Public Works, Saddleback Community College, Orange	■ E-Rail certified ■ Roadway Workers Certification ■ CIC Certification ■ Fall protection Certification ■ Rubberized Asphalt Plant Inspection, American Construction Inspectors Association: ■ Safety on Job Sites Certification ■ Trenching and Excavations Certification, OSHA ■ First Aid and CPR Certification ■ Competent Person Certification
Edward Cox ■ 39 Years' Experience ■ 16 Years with Willdan	■ Public Works Inspector ■ Utility Coordination	■ Apprenticeship Program, United Association Local 250	■ N/A
Chad Meelker ■ 27 Years' Experience ■ 3 Years with Willdan	■ Public Works Inspector	■ Civil Engineering, California State Polytechnic University, Pomona	■ N/A
Raj Gupta ■ 23 Years' Experience ■ 5 Years with Willdan	■ Public Works Inspector	■ BS, Civil Engineering, B.I.T College, Bangalore, India	■ AQMD PM-10 Certification (in progress)

Team Member	Role	Education	Credentials
Matt Saab ▪ 15 Years' Experience ▪ 4 Years with Willdan	▪ Public Works Inspector	▪ BS, Civil Engineering, University of Missouri, Columbia	▪ N/A
Danny Ayala ▪ 42 Years' Experience ▪ 17 Years with Willdan	▪ Public Works Inspector	▪ Asphalt Pavement, Asphalt Institute Certificate ▪ Fugitive Dust Control, South Coast Air Quality Management District Certificate ▪ Fiber Optic Theory Certification ▪ File Management Workshop Certification	▪ N/A
Robert Solis ▪ 36 Years' Experience ▪ 3 Years with Willdan	▪ Public Works Inspector	▪ Architectural Engineering Courses, Pierce College, Woodland Hills	▪ General Engineering Contractor, State of California ▪ MBE Certification, State of California Department of Transportation
Timothy Scheffer 36 Years' Experience 13 Years with Willdan	▪ Public Works Inspector	▪ N/A	▪ N/A
Francesca Fuentes ▪ 14 Years' Experience ▪ 14 Years with Willdan	▪ Public Outreach Coordinator	▪ BS, Communications, University of Arkansas, Fayetteville	▪ N/A
Jane Freij ▪ 20 Years' Experience ▪ 19 Years with Willdan	▪ Labor Compliance Administrator	▪ BA, Linguistics, University of Kansas	▪ Litigation/Corporations Certificate, Attorney Assistant Training Program, University of California, Los Angeles
Diane Rukavina, PE ▪ 38 Years' Experience ▪ 33 Years with Willdan	▪ Grant Funding Administrator	▪ BS, Civil Engineering, Loyola Marymount University	▪ Civil Engineer, California, No. 36380

2. Resumes for Key Personnel

The following pages contain the resumes for our proposed key personnel.

- Christopher Baca, RCI, CESSWI Contract Manager and Construction Manager
- Michael Bustos, PE, ENV SP Lead Resident Engineer
- Jason Brown, RCI Lead Construction Manager

Christopher Baca, RCI, CESSWI

Role: Contract Manager and Construction Manager

Profile Summary

Education:	<ul style="list-style-type: none"> ▪ BS, Public Administration, California State University, Fullerton ▪ Public Works Inspection, California State University, Los Angeles Extension ▪ Asphalt Paving; Contract Administration and Change Orders for Federally Funded Projects Seminars ▪ Inspection Principles; Public Contact; Slurry Seal; and Traffic Signal Inspection and Design Seminars
Registration:	<ul style="list-style-type: none"> ▪ California, Division IV, Public Works, RCI No. 4161 ▪ California, Division I, Engineering, RCI No. 5161
Experience:	36 Years / 32 Years with Willdan

Mr. Christopher Baca is responsible for directing and monitoring public works inspection services and overseeing construction inspection personnel. His experience includes construction management of capital improvement projects in areas of water systems, street improvements, park improvements, storm drains, sanitary sewers, asphalt resurfacing (including asphalt-rubber products), concrete paving, landscaped medians, and traffic signals. Mr. Baca is familiar with the inspection and contract administration of other federally funded projects in accordance with Caltrans Local Assistance Procedures Manual.

Relevant Project Experience

Ayala Drive Widening and Improvements to Jerry Eaves Park North and South Parking Lots, City of Rialto, CA.

Project Manager/Construction Manager responsible for overall project oversight and construction management of the project. Improvements to the Jerry Eaves north and south parking lots included asphalt repairs, grading for the new south parking lot, asphalt paving of the south parking lot, new lighting, landscaping, ADA improvements, planting, and other appurtenant work. The Ayala Drive widening improvements included removing and replacing damaged asphalt, widening the existing street section, ADA improvements, two new traffic signals, new landscape medians, decorative cobble rock, traffic markings, and other appurtenant work.

On-Call Inspection Services, City of Rialto, CA. Project Manager responsible for on-call CIP and development projects throughout the City of Rialto. Willdan's recent development inspection work includes the FedEx Distribution Center, Lilac Distribution Center, Tacos Gavilan, DCTS, Riverside Apartments, and Pepper Avenue Wall.

On-Call Inspection Services, Park Water Company/Liberty Utilities, Los Angeles County, CA. Project Manager responsible for overall oversight and scheduling of all on-call inspection services for over 24 water main projects

involving installation of ductile iron and PVC water mains, fire hydrants, service meter change-outs, bridge construction with water line incorporated into the structure, reservoir rehabilitation, wells, and other appurtenant work.

On-Call Inspection Services, City of Long Beach, CA. Project Manager responsible for overall oversight and scheduling of construction administration and inspection for several tracts throughout the City. Willdan will be responsible to check grade; installation of curb, gutter and sidewalk, asphalt overlays and other appurtenant work.

Lambert Road and Kraemer Boulevard Street and Landscape Improvements, City of Brea, CA. Project Manager responsible for overall project oversight and inspection for roadway and landscape improvements on Lambert Road between Delta Avenue and the western city limit and on Kraemer Boulevard between Lambert Road and Golden Avenue. The project included cold milling, ARHM overlay, repair to PCC street sections, utility adjustments, ADA-compliant sidewalk ramp installation, storm drain improvements, landscape improvements, signing and striping, and other related work.

Project No. 7310 Central Avenue and Tamarack Avenue Improvements, City of Brea, CA. Project Manager/Construction Manager responsible for overall project oversight and construction management of the project. The project included widening the intersection of Tamarack Avenue and Central Avenue; installing a new traffic signal, landscaping, and street lights; construction drainage upgrades; and other appurtenant work.

CP 16-01 Citywide Pavement Rehabilitation, City of Palm Springs, CA. Project Manager/Construction Manager responsible for overall project oversight and construction management of the project. The project included reconstruction and overlay of over 2.7 million square feet of 75 street segments in various locations throughout the City, recording and preserving existing survey monuments, pulverization of existing asphalt, concrete pavement, unclassified excavation, subgrade preparation, cement treated base, asphalt overlay, utility adjustments, ADA-compliant ramps, traffic marking, and other appurtenant work. Willdan provided construction management, and materials testing services for the City's \$5 million street rehabilitation project.

Michael Bustos, PE, ENV SP

Role: Lead Resident Engineer and Construction Manager

Profile Summary

Education:	<ul style="list-style-type: none"> Resident Engineer Academy, California Department of Transportation BS, Civil Engineering (magna cum laude); California Polytechnic State University, San Luis Obispo
Registration:	<ul style="list-style-type: none"> Civil Engineer, California No. 73173 Envision Sustainability Professional
Experience:	18 Years / 18 Years with Willdan

Mr. Michael Bustos is responsible for construction management, analysis, and design of roadway reconstruction, drainage improvement, pipeline, pavement rehabilitation, street improvement, traffic signal, landscaping and irrigation, and grading projects. He has served as construction manager or resident engineer for over 75 public works projects. He has gained valuable experience in on-site construction management, off-site construction administration, inspection, design, and plan checking.

Relevant Project Experience

CP13-32 Bicycle Corridors – Phase 1, City of Palm Springs, CA. Project Manager responsible for overseeing construction management, inspection, public outreach, and materials testing for the \$1.2 million street improvements. The project constructed greenback bicycle lanes on five streets throughout the city.

West Ridgcrest Boulevard Construction Management and Inspection, City of Ridgcrest, CA. Project Manager responsible for overseeing construction management, inspection, public outreach, and materials testing for the \$6 million federally-funded reconstruction and widening project. The project involved full pavement reconstruction and widening for a 1.5-mile segment of the City's primary east-west arterial street between Mahan Street and China Lake Boulevard. The project included widening the road and filled all gaps in ADA-compliant travel ways and Class II bike lanes.

CP15-01 Citywide Pavement Rehabilitation, City of Palm Springs, CA. Project Manager responsible for over-seeing construction management, inspection, public outreach, and materials testing for the \$10 million street rehabilitation. The project included street reconstruction and overlay, monument preservation; unclassified excavation; and subgrade preparation; cement treated base, utility adjustments, ADA-compliant ramps, and traffic markings.

Phillips Boulevard Traffic Calming, City of Pomona, CA. Resident Engineer responsible for overseeing construction, labor compliance, materials testing, public works observation, and contract administration for the federally funded HSIP project. The project involves new traffic signal installation, existing traffic signal pole replacement, existing signal controller modifications, speed-feedback signs, rectangular rapid flashing beacon installations, and signing and striping modifications.

La Brea Avenue Intersection Realignment – Phase III, City of Inglewood, CA. Resident Engineer responsible for overall construction management, inspection, public outreach, utility coordination, materials testing, and labor compliance for this \$2 million federally-funded construction project to reconfigured five street intersections at La Brea Avenue, Market Street, Spruce Avenue, and La Palma Avenue. The project included a new traffic signal at La Brea Avenue and Tamarack Avenue and traffic signal modifications at La Brea Avenue and Hillcrest Boulevard.

Silver Spur Road Safe Routes to School Cycle 10 Improvements, City of Rolling Hills Estates, CA. Construction Manager responsible for overseeing construction, labor compliance, materials testing, public works observation, and contract administration for the state-funded project. Improvements involved both sides of Silver Spur Road between Kingspine Road and Palos Verdes Drive North; the northeast corner modification of Palos Verdes Drive North and Lazy Creek Lane; and resurfacing various residential streets.

Palos Verdes Drive North/Rolling Hills Road Traffic Signal Modifications, City of Rolling Hills Estates, CA. Construction Manager responsible for overall construction management and inspection for traffic signal modifications at the intersection of Palos Verdes Drive North and Rolling Hills Road. The project encompassed modifications to match existing decorative poles, modified foundations for the poles, and procuring long-lead-time equipment.

Bastanchury Road Widening, City of Yorba Linda, CA. Project Manager/Resident Engineer responsible for overseeing construction, labor compliance, materials testing, public works observation, and contract administration for the roadway widening. The project involved construction of new drainage improvements, sidewalk, curb/gutter, asphalt overlay, street reconstruction, and other appurtenant work.

Jason Brown, RCI

Role: Lead Construction Manager

Profile Summary

Education:	▪ Public Works Inspection, Fullerton Community College
Registration:	▪ Construction Inspector, California No. 5510
Experience:	27 Years / 27 Years with Willdan

Mr. Jason Brown serves as both a construction manager and supervising public works observer. His duties include the inspection and management of large-scale public works improvement projects. Mr. Brown's experience includes the construction administration and inspection of subdivisions, traffic signals, storm drains, sanitary sewers, ARHM overlay, conventional asphalt overlays, and street beautification projects. He possesses experience with specially funded projects, such as ISTEA and CDBG. Mr. Brown has served as a Permit Inspector for the Cities of Paramount, Bell Gardens, and Rosemead. His previous experience includes concrete cutting and core drilling, landscape construction and maintenance, concrete finishing, and masonry construction. Mr. Brown has been providing inspection and management of many large CIP and land development projects.

Relevant Project Experience

On-Call Inspection Services, City of Rialto, CA. Supervising Construction Inspector responsible for providing inspection for on-call CIP and development projects throughout the City of Rialto. Willdan's recent development inspection work includes the FedEx Distribution Center, Lilac Distribution Center, Tacos Gavilan, DCTS, and Riverside Apartments.

On-Call Public Works and Land Development Inspection, City of Highland, CA. Supervising Construction Inspector responsible for providing inspection for on-call public works and land development inspections for permitted and capital improvement projects throughout the City. Typical projects include large subdivision projects located throughout the west side of the City and multiple public works improvement projects. Representative projects include Base Line Avenue Improvements, Ninth Street Overlay, Numerous Traffic Signal Installations/Modifications, and East Highland Ranch Home Development.

On-Call Construction Administration and Inspection, City of Chino, CA. Supervising Construction Inspector responsible for providing inspection for on-call projects. Responsibilities included documentation and labor compliance for various projects throughout the City. Projects involved, among others, park, road, and earthquake retrofitting of City buildings.

On-Call Inspection Services, City of Long Beach, CA. Supervising Construction Inspector responsible for providing construction management and inspection for several tracts and street improvements throughout the City. Willdan will be responsible to check grade; installation of curb, gutter and sidewalk, asphalt overlays and other appurtenant work.

On-Call Inspection Services, City of Downey, CA. Construction Manager/Supervising Inspector responsible for providing construction management and inspection for various types of on-call improvement projects through-out the City.

On-Call Construction Management Services for Water Improvements, City of Pomona, CA. Supervising Construction Inspector responsible for providing construction management and inspection. Willdan provided public works observation for various water projects throughout the City of Pomona. The projects may involve the installation of water lines, valves, pump stations, reservoirs, manholes and other appurtenant work.

On-Call Inspection Services, Park Water Company/Liberty Utilities, Los Angeles County, CA. Supervising Construction Inspector responsible for providing construction management and inspection for water main projects involving installation of ductile iron and PVC water mains, fire hydrants, service meter changeouts, bridge construction with water line incorporated into the structure, reservoir rehabilitation, wells, and other appurtenant work.

Citywide Traffic Signal Modifications, City of Lakewood, CA. Supervising Construction Inspector responsible for providing construction management and inspection for seven traffic signal modifications throughout the City. The project encompassed adding left-turn protected phasing and/or protected permissive phasing. The project also included all necessary federal paperwork, federal labor compliance, construction administration and construction observation.

3. Key Personnel Staff Biographies

Willdan is providing key personnel staff biographies below per the City's request.

Mr. Chris Baca, RCI, CESSWI		Proposed Position:
		<ul style="list-style-type: none"> Contract Manager Construction Manager
Location:	Industry, CA	
Current Assignments:	City of Brea	
Level of Commitment:	25%	
Availability:	75%	
Experience:	36 Years / 32 Years with Willdan	

Mr. Chris Baca, RCI, CESSWI, will serve as both Contract Manager and Construction Manager for the City's on-call construction management and inspection contract. Mr. Baca will be responsible for the various tasks including constructability review, construction management, public works inspection, public outreach, and material testing services. In addition to Mr. Baca's construction management responsibilities, he will manage the support services provided by our in-house public works inspection staff, public out-reach coordinators, labor compliance specialists, grant funding administrators, and material testers.

In his role and Construction Manager, Mr. Baca will manage the submittal process, log RFIs, provide weekly updates to the City's Project Manager, conduct weekly meetings at the project site, respond to contractor-initiated claims, negotiate and draft change orders, and provide City-required project close-out documentation.

Mr. Michael Bustos, PE, ENV SP		Proposed Position:
		<ul style="list-style-type: none"> Lead Resident Engineer Construction Manager
Location:	Ventura, CA	
Current Assignments:	City of Fillmore, City of Westlake Village, City of Ridgecrest	
Level of Commitment:	90%	
Availability:	10% - Will be more available after June 15, 2019	
Experience:	18 Years / 18 Years with Willdan	

Mr. Michael Bustos, PE, ENV SP, will serve as Lead Resident Engineer and Construction Manager. He will serve as City contact support for Mr. Baca. If for any reason, Mr. Baca is unable to respond within a reasonable timeframe, Mr. Bustos will respond to the City's requests and inquiries. As part of his Resident Engineer responsibilities, he will monitor the activities of onsite project team construction managers and inspectors to ensure services are provided in



accordance with Willdan's procedures and quality standards and fully satisfy the City's project expectations. Mr. Bustos is a California-licensed civil engineer and an experienced Resident Engineer and Construction Manager. He has been in responsible charge of numerous recently completed infrastructure projects with many of them being federally-funded.

Mr. Jason Brown, RCI**Proposed Position:**

- Lead Construction Manager

Location: Ventura, CA

Current Assignments: City of Rialto and City of Inglewood

Level of Commitment: 100%

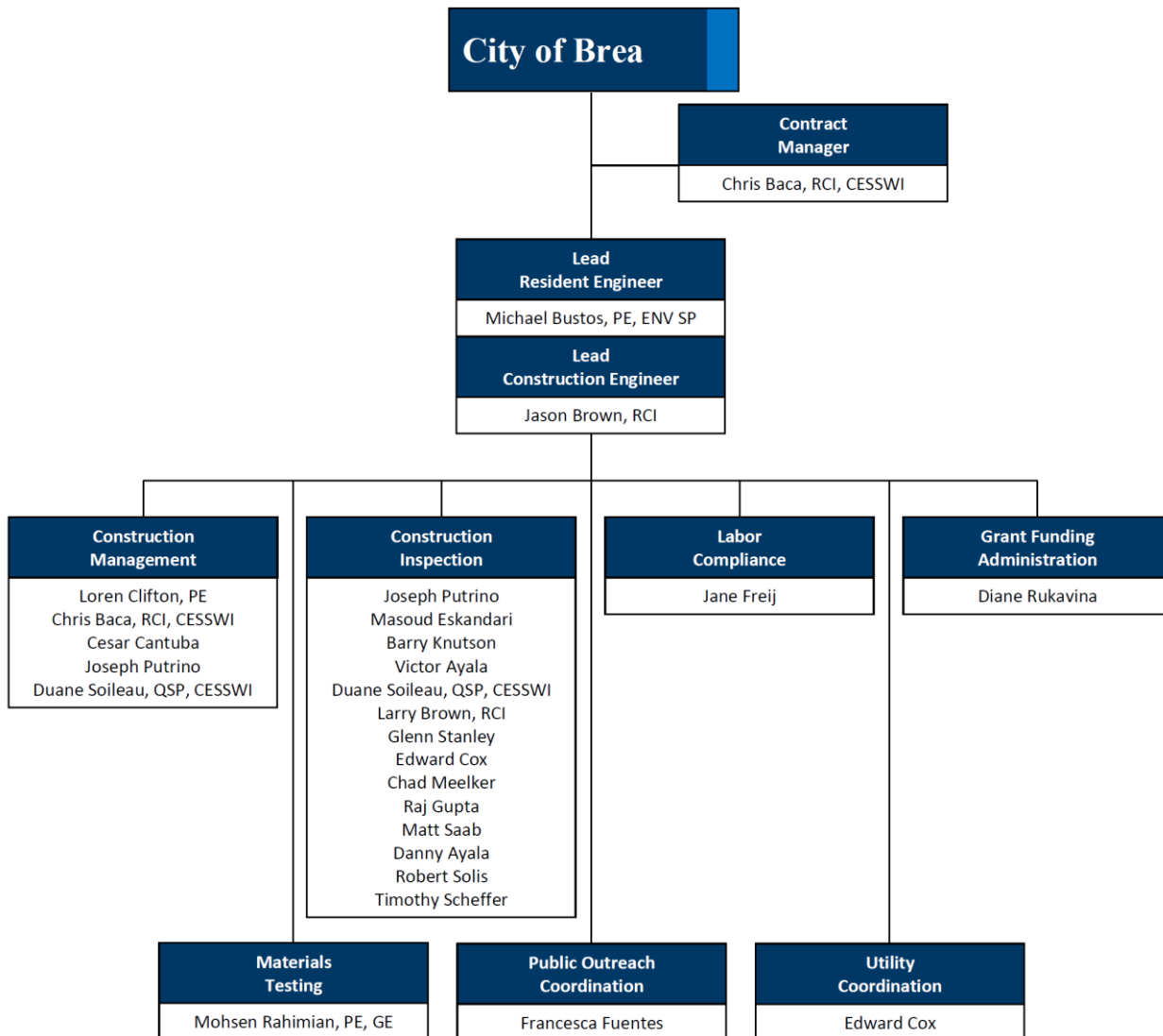
Availability: Will be available after June 1st, 2019

Experience: 27 Years / 27 Years with Willdan

Mr. Jason Brown, RCI, will serve as Lead Construction Manager. He will assist with management of the on-call contract and provide oversight of the public works observers – ensuring compliance with proper construction management and observations practices and City procedures, standards, and policies. Mr. Brown has been providing management and inspection of many large CIP and land development projects throughout his career with Willdan.

4. Organizational Chart

The organization chart contained herein identifies our project team members and their roles. The chart further illustrates the communication and reporting relationships among our team members. It is important to note that the personnel shown represent the caliber of person who could be considered for the role shown. This is far from an exhaustive list of our staffing resources and is shown to assist the City in evaluating our staff.



5. Staff Availability

Willdan's key personnel will be available to the extent proposed for the duration of the project, acknowledging that no person designated as "key" to the project shall be removed or replaced without the prior written concurrence of the City.

c. Detailed Work Plan

Goals

Willdan has had two primary objectives since our inception in 1964:

- Ensuring the success of our clients
- Enhancing their communities

Working steadily toward these goals we gained a notable reputation for project understanding, technical excellence, cost effectiveness, and client responsiveness. It is these attributes that our construction management and inspection team bring to each project. To these goals, we add individual project-oriented goals that include:

- Continuous communication with City staff, contractor, and design team
- Impeccable recordkeeping and reporting
- Rigorous budget control – minimizing change orders and applying value engineering where applicable
- Comprehensive schedule control – keeping the project moving while resolving design, contractor, or other project-related challenges

Our ultimate goal is to surpass our clients' expectations and provide a completed project that benefits City staff, Council members, business owners, and residents.

1. Project Approach and Work Plan

Methodology

Willdan's construction management and inspection team strives to anticipate or diminish potential conflicts/issues before they arise through continual review of project plans, specifications, contractor's schedule, and other contract documents. Our team is adept at:

- Anticipating job site conflicts/issues
- Calling job site conflicts/issues to the City's Project Manager's and/or contractor's attention
- Offering constructive recommendations and achieving cooperation from the contractor
- Dealing with issues in a professional, straightforward fashion

Our approach to issue resolution is to:

- Obtain and document the facts surrounding the issue
- Develop reasonable solutions in conjunction with the contractor and City's Project Manager
- Respond quickly and effectively so that job progress and quality do not suffer

Through close communication with the City's project staff, timely corrective action is taken to alleviate potential adverse impacts of work progress, costly change orders, and construction claims.

Project Administration

Our construction management services focus on coordination, review, tracking, reporting, public outreach, cost control, and field inspections to ensure the quality of the work complies with applicable federal funding requirements, LAPM, and the contract documents. Willdan's resident engineer/construction manager and public works inspector(s) will coordinate and work proactively to assist the general contractor's construction efforts. They will maintain fluid channels of communication with the City's design consultants to technically support the construction effort and the efforts of the City in achieving a successful completion with minimum complications.

Initial project administration protocols include:

- Construction document review for constructability
- Engineer's cost estimate review for accuracy and completeness
- State and federal funding assistance, if required by City
- Review of contractor's project construction CPM schedule
- General contractor selection assistance, if desired by City
- Preconstruction meeting with general contractor, City representatives, designer, and others deemed necessary by City or Willdan

Our team members possess experience using VPM and Accela and will provide re-quired reports utilizing either system in accordance with City's direction.

Once construction has begun, Willdan will:

- Review and monitor work as constructed along with providing City with supporting documentation that establishes technical adequacy of construction, timely schedule of implementation, and project budget
- Track progress and quality of construction

- Log and process submittals, RFIs, RFCs, and CCOs
- Initiate employee interviews
- Track labor and equipment pursuant to LAPM requirements
- Review and assist with resolution of all technical data and issues
- Provide daily, weekly, and monthly reports to City on construction progress and technical and economic parameters

Willdan's team is unique in that it has a natural quality assurance/control system. Through its structure as an integrated unit with close communication between team members and interlocking responsibilities that provide good coverage of all elements of construction engineering, it incorporates minimal overlap of duties to avoid misunderstandings of assigned responsibilities and reduces costs.

The assigned resident engineer/construction manager is responsible for daily decisions and assignments of specific duties while monitoring the success and completion of project construction. The resident engineer/construction manager has specific administrative duties that include review of field activities. The resident engineer/construction manager will institute a system of periodic reviews of the field file for conformance with Willdan's in-house filing system and LAPM. The inspectors will have specific assignments and move the products of their reporting to the resident engineer/construction manager. This bi-level approach has proved effective for Willdan because the likelihood of a missed or incorrect item is essentially eliminated with this multi-level control.

Key/Critical Issue Identification

There are many routine aspects that are common to the way every construction project is performed in terms of construction administration and inspection as outlined in our scope of work. However, there are some very important areas, also mentioned in our scope of work, that require special attention and are not part of the routine process. These are:

- Institution of standard procedures for project records and inspection processes conforming to the highest standards for permit inspection is necessary to have effective mitigation of future maintenance issues.

- Schedule and cost management are priority areas for Willdan's land development inspection team. Our team provides weekly and monthly reports detailing cost to date and projected final cost estimates.
- A project-specific quality assurance program is essential on complex projects to maintain orderly, cost-effective, and comprehensive materials quality control.

Project Controls

City Liability Mitigation

Our staff understands the importance of accurate documentation and filing to ensure that the City's liability is protected. Applying a uniform standard of excellence is the only way to ensure that documents are written and filed adequately for effective claims avoidance and/or mitigation and resolution.

To maintain quality, provide proper quality control, and mitigate the City's potential liability, our inspection staff is provided with detailed check sheets for a myriad of inspections, including – but not limited to – slurry seal, ARHM overlay, asphalt overlay, traffic signal, storm drain, sewer, water, and other appurtenant work.

Traffic and Safety

Willdan's in-house seminars include WATCH Manual and MUTCD compliance; storm water abatement and QSP/QSD training; materials testing and placement; and mass grading. Our inspectors are fully knowledgeable in the latest regulations for WATCH Manual, California OSHA, and MUTCD.

Our construction managers and inspectors have the authority and capability to quickly identify any flaws in the contractor's traffic control and safety plans and meet with the contractor to immediately rectify the issue with agreed-upon solutions that meet the requirement standards while avoiding project delays.

Contractor Compliance

Our inspection staff has extensive experience with a myriad of public works projects and our staff has a clear understanding of the issues surrounding inspection of the work. For example, when constructing sidewalks and ADA-compliant ramps, our inspector will ensure adequate subgrade compaction has been achieved. Inspectors will monitor the work for conformance with the plans, specifications, and ADA requirements. The concrete ticket will be checked to

ensure materials match the approved mix design. A smart level will be used to check forms and the contractor will not be allowed to place concrete until the inspector is assured the work meets all City and other applicable standards.

Willdan's inspectors will monitor the contractor's operations for conformance with City compaction standards by working with the City's approved material testing lab and will not accept any trench backfill or allow any pavement repair until proper compaction is verified by the lab. Also, the inspector will verify that the base and asphalt mix design meets City standards.

In terms of asphalt overlay and other asphalt-related activities, Willdan's inspectors will meet with the contractor prior to asphalt placement to ensure the asphalt mix design has been approved by the City, review traffic control plan and planned haul routes, measure the street section and provide the City's Project Manager with an estimate for the work, monitor cold milling and other preparatory work for conformance with the plans and specifications, monitor paving to ensure minimum compaction requirements are being met, monitor traffic control during the entire operation and report deficiencies to the City's Project Manager, work with the City's material testing lab to monitor the asphalt plant, and ensure adequate temporary traffic control is installed.

After paving has been completed, our inspector will monitor installation of the final striping. The final striping should be installed within the time specified in the project specifications. The contractor will be required to cat-track all areas that are to receive striping and our inspector will work with the City's Traffic Engineer or designated representative to monitor the final installation for conformance with applicable City standards and plans.

Project-Specific Quality Assurance Plan

Quality assurance and control procedures are critical to ensuring that sound practices and quality deliverables are provided to our clients throughout project construction. Willdan's Contract Manager, Mr. Baca, will prepare project-specific quality assurance plans and oversee their implementation and use throughout the term of each project. The basic goal of the quality assurance plan is to provide quality work delivered on time and within budget. It is a primary tool of the project effort with periodic team meetings to:

- Address contractor coordination issues
- Investigate constructability
- Identify key dates to maintain the project schedule
- Discuss construction sequencing
- Track progress

This project-specific plan will include, at a minimum, the project description and objectives; required services; project organization; construction schedule; standards of practice; project procedures; procedures for preparing calculations, drawings, and reports; and procedures for logging, disseminating, and filing correspondence, meeting minutes, and other project-specific documentation.

Permit Tracking

Willdan is currently providing these same types of services to Rialto, Paramount, Long Beach, La Puente, Maywood, Loma Linda, Banning, Colton, Canyon Lake, March Joint Power Authority, Highland, Calimesa, Morongo Band of Mission Indians, and other municipalities and agencies throughout the state.

Willdan utilizes two systems for tracking of both building and public works permits. The first system utilizes a simple spreadsheet. The second system utilizes Willdan's proprietary Plan Check Tracking System software to monitor permit activity. The system allows the permittee and City officials to use the web-based program to view the current budget and status of each permit.

Work Plan

One of the keys to avoiding construction issues is to begin with a well-defined work plan. Willdan will provide a construction management work plan for each of the City's projects to provide for any scope required – from simple inspection to complete program and construction management, including oversight and management of the design team, administration of the general contractor's contract, project scheduling, project budget, project controls, building inspections, public works inspection, and materials testing compliance. Upon receiving an assignment, our construction manager will prepare a work plan that fully addresses staffing and assignments, scope of work, deliverables, budget, and a project schedule. The work plan will provide definitive directions to the project team as agreed to by the City. At a minimum, the plan will address project team meetings, effective communication mediums, and scheduled quality control processes.

The work plan incorporates our standard procedures for document control and recordkeeping. Our staff is well aware of construction field issues – such as traffic control, testing procedures, public safety, and contractor relations – that may affect a project. Our staff knows the importance of accurate documentation to ensure the City's liability is protected. Applying a uniform standard of excellence is the only way to ensure documents are written and filed appropriately for effective claims avoidance and/or mitigation and resolution. In line with this, Willdan adopted Caltrans' Construction Manual and Bridge Construction Records and Procedures Manual, Volumes 1 and 2, as our standard procedures over 25 years ago.

Presented herein is Willdan's typical project work plan. Because our standard procedures already incorporate Caltrans standards and manuals, our typical work plan is fully compliant with requirements for federally-funded projects without any adjustment to our normal construction management and inspection processes. As presented in the previous section, Willdan will develop a work plan that is specific to each project awarded.

Task 1 – Constructability Review

1. Conduct a thorough review of the construction plans and specifications, including analysis of quantities and costs, check of construction phasing, full analysis of the contractor's schedule, and applicable requirements for federal funding and reimbursement submittals.
2. Identify the elements of construction that could be substituted with more efficient materials and associated methods.
3. Provide a thorough review of the construction sequence necessary to complete the improvements included in the construction contract.
4. Verify through in-house design support consultation that each identified item of concern is interpreted properly.
5. Once a set of recommended corrections is developed, verify that time constraints do not impact implementation.
6. Prepare a report of findings and outline recommendations to reconcile issues discovered and generally to expedite the project.

Task 2 – Resident Engineering

1. Conduct thorough review of soils report, construction plans, and specifications and review schedule section of proposed project specifications for conformance with Caltrans standards.
2. Prepare list incorporating items of concern such as difficulties completing any construction element, conflicts between elements or environment, elements of construction that could be substituted with more efficient materials and methods, or elements of construction that are not appropriately compensated by bid schedule and include potential recommended corrections
3. Review project quantities and bid items and provide review engineer's estimate of work.
4. Review documentation for compliance with stakeholder agencies' requirements for traffic control plans, construction scheduling and sequencing, and permitting, including DBE good faith efforts if applicable.
5. Confirm that the contractor's SWPPP plan meets QSD/QSP requirements and all storm water permits are in place.
6. Verify method for determining weather-related construction delays is included in contract.
7. Verify that specifications include appropriate language requiring on-the-job training.
8. Verify that specifications require contractor to submit monthly schedule updates with progress payment requests and weekly submission of two-week look-ahead schedule.
9. Revise City's boilerplate specifications to include requirement for contractor to submit conditional releases with each progress payment request and unconditional releases with final payment request.
10. Provide thorough review of construction schedule.
11. Attend prebid site meeting.
12. Coordinate design revisions, requests for information (RFIs), and other appurtenant work with City's design consultant.
13. Attend bid opening.
14. Review three lowest bids and DBE good faith efforts.

15. Verify low bidder's qualifications and prepare bid summary, contract award recommendation, and notice of award.

Task 3 – Construction Management

1. Assist City with public awareness and information program to keep residents and local stakeholders advised of project status along with impacts to traffic flow circulation, including answering public's questions about project.
2. Prepare construction file. A copy of Willdan's LAPM file checklist can be provided upon request.
3. Ensure contractor distributes public construction notices and places construction and information signs.
4. Prepare special concerns to be presented at preconstruction conference.
5. Conduct preconstruction meeting, prepare meeting minutes, and distribute to attendees.
6. Review contractor's safety program in consultation with City staff.
7. Through Willdan's system of project control, monitor activities related to project such that project is constructed in timely fashion pursuant to contract documents and LAPM.
8. Using the City's current VPM program, Willdan's Construction Managers will log, track, and process submittals, RFIs, releases for construction (RFCs), contract change orders (CCOs), field directives, notices of proposed change (NOPCs), non-conformance reports (NCRs), construction schedule, and detailed traffic control plan.
9. Closely review schedule and advise contractor to take action on schedule slippage.
10. Document contractor's 20-day notices, mechanic's liens, and stop notices.
11. Assume responsibility for coordination with inspection staff and City staff.
12. Monitor and coordinate activities of design engineering support, surveying, testing, and work by utilities or other agencies.
13. Coordinate contractor's field work with utility companies and other agencies.
14. Prepare weekly statement of working days and submit to contractor and City.
15. Provide monthly progress report. A sample of Willdan's monthly report can be provided upon request.
16. Establish and conduct weekly construction progress meetings to:

- Resolve all old business issues to maximum extent possible
- Address all items of new business as presented by any party
- Review project schedule and address any deviations
- Review submittal log in terms of items needed and resubmittals required and review RFI, RFC, CCO, NCR, and NOPC logs
- List status of construction items recently undertaken or ongoing
- List planned construction items for next two weeks (two-week look ahead schedule)
- Review SWPPP issues
- Review contractor's safety program

A sample of Willdan's weekly meeting minutes can be provided upon request.

1. Prepare minutes for weekly construction progress meeting.
2. Provide claims mitigation monitoring, including proactively applying foresight to discover unforeseen conflicts prior to contractor encounter.
3. Evaluate and respond to contractor's requests for clarification of plans and specifications.
4. Ensure that all questions, conflicts, and issues are immediately brought to City's attention and addressed with appropriate directives to contractor.
5. Conduct special site meetings, when necessary, with contractor and City staff to review job progress, scheduling, and coordination.
6. Perform quantity, time, and cost analyses required for negotiation of contract changes.
7. Negotiate and prepare change orders, including memorandum of explanation and cost estimates, to substantiate change order and send to City for review.
8. Monitor and perform immediate and thorough analysis of validity of all potential claims that arise.
9. Maintain all data for change orders and record information with regard to time of dispute, time of notification by contractor, and action taken by inspector.

10. Monitor materials documentation and testing results and enforce corrections.
11. Review for approval contractor's progress payment requests, including verifying LAPM compliance status and impact on payment; negotiate differences over amount with contractor; and process payments through City's Project Manager.
12. Monitor preparation of punch list at substantial completion and follow up.
13. Routinely review construction files to ensure conformance to City standards and good construction management practices.
14. Ensure City receives as-built set of drawings at completion.
15. Assist City with stop notices and release of retention.
16. Provide memorandum of clearance to issue notice of completion.
17. Finalize and deliver all construction files and supplies to City for their records.

Task 4 – Construction Inspection

1. Review plans, specifications, and all other contract- and construction-related documents.
 2. Conduct field investigation to become familiar with existing facilities and project environment.
 3. Become familiar with traffic control plans, construction schedule, construction sequence, and permit requirements from other agencies.
 4. Verify that contractor conforms to design survey line and grades.
 5. Attend weekly progress meetings with resident engineer, contractor, and subcontractors.
 6. Provide full-time and as-needed construction inspection, including night inspection, of work to monitor materials and methods for compliance with plans, specifications, and contract documents; address and document non-conforming items as they are discovered.
 7. Monitor compliance with Cal OSHA requirements and compliance with all local, state, and federal regulations.
- Although Willdan will monitor activities, it is contractor's sole responsibility to provide workers with safe working environment.

8. Assist City's labor compliance manager with federally-compliant labor and equipment reports, labor classification interviews, and assist with certified payroll review.
9. Monitor compliance with Clean Air Act and Clean Water Act (National Pollutant Discharge Elimination System – NPDES best management practices). Also, monitor contractor's compliance with approved SWPPP.
10. Meet with contractor at beginning of each day and review proposed work plan, including specific details that may affect progress.
11. Conduct daily measurements of quantities of work with contractor.
12. Review actual contractor performance throughout day and discuss discrepancies with contractor as they occur.
13. Assist in coordination of engineering support, surveying, special inspections, and field work by utility companies.
14. Ensure compliance of Underground Service Alert notification/delineation.
15. Evaluate contractor's operation and production with respect to quality and progress and report to resident engineer.
16. Photograph continuous property frontages along street alignment once prior to construction and once immediately following construction. Maintain photographic record of key elements of each major operation of work each day, with increased detail in situations of potential changes or claims. Photos will be uploaded to the City's VPM program by the next work day.
17. Closely monitor testing results and require contractor to provide corrective measures to achieve compliance.
18. Maintain copies of all permits needed to construct project and enforce special requirements of each.
19. Prepare and maintain detailed daily diary inspector reports on construction progress.
20. Prepare clear and concise letters and memoranda, as needed. Establish solid paper trail.
21. Maintain field file bound workbooks during construction, including cumulative record of quantities constructed, daily and weekly reports, working day reports, change order documentation, photographs, and other documentation.

22. Review construction schedule and enforce requirements for updating schedules and maintaining appropriate progress of work.
23. Analyze delays and review claims on timely basis; make recommendations to construction manager.
24. Assist with review and evaluation of change order work.
25. Provide complete measurements and calculations documented to administer progress payments.
26. Maintain and submit red-lined set of plans for as-built corrections on record drawings to be filed with City. (City's design consultant will transfer contractor's record drawings to original Mylar drawings.)
27. Prepare punch list at substantial completion and follow up with contractor on correction progress.
28. Schedule final inspection with City and applicable agencies; prepare, distribute, and inspect corrections to final punch list for completion; and recommend final acceptance.
29. Prepare documentation for final payment to contractor.
30. Upon project completion, provide finished set of project workbooks to City.

Task 5 – Geotechnical and Materials Testing

1. Attend meetings, as needed, with project team.
2. Review existing geotechnical reports and project plans and specifications.
3. Observe and test during clearing and grubbing, grading, shoring installation, foundation excavation, site utility trench backfilling, and subgrade preparation.
4. Perform laboratory testing.
5. Provide continuous soils engineering support during construction.
6. Provide certified reinforced concrete inspector during reinforcing steel placement and all structural concrete placement.
7. Verify compliance with approved project plans, specifications, and applicable code requirements.
8. Sample and test concrete for compressive strength.

9. Provide certified reinforced concrete inspector during placement of any epoxy/anchors and screw anchor placement.
10. Inspect placement of any epoxy/anchors and screw anchor placement for compliance with plans and specifications.
11. Monitor placement of any epoxy/anchors and screw anchor placement.
12. Provide qualified technician as required for concrete placement and as inspector backup for large or elevated pours and torque testing.
13. Sample and test concrete/for slump, temperature, compressive strength, and sampling rebar for testing, if required.
14. Provide engineering support, inspector/technician coordination, dispatch, material engineering review, test reporting, QA/QC, and administrative support services.
15. Submit reports/updates of ongoing tests; i.e., seven-day and off-schedule breaks.
16. Submit final report of completed laboratory tests; i.e., 28-day results for concrete.
17. Submit – for City review – daily field-testing and inspection reports indicating information pertinent to inspections performed and compliance/non-compliance with project documents and applicable codes.

Task 6 – Utility Coordination

1. Send utility notice of preconstruction meeting to be affected utility companies and agencies.
2. Review scope of work for possible conflicts with utility companies.

Task 7 – Public Outreach

Even a project that is constructed safely, on time, and within budget can be perceived as a failure if public relations are not handled professionally and proactively. The City's projects may impact the public and require effective public relations by the project team. Willdan will act as the primary contact during construction for the public to address concerns related to the project. All public concerns will be listened to with an empathetic ear. Contact information will

be gathered and logged with the issues raised, and resolution of each issue will be proactively processed as acceptable to the City. If community outreach is required for the project, Willdan will:

1. Prepare and distribute informational flyers to residents and business owners within the project area prior to, at 50 percent, and near project completion advising:
 - when and what will take place
 - how much time it will take
 - what impacts may occur throughout the area
 - what precautions business owners and residents should take
 - what traffic control measures will be taken to minimize construction impacts to business owners and residents
 - where detours will be established – maps to be provided
 - what construction operations may affect ingress and egress to particular properties
2. Setup a 24-hour telephone number to receive complaints. Respond to complaints within 24 hours and notify the City within that time of said resolution.
3. Hold informational meetings with area residents and business owners to include two meetings prior to construction and one meeting during construction.
4. Maintain a log of telephone calls documenting complaints received and actions taken to resolve the complaint; provide the City a weekly summary sheet documenting complaints/comments filed along with the action taken and resolution selected.
5. Ensure maintenance of detours and access to businesses and resolve any issues arising from detours.

Deliverables

- **Constructability Review.** Willdan will provide requested reviews within five business days of the notice to proceed.
- **Preconstruction Minutes.** Willdan's Resident/Engineer Construction Manager will provide the preconstruction meeting minutes within two working days of the meeting date.

- **Daily Logs.** Willdan's inspection personnel will provide detailed daily logs at the end of each work week. Daily logs can be provided the City's VPM software program or pdfs of the inspector's daily reports can be e-mailed to the City's PM.
- **Weekly Report.** Detailed weekly reports will be submitted at the end of each work week.
- **Monthly Report.** The required monthly report will be submitted with the monthly progress payment.
- **As Built Plans.** As-built plans will be provided on a weekly basis with final plans submitted within five days after cessation of work.
- **Public Relations.** If requested, the City will be provided with a detailed call log on a weekly basis.
- **Progress Payments.** Payments will be submitted monthly and will include Willdan's payment recommendations.
- **Material Testing Results.** Material testing field notes will be provided weekly basis and final reports will be submitted with the monthly report.
- **BMP Reports.** BMP reports will be submitted with the weekly reports.
- **Final Construction Management Files.** The final construction management file will be submitted with 15 days after cessation of work.

Additional Services

Labor Compliance

1. If applicable, attend pre-bid conference to present general requirements of bid preparation for project.
2. Verify applicable wage determination 10 days prior to bid opening and document verification as required. If wage determination has changed from what appears in project specifications, provide addendum and proof of receipt by bidders.
3. Verify eligibility of selected contractor and its subcontractors to receive contract awards by confirming current, active license status with State of California Contractors License Board and non-appearance on Federal List of Parties Excluded (debarment list).

4. Attend preconstruction conference to present federal labor compliance requirements to contractor and subcontractors and prepare minutes and attendance record.
5. Verify and document jobsite posting of wage rate information and labor compliance posters.
6. Receive and review labor compliance documentation from public works observers or inspectors and compare with contractor-submitted documents. Monitor weekly payroll documentation on continuous basis, including certified payroll reports, fringe benefit statements, apprenticeship documentation, and payroll deduction authorizations.
7. Follow up with contractor by telephone and/or certified mail regarding required document submittals and payroll discrepancies.
8. Coordinate withholding of progress and/or retention payments with County staff if contractor fails to abide by labor compliance requirements.
9. Receive, pursue, and document labor complaints and recommend special action to be taken if contractor continuously fails to comply with requests and requirements.
10. Maintain content and format of federal labor compliance file in conformance with applicable government requirements.
11. Coordinate project file reviews by authorized county, state, and federal agencies.
12. Submit complete federal labor compliance file to County for retention (federal labor compliance files are to be retained for period of not less than three years).

Funding Submittals

1. Send copy of notice of preconstruction meeting to Caltrans.
2. Prepare local agency contract award checklist.
3. Prepare detail estimate and summary and finance letter based upon low bid.
4. Obtain from contractor Local Agency Bidder –DBE Commitment (construction contracts) and Local Agency Bidder – DBE Information (construction contracts) based upon low bid.

5. Prepare resident engineer's construction contract administration checklist to help local agency with administration of federal-aid project.
6. Submit to Caltrans DLAE Item Nos. 2 through 5 along with City-provided data for engineer's final opinion of probable construction cost, contractor's bid, bid analysis, executed contract, and as advertised plans and specifications.
7. Prepare progress invoice at least every six months based upon contractor's contract progress reports and submit to Caltrans DLAE.
8. Prepare federal report of expenditures letter and report of expenditures checklist based upon statement of working days.
9. Prepare local agency final inspection form to initiate Caltrans' jobsite review and verification of project completion.
10. Prepare materials certificate for resident engineer's signature to show that results of tests on acceptance samples indicate materials incorporated in construction work and construction operations controlled by sampling and testing conformed with approved plans and specifications.
11. Prepare final invoice, final detail estimate and summary, and change order summary Caltrans exhibit forms based upon contractor's final contract progress report.
12. Submit to Caltrans DLAE Item Nos. 2 through 5 and attach Final Report – Utilization of DBE, First Tier Subcontractors and DBE Certification Status Change to initiate timely project closure and payment.
13. Following receipt of final payment check from State Controller's Office, include documents and submittals in federal funding file, and make PDF formatted file on CD for City.

2. Management of Resources

Willdan is well prepared to successfully provide on-call construction management and inspection services to the City of Brea. The services described in our proposal will be provided by our in-house staff and we do not anticipate the use of any subconsultants at this time. Over the past 55 years, we have provided on-call construction engineering services to many Orange County agencies and throughout the State of California – including the Cities of Tustin, Pomona,

Laguna Niguel, Newport Beach, Palm Springs, Rialto, Grand Terrace, Redlands, Chino, Long Beach, Santa Monica, and Davis; County of Riverside; and many others. Willdan's talented staff of local construction managers and inspectors have provided construction engineering services on projects similar to those listed in the City's current CIP budget. They are available on a full- or part-time basis as required by the City. In addition to our local staff, we can call upon in-house resources from other offices to provide any additional coverage the City may need.

Willdan's proposed team members have extensive experience handling complex public works inspection projects, including those administered by Caltrans. Willdan has detailed knowledge of the current LAPM and can provide project management from the funding procurement stage through project close-out. Our proposed team has participated in over 100 successful Caltrans audits and has success managing all types of specially-funded projects.

Our designated Construction Managers and inspectors will provide the City with weekly project updates. The weekly project updates include the latest information for the current inspection/CM budget, construction costs, updated schedule reviews with comments, proposed change order cost, and projected final project construction costs. In addition to the report, Willdan will hold weekly meetings with the Contractor to discuss the project schedule, required testing of upcoming work and failed tests that need to be addressed before proceeding with other work, proposed and executed change orders, and other appurtenant items. The use of weekly meetings greatly enhances the communication between the construction team and helps to ensure the project is completed on-time and within budget.

d. Exceptions/Deviations

Willdan does not have any exceptions at this time.

Fee Proposal



WILLDAN ENGINEERING

Schedule of Hourly Rates

Effective May 1, 2019 to December 31, 2021

ENGINEERING

Technical Aide I	\$64	Assistant Engineer I	\$116	Project Manager I	\$150
Technical Aide II	\$83	Assistant Engineer II	\$132	Project Manager II	\$171
Technical Aide III	\$103	Assistant Engineer III	\$138	Project Manager III	\$183
Drafter I	\$104	Assistant Engineer IV	\$143	Project Manager IV	\$199
Drafter II	\$121	Associate Engineer I	\$149	Program Manager I	\$167
Senior Drafter	\$134	Associate Engineer II	\$155	Program Manager II	\$185
GIS Analyst I	\$139	Associate Engineer III	\$161	Program Manager III	\$204
GIS Analyst II	\$158	Design Engineer	\$163	City Engineer I	\$199
GIS Analyst III	\$173	Senior Design Engineer	\$169	City Engineer II	\$209
Designer I	\$139	Senior Engineer I	\$164	Principal Project Manager	\$199
Designer II	\$145	Senior Engineer II	\$167	Deputy Director	\$207
Traffic Engineer I	\$185	Senior Engineer III	\$171	Director	\$212
Traffic Engineer II	\$199	Senior Engineer IV	\$181	Principal Engineer	\$230
Senior Designer I	\$153	Supervising Engineer	\$187		
Senior Designer II	\$160				

CONSTRUCTION MANAGEMENT

Labor Compliance Specialist	\$115	Asst. Construction Manager	\$145	Project Manager IV	\$199
Labor Compliance Manager	\$145	Construction Manager	\$169	Deputy Director	\$207
Utility Coordinator	\$153	Sr. Construction Manager	\$175	Director	\$212

MAPPING & EXPERT SERVICES

Survey Analyst I	\$121	Calculator II	\$134	Principal Project Manager	\$199
Survey Analyst II	\$139	Calculator III	\$146	Supervisor	175
Calculator I	\$121	Senior Survey Analyst	\$158		

INSPECTION SERVICES

Senior Public Works Observer (Non-Prevailing Wage)	\$108	ADMINISTRATIVE	
Senior Public works Observer (Prevailing Wage)	\$116	Administrative Assistant	\$80

Mileage/Field Vehicle usage will be charged at the rate in accordance with the current FTR mileage reimbursement rate, subject to negotiation.

Additional billing classifications may be added to the above listing during the year as new positions are created. Consultation in connection with litigation and court appearances will be quoted separately. The above schedule is for straight time. Overtime will be charged at 1.5 times, and Sundays and holidays, 2.0 times the standard rates. Blueprinting, reproduction, messenger services, and printing will be invoiced at cost plus fifteen percent (15%). A sub consultant management fee of fifteen percent (15%) will be added to the direct cost of all sub consultant services to provide for the cost of administration, consultation, and coordination. Valid July 1, 2018 thru June 30, 2019, thereafter, the rates may be raised once per year to the value between the 12-month % change of the Consumer Price Index for the Los Angeles/Orange County/Sacramento/ San Francisco/San Jose area and five percent.

Appendix

Status of Past and Present Contracts Form

We have included the required Status of Past and Present Contracts Form on the following page.

CITY OF BREA

Construction Management & Inspection Services RFP, April 2019

Status of Past and Present Contracts Form

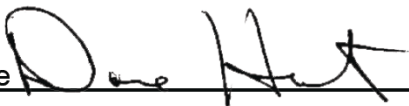
On the form provided below, Offeror shall list the status of past and present contracts where the firm has either provided services as a prime contractor or a subcontractor during the past five (5) years in which the contract has ended or will end in a termination, settlement or in legal action. A separate form must be completed for each contract. Offeror shall provide an accurate contact name and telephone number for each contract and indicate the term of the contract and the original contract value.

If the contract was terminated, list the reason for termination. Offeror must also identify and state the status of any litigation, claims or settlement agreements related to any of the identified contracts. Each form must be signed by an officer of the Offeror confirming that the information provided is true and accurate.

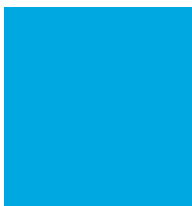
Willdan has no past or present contracts in which the contract has ended or will end in a termination, settlement or in legal action.

Project city/agency/other:	Not Applicable
Contact name: N/A	Phone: N/A
Project award date: N/A	Original Contract Value: N/A
Term of Contract:	N/A
1) Status of contract:	N/A
2) Identify claims/litigation or settlements associated with the contract: N/A	

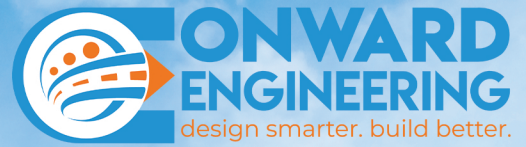
By signing this Form entitled "Status of Past and Present Contracts," I am affirming that all of the information provided is true and accurate.

Signature 
Name: Dave Hunt, PE
Title: Senior Vice President

Date May 10, 2019



13191 Crossroads Parkway North, Suite 405
Industry, California 91746-3443
800.499.4484 | 562.908.6200 | Fax: 562.695.2120
www.willdan.com



300 S. Harbor Blvd., Suite 814
Anaheim, CA. 92803
www.oe-eng.com

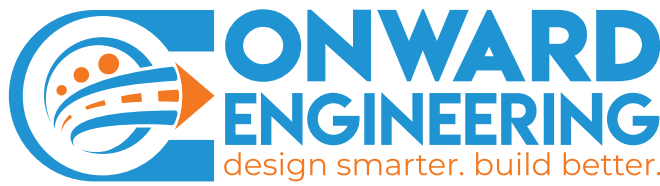
REQUEST FOR PROPOSAL

Professional Consulting Services
Construction Management
and Inspection Services
FY 2018-2019

THE CITY OF



Engineering Division
Public Works Department
City of Brea
1 Civic & Cultural Center
Brea, CA 92821-5732



300 S. Harbor Blvd.
Suite 814
Anaheim, CA. 92805
714.533.3050
www.oe-eng.com

Engineering Division - Public Works

March 10th, 2019

Attn: Ms. Crystal Robinson - City of Brea

1 Civic & Cultural Center, Brea, CA 92821-5732

**SUBJECT: RFP FOR PROFESSIONAL CONSULTING SERVICES FOR CONSTRUCTION MANAGEMENT
AND INSPECTION SERVICES - FY 2018-2019**

Onward Engineering (OE) is committed to a partnership with the City of Brea to provide Professional Consulting Services for Construction Management & Inspection Services-FY 2018-2019. OE is committed to raising the bar in providing customized consulting services to public agencies. OE will be on-hand and ready to handle any of the City of Brea's construction support needs if selected.

We stand behind our track record of consistently completing projects on for Cities in Southern California. As a boutique firm, we offer customizable solutions. We always give our clients a personalized approach and our philosophy emphasizes using and developing innovative technology to guarantee efficiency and productivity—and putting these tools at our stakeholders' fingertips.

We propose several outreach services which allow the City to leverage technology to provide multiple modes of project information dissemination. This includes a document control system that allows collaboration and transparency; public outreach tools which include a website, dynamic maps, and a project hotline; and scheduling software which allows for clear delineation of tasks, milestones, and resources.

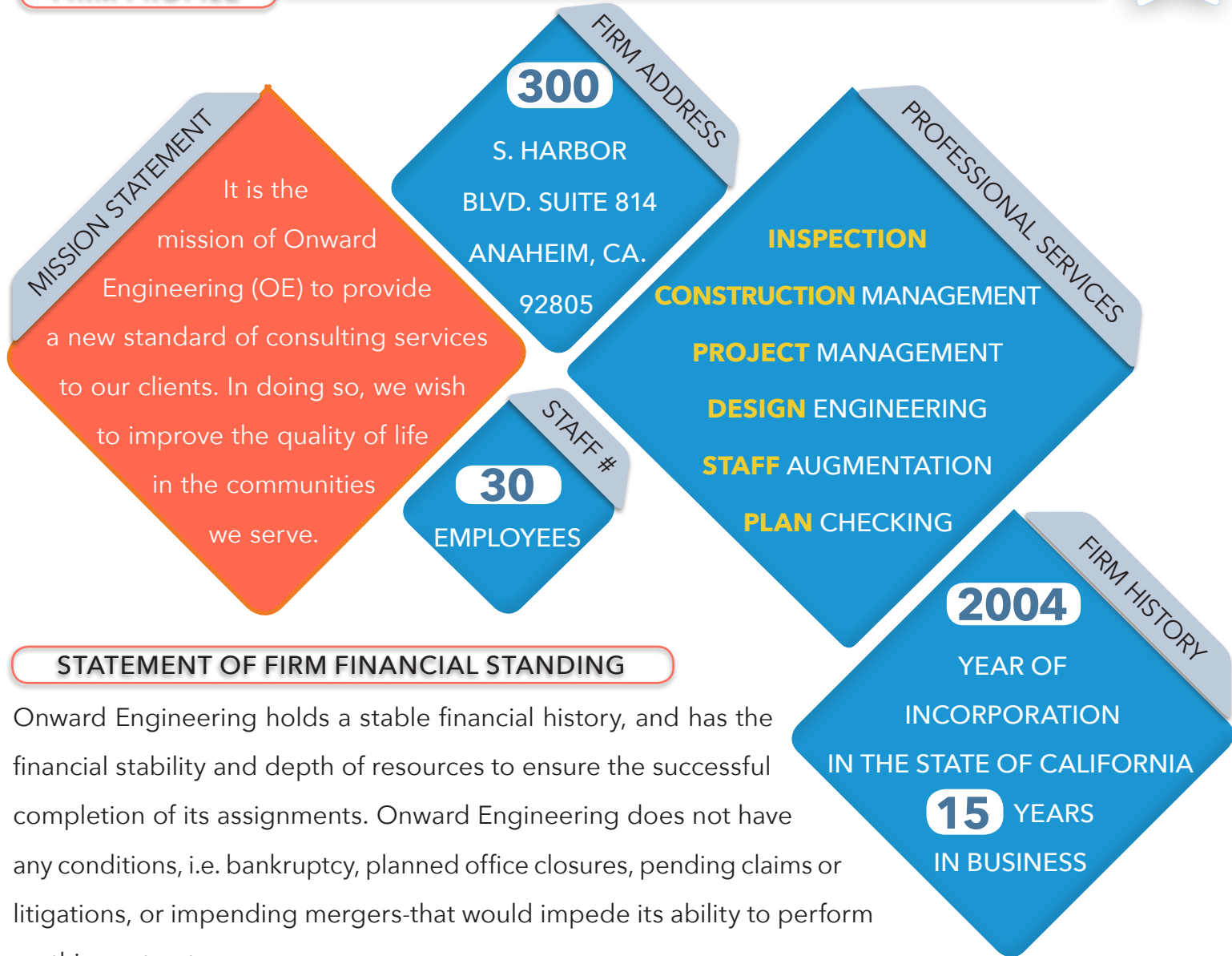
Although tools and systems are indispensable resources, the team of a firm is the heart and core of a business, and the OE team is no exception. Our Construction Managers understand the intricacies of Public Works construction and can step in as the City's advocate if selected. They are intimately familiar in working with multiple agencies such as Federal, State Caltrans, OCTA, Flood Control Districts, Water Districts, Federal and Local Districts, Transportation Commissions, and the public. Our Construction Managers are backed by a deep bench of Construction Inspectors, ensuring that the City of Brea can be served regardless of the workload. Their attention to detail and ability to control traffic during construction keeps the jobsite safe throughout the project duration.

I will act as the Principal-In-Charge for this contract and the individual responsible for entering OE into agreement with the City of Brea. If you have any questions, please feel free to contact me at any time at (714) 533-3050, by fax at (714) 948-8978 or by email at mataya@oe-eng.com. We hope that our Firm is selected, we are sure that we will continue working as an advocate for the City and exceed your expectations with every project.

Thank you,

A handwritten signature in blue ink that reads "Majdi Ataya". The signature is fluid and cursive, with the first name "Majdi" and last name "Ataya" clearly distinguishable.

Majdi Ataya, PE,
President

FIRM PROFILE**STATEMENT OF FIRM FINANCIAL STANDING**

Onward Engineering holds a stable financial history, and has the financial stability and depth of resources to ensure the successful completion of its assignments. Onward Engineering does not have any conditions, i.e. bankruptcy, planned office closures, pending claims or litigations, or impending mergers-that would impede its ability to perform on this contract.

EXECUTIVE SUMMARY

Onward Engineering (OE) is a full-service civil engineering firm established in 2004 with the ambition to deliver consulting services to public agencies including municipal, state, and federal government clients. For the past 15 years, OE has amassed a wealth of knowledge, skills and experience by means of providing specific tailored services that catered to the needs of local agencies on an expanding list of Capital Improvement Projects. Municipalities for which OE has served on similar projects include the Cities of Diamond Bar, Anaheim, Rancho Cucamonga, Villa Park, Lake Forest, Laguna Beach and Costa Mesa, among others. Our submittal is centered around three key criteria which differentiate our Firm from others, as listed on the following page:

1. EXPERIENCE WITH THE CITY OF BREA

OE and Brea have maintained a long-standing relationship for many years, working on public works projects including street rehabilitation, sewer line replacement, and water line replacement projects. The following are a select list projects OE performed for the City of Brea:

City Ventures Development Project

State College Boulevard Rehabilitation Project

Cinnamon Tract Rehabilitation Project

Lambert Road Rehabilitation (Phase I)

Midbury Tract & Water main Improvement

Elm St. Rehabilitation/Waterline Replacement

La Floresta Village Development Project

Blackstone Development Project

Cherry/Alder Sewer Upgrades (Phase V)

Berry St./Imperial Hwy. Sewer Main Replacement

Imperial Highway Greenbelt Improvement

Valencia Ave. Landscaped Median Improvements

Miscellaneous Sewer & Alley Improvements

During this time, OE has gained a deep understanding of what the City expects from us. We also have the unique advantage of proposing a staff that the City has worked with, is working with, and enjoys working with. This means a team that knows the City, has familiarity with the residents and businesses, possess a knowledge of the City's roadway network, and understanding of the City's **Virtual Project Manager (VPM) Software**. OE proposes our team to provide the City of Brea with Construction Management and Inspection Services - our second key criteria:

2. DEPTH OF THE OE STAFF

The OE staff is deep. The City of Brea knows this because of our past responsiveness to the City's needs quick turnaround on several projects. The City of Brea will always have a direct line to Majdi Ataya, who will be the Principal-in-Charge on this contract. This responsiveness and flexibility positions us as a unique type of firm that can provide big firm experience with boutique firm personalization and support. When selected on a project, OE will make sure that the City of Brea remains a priority for the duration of that project. OE will also be able to respond quickly to demand changes and short turn-around requests, and to manage the work of the Contractor effectively and efficiently.

3. COMMITMENT TO CITY OF BREA'S FUTURE

OE is invested in the future of the communities we serve, because we care about the projects we build. Our goal is to *design smarter, build better*. This means humanizing and understanding the goals for each project and then advocating in the City's interest to achieve those goals. We view our time working in the City of Brea as a partnership, whereby we serve the City to improve its infrastructure, and to leave a positive impact on the community. The defining OE characteristic is our commitment to our clients and our enthusiasm for the projects we take on.



FIRM EXPERIENCE & REFERENCES

City of **DIAMOND BAR****7-YEAR ANNUAL RESIDENTIAL/ARTERIAL ROADWAY REHABILITATION****KIMBERLY MOLINA YOUNG - Senior Civil Engineer**

OE provided Construction Management along with Design Engineering services to the City of Diamond Bar on their annual arterial and residential roadway maintenance projects for an annual period of 7 years. Years 2010 and 2011 were awarded as separate contracts. The City awarded OE an additional 3-year contract for 2012-2014. In 2015, the City of Diamond Bar awarded OE yet another annual rehabilitation project. The project sizes and costs were: 2010: 11.8 miles of arterial & residential streets (\$908 K), 2011: 19 miles of arterial & residential streets (\$1.8 M), 2012: 10 miles of arterial & residential streets (\$1.1 M), 2013: 13 miles of arterial & residential streets (\$1.3 M), 2014: 14.5 miles of residential, arterial & collector streets (\$1.8 M), 2015: 14 miles of residential, arterial & collector streets (\$1.75 M) and 2016/2017: 16.6 miles of residential and collector streets (\$1.58 million). The general scope of work for each year's project included localized R&R patching, grind and overlay, cape and slurry seal, traffic loops, traffic striping, and required heavy traffic phasing and traffic control review. OE assisted the City through the project bidding phase, developing text and stipulations for the bid package to ensure contractor availability during the desired working months. Due to the proximity to freeways, OE also coordinated with Caltrans to obtain encroachment permits for the City for four of the projects, which was essential.

(909) 753-8017

kyoung@diamondbarca.gov

21825 Copley Drive

Diamond Bar, CA 91765

City of **COSTA MESA****HARBOR BOULEVARD & ADAMS AVENUE WIDENING PROJECT****RAJA SETHURAMAN - Manager Transportation Services**

OE provided to the City of Costa Mesa with Construction Management and Inspection services on the Harbor Boulevard & Adams Avenue project and was funded by Measure 2, State-Local Partnership Program, and Traffic Impact Fee funds. The project required adding a third dedicated left turn lane eastbound on Adams Avenue, a second dedicated right-turn southbound on Harbor Boulevard, and lastly, extending the northbound

(714) 754-5343

rsethuraman@ci.costa-mesa.ca.us

77 Fair Drive

Costa Mesa, CA 92628-1200



left turn lane on Harbor Boulevard. It consisted of major widening along the southerly side of Adams Avenue near the intersection. The project also included decorative crosswalks at the Harbor Boulevard Adams Avenue intersection, traffic signal modifications, median alterations, landscaping, and a general grind and overlay of the roadway. Harbor Blvd. & Adams Avenue are two heavily used arterial roads that provide access to multiple businesses and shopping centers, and access to the Orange Coast College, as a result of the construction OE's inspector provided the City with heavy traffic control. This project was identified in a Memorandum of Understanding (MOU) executed by OCTA, Costa Mesa, Fountain Valley, and Huntington Beach for the Garfield Ave.-Gisler Ave. Bridge over the Santa Ana River.

**City of LAKE FOREST****ADA ACCESS RAMP IMPROVEMENT PROJECT - PHASE 7**

OE provided Construction Management and Inspection services to the City of Lake Forest on the ADA Access Ramp Improvements Project. The project was funded utilizing a Community Development Block Grant (CDBG). The project called for constructing 37 access ramps that comply with current Americans with Disabilities Act (ADA) and the State of California Building Code (Title 24) standards and requirements. The project required surveying and documenting the current conditions of the existing ramps and hardscape improvements within the right-of-way, preparing construction documents, and providing engineering support for this Phase 7 ADA project. OE prepared the construction specifications with full details of each ramp including elevations, slopes and limits of construction, including storm water compliance documentation and project requirements, and the required CDBG construction documents.

TAYLOR ABERNATHY - Principal Civil Engineer

(949) 461-3490

tabernathy@lakeforestca.gov

25550 Commercentre Drive,
Lake Forest, CA 92630**City of LAKE FOREST****SLURRY SEAL NON-ARTERIAL STREETS, ZONE B (PW 2018-05A)**

OE provided Construction Management and Inspection services for the City of Lake Forest on the Slurry Seal Non-Arterial Streets, Zone B Project. The intent of the project was to rehabilitate streets within the City. The Scope of Work included identifying locations for 2" grind and overlay, as well as dig-outs, and the remaining streets were slated for slurry seal.

TAYLOR ABERNATHY - Principal Civil Engineer

(949) 461-3490

tabernathy@lakeforestca.gov

25550 Commercentre Drive
Lake Forest, CA 92630

City of **LAGUNA BEACH****SKYLINE, BLUEBIRD CANYON, & SUMMIT DR. REHABILITATION**

OE provided full Construction Management and Inspection Services for the City of Laguna Beach. The project limits were split into three areas: Area A (Skyline) includes 934,523 sf, Area B (Lower Bluebird Canyon) includes 158,057 sf, and Area C (Summit Drive) is 185,961 sf. The work included variable grind and overlay in some areas, and Type I Slurry Seal in other areas. There was 2,562 square feet of French Drain that was installed in Area A. A 4" drain line was connected to a catch basin in Area A as well. The specifications also called for new traffic signal poles at the Skyline Drive, Crestview Drive, and Fern Street Intersections. The project also encompassed parkway and curb and gutter improvements, signage and striping.

MARK TRESTIK - Assistant City Engineer

(949) 497- 0300

mtrestik@lagunabeachcity.net

505 Forest Avenue

Laguna Beach, CA 92651

City of **CERRITOS****STUDEBAKER RD. REHABILITATION (FED. & CALTRANS)**

OE provided Inspection services to the City of Cerritos on this 1-mile-long Studebaker Road Rehabilitation Project. The project limits spanned Studebaker Road from South Street north to Artesia Boulevard. The project was federally funded and required compliance with the Caltrans' Local Assistance Procedures Manual (LAPM). The scope of work included rehabilitation along Studebaker Road of 2 inches of cold-milling and overlay. The construction work included removal and replacement of damaged and non-ADA-compliant curb and gutter, sidewalk, and access ramps. The paving work was done nightly, between 10:00 pm and 6:00 am.

FREDY A. BONILLA, PE - Project Manager

(562) 916-1229

fbonilla@cerritos.us

18125 Bloomfield Avenue

Cerritos, CA 90703

City of **SOUTH GATE****ATLANTIC AVENUE CORRIDOR IMPROVEMENT PROJECT**

OE provided Construction Management & Inspection services for the City of South Gate. The project limits were on two arterial streets: Atlantic Ave. from Firestone Blvd. to Patata St. (1,300 LF) and Firestone Boulevard, from Dorothy Ave. to Atlantic Ave. (2,200 LF). The project involved intersection widening/realignment to increase the number of thru, left turn lanes, the length of turn pockets, and right turn lanes. The scope also

HANY HENEIN - Senior Civil Engineer

(323) 563-9581

hhenein@sogate.org

8650 California Avenue

South Gate, CA 90280



required a concrete approach to the intersection; grind and ARHM overlay; four legs of the intersection; 50,000 SF of sidewalk, 1,850 LF of curb and gutter, 2,100 LF of DIP waterline and 2,840 LF of recycled waterline, and 4,656 LF of median island curb with decorative landscaping and a City monument sign. This project was funded with Measure R, MTA and other state funding sources, and required the preparation of an award package and the continued upkeep of project files, invoices, reports and submittals in accordance with Caltrans' LAPM.



City of **REDONDO BEACH**

AVIATION BLVD. PAVING REHABILITATION PROJECT (STPL)

OE provided Construction Management and Inspection services for the City of Redondo Beach on the federally funded street resurfacing project along Aviation Boulevard from Manhattan Beach Boulevard to Marine Avenue. The project included developing the Preliminary Environmental Study (PES) and submitting it to Caltrans. The design scope included a 2-inch cold-mill, a 5-inch AC removal, some areas of full-depth removal and replacement, ADA improvements for curb ramps, utility cover adjustment, traffic loop replacement, and striping. During construction, OE provided construction management services for the duration of the project, which included thorough and detailed file management due to the federally funded nature of the project.

DIDAR KHANDKER, PE, MSCE - Associate Civil Engineer

(310) 318-0661 x2456

didar.khandker@redondo.org

415 Diamond Street

Redondo Beach, CA 90277



City of **PICO RIVERA**

TELEGRAPH RD. BEAUTIFICATION IMPROVEMENT (HSIP/PROP C)

Construction Management and Inspection services was provided to the City of Pico Rivera. The project limits were on Telegraph Road, between Rosemead Boulevard and Passons Boulevard and on Rosemead Boulevard between Telegraph Road and Vista Del Rosa. This high profile project was funded by the Federal Highway Safety Improvement Program (HSIP) and Proposition C. A portion of the project limits were in the City of Downey, and multi-agency coordination was essential for the successful completion of the project. Telegraph Road is a major residential and commercial thoroughfare running east-west. The roadway rehabilitation comprised of reconstruction of heavily deteriorated areas, including the Telegraph Road and Lindell Avenue intersection. The work also included a 2.5" grind and ARHM overlay. The project

JOSE LOERA - Associate Engineer

(562) 801-4350

jloera@pico-rivera.org

6615 Passons Blvd.

Pico Rivera, CA 90660



also called for curb and gutter, sidewalk, curb ramps, and landscape median improvements. The landscape component entailed fine grading, automatic irrigation installation, constructing a moisture barrier, and placement of over 16,000 tons of mulch, nearly 2,000 shrubs, 85 trees, and 50 brown trunk palms. This was hailed as a landmark project for the City, and a ribbon cutting ceremony was held to celebrate the completion of work.



City of **PICO RIVERA**

ROSEMEAD BLVD. BEAUTIFICATION PROJECT (STPL-L & PROP. C FUNDED)

OE provided Construction Management services to the City of Pico **JOSE LOERA - Associate Engineer**

Rivera. Funded by STPL-L, SAFETEA-LU, Demo TEA-21, and Proposition C funds. Rosemead Boulevard is a key north-south corridor in the City that services over 30,000 vehicles per day. In addition, Rosemead serves as an access point to the I-5 and crosses two railroad track crossings

(562) 801-4350

jloera@pico-rivera.org

6615 Passons Blvd.

Pico Rivera, CA 90660

within the project limits. During OE's preliminary field survey, it was noted that pavement conditions were significantly worse between Telegraph Road and Slauson Avenue. The scope of work included 46,700 SF of localized AC R&R, cold milling and ARHM overlay, decorative rocks in the median islands, 1,975 SF of driveway approaches, 13,100 SF of sidewalk, and 655 LF of curb and gutter. The project also entailed upgrading 19 ramps to ADA compliance, installing 24 traffic loops, and signage and traffic striping. OE has a thorough knowledge of Caltrans' LAPM, and was able to effectively manage the necessary documentation and filings for project funding.



City of **DOWNEY**

GARDENDALE ST. PAVEMENT REHABILITATION FED. NO. STPL-5334 (047)

OE provided to the City of Downey with Construction

DESI GUTIERREZ, PE - Sr. Civil Engineer

Management and Inspection Services. The project involved reconstructing failed pavement sections, cold-milling of the existing pavement, subgrade compaction, and construction of an asphalt pavement base course,

(562) 622-3468

dgutierr@downeyca.org

11111 Brookshire Avenue

Downey, CA 90241

leveling course, and rubberized asphalt overlay. The scope of work also included the installation of new fire hydrants, repairs to water mains, and water main installations through pressure testing and flushing. Concrete improvements included curbs, gutters, cross-gutter spandrels, alley approaches, cross gutters, ADA-compliant ramps, and sidewalks, as well as adjusting manholes and utility covers to grade, survey

monument preservation and restoration, installation of traffic loops, signing and striping for one lane in each direction, and Class II bike lanes.

**OCTA**

CONSULTANT SERVICES FOR CALTRANS E-76

With Public Agency resources spread thin, some cities do not have available staff to obtain authorization to proceed with federally funded programs. The Orange County Transportation Agency selected Onward Engineering to provide On-Call technical support to assist OCTA and local agencies in all tasks related to the completion and approval of the "Request for Authorization to Proceed" (E-76) as required by Caltrans. OE has provided assistance to the Cities of Brea, Anaheim, Costa Mesa, Newport Beach, San Clemente, and Seal Beach for projects included in OCTA's 2012 Bicycle Corridor Improvement Project (BCIP). Projects have included the creation of City-wide bicycle corridors, new or improved off-street bike trails, installation of bike racks, and Elementary School level bicycle safety education. As a service provided by OCTA, OE's team has assisted the local agencies with the preparation, submittal, review, and approval process through Caltrans District 12 of the Preliminary Environmental Study in accordance with Caltrans' Local Assistance Procedures Manual (LAPM). OE also prepares the Right-of-Way Certification form, Field Review form, and Request for Authorization (RFA) for both Engineering and for Construction.

LOUIS ZHOA - Funding Analyst

(714) 560-5494

lzhao@octa.net

550 South Main Street
Orange, CA 92863-1584**City of DIAMOND BAR**

GRAND AVE. BEAUTIFICATION PROJECT, FED. PROJECT HPLUL-5455(016)

OE provided to the City of Diamond Bar with Construction Management and Inspection services. The project consisted of traffic signal equipment replacement, landscape and irrigation improvements, decorative crosswalks, and asphalt pavement rehabilitation of Grand Avenue at Diamond

KIMBERLY MOLINA YOUNG- Senior Civil Engineer

(909) 753-8017

kyoung@diamondbarca.gov

21825 Copley Drive

Diamond Bar, CA 91765

Bar Boulevard and Grand Avenue at Longview Drive. New decorative traffic signal poles and mast arms were installed within in the existing right-of-way. Several signal foundations required removal and, due to utility locations, the placement of temporary signal equipment to place a new foundation in the same location. Two of the signal foundations required re-design and engineering calculations due to utility

conflicts. A decorative City monument sign was installed east of the Longview Drive City limit, and decorative pre-cast concrete posts and wood rails were installed along the sidewalks and median islands. This was tied together with irrigation, landscaping, tree wells with tree grates including in-ground up-lighting for the parkway trees, and median landscaping with decorative rocks set in a concrete bed. Work also included the installation of decorative sidewalks and ADA ramps with colored concrete and decorative pavers at each intersection. Due to the traffic volume on Grand Avenue, this work was scheduled and coordinated in two phases: inside and outside lanes over two weekends. The removals began on Friday evening, concrete was formed and poured on Saturday, pavers were installed on Sunday, and full traffic operations were restored for the Monday morning peak traffic.

City of **BREA****IMPERIAL HIGHWAY GREENBELT IMPROVEMENT PROJECT (PN 7285)**

OE provided construction management services to the City of Brea for the Imperial Highway Greenbelt Improvement Project. The project limits were located on the south side of Imperial Highway, 400 feet east of Valencia Avenue to the east City Limits. The project involved improving an abandoned railroad right-of-way with minor grading, landscaping improvements with trees and shrubs, installation of a water-conserving irrigation system, water service and meter for the irrigation system, and bollard lighting with electrical cabinet and conduits. Furthermore, the scope of work entailed constructing a 4-foot-wide trail, concrete swale, rolling maintenance gate, storm drain pipes, catch basins, new City monument sign, and heavy wire fence for vine planting.

City of **BREA****BERRY STREET & IMPERIAL HIGHWAY SEWER MAIN REPLACEMENT PROJECT**

OE provided design engineering services to the City of Brea. The project spanned 3,000 LF from Lambert Road to Imperial Highway (within Caltrans right-of-way), and on Imperial Highway from Berry Street to the Orange County flood control channel. This project required coordinating with Union Pacific Railroad and filing for a Caltrans encroachment permit, due to the segment within Caltrans right-of-way. The design of this project was split into two phases to accelerate the portion on Lambert Road where a roadway overlay was separately planned. The ultimate design included the installation of 100 feet of 10-inch VCP, 2,570 feet of 12-inch VCP, 300 feet of 15-inch VCP, and a total of 15 new manholes. Special sewer bypass designs were required at the railroad crossings to maintain railroad access at all times. OE

also coordinated utility relocations for Chevron, AT&T, and water department and storm drain lines in conflict with the proposed line. To avoid future maintenance and access issues, OE also proposed a new alignment for the sewer main that would avoid encroachment in Caltrans right-of-way.



City of BREA

BLACKSTONE DEVELOPMENT PROJECT

OE provided inspection services to the City of Brea for the Blackstone Development Project. The Blackstone development included approximately 100 acres of land, situated in unincorporated Orange County, just north of the Brea City Limits. Blackstone is a master-planned community developed by Shea Homes. The development has been divided into six housing tracts, including 97 apartments, single-family homes, high-density affordable housing units, a community recreation center, and a dog park. Some of the tracts have been sold to other builders: Jamboree Housing and Advent Companies are building 97 affordable apartments using American Recovery and Reinvestment Act (ARRA) funds. OE's scope of work included inspecting roadway and all sewer and water systems that supplying the new development, in accordance with the City of Brea standards, as well as inspecting and approving a new traffic signal installed at the intersection of Valencia and Santa Fe.



City of BREA

LA FLORESTA VILLAGE DEVELOPMENT PROJECT

OE provided inspection services to the City of Brea. The site encompassed approximately 120 acres, surrounded by Imperial Highway to the south, Valencia Avenue to the west, and Rose Drive to the east. The site was a planned multi-use development, which included single-family homes, apartments, and commercial properties. The core of the development site incorporated both residential and non-residential components. The residential product types varied, from 5.0 to 8.5 net dwelling units per acre, to 28.5 net dwelling units per acre. The corner of Valencia Avenue and Imperial Highway is designated for mostly non-residential use, although 150 residential units are incorporated into this area. The La Floresta Village has 1,088 residential units, 156,800 SF of mixed use commercial land, and 54 acres devoted to an active adult recreation center for residents. The La Floresta Village is part of a plan to build a community where residents can live, work, shop, and play in a "small town" setting that is unique to the heritage and history of the City of Brea. Our inspection services included roadway, storm drain, sewer, and water installation.

TEAM PROJECT INVOLVEMENT

	Majdi Ataya	Justin Smeets	Ed Fernandez	Ignacio Ochoa	Jon Wu	Brian Elkins	Frank Sanchez	Carlos Lopez	Michael Nguyen	Chris Boren	Tim Stanley	Rashid Syed	Joe Zamarippa	Ron Ostendorf	Eric Nunez	Ron Brahs	Bob Parsons	James Greenfield	GeoMat Inc.
City of DIAMOND BAR																			
7-Year Annual Residential/Arterial Roadway Rehabilitation	✓	✓			✓	✓		✓	✓	✓							✓		✓
City of COSTA MESA																			
Harbor Boulevard & Adams Avenue Widening Project	✓							✓			✓								
City of LAKE FOREST																			
ADA Access Ramp Improvement Project - Phase 7	✓					✓				✓				✓					✓
City of LAKE FOREST																			
Slurry Seal Non-Arterial Streets, Zone B (PW 2018-05A)	✓					✓			✓					✓					✓
City of LAGUNA BEACH																			
Skyline, Bluebird Canyon, & Summit Dr. Rehabilitation	✓	✓				✓					✓	✓							
City of CERRITOS																			
Studebaker Rd. Rehabilitation (Fed. & Caltrans)	✓	✓																	
City of SOUTH GATE																			
Atlantic Avenue Corridor Improvement Project	✓			✓				✓											
City of REDONDO BEACH																			
Aviation Blvd. Paving Rehabilitation Project (STPL)	✓	✓																	
City of PICO RIVERA																			
Telegraph Rd. Beautification Improvement (HSIP/Prop C)	✓																	✓	
City of PICO RIVERA																			
Rosemead Blvd. Beautification Project (STPL-L & Prop. C Funded)	✓															✓			
City of DOWNEY																			
Gardendale St. Pavement Rehabilitation Fed. No. Stpl-5334 (047)	✓													✓					
OCTA																			
Consultant Services For Caltrans E-76	✓	✓		✓															
City of DIAMOND BAR																			
Grand Ave. Beautification Project, Fed. Project HPLUL-5455(016)	✓	✓					✓												
City of BREA																			
Imperial Highway Greenbelt Improvement Project (PN 7285)	✓																✓		
Berry St. & Imperial Highway Sewer Main Replacement	✓	✓															✓		
Blackstone Development Project	✓	✓									✓					✓	✓		
La Floresta Village Development Project	✓	✓										✓				✓	✓		
City of ANAHEIM																			
Neighborhood Residential Street Improvement Projects	✓		✓						✓		✓			✓					

The goal of these projects was to restore surface integrity, improve transportation quality and safety of the residential streets, and additionally mitigate any potential trip and fall hazards by resurfacing the pavement, removal and replacement of ADA access ramps, sidewalk, curb, gutter and driveway approaches.

GAYMONT / ELM LAWN

- 397,521 sq. ft. asphalt reconstruction -
- 201,012 sq. ft. of slurry -
- 12,842 sq. ft. of sidewalk -
- 3,187 linear feet of curb and gutter -
- 71 new trees and 15 tree removals -

DEVONSHIRE NEIGHBORHOOD

- 245,498 sq. ft. asphalt reconstruction -
- Population of 1,551 Residents -

TANGLEWOOD/HOLBROOK

- 339,901 sq. ft. asphalt reconstruction -
- 358,598 sq. ft. of slurry -
- 18,266 sq. ft. of sidewalk -
- 160 tree trimmings -
- 65 new trees and 30 tree removals -

KEY LANE/WESTCHESTER

- 933,402 sq. ft. of asphalt slurry -
- 664,515 sq. ft. asphalt-reconstruction -
- Population of 7,332 Residents -

GREENLEAF/HAMPTON

- 1,073,430 sq. ft. asphalt reconstruction -
- 494 tree trimmings -
- 75 new trees and 15 tree removals -

ATHENA-OMEGA

- 191,416 sq. ft. asphalt reconstruction -
- 63,422 sq. ft. of asphalt slurry -
- Population of 1,977 Residents -

City of **ANAHEIM**



NEIGHBORHOOD RESIDENTIAL STREET IMPROVEMENT PROJECTS FROM 2015 TO 2019

REFERENCE

LORENZO REA

Assistant Engineer

P: (714) 765-6893

400 E. Vermont

Anaheim, CA

92805

ACADEMY BEL-AIR NEIGHBORHOOD

- 263,302 sq. ft. of asphalt reconstruction
- 201,012 sq. ft. of slurry
- 4,256 sq. ft. of sidewalk
- 40 tree trimming
- 30 new trees and 6 tree removals

LA REINA/YALE NEIGHBORHOOD

- 554,186 sq. ft. of asphalt slurry
- Population of 3,415 Residents

RIO BRAVO NEIGHBORHOOD

- 306,997 sq. ft. asphalt reconstruction
- 294,712 sq. ft. of slurry
- 14,029 sq. ft. of sidewalk
- 24 tree trimmings
- 51 new trees and 24 tree removals

WEST WESTMONT DRIVE

- 1,795,739 sq. ft. of asphalt slurry
- 756,645 sq. ft. asphalt-reconstruction
- Population of 8,426 Residents

BISCAYNE NEIGHBORHOOD

- 109,760 sq. ft. asphalt reconstruction
- 110,483 sq. ft. of asphalt-slurry
- Population of 578 Residents

JERRILEE LANE NEIGHBORHOOD

- 312,892 sq. ft. asphalt reconstruction
- 63,422 sq. ft. of slurry sea
- Population of 1,365 Residents



FEDERAL FUNDING & STATE CALTRANS

OE'S 3 UNIQUE QUALIFICATIONS

OE has provided CM & Inspection services on many federally funded projects, and we know the Caltrans office and the staff at District 12, and we guarantee Caltrans LAPM compliance on any project.

- 1 Our controlling estimation, cost control, scheduling in planning, execution, and monitoring the cost, schedule, quantities, & performance during construction.
- 2 Emphasis in utilizing safety, quality, and open lines of communication with City staff and the public.
- 3 Knowledge in Caltrans, Federal Funding and coordination.

CAL-
TRANSCity of **SANTA FE SPRINGS**I-5 at Florence Avenue
Widening ProjectCity of **LA HABRA HEIGHTS**Hacienda Road & Fullerton
Road Realignment ProjectFHWA
FundedSTPL
FundedCity of **BELLFLOWER**Hacienda Road & Fullerton
Road Realignment ProjectWoodruff Ave. & Palo Verdes
Ave. Rehabilitation ProjectCity of **DIAMOND BAR**Chino Hills Parkway & Chino
Avenue Street RehabilitationCity of **REDONDO BEACH**Aviation Boulevard
Rehabilitation ProjectCity of **DOWNEY**Gardendale Street Pavement
Rehabilitation ProjectCity of **PICO RIVERA**Rosemead Boulevard
Rehabilitation ProjectARRA
FundedCity of **LA HABRA HEIGHTS**Hacienda Road & Fullerton
Road Realignment ProjectCity of **LYNWOOD**Otis Street Improvements
ProjectCity of **SANTA MONICA**Lincoln Boulevard Pavement
Rehabilitation ProjectCity of **LA MIRADA**Adelfa, Foster, & Marquadt
Streets RehabilitationCity of **IRVINE**Red Hill Avenue Pavement
Rehabilitation ProjectCity of **NORWALK**Bus Shelter Replacement
ProjectCDBG
FundedCity of **REDONDO BEACH**Citywide Curb Ramp
Improvements (Phase III)City of **COSTA MESA**Bay Street & Ford Road
Alley ReconstructionCity of **PLACENTIA**Sidewalk & Pedestrian
Accessibility (Phase II)City of **HAWAIIAN GARDENS**2011-2012 Residential
Rehabilitation ProjectCity of **COMMERCE**Rosini & Rosewood Bristow Park Neighborhood
Neighborhood Rehabilitation RehabilitationCity of **LAKE FOREST**ADA Access Ramp
Improvements Phase 7City of **TORRANCE**City-Wide Bus Stop Sidewalk Repair I-135
Accessibility Improvement Handicap AccessibilityHSIP
FundedCity of **PICO RIVERA**Telegraph Rd. Neighborhood
BeautificationCity of **COSTA MESA**Placentia Ave. Median
Installation/LandscapingCity of **COMMERCE**City-Wide Bus Stop
Replacement ProjectFTA/
TDA
FundedFederal
TransportCity of **LYNWOOD**Martin Luther King Jr. Blvd.
Rehabilitation ProjectCity of **CERRITOS**Studebaker Road Street
ImprovementsCity of **LA HABRA**La Habra Boulevard
Rehabilitation ProjectARHP
Funded

STAFF ORGANIZATIONAL CHART

Key personnel will be available to the extent proposed for the duration of the project. No person designated as "key" to the project shall be removed or replaced without the prior written concurrence of the City of Brea.

**PRINCIPAL
IN CHARGE****MAJDI ATAYA**
PE**37** years
experience

BS Civil Engineering (CSULB)
MPA Full Course Work (CSULB)
LICENSED Professional Engineer
former **DEPUTY PUBLIC WORKS DIRECTOR**
former **CITY ENGINEER**
in the City of La Habra

JUSTIN SMEETS
PE, PLS, QSD**14** years
experience

BS Civil Engineering (CSUF)
LICENSED Professional Engineer
License # 78314
PLS Professional Land Surveyor
QSD Qualified Stormwater Pollution
Prevention Plan Developer

ED FERNANDEZ
PE, ICBO**39** years
experience

BS Civil Engineering (Cal Poly Pomona)
LICENSED Professional Engineer
ACI Concrete Field Testing Technician **ICBO** Building Inspector # 89482
• Experience: VersaCAD & InRoads
• (Former) Public Works Services Manager- City of Anaheim
• Bilingual (English & Spanish)

IGNACIO G. OCHOA
PE, TE, PTOE**36** years
experience

BS Civil Engineering (CSULB)
LICENSED Professional Engineer
REGISTERED Traffic Engineer
PROFESSIONAL Traffic Operations Engineer
• (Former) Traffic Engineer
• (Former) Director & Chief Engineer

JONATHAN WU
PE, PMP, QSD**27** years

BS Civil Engineering (USC)
MPA Civil Engineering (USC)
CERTIFIED Project Manager
QSD Qualified Stormwater Pollution
Prevention Plan Developer

FRANK SANCHEZ
PE**24** years
experience

BS Civil Engineering (CSULB)
MS Civil Engineering-Construction Management
(CSULB)
LICENSED Professional Engineer #C-61326
Right-of-Way Association/Negotiation/Aquisition
• Resident City Engineer - Caltrans

BRIAN ELKINS
CCM**18** years
experience

BS Civil Engineering
CCM Certified Const. Manager
(CSULB)
• Viterbi School of Engineering (USC)

CONSTRUCTION MANAGERS**SUB CONSULTANT****geomat****GEOMAT**

Materials/Lab Testing
& Geotechnical
Investigation
since 1987

OE has worked with GeoMat on all
projects listed in Firm Experience
which required Materials Testing.

CARLOS LOPEZ
Inspector**34** years
experience

AA Civil Engineering Technology (LAC)
• (Former) Supervising Construction
Inspector
• Drainage/Flood Control Channel
Inspection

MICHAEL NGUYEN
Inspector**30** years
experience

• Mechanical Eng. Coursework
(Cal Poly Pomona)
• Supervising Construction Inspector

CHRIS BOREN
Inspector**14** years
experience

• Public Works Inspector Levels 1 & 2
• Experience: Fed Funded Projects
• Experience: CALTRANS
• Nuclear Densometer Work

TIM STANLEY
Inspector**30** years
experience

CERTIFICATE Caltrans CTM-375 AC Pavement In-Place Density.
CERTIFICATE Caltrans CTM-201 Sample Preparations
CERTIFICATE Caltrans CTM-539 Concrete.
CERTIFICATE Caltrans CTM-533 Ball Penetration
• PW Inspector Coursework
• Computer Tech. Coursework

RON OSTENDORF
Inspector**26** years
experience

CERTIFICATE Radiation Officer: Nuclear Gauges/Density &
Moisture Operation
CERTIFICATE Caltrans Proficiency 231 Relative Compaction
Soils/Aggregates
CERTIFICATE Caltrans Proficiency 125 Sample Highway
Materials.
• Construction Management & Codes Studies - Saddleback
College

ERIC NUNEZ
Inspector**29** years
experience

AA Degree (Cypress College)
CERTIFIED ICBO-Commercial Building
and D3 Water Distribution
• ICBO - Continuing Education in Electrical,
Building, ADA, Mechanical, Plumbing,
Energy, Green Code, Occupancy
OSHA Safety Training

RASHID SYED
Inspector**32** years
experience

BS Civil Engineering
BA Public Administration (CSULB)
MPA Public Administration (CSULB)
• Design & Construction Experience

JOE ZAMARIPPA
Inspector**30** years
experience

CERTIFIED Public Works Construction
Inspection (Santiago Canyon College)

RON BRAHS
Inspector**34** years
experience

• CALTRANS Experience
• Heavy Trenching/Utility Relocation
• Safety Training
• Traffic Control

BOB PARSONS
Inspector**44** years
experience

AA Drafting & Surveying
CERTIFIED ACI Field Testing-Grade 1
LICENSED General Contractor "A"
LICENSED Building Contractor "B"
COURSE WORK Construction
Engineering (Cal Poly, SLO)

JAMES GREENFIELD
Inspector**16** years
experience

• (Former) Public Works Inspector
• Extensive Roadway Experience

CONSTRUCTION INSPECTORS

Majdi Ataya is the President, founder, QA/QC Manager, and the Principal-In-Charge for Onward Engineering, and a Former Deputy Director of Public Works/City Engineer for the City of La Habra, with over 37 years of solid and diversified experience in the public works sector. He is extremely familiar with the process of Project Management and design. He is a highly effective communicator and is able to adapt and relate to all levels of management with an outstanding assimilation ability, able to retain high energy levels and enthusiasm for the project at hand. Majdi understands the importance of communication with public agencies and will be a dependable extension of your staff.

MAJDI ATAYA, PE

PRINCIPAL & PRIMARY CONTACT

15 YEARS WITH FIRM | **45%** AVAILABLE



PE Registered Civil Engineer



BS Civil Engineering - CSUF
MPA Course Work - CSULB

EXPERIENCE

Roadway / Water / Storm Drain / ADA Access /
Sewer / Traffic / Beautification / Bike Lane & Trails

BREA

ELM STREET RESURFACING WATER AND SEWER MAIN RECONSTRUCTION

Majdi was the Principal-in-Charge for the City of Brea. The project spanned 4,100 LF and included a 2-inch cold mill, 2.75-inch Type III-B2 base course, and a 2-inch ARHM overlay. The scope also included widening the street to accommodate 5-foot sidewalks, replacing access ramps to meet ADA Standards, installing 2 new cross-gutters, repairing 2 additional

cross-gutters, and replacing several homeowner driveways. Furthermore, the waterline improvements included abandoning a 6-inch main, connecting 7 side-street water lines to the existing 12-inch water main on Elm Street, installing 42 water valves ranging in size from 8-inch to 12-inch, connecting 62 existing water services to the 12 inch main, and installing 12 new fire hydrant assemblies. This project required heavy traffic control and coordination with residents.

PLACENTIA

CITYWIDE RESIDENTIAL STREET REHABILITATION

Majdi was the Principal-In-Charge for the City of Placentia. The project was funded by a variety of sources including Gas Tax, Proposition 1B, Measure M1 & M2. The analysis included 75 miles of roadway and the actual design spanned 35 miles. The scope of work entailed rehabilitating the roadway using primarily Type II slurry seal, chip seal, and portions of full R&R. The final design included rehabilitating 41% of the City's residential roadways, including 109 new ADA compliant curb ramps, 5,445 tons of slurry, 105,050 SY of chip seal, grind and overlay with 35,000



tons of AC paving, adjusting 209 manholes and 369 water valves, and 2,363 LF of curb and gutter. In addition, the City's Pavement Management Report was reviewed, and a reconnaissance field survey was completed. The field survey included walking each proposed roadway to recommend localized AC R&R patches, and to identify damaged curb & gutter and uplifted, or non-ADA compliant sidewalks. Furthermore, a location matrix was provided with photographs for each recommended repair, along with the estimated budget allocation for each location and work item. The project also required communicating with residents, and spending in excess of 20 hours per week fielding calls.

SANTA FE SPRINGS

WATER MAIN RELOCATION FOR I-5 WIDENING PROJECT AT FLORENCE AVE.

Majdi was the Principal-in-Charge & QA/QC Manager to the City of Santa Fe Springs. Caltrans is currently widening the I-5 Freeway from the Los Angeles/ Orange County line to the I-605 Freeway. The existing water mains south of Florence Avenue on both sides of the freeway were in conflict with the proposed sound wall foundations and residential street re-configurations. This project relocated the water mains by installing new 8 inch ductile iron pipes with encasements crossing sewer mains and recycled water lines. It also included installing a 16 inch casing under the freeway and over the top of a 27 inch Los Angeles County Sanitation District Trunk Sewer main. The project installed new valves,

blow-offs, air-vacs, and water meter services.

The roadway was reconstructed and curbs, gutters, and sidewalks were replaced. This project involved coordination with Caltrans and the cities of Downey and Norwalk to ensure compliance with the plans and specifications. The project required working closely with the utility contractor relocating Verizon conduits.

BREA

MASTER PLAN SEWER UPGRADES CHERRY & ALDER STREET (PHASE V)

Majdi was the Principal-in-Charge for the City of Brea to ultimately upgrade 2,530 LF of sewer on Cherry and Alder and 1,100 LF of water line. The project limits fell within the City of Brea and City of Fullerton right-of-way, therefore requiring OE to coordinate with both cities throughout the project. Using CCTV video, the pipe's interior revealed sagging, cracking, and deformation of the existing VCP sewer main. As a result, the final design called for replacing the existing 8-inch sewer main with 12-inch VCP. Midway through the design, the City of Fullerton requested extending the design, by adding an additional 1,050 LF within the City of Fullerton to the original 1,480 LF in Brea. The scope was expanded a second time near the end of design to include upgrading 1,100 LF of 6-inch DCP to 8-inch DCP and replacing 27 water service connections. The additional pipeline activated a Regional Water Quality Control Board requirement to complete an MS-4 Permit, including drafting a Non-priority Project Water Quality Plan.

Justin Smeets has 14 years of experience in construction management and administration, civil engineering and facilities design and municipal engineering. He is proficient in federally funded projects and familiar with the Caltrans Local Assistance Procedures Manual. Justin has successfully taken multiple projects from the initial federal funding application, to the Preliminary Environmental Study, to E-76 approval, and through construction of audited federally funded construction projects. He has experience managing construction projects and handles planning and running kickoff meetings with the contractor, reviewing project submittals, RFIs, CCOs, checking contractor invoices against field quantities, and coordinating daily construction details with the contractor and inspector. He has completed control plans for multiple SWPPPs, erosion and sediment per the latest Construction General Permit.

JUSTIN SMEETS, PE, PMP, QSD

CONSTRUCTION MANAGER

7 YEARS WITH FIRM | **45%** AVAILABLE



LICENSED	Professional Engineer #78314
CERTIFIED	Autocad Civil 3D
prior OCTA CERTIFIED	Pavement Rehabilitation
CASQA CERTIFIED	California Stormwater Quality Association



BS Civil Engineering, CSUF

EXPERIENCE

Roadway / Water / Storm Drain / ADA Access /
Sewer / Traffic / Beautification / Bike Lane & Trails

BREA

BERRY STREET & IMPERIAL HIGHWAY SEWER MAIN REPLACEMENT PROJECT

Justin was the Project Manager for this Sewer Main Replacement Project in the City of Brea. The project spanned 3,000 LF from Lambert Road to Imperial Highway (within Caltrans right-of-way), and on Imperial Highway from Berry Street to the Orange County flood control channel. This project required the coordination of with Union Pacific Rail Road (UPRR) and filing for a Caltrans encroachment permit, due to the segment within Caltrans right-of-way. The design of this project was split in two phases in order to accelerate the portion on Lambert Road where a roadway overlay was separately planned. The ultimate design included the installation of 100' of 10" VCP, 2,570' of 12" VCP, 300' of 15" VCP and a total of 15 new manholes. Special sewer bypass designs were required at the railroad crossings in order to maintain railroad access at all times. OE also coordinated utility relocations for Chevron Oil AT&T, and Water Department & Storm Drain lines which were in conflict with the proposed line. In an effort to avoid future maintenance and access issues, a new alignment was proposed for the sewer main that would avoid encroachment in Caltrans Right of Way.



COMMERCE

ROSINI & ROSEWOOD REHABILITATION PROJECT (PHASE III)

Justin provided Construction Management services to the City of Commerce on this politically-sensitive project located just south of I-5 and north of heavily traveled Washington Boulevard. During the design, a thorough pavement investigation was conducted, which included an inventory of potential parkway improvements which were prioritized to ensure maximum utilization of the City's available budget. Our team presented several options to the City with a cost-benefit analysis. This heavily deteriorated roadway was reconstructed utilizing Full-Depth Reclamation, 14" of roadway was excavated, and a 10" section was treated with cement. The construction entailed replacing curb and gutter and sidewalk, as well as ensuring that ramps met ADA standards.

REDONDO BEACH

AVIATION BLVD. RESURFACING (STPL)

Justin was the Project and Construction Manager for the City of Redondo Beach on the federally funded street resurfacing project along Aviation Boulevard from Manhattan Beach Boulevard to Marine Avenue. The project included developing the Preliminary Environmental Study (PES) and submitting it to Caltrans. The design scope included a 2" cold mill, a 5" AC removal, some areas of full depth removal and replacement, ADA improvements for

curb ramps, utility cover adjustment, traffic loop replacement, and striping. Justin also provided utility research and coordination with the various agencies involved. During construction, Justin provided Construction Management services for the duration of the project, which included very thorough and detailed file management because of the nature of the federally funded project.

VILLA PARK

ARRA SANTIAGO BOULEVARD & LEMON STREET REHABILITATION

Justin served as Construction Manager, responsible for developing the PS&E on this 2-mile rehabilitation project. The project included a 2-inch grind and ARHM overlay, as well as installing ADA-compliant ramps. In addition to the design plans, necessitated compiling federal documentation, including the preliminary environmental study (PES), the request for authorization, the award package, and the final invoice to Caltrans and managed the construction documents for this federal project. The key to successfully acquiring the federal funding for the city was having good Construction Management. Document control included tracking of all submittals, asphalt tickets, concrete tickets, removal quantities, employee interviews, federal labor compliance, RFI's and extra work request. This project was completed on time, and under budget for the City of Villa Park.

Eduardo Fernandez has more than 39 years of experience in major construction projects in both public works and private development, and 10 years of experience administrating and inspecting municipal construction projects. He is extremely familiar with the process of project management with design, construction management, and inspection. In the past he has performed duties as an Owner's Representative, Associate Project Engineer, Senior Inspector, and Construction Supervisor earning him a diverse experience in the Civil Engineering field. Eduardo previously worked for the City of Irvine and was an Owner's Representative, Associate Project Engineer, and Senior Inspector.

ED FERNANDEZ, PE, ICBO

CONSTRUCTION MANAGER

4 YEARS WITH FIRM | 30% AVAILABLE



PE	Registered Civil Engineer
LICENSED	Professional Engineer
ACI	Concrete Field Testing Technician
ICBO	Concrete Building Inspector #89482



BS Civil Engineering - Cal Poly Pomona

EXPERIENCE

Roadway / Water / Storm Drain / ADA Access /
Sewer / Traffic / Beautification / Bike Lane & Trails

ANAHEIM

PUBLIC WORKS DEVELOPMENT SERVICES

Eduardo managed the Public Works Development Services Section for the City of Anaheim. His responsibilities included providing engineering oversight, leadership, and personnel management for the Development Services Section and its staff.

Eduardo also managed any coordination with other Public Works divisions and sections, Public Utilities, Planning, and Community Services Managers for timely review of development projects, capital improvement projects (CIP), and permit issuance. Moreover, he supervised and directed the activities of the section such as employee selection, work assignments, performance evaluations, employee development, disciplinary action, and complaint resolution. Eduardo developed and implemented section goals, objectives, policies, budgets, and priorities such as development and updates of Municipal Code, engineering procedures, standards and guidelines. He also planned, budgeted, scheduled, directed and coordinated a comprehensive land development engineering review and permitting program to maintain, repair, and construct the city's infrastructure. The development projects included: highways, local streets, traffic signals, median beautification, alleys, sidewalks, curbs and gutters, waterline infrastructure, sewer line infrastructure, storm drain infrastructure, and other public facilities. Furthermore, Eduardo reviewed and approved design plans, specifications, grading,

WQMPs, inspections, and approved construction. He also coordinated work with federal, state, county, city and special district agencies when necessary.

ANAHEIM

TANGLEWOOD NEIGHBORHOOD REHABILITATION

Eduardo worked as the Construction Manager on this residential improvement project in the City of Anaheim. The Tanglewood Neighborhood was bound by Imperial Highway to the north, Yosemite Drive to the west, Kellogg to the east, and Orangethorpe Avenue to the south. The scope included 339,901 sf of reconstruction, 358,598 sf of slurry seal, 18,255 sf of sidewalk improvements, installing new ADA compliant handicap ramps, as well as improvements to curb/ gutters, concrete aprons and cross gutters. In addition, large tree removals were made as part of this project. Coordinating with residents was essential on this project.

ANAHEIM

GREENLEAF/HAMPTON NEIGHBORHOOD RESIDENTIAL STREET IMPROVEMENT

Eduardo was the Construction Manager on this project. Greenleaf-Hampton Neighborhood was bound by La Palma Avenue to the north, Gilbert Street to the east, Crescent Avenue to the south, and the Anaheim City Limit to the west. The scope included 1,073,430 sf of reconstruction, 494 tree trimmings, 15 tree removals and 75 new trees. Parkway improvements included installing new ADA compliant

handicap ramps, as well as improvements to curb/ gutters, concrete aprons and cross gutters. Coordinating with residents was essential on this project.

IRVINE

ALTON PARKWAY LEFT TURN LANE

Eduardo was the Construction Manager to add a left turn lane on Alton Parkway into the south entrance of the Irvine Civic Center. The project limits were on Alton Parkway between Harvard Avenue and Murphy Avenue. The roadway previously had a median on Alton Parkway from Harvard Avenue, stopping just shy of Murphy Avenue. The median was mixed landscape and hardscape (hardscaping across the bridge), with access points for Orange County Flood Control District north and south of the San Diego Creek overpass. The project called for removing the hardscaped median on the existing bridge deck and designing a different hardscape median to accommodate a left turn lane into Irvine Civic Center. The left turn lane was 220 feet in length with a 90 foot taper. The scope of work also entailed constructing new curbs, asphalt patching, and irrigation/landscaping modifications including replacing new roadway signs, legends and striping. OE also evaluated and addressed drainage issues created by the proposed left turn lane. The construction contract was in the amount of \$223,831.46. Work was completed in January 2015, 10 days ahead of schedule, and with no change orders.

Ignacio Ochoa has amassed 36 years of experience in the public works sector, starting his career off in the County of Orange as a Junior Civil Engineer. In 2007, he was appointed as County Chief Engineer and Director of the Orange County Engineering Division, and in 2012 he was chosen as Interim Public Works Director and continued to serve in both roles. During his time as the Director of Orange County Engineering/Interim Public Works Director, Ignacio managed a staff of over 1,000 employees and oversaw the design, construction, and maintenance of roads and regional flood control facilities in the County of Orange. He was responsible for an annual budget of approximately \$600 million. Furthermore, he directed the County of Orange's Flood Control Division, Inspection, Operations & Maintenance, Road, Survey, PM, and Watersheds.

IGNACIO OCHOA, PE, TE, PTOE

CONSTRUCTION MANAGER

5 YEARS WITH FIRM | 25% AVAILABLE



PE Registered Civil Engineer

TE Registered Traffic Engineer

PTOE Traffic Operations Engineer



BS Civil Engineering - CSULB

EXPERIENCE

Roadway / Traffic / Traffic Signal / ADA Access /
Sewer / Park / Beautification / Water

COUNTY OF ORANGE

INTERIM DIRECTOR: ORANGE COUNTY PUBLIC WORKS

Ignacio was appointed as the Interim Director position in March of 2012 and assumed those duties while also functioning as the Chief Engineer. He was responsible for a budget of approximately \$600 million

in 18 budgeted funds; 1,000 employees including Administrative Services, Orange County Facilities & Real Estate Services, Orange County Planning, and Orange County Engineering. Furthermore, he launched key initiatives to support department and County of Orange priorities including a Succession Development Program; Mentoring Initiative; employee driven recasting of the department's Mission, Vision, and Values; Statement of Commitment from the leadership team to Orange County Public Works employees, Public Works Women's Forum and instituted regular communications with staff in writing and through personal meetings. Ignacio provided key leadership role for the department and was its voice with elected officials and other agencies.

COUNTY OF ORANGE

INFRASTRUCTURE PROJECTS & PLANNING

Ignacio coordinated, supervised and directed all work in the County's Road Division. He was the County's spokesperson in coordinating a broad



range of Public Works issues with cities, State offices, Board of Supervisors, local officials, community and neighborhood associations, the media and the general public. Furthermore, he represented the County in various technical and professional groups such as OCTA, Caltrans, Orange County Building Industry, and the TCA. Ignacio oversaw the activities of the Orange County Traffic Committee and represented the County as an expert witness on road-related claims/litigation, and worked with other divisions and departments to implement respective goals and policies pursuant to the Business Plan. During his time as Chief Engineer, among his responsibilities were: The continued implementation of the \$2.1 billion Santa Ana River Main stem (flood control) Project with co-sponsors Riverside and San Bernardino counties and the US Corps of Engineers. Relocation of the \$100 million Santa Ana Regional Interceptor (SARI) Line in partnership with Orange County Sanitation District (OCSD) and the Santa Ana Watershed Project Authority (SAWPA).

COUNTY OF ORANGE

ANTONIO PARKWAY AND BRIDGE WIDENING PROJECT

Ignacio provided Construction Management supervision through the completion of the high-profile Antonio Parkway and La Pata Avenue Widening project. The \$25 million project spanned 1.5 miles, from Ladera Ranch to 1,000 feet south of Ortega Highway, and included 900 LF of bridgework across San Juan

Creek. Antonio Parkway was widened from four to six lanes—40 feet to accommodate the two additional lanes of traffic and a sidewalk on each side. Bridgework included parkway improvements, a raised median, channel bank revetment at the south abutment, compaction grouting, and structural testing. The widening of the bridge and roadway occurred simultaneously and included grading and cement-treated soil, 3,691 LF of RCP storm drain, riprap for environmentally friendly drainage filtering, dry utility installations, 4,993 PVC pipe, utility conduits, four fire hydrants, traffic signal improvements and loops, signing and striping, video detection, and a Class I designated bike lane with special bicycle signal loops. The construction also included 448 LF of CIDH pile retaining wall with 42,000 pounds of steel reinforcement. Furthermore, the project required the installation of domestic, reclaimed, and non-potable waterlines as well as sewer installation and mainline trunk rerouting. The scope also included a dewatering and effluent treatment system onsite that handled 1 million gallons per day, and the bridge deck was picked up on one end to adjust cross-fall.

Jonathan Wu is a registered Civil Engineer with over 27 years of Public Works experience. Jonathan has a BS and MS in Civil Engineering from USC, is certified by the Project Management Institute as a PMP, and he is a Qualified SWPP Developer. Jonathan has experience working for Caltrans as a Construction Manager and Resident Engineer, and in providing construction management to the Cities of Anaheim, Rancho Cucamonga, Diamond Bar, and Placentia, where he was involved in multi-million-dollar CIP projects. Jonathan has also performed as interim City Engineer/Principal for the Cities of El Monte and Baldwin Park.

JONATHAN WU, PE, PMP, QSD

CONSTRUCTION MANAGER

1 YEAR WITH FIRM | 40% AVAILABLE



PMP	Project Manager Professional
QSD	Qualified Stormwater Pollution Prevention Plan Developer



BS	Civil Engineering - USC
MS	Civil Engineering - USC

EXPERIENCE

Roadway / Water / Storm Drain / ADA Access /
Sewer / Traffic / Beautification / Bike Lane & Trails

DIAMOND BAR

ANNUAL SLURRY SEAL, STREET, CURB RAMP, & DRAINAGE IMPROVEMENTS

Jonathan was a Project Manager for the City of Diamond Bar. Jonathan was tasked with responsibilities that included for CIP project delivery, holding monthly City Council meetings as needed, attending Quarterly School District coordination meetings as needed, and

traffic related tasks as requested by the Director of Public Works. Projects included: Annual Slurry Seal Maintenance, Pedestrian Accessibility Projects, Street Improvements, Drainage Improvement, Park Improvements projects.

DIAMOND BAR

7- YEAR ANNUAL RESIDENTIAL REHABILITATION AND CURB RAMPS

Jonathan provided Project and Construction Management services to the City of Diamond Bar on this project. The project included annual arterial and residential roadway maintenance projects for the past 7 years. The work also encompassed curb ramp improvements citywide as part of each year's project. The project sizes and costs were for 2011: 19 miles of arterial and residential streets at \$1.8 million / 2012: 10 miles of arterial and residential streets at \$1.1 million / 2013: 13 miles of arterial and residential streets at \$1.3 million / 2014: 14.5 miles of residential, arterial and collector streets at \$1.8 million. The general scope of work for each year's project included localized Railroad patching, grind and overlay, cape and slurry seal, traffic loops,

traffic striping, and required heavy traffic phasing, along with traffic control review. Due to the proximity to freeways, coordination with Caltrans to obtain encroachment permits for the City on four of these projects was essential.

PLACENTIA

PROJECT/ CONSTRUCTION MANAGER FOR CAPITAL IMPROVEMENT PROJECTS

Jonathan was the Project and Construction Manager for the City of Placentia and was in charge of the City's Capital Improvement Project (CIP) program that held an annual budget of \$5.5 million, with additional funding acquired from Caltrans and OCTA for specific projects. He was responsible for scheduling, budgeting, Right-of-Way negotiations, easement dedications, project and construction management in conforming to the requirements of federal and Caltrans funding and local assistance guidelines. He chaired utility coordination meetings with local utilities and the City for several grade separation projects on a quarterly and ad hoc basis. In addition, he negotiated with residents involving an easement dedication. Jonathan assisted utilities in obtaining easements from residents for relocation of utility lines and was responsible for the planning and execution of full project life cycle tasks such as plan review, utility detection, and construction. Major projects included street widening, railroad grade separations, and undergrounding of utilities.

COUNTY OF SAN BERNARDINO

OMNITRANS : BUS RAPID TRANSIT PROJECT: CONCRETE HARDSCAPING

Omnitrans is the regional public transit authority in San Bernardino County, California. As the Construction Manager of the Bus Rapid Transit project, a \$197 million federally-funded project featuring a 16-mile-long bus lane and 16 stations with four park-and ride facilities; Jonathan oversaw the Construction Management team, QA/QC procedures, and safety & security management during the design, construction, and commissioning of the project. He was responsible for compliance with Federal Transit Administration (FTA) requirements and policies. In addition, he maintained communications with the public and internal stakeholders resolving any issues with the contractors, citizens and local businesses.

ANAHEIM

PS&E'S, BID PACKAGES, & CONSTRUCTION SERVICE SUPPORT

Jonathan was responsible for developing PS&E's, Bid Packages, and providing Construction Service Support. He managed a staff of five and served as Project Manager for the City wide Sanitary Sewer Improvement program and Storm Drain Design projects. In addition, he coordinated with utilities and Caltrans for a number of freeway improvement projects and developed roadway rehab projects under special and federal funding.

Brian is a Highly effective and competent Construction Manager with over 18 years of hands-on experience in the public sector working for municipalities (City, County, and State Agencies). With a proven track record resulting in effective inspection of public works for dozens of high profile and complex projects, Brian is uniquely qualified in providing a full spectrum of inspection services. His experience includes supporting initial design reviews and selecting architecture and engineering design firms, assisting city councils with awards, issuing RFI field data, schedule and deviations reviews, assisting in the planning and budgeting, materials testing and interactions with community leaders and business owners. Added to Brian's list of qualifications includes technical strengths in geotechnical engineering, construction materials testing, construction inspection and materials site studies and investigation. Brian additionally has a documented track record of maximizing performance in large budget projects with high levels of complexity, and he is consistently recognized for delivering projects on time and under budget.

BRIAN ELKINS, CCM

CONSTRUCTION MANAGER

2 YEARS WITH FIRM | 50% AVAILABLE



CERTIFIED CCM - Construction Manager



BSCE Civil Engineering

EXPERIENCE

Roadway / Water / Storm Drain / ADA Access /
Sewer / Traffic / Beautification / Bike Lane & Trails

DIAMOND BAR

AREA 6 RESIDENTIAL AND COLLECTOR STREET REHABILITATION PROJECT

Brian was the Construction Manager for the City of Diamond Bar on the Area 6 Residential and Collector

Street Rehabilitation Project. The pavement conditions varied throughout Area 6. Roadways typically exhibited aberrations such as block cracking, alligator cracking, and longitudinal cracking. The project has a budget of \$1.51 million dollars. The project limits consist of approximately 63,360 feet (12 miles) of residential and collector streets located within Area 6.

DOWNEY

FIRESTONE BLVD., CORRIDOR & CURB RAMP IMPROVEMENT PROJECT & LAKEWOOD BLVD., CORRIDOR & CURB RAMP IMPROVEMENT (PHASE 3B)

Brian was the Construction Manager for the two major roadway improvement projects, simultaneously including, but not limited to, responding to RFI's, issuing RFQ's, processing change orders and responding to unforeseen conditions. The scope of work consisted of

street widening and total reconstruction of Firestone Boulevard from Old River School Road to Brookshire Avenue, approximately three miles distance to the 605 Freeway. The work encompassed: street widening, pavement removal and reconstruction, construction of new curbs, gutters, sidewalks and curb ramps; storm drain modifications, potable water system improvements, construction of new recycled water mainline, construction of new raised landscaped median islands including irrigation systems, reconstruction of existing raised median islands and replacement of existing landscaping and irrigation systems, installation of ornamental street and pedestrian lighting system, traffic signals upgrades planting parkway trees, install benches, litter receptacles and bus shelters, traffic signing, striping and pavement markings, traffic control and all appurtenant work necessary for the proper construction in accordance with the PS & E. Both projects required the most efficient irrigation systems to reduce water usage through green technologies and LED street lighting installed with new traffic signals to reduce the City's electrical costs and to provide a brighter safer environment. This was very important due to political deadlines involving limited funding resources.

VILLA PARK

FY 17/18 STREET REHABILITATION PROJECT

Brian was the Construction Manager on this project to rehabilitate multiple street segments within the

City of Villa Park including high profile areas in front of City Council member homes. The project involved pavement grind, curb and gutter dig out; slurry seal and overlay; and water manhole and frame adjustments. Agencies involved included AT&T Distribution, Time Warner Cable, Southern California Gas, Serrano Water District, Southern California Edison, and Kinder Morgan Energy Partners.

COVINA

CITRUS AVENUE CORRIDOR & CURB RAMP RESTORATION PROJECT

Brian served as full Construction Manager and oversight for the Citrus Avenue Corridor and Curb Ramp Restoration Project beginning just north of the 10 Freeway and continuing through the main corridor of old town Covina. The \$6.5 million dollar project consisted of asphalt overlay utilizing both conventional and rubberized asphalt and additional improvements to ADA compliant curb ramps, sidewalks, and curb and gutter as well as construction of PCC bus pads.

LAKE FOREST

CONTRACT ADMINISTRATION & INSPECTION SERVICES FOR SLURRY SEAL NON-ARTERIAL STREETS, ZONE B

Brian was the Construction Manager and Inspector to the City of Lake Forest on this project to rehabilitate several streets within the City. The Scope of Work included identifying locations for 2" grind and overlay, as well as 4" dig-outs. The remaining streets were slated for slurry seal for Zone B (non-Arterial Streets).

Frank has over 24 years of civil engineering experience with focus on Project Management and Construction Management. He also has experience in the design of civil engineering projects such as street, sewer, water, and storm drain projects. Frank has management level experience working in public works departments in cities throughout Los Angeles County. His experience includes public agency budgeting, project implementation, project design, PS&E development, contract bidding, award administration, construction management and project closure reporting. He has selected, directed and managed consultants, architects and engineers as required in order to meet public works department goals and objectives. He has supervised and trained city staff junior engineers. His many responsibilities included providing project management for federally funded projects, and state funded projects. He successfully administered ISTEAs, SAFETEA-LU, MAP-21, HSIP and ATP federal projects in accordance with the Caltrans local assistance procedures manual (LAPM). Frank managed the design, funding and construction of public works capital improvement projects for streets, parks, water, sewer, storm water and other public facilities. Frank also served in one of the LA city's as a FEMA Floodplain Coordinator in charge of floodplain issues, processing Letters of map revision and management of the city's participation in the Community Rate System (CRS).

FRANK SANCHEZ, PE

CONSTRUCTION MANAGER

3 YEARS WITH FIRM | 60% AVAILABLE



LICENSED Professional Engineer #61326



BS Civil Engineering, CSULB

MS Civil Engineering, Construction Management - CSULB

EXPERIENCE

Roadway / Water / Storm Drain / ADA Access /
Sewer / Traffic / Beautification / Bike Lane & Trails

REDONDO BEACH

AVIATION BOULEVARD RESURFACING PROJECT (STPL)

Frank was the Associate Engineer for the City of Redondo Beach on the Federally Funded Street Resurfacing project along Aviation Blvd. from Manhattan Beach Blvd. to Marine Ave. The project included developing the Preliminary Environmental Study (PES) and submitting it to Caltrans. The design scope included a 2" cold mill, a 5" AC removal, some areas of full depth removal and replacement, ADA improvements for curb ramps, utility cover adjustment, traffic loop replacement, and striping. During construction, the project required thorough and file management.



LYNWOOD**CONSTRUCTION SUPPORT AND PROJECT
MANAGER**

Frank was tasked with providing project management and construction support for local street rehabilitation projects funded with Measure "R" bond funds. His tasks included reviewing of streets for rehabilitation application, development of plans specifications and engineering estimates.

LONG BEACH**CIVIL ENGINEER FOR THE CITY**

As the City's Civil Engineering, Frank was involved in all aspects of public works projects. He was responsible for increasingly complex tasks as required to meet department goals and objectives. Frank has a strong background in design and project management and has acted in the Senior Engineering capacity when required, as called upon. Prior to being a Civil Engineer, Frank was an Associate Civil Engineer for the City of Long Beach for one year. As such, he performed engineering tasks in the planning, design, estimating and construction of City of Long Beach street, utility, park facility, buildings and other structures in accordance with City of Long Beach standards. As an Assistant Civil Engineer for the City of Long Beach for two years prior to becoming an Associate Engineer, Frank assisted senior engineers in the development PS&E for various public works improvement projects.

REDONDO BEACH**AVENIDA DEL NORTE & RIVIERA PARKING
LOT RESURFACING**

Frank was the Associate Engineer for the City of Redondo Beach on the Avenida Del Norte Resurfacing and Riviera Parking Lot Resurfacing Project. This project spanned from Catalina Avenue to Elena Avenue. The project included an initial field analysis and investigation of the existing failing improvements and necessary ADA upgrades. The project also required developing the plans to include pavement resurfacing, curb and gutter construction, curb ramp construction, cold milling, parking lot design analysis, pavement overlay and striping improvements. The project involved coordination with all of the surrounding adjacent businesses during construction to provide a seamless and efficient schedule and construction approach.

DOWNEY**SENIOR CIVIL ENGINEER FOR THE CITY
OF DOWNEY**

Frank functioned as Senior Civil Engineer in charge of public works projects as related to City of Downey's street, utility and facilities improvements. Frank managed and administered consultant contracts for design, construction inspection, materials testing, right-of-way acquisition and relocation assistance. He also managed and directed junior engineering staff and aids for the development and construction of in house designed street rehabilitation projects.

CARLOS LOPEZ**SANTA MONICA****LINCOLN BOULEVARD PAVING PROJECT
(FEDERAL GRANT)**

Carlos served as the Senior Construction Inspector to the City of Santa Monica on the Lincoln Boulevard Paving Project which was funded utilizing Federal Transportation Grant. The project limits were at Lincoln Boulevard from the I-10, to the South City limits. Construction was done on Lincoln Boulevard, an undivided arterial roadway, which provides access through commercial portions of Santa Monica, intersecting other major arterials such as Pico Blvd. and Ocean Park Blvd., while also serving as a primary travel route through the City, carrying traffic to multiple points including Marina Del Rey, Pacific Palisades, and LAX. In addition to the roadway rehabilitation, the work entailed constructing a concrete bus lane on Lincoln Blvd., repairing the concrete sidewalks, driveways, and access ramps. The work also entailed enhanced striping and traffic signal installation. This project required extensive coordination with businesses and stakeholders as a result of the construction affecting them the most.

COST MESA**HARBOR BLVD & ADAMS AVENUE
IMPROVEMENT PROJECT**

Carlos was the Construction Inspector for the City of Costa Mesa and was funded by Measure 2, State-Local Partnership Program, and Traffic Impact Fee

funds. The project required adding a third dedicated left-turn lane eastbound on Adams Avenue, a second dedicated right-turn southbound on Harbor Boulevard, and lastly, extending the northbound left-turn lane on Harbor Boulevard. It consisted of major widening along the southerly side of Adams Avenue near the intersection. The project also included decorative crosswalks at the Harbor Boulevard–Adams Avenue intersection, traffic signal modifications, median alterations, landscaping, and a general grind and overlay of the roadway. Harbor Blvd. & Adams Avenue are two heavily used arterial roads that provide access to multiple businesses and shopping centers, and access to the Orange Coast College, as a result of the construction heavy traffic control was required.

BREA**WILDCAT WAY STREET REHABILITATION**

Carlos provided inspection services for the City of Brea. The project limits are on Wildcat Way from Lambert Road to the Brea-Olinda High School driveway. The scope of work entailed removing and reconstructing curb ramps, installing three 8 ft. truncated domes on the existing curb ramp, installing a 4 ft. truncated dome on the existing curb ramp, 31,500 SF of variable depth from 0" to 2", and 1,800 tons of rubberized asphalt overlay. Furthermore, the project required removing and constructing 750 SF of sidewalk, furnishing and adjusting 11 water gate valves, adjusting 11 manhole frames and covers, traffic striping, and traffic control.

MICHAEL NGUYEN**TORRANCE****2017 SLURRY SEAL PROGRAM
(I-139 / I-159)**

Michael was the Inspector on this \$2.5 million dollar project which covered three residential neighborhoods, as well as Camino de la Costa from Calle Miramar to the City limit; Madison Street and Hawthorne Boulevard service road between 240th Street and Skypark Drive; 240th Street from Hawthorne Boulevard to Madison Street; and arterial and collector streets on Anza Avenue, from Calle Mayor to Sepulveda Boulevard, Ocean Avenue from the Pacific Coast Highway to Torrance Boulevard, as well as Madrona Avenue south of the Prairie Avenue Bridge to Sepulveda Boulevard. Four City parking lots were also slurry sealed.

LAGUNA NIGUEL**NARCO CHANNEL (FACILITY J04)
RESTORATION IN LAGUNA NIGUEL
REGIONAL PARK**

Michael served as Sr. Construction Inspector on this \$905,491 project. The purpose of this project is to improve water quality in the Narco Channel in Laguna Niguel Regional Park by reducing bacteria, nutrient and sediment loads through restoration of a portion of the channel and wetlands and establishing various riparian plants and shrubs within and on the banks of the channel to act as filter to capture sediment

and debris and absorb dissolved minerals and nutrients. The restoration included clearing and grubbing, water diversion, NPDES BMPs installation, unclassified excavation, installation of chain link fence, grouted rip-rap rock revetment, irrigation system, planting of trees and shrubs on channel banks, remove-install of debris net/posts, and additional nine months maintenance and implementation of BMPs. Michael coordinated with all project stakeholders, drafted change orders, facilitated RFI responses, performed daily reports, and processed progress payments with justification backup data.

COUNTY OF ORANGE**NEWPORT BOULEVARD SIDEWALK GAP
CLOSURE AT GREENBRIER ROAD**

Michael served as Supervising Construction Inspector on this \$356,431 project. The work consisted of constructing a sidewalk approx. 100 feet along Newport Boulevard including a Modified Caltrans Type I Retaining Wall, a wing wall, return walls, a Caltrans Type V Retaining Wall, curb ramp, and a concrete cross gutter. Michael was actively involved with all project stakeholders, reviewed and approved drafted change orders, assisted in facilitating RFI responses, periodically reviewed daily reports, reviewed and approved progress payments and all justification backup data.

CHRIS BOREN**COMMERCE****ROSINI & ROSEWOOD REHABILITATION**

Chris provided inspection services to the City of Commerce on the Rosini & Rosewood Neighborhood Rehabilitation project. This politically-sensitive residential reconstruction project took place just south of I-5 and north of heavily traveled Washington Boulevard. During the design, a thorough pavement investigation was conducted, which included an inventory of potential parkway improvements which were prioritized to ensure maximum utilization of the City's available budget. Our team presented several options to the City with a cost-benefit analysis. This heavily deteriorated roadway was reconstructed utilizing Full-Depth Reclamation, 14" of roadway was excavated, and a 10" section was treated with cement. The construction entailed replacing curb and gutter and sidewalk, as well as ensuring that ramps met ADA standards.

RANCHO CUCAMONGA**HERMOSA AVENUE PAVEMENT
REHABILITATION PROJECT**

Chris provided inspection services to the City of Rancho Cucamonga on the Hermosa Avenue Pavement Rehabilitation project. The project limits were from Main Street to Arrow Route. The project included an Asphalt Rubber Hot Mix (ARHM) overlay, asphalt concrete pavement, cold plane, adjusting manholes, and water valve covers. It also included installing

traffic signal detector loops at Hermosa and Arrow, and another set of traffic signal detector loops at Feron Blvd. and Hermosa Ave. This project also required extensive traffic control.

COMMERCE**BRISTOW PARK NEIGHBORHOOD
REHABILITATION PROJECT**

Chris provided inspection services on this CDBG-funded roadway project in the City of Commerce. The project was constricted by the I-5 Freeway to the north, BNSF Railroad to the south, the City of Los Angeles Boundary to the west and the 710 Freeway to the east. The project covered approximately 4,900 LF of roadway. During the design phase a cost-benefit analysis was conducted to provide the City with multiple rehabilitation alternatives, including conventional full-depth reconstruction, Asphalt Rubber Aggregate Membrane (ARAM), Asphalt Rubber Hot Mix (ARHM), Inter-layer Systems and Cold-In-Place Recycling (CIR)/Full Depth Reclamation. Multiple design coordination meetings were additionally held between the City, OE and other stakeholders during design to ensure the most complete design possible. A combination of full-depth reclamation and reconstruction and Grind & Overlay was the selected rehabilitation method. Construction also included replacing damaged sidewalk, installing 25 new ramps and upgrading 13 more to meet ADA compliance, reconstruction of cross-gutters, and replacing street signs, trimming tree roots and installing barriers.



TIMOTHY STANLEY**ANAHEIM****PUBLIC WORKS INSPECTOR**

Tim performed Public Works Inspections for Federally Funded Capital Improvement Projects. The projects included: excavation and cold milling of existing AC, Asphalt Paving, Bus Pad Construction, ADA ramp improvements, traffic control, SWPPP inspections, manhole and water valve adjustments, striping, maintenance and review of project files to include verification of certified payrolls and maintenance of public relations.

A partial listing of major projects includes:

KNOTT STREET IMPROVEMENTS

Ball Rd. to Cerritos Ave.

HARBOR BLVD. STREET IMPROVEMENTS

Chapman to Orangewood

WEIR CANYON ROAD IMPROVEMENTS

N City Limits to Santa Ana River Bridge

STATE COLLEGE BLVD.

from 500' S/O Ball road to Cerritos Ave.

KATELLA AVE. STREET IMPROVEMENTS

from Cerritos Ave. to SPRR R/W

KRAEMER BLVD. STREET IMPROVEMENTS

from La Palma to Coronado

LA PALMA AVE. IMPROVEMENTS

from Blue Gum St. to White Star Ave

SAN DIMAS**ARROW HIGHWAY & LONE HILL AVENUE
IMPROVEMENTS**

Tim was the Senior Inspector on this project, with limits including the Arrow Highway and Lone Hill Avenue intersection, Lone Hill Avenue from 500 feet north of Arrow Highway to Cienega Avenue, and Gladstone Street from Monte Vista Avenue to San Dimas Avenue. The scope of work included 2,364 CY of excavation, removing 1,268 LF of concrete curb and gutter, 6,229 SF of concrete sidewalk, and 965 LF of curb, constructing river rock cobble paving in the medians on Arrow Highway, installing 7,299 tons of asphalt concrete pavement, constructing Class II aggregate base, and cement-treated base. In addition, the work involved adjusting the landscape and irrigation system on the medians, installing traffic signals on Arrow Highway at the Lone Hill intersection, removing 5 trees, installing Asphalt Rubber Hot Mix, installing 31 traffic loops, adjusting water and gas valves and manholes to grade, relocating traffic signal pull boxes, and installing a catch basin. Critical geometry grades were checked to identify the final removal and replacement limits. The project was designed to include all required CDBG Section 3 verbiage in the project specifications, and that the project scope/bid schedules were set up in such a way that maximized the City's budget. This included setting up alternate bid schedules in the bid package to ensure that budgetary overrun did not occur and to ensure that the City spend the allocated amount.



RASHID SYED**CERRITOS****ARTESIA BOULEVARD RECONSTRUCTION
PROJECT (PHASE I)**

Rash served as Project Manager & Construction Inspector on this project on Artesia Boulevard from Carmenita to Bloomfield Avenue. During the design phase, Rash was involved in selection of the consultant, and managing the design. He was the Construction Manager and inspector on this project. The work include rehabilitation using Asphalt Rubber Hot Mix.

CERRITOS**TRAFFIC SIGNAL MODIFICATIONS**

Rash served as the Construction Inspector on multiple traffic signal improvements in the City of Cerritos including: **Gridley RD./Target Development, Del Amo BLVD./State RD., South ST./Shoemaker RD., Del Amo BLVD. to South ST., Studebaker RD./Senior Housing, and Bloomfield AVE./Del Amo BLVD.**

LAGUNA BEACH**SKYLINE, BLUEBIRD CANYON, SUMMIT
DRIVE REHABILITATION**

Rash provided inspection services for the city of Laguna Beach. The project limits were split into three areas: Area A (Skyline) includes 934,523 sf, Area B (Lower Bluebird Canyon) includes 158,057 sf, and Area C (Summit Drive) is 185,961 sf. The work included variable grind and overlay in some areas, and Type I Slurry Seal in other areas. There was 2,562 square feet of French Drain that was installed in Area

A. A 4" drain line was connected to a catch basin in Area A as well. The specifications also called for new traffic signal poles at the Skyline Drive, Crestview Drive, and Fern Street Intersections. The project also encompassed parkway and curb and gutter improvements, signage and striping.

CERRITOS**CARMENITA ROAD RECONSTRUCTION
(PHASE I)**

Rash served as a Construction Inspector for the Carmenita Road reconstruction project. The project limits were from Artesia Boulevard to Alondra Boulevard. The scope of the work included removing and replacing damaged asphalt pavement, removing and replacing the damaged curb and gutter, and grind and overlay of the existing street. The project also required traffic striping and traffic control. The approximate construction cost was \$529,000.

(PHASE II)

Rash served as a Construction Inspector for the Carmenita Road reconstruction project. The project limits were from Artesia Boulevard to South Street. This street had existing median islands. The median curb was uplifted. The scope of the work included removing and replacing the uplifted median curb, damaged asphalt pavement, removing and replacing the damaged curb and gutter, and grind and overlay of the existing street. The project also required traffic striping and traffic control. Rash was also managing the design phase of the project, including project design review during the design phase.

JOE ZAMARIPPA

IRVINE

PAD K AT THE MARKETPLACE CONCRETE FOUNDATION (NEW BUILDING)

Joe was the inspector responsible for grading, layout, steel rebar placement, and placement of concrete. Coordination with general contractor on issues regarding survey staking, layout, RFI's, scheduling of underground excavations, plumbing, electrical, and erection of steel columns was essential. Project included over-excavation of native soil five feet deep and recompact 15,600 SF of building pad. Trenching of 820 LF of foundation footings, construction of forms and install steel reinforcement bars for foundations, stem walls, steel column pads, and grade beams. Total concrete placed was 230 cubic yards of concrete. The project was successfully completed on time and within budget. The project required coordinating with all stakeholders such as: The Irvine Company, the general contractor, the City of Irvine Building Department, and the project architect.

IRVINE

ANNUAL STREET REHABILITATION & SLURRY SEAL PROJECT

Joe served as inspector for the City of Irvine on this 7.2-million-dollar capital improvement project. The scope of work included removal and replacement of 45 ADA ramps, 2,000 LF of curb and gutter, and 5,400 SF of city sidewalk. Also included in project

scope was grind and overlay, Type I and Type II RAP Slurry seal, adjusting 110 manholes and 464 valves, and installation of 50 traffic loops. Intensive traffic control along Barranca Parkway was necessary due to crossing intersections during grind and overlay operations. Due to the nature of this project, it was necessary to actively respond to all resident questions and address needs to the community and City.

SAN DIEGO

CALTRANS HIGHWAY 94 IMPROVEMENT PROJECT

Joe served as project inspector for the general contractor on the Caltrans Highway 94 Improvement Project. Project construction included 3,950 LF of 16 feet high masonry soundwall, 125 LF of cast-in-place concrete barrier, hillside grading, new irrigation, and new landscaping. Joe was responsible for leading weekly safety meetings and implementation of safety plan. Special protective measures were put into place concerning Environmentally Sensitive Area (ESA), such as temporary orange fencing to deter workers and equipment from entering restricted area. All underground utilities were marked prior to excavation of soundwall footings and protected in place. Heavy coordination between Caltrans district manager, Caltrans inspectors, and effected residence allow project to be completed on time and within budget.



RON OSTENDORF**PLACENTIA****CITYWIDE RESIDENTIAL STREET
REHABILITATION PROJECT**

Ron provided inspection for the City of Placentia. The project was funded by a variety of sources including Gas Tax, Proposition 1B, Measure M1, and Measure M2. The analysis included 75 miles of roadway and the actual design spanned 35 miles. The scope of work entailed rehabilitating the roadway using primarily Type II slurry seal, chip seal, and portions of full R&R. The final design included rehabilitating 41% of the City's residential roadways, including 109 new ADA compliant curb ramps, 5,445 tons of slurry, 105,050 SY of chip seal, grind and overlay with 35,000 tons of AC paving, adjusting 209 manholes and 369 water valves, and 2,363 LF of curb and gutter. OE reviewed the City's Pavement Management Report, and completed a reconnaissance field survey to better understand the existing pavement conditions. The field survey included walking each proposed roadway to make recommendations for necessary localized AC R&R patches, and to identify damaged curb & gutter and uplifted, or non-ADA compliant sidewalks. The project also required providing a location matrix with photographs for each recommended repair, along with the estimated budget allocation for each location and work item.

PICO RIVERA**TELEGRAPH ROAD LANDSCAPE MEDIAN
IMPROVEMENTS PROJECT**

Ron provided inspection Services to the City of Pico Rivera. The project limits were on Telegraph Road, between Rosemead Boulevard and Passons Boulevard and on Rosemead Boulevard between Telegraph Road and Vista Del Rosa. This high profile project was funded by the Federal Highway Safety Improvement Program (HSIP) and Proposition C. A portion of the project limits were in the City of Downey, and multi-agency coordination was essential to the success of the project. Telegraph Road is a major residential and commercial thoroughfare running east-west. The roadway rehabilitation comprised of reconstruction of heavily deteriorated areas, including the Telegraph Road and Lindell Avenue intersection. The work also included a 2.5" grind and ARHM overlay. The project also called for curb and gutter, sidewalk, curb ramps, and landscape median improvements. The landscape component entailed fine grading, automatic irrigation installation, constructing a moisture barrier, and placement of over 16,000 tons of mulch, nearly 2,000 shrubs, 85 trees, and 50 brown trunk palms. This project was hailed as a landmark project for the City, and a ribbon cutting ceremony was held to celebrate the completion of work.

ERIC NUNEZ**FULLERTON****WILSHIRE AVE., MARGARITA DR.
& DOLORES DR. WATER MAIN
REPLACEMENT & SEWER & STREET
IMPROVEMENTS**

Eric served as Construction and Water Inspector for the City of Fullerton on the \$1,027,406.00 Wilshire Avenue, Margarita Drive and Dolores Drive Project. The project included 2,600 feet of 12" DIP, 60 feet of 10" DIP, 45 feet of 8" DIP, and 60 feet of 6" DIP, 11-6", 13-12" and 2-10" valve assemblies, 8 Fire Hydrants, 1-1" air release, and 33-1" services using existing water meters on Wilshire Avenue. Eric also inspected the placement of 798 feet of 8" SDR-35 sewer main, 6 sewer manholes, the reconnection of 12-4" sewer laterals and removal of 4 existing manholes on Margarita Drive and Dolores Drive.

FULLERTON**EDGECLIFF DR. SEWER REPAIR PROJECT**

Eric served as the Construction Inspector for the Edgecliff Drive Sewer Repair Project for \$470,000 in the City of Fullerton. The project included minor repairs and slip-lining an existing sewer main located in the canyon behind the homes on Edgecliff Drive, Raymond Avenue, Kroeger Avenue, Shadow Lane, Skyline Drive, Linda Vista Circle, Cerritos Drive, Grandview Drive and Balcom Avenue under the Union Pacific Railroad tracks. The locations were all fairly inaccessible due to the location in the canyon

and under railroad tracks. It was decided that slip lining was a viable alternative to digging up and replacing the sewer line and laterals.

FULLERTON**BROOKDALE & HIGHLAND WATER MAIN
& SEWER REPLACEMENT PROJECT**

Eric provided inspection services on the Brookdale & Highland Water Main & Sewer replacement Project where he Oversaw the abandonment of an existing 6" sewer main and 5 existing sewer manholes, and the installation of 800 feet of 8" VCP sewer main and reconnection of 6 new manholes. Eric additionally oversaw the repair of existing water lines and the installation of new earthquake valves for reservoirs and DCDA water meters.

FULLERTON**LEMON ST., ROSSLYN AVE., STATE
COLLEGE BLVD. & BALCOM AVE. SEWER
REPLACEMENT PROJECT (PHASE I & II)**

Eric served as the Construction Inspector for the City of Fullerton. The project included inspected the placement of 3,727 lineal feet of 8" V.C.P, 569 sewer lateral connections and 19 feet of 8" V.C.P pipe, 1,724 lineal feet of 21" VCP pipe, 149 feet of jackbore 42" steel casing, and 1-48" and 10-60" sewer manholes. Eric also oversaw the remodeling of sewer manhole shelves, abandonment of 12 existing sewer manholes and the installation of 21-48" and 1-60" sewer manhole, as included in the contract. The project had a budget of \$1,912,358.



RON BRAHS

BUENA PARK

BEACH BLVD. SEWER IMPROVEMENT

Ron served as a contractor Superintendent on this Beach Boulevard sewer improvement project in the City of Buena Park. Work was done along 0.5 miles of Beach Boulevard, at the I-5 freeway, on both sides of the street. Caltrans coordination was mandatory for this project and conscientious traffic control was essential due to high traffic. Some work was done at night to mitigate traffic congestion. The project took two months to complete.

SOUTH GATE

ATLANTIC AVENUE AND FIRESTONE BLVD. INTERSECTION IMPROVEMENTS

Ron provided inspection services for the City of South Gate on this \$6 million project. The project limits were on two arterial streets: Atlantic Avenue from Firestone Boulevard to Patata St. (~1,300 LF) and Firestone Boulevard, from Dorothy Avenue to Atlantic Ave. (~2,200 LF). The project involved the widening and realignment of the intersection to increase the number of thru, left turn lanes, the length of turn pockets, and right turn lanes. In addition to the widening, the scope entailed a concrete approach to the intersection; concrete intersection; grind and ARHM overlay; four legs of the intersection;

50,000 SF of sidewalk, 1,850 LF of curb and gutter, 2,100 LF of DIP waterline and 2,840 LF of recycled waterline, and 4,656 LF of median island curb with decorative landscaping and a city monument sign. This project was funded with Measure R, MTA and other state funding sources, and required the preparation of an award package and the continued upkeep of project files, invoices, reports and submittals in accordance with Caltrans' LAPM.

TORRANCE

RESIDENTIAL STREET REHABILITATION PROJECT (AREA C)

Ron was the Construction Inspector on the Residential Street Project for Area C. Area C consists of sixteen residential streets bounded by Dominguez Street to the north, Van Ness Avenue to the east, Torrance Boulevard to the south, and BNSF Railroad to the west. The scope of work entailed removing the existing asphalt pavement by cold-milling/excavation, removal of existing concrete curb and gutter, removal of portions of sidewalk, driveway approaches and concrete curb ramps, the construction of variable height PCC curb and gutter, new PCC driveway approaches and driveway curb depressions, cross-gutters, alley approaches, sidewalk, traffic loops, and the reconstruction of pavement with asphalt concrete and base material and the replacement of existing traffic striping with appurtenances.

BOB PARSONS

BREA

RAILS TO TRAILS BIKE AND FOOT PATH

Bob provided Inspection services for construction of this 1,850-foot bike and foot path in the City of Brea, with a 10-foot wide, paved and striped two-way bike path and adjacent semi-permeable specialized DG footpaths, with varying widths of 4.0-5.5 feet. The project also entailed a geotechnical investigation, minimal landscaping, and bringing a connecting path from a nearby parking structure up to ADA standards. An electrical conduit was installed along the length of the project for future use, and two driveways within the limits required a grind and overlay. Work also included raising five manholes and directing runoff water to the natural bio-swale. Caltrans coordination was essential to completing this project, and intensive traffic control at Imperial Highway was also necessary while a new pedestrian signal was installed.

BREA

ELM STREET RESURFACING AND WATERLINE REPLACEMENT PROJECT

Bob provided Inspection services on the Elm Street Resurfacing and Waterline Replacement project for the City of Brea. The project's roadway improvements spanned 4,100 LF and included a 2-inch cold mill, 2.75-inch Type III-B2 base course, and a 2-inch ARHM

overlay. The scope also included widening the street to accommodate 5-foot sidewalks, replacing access ramps to meet ADA Standards, installing 2 new cross-gutters, repairing 2 additional cross-gutters, and replacing several homeowner driveways. Furthermore, the waterline improvements included abandoning a 6-inch main, connecting 7 side-street water lines to the existing 12-inch water main on Elm Street, installing 42 water valves ranging in size from 8-inch to 12-inch, connecting 62 existing water services to the 12 inch main, and installing 12 new fire hydrant assemblies. This project required heavy traffic control and coordination with residents.

BREA

STATE COLLEGE BOULEVARD STREET REHABILITATION

Bob provided Inspection services to the City of Brea on the State College Boulevard Rehabilitation Project. The project limits spanned State College Boulevard, from Birch Street to the south City limit. The scope of work included grind and ARHM overlay, crack sealing, replacing curb, gutter, sidewalk, and median-island noses, installing new video detection and a traffic controller at one intersection, traffic loops, and upgrading ramps to be ADA-compliant. In order to minimize impact on motorists, paving and signal work was completed at night on Birch Street and Imperial.

JAMES GREENFIELD

WHITTIER

MULBERRY AVENUE ROADWAY & BUS PADS REHABILITATION

James provided inspection services on the grind and overlay of Mulberry Avenue for 2 miles between Colima Road and Greenleaf Avenue using conventional AC. This project had 8 bus pads, 12 ADA ramps, curb & gutter, minor sidewalk repair, and commercial drive aprons. Extra precaution had to be taken during grinding and paving as Union Pacific Railroad operated within the limits of the project. There were 49 manholes which required raising, and complete re-striping. James provided all daily logs detailing personnel and equipment, as well as all materials and quantities used during construction.

BREA

BREA TRACKS AT SEGMENTS 2 & 3

James provided Inspection services for this project entailing the construction, soil remediation and grading of a multi-use trail approximately 1,300 LF in length, consisting of a bike trail, stairs, bike trough, and a pedestrian path located in the former rail road property north of Birch St., between the Brea Canyon Flood Control Channel and Brea Blvd. The project also called for construction of a restroom and plaza facility in the formerly rail road property, located north of Birch St., between Brea Blvd. and State College Blvd.

CARSON

SEPULVEDA BLVD. REHABILITATION (CALTRANS COORDINATED)

James provided inspection on this project which included cold-milling and 2" ARHM cap on Sepulveda Boulevard between the 110 freeway, and Western Avenue. This required close cooperation with Caltrans as the freeway on and off ramps were within the limits of the project. This project also involved commercial drive aprons, minor sidewalk repair, and curb & gutter.

HAWTHORN

CRENSHAW BOULEVARD RECONSTRUCTION

James was the inspector on this project requiring road reconstruction on Eriel Ave., W 132nd St., 133rd St., 134th St., and 134th Pl. between Lemoli Ave., and Crenshaw Blvd. After removing portions of Eriel Ave., petroleum fumes were found under the existing asphalt and the environmental lab determined that this was due to the proximity of the Hawthorne Airport a block away. Several hundred cubic yards of unclassified excavation had to be trucked to a site and decontaminated. All new sidewalk, aprons, and crossgutters were added to the cul-de-sacs of 133rd St., 134th St., and 134th Place.



CIP PUBLIC WORKS INSPECTION

Our Construction

Managers (CM) can provide the City of Brea with CM and Inspection services as required. The key to a successful project is a CM who will manage cost, schedule, and quality. OE's team of CM's have provided such services on a list of projects for many City clients. This includes roadway rehabilitation and reconstruction, street widening, traffic signal improvements, storm drain, water & sewer line, landscaping, facilities improvements, etc. This involves projects funded through a variety of methods including ARRA, FEMA, FHWA, CDBG, Measure M, & Prop 1B.

BID ASSISTANCE

RFI COORDINATION

JOB SAFETY COMPLIANCE

TRAFFIC CONTROL REVIEW

PREPARE/RECOMMEND CCO

NON-COMPLIANCE LIST

REVIEW/PROCESS PAYMENTS

MAINTAIN/SUBMIT PROJECT FILES

AS-BUILT PLAN MAINTENANCE

PROJECT SCHEDULE REVIEW

COMMUNITY COORDINATION

PUNCH-LIST OVERSIGHT

SUBMITTAL REVIEW

REQUIRED WORK ITEMS

PUBLIC WORKS INSPECTION

OE's team of inspectors are very flexible with experience handling more than one project at a time and adjusting to a varying work pace. This is essential for Public Works Inspections, where the Inspector will be requested to move from site to site quickly and seamlessly. OE is currently providing public works inspection to multiple Cities, which means we know what public agencies expect and can efficiently deliver personnel to exceed expectations. They will provide inspections on encroachment permits, public works construction, land development and related work.

PUBLIC WORKS CIP PROJECTS

Our Inspectors will be the City's feet on the ground, advocating the best interest of the City while keeping the Contractor on task to ensure safety, quality, and compliance with the contract documents. This ensures active monitoring and documentation of the job site and project progress. It also provides notes on labor, weather, progress, key items, and field observations and paves the way for clear documentation of existing condition, progress of construction, and final field conditions. Our inspectors are well versed in the construction of different projects with varying levels of complexity. We understand the City's desire to have a bench of inspectors to provide inspection services for a variety of Public Works, Street Maintenance, Landscape, Traffic Signal, Storms Drain, and other CIP projects.



PROJECT SCOPE OF WORK

TASKS

DELIVERABLES

(BI) WEEKLY
PROGRESS
MEETINGS

meeting agenda & minutes
weekly statements
working days report
status reports

SCHEDULE REVIEW

construction schedule updates

COMMUNITY
COORDINATION

community coordination records
discussion notes
date of discussions
actions taken

CONSTRUCTION
INSPECTION

daily reports
working day statements
daily photo diary
raw image files & video (digital)

TRAFFIC CONTROL

traffic control notes

JOB SAFETY COMPLIANCE

safety infraction reports

CHANGE ORDERS

change order notes
change order recommendations
ensure accurate records quantities
ensure records back-up

LABOR COMPLIANCE

contractor certified payroll records
CM payroll review notes
employee interview forms
employee interview reports

MATERIALS TESTING

CONSTRUCTION STAKING

CONSTRUCTION DOCUMENTATION

WATER QUALITY & SWPPP

TASKS

DELIVERABLES

PRE-CONSTRUCTION MEETING

meeting minutes & agenda

CONSTRUCTABILITY REVIEW

RFI COORDINATION

assist in RFI review

SUBMITTAL REVIEW

submittal log
stamped submittals
recommendations

PHASE 2
CONSTRUCTION

PHASE 1
PRE-
CONSTRUCTION

PHASE 3
POST-
CONSTRUCTION

CONSTRUCTION
DOCUMENTATION

TASKS

DELIVERABLES

FINAL WALK-THROUGH
AND INSPECTION

IOR red - lines
contractor red - lines
CM coordination records
final as-built documentation

AS - BUILT PLANS

preliminary punch list
final punch list
inspector's non - compliance notice
non - compliance notes

PUNCH LISTS

completion recommendations

NON - COMPLIANCE ITEMS

final report of completion

COMPLETION RECOMMENDATIONS

final payment recommendations

FINAL PAYMENT REQUESTS

final project files (per LAPM)
final project report
as - built drawings
digital set of drawings
construction files

CONSTRUCTION DOCUMENTATION

WATER QUALITY & SWPPP

SUBMIT FILES

non - compliance notes

LABOR COMPLIANCE

contractor certified payroll records
CM payroll review notes
employee interview forms
employee interview reports

PROJECT RECORDS

JOB CONTROL DOCUMENTS

DCRs

PROJECT SCHEDULE

CORRESPONDENCE

BID SCHEDULE

RFIs

(BI) WEEKLY STATUS REPORT

SUBMITTALS

WEEKLY STATEMENTS OF WORKING DAYS

CCOs & PROGRESS PAYMENTS

CONSTRUCTION CHANGE ORDERS

LAB & FIELD TEST REPORTS

CERTIFIED PAYROLL RECORDS

MATERIALS DELIVERY TICKETS

LABOR COMPLIANCE DOCUMENTS

COMPLIANCE CERTIFICATION

MONTHLY CONSTRUCTION PAYMENTS

PROGRESS REPORTS & PHOTOS

MEETING MINUTES

GUARANTEES & CERTIFICATIONS

AFFIDAVITS/LEASES/EASEMENTS

CM & INSPECTION QA/QC

Through our years of Construction Management and Inspection Services experience, we've come to understand that success comes through a solid QA/QC plan, implemented from the onset of a project. For each project we undertake, OE implements protocol from a detailed in-house QA/QC manual that defines roles, responsibilities, expectations, review requirements, and quality standards of all documents and procedures within the firm.

Our team brings considerable experience with keeping projects on track - experience gained on many public works construction projects in Southern California. We believe it is imperative that we have a full understanding of the timeline of each project, from beginning to end. We can personally build CPM schedules and handle the monthly updates with the responsible agencies. Our Construction Managers will hold meetings with the contractor to discuss the status of the schedule and identify any potential roadblocks or challenges. They will review each monthly update promptly and provide comments or acceptance after receipt of the submittal from the Contractor. We make a point, at the start of every project, to specifically tailor the QA/QC program and work plan to the specific project needs. OE's team approach to project controls is to achieve estimating, cost control, and scheduling objectives through conscious planning and execution of the work, and through the continuous monitoring of cost, schedule, quantities, and performance.

PROVIDE construction teams with the control tools and documents to accurately estimate, plan, and monitor work to meet the project's cost, schedule, quantities, and performance.

IMPLEMENT tools and control documents toward the support of the Change Management Process and the preparation/review of change orders for City approval. The Change Management Control is for early warning and approval for the control of deviations in engineering cost, cost of material and equipment, and construction during all project phases.

These are the goals we strive to achieve while simultaneously managing the various aspects of project controls.

IDENTIFY opportunities in a timely fashion so impacts to cost, schedule, quantities, and performance are realized and minimized or avoided. The primary focus is early identification of opportunities or potential risks, then finding alternative solutions to quickly implement corrective actions.

FACILITATE communications to provide the City with advanced long-term visibility necessary to make proactive and informed decisions.

PROJECT CONTROLS

OE utilizes technology-based systems equip with tools designed to store, access, and share project-related information. These Systems are capable advancing immediate, real-time project-related updates; error mitigating analysis, schedules, provide 24/7 access to City project personnel, increase productivity and reduce costs to the City.

VPM

OE understands that the City of Brea utilizes VPM for inspection documentation. We are familiar with VPM, which is a web-based project management system built for public agencies. In fact, we are aware the developers at VPM have worked directly with the City of Brea to develop some of the product features. We can easily utilize VPM for any of the City's projects if requested.

COST CONTROL

One of our core corporate philosophies is honesty and transparency. We use Advanced Financial Software to prepare invoices and reports, which allows the City to request billing statements at any time in the billing cycle. We can also send a real-time report of hours and expenses, letting the City of Brea easily compare proposed resources to resources used and/or remaining.

SCHEDULE CONTROL

The OE team values time, for both our clients and our team members. To keep projects efficient, on track, and to maintain transparency, we invest in scheduling tools such as Microsoft Project and Microsoft Primavera, operated by our course trained in-house staff. Every time we submit a proposal, we prepare a Critical Path Method (CPM) schedule which corresponds to our resource allocation chart and fee proposal. CPM scheduling is highly useful as it allows OE to digitally input, analyze, modify, and share project scheduling. When preparing the schedules, OE consider resources, tasks, relationships and durations. OE makes use of this information to maximize efficiency. When awarded a contract, our team updates the schedule with the Notice to Proceed date. This is then imported into our proprietary solution "Onward Collab" which the City will then have full access to. From there, OE can seamlessly document and assign tasks and subtasks. The result is that the details and the progress of the project would be available at all times to be tracked by the City and by our QA/QC team in real-time. Project Managers are then enabled to assess the workload of every team member at any given time, so that immediate adjustments can be made to the project. For example, if additional resources are needed to meet a milestone, the City would have immediate access to all change details. This system also allows for back and forth dialogue regarding a specific task or subtask. The full conversation addressing that item is centralized and can be reviewed at any point.



Another view that can be utilized is the Board View. This shows buckets of tasks, with each bucket representing a team member. Moving tasks by a drag and drop, this gives the City clarity as to who is doing what and how much work is on their plate.

COMMUNITY OUTREACH

Public outreach is a critical aspect of any project, but it is often overlooked. OE places an emphasis on public outreach for the interests of residents, businesses and stakeholders to provide positive public perception of the City, reduce City costs, and garner public buy-in.

INTERACTIVE WEB MAPS



To view project pages and maps,
please visit: www.oe-eng.com/dbarea5

OE has the tools and skills to build complex, dynamic maps to keep the public informed. Any stakeholders affected by our work can easily access our interactive maps online to see detours, phasing, temporary parking, street closures, and basic project limit information. OE would manage the site and content in accordance with City requirements, updating the maps in real time, and in-turn providing the City of Brea with convenient, easy-to-access content oversight and to disseminate valuable information.

WEB PAGE

We also offer the option of hosting these informative web pages on a separate sub-domain linked directly to the City's website. OE can then produce and update all public notices (PDFs), project information and maps, saving the City time and resources.



TELEPHONE HOTLINE

OE establishes project hotlines to provide businesses, residents, and City staff 24/7 access to project personnel. The City will be provided with a hotline for this project that can function as the contact number for the duration of the project life cycle. All calls are tracked, so a call log can be generated and saved, with caller information, time of call, and voice-mail. Upon setup, callers will be greeted by a brief pre-recorded introduction, after which a vocalized menu will offer key options for helpful project information, such as street closures, parking restrictions and schedule changes. They will then have the option to be routed to a task specific staff member. This system is completely customizable, where the contact person can be changed throughout the course of a project, and the system works even if phases are handled by different consultants. This available resource provides peace of mind to the community, knowing the option to voice their concerns and obtain information is a phone call away. This method of consolidation also means less headaches for the City.



ONWARD ENGINEERING takes no **technical** exceptions or deviations from the requirements of the City of Brea's RFP for Professional Consulting Services Construction Management and Inspection Services, FY 2018-2019.

ONWARD ENGINEERING takes no **contractual** exceptions or deviations from the requirements of the City of Brea's RFP for Professional Consulting Services Construction Management and Inspection Services, FY 2018-2019.

**CONSTRUCTION
INSPECTOR**

\$110 | hourly

**CONSTRUCTION
MANAGER**

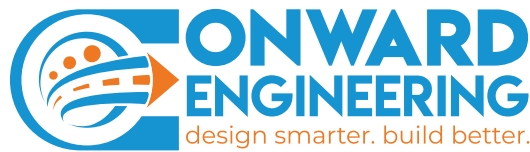
\$140 | hourly

**COMMUNITY
COORDINATOR**

\$75 | hourly

**PROJECT
MANAGER**

\$135 | hourly



**QA/QC
MANAGER**

\$145 | hourly

**PROJECT
ENGINEER**

\$115 | hourly

FEE SCHEDULE/HOURLY RATES

for Professional Consulting Services

Construction Management

& Inspection Services

FY 2018 - 2019

for the City of

**CITY
ENGINEER**

\$150 | hourly

**PLAN
CHECKER**

\$110 | hourly



**TRAFFIC
ENGINEER**

\$150 | hourly

**CLERICAL
STAFF**

\$55 | hourly

**PERMIT
TECHNICIAN**

\$50 | hourly

CITY OF BREA

Construction Management & Inspection Services RFP, April 2019

Status of Past and Present Contracts Form

On the form provided below, Offeror shall list the status of past and present contracts where the firm has either provided services as a prime contractor or a subcontractor during the past five (5) years in which the contract has ended or will end in a termination, settlement or in legal action. A separate form must be completed for each contract. Offeror shall provide an accurate contact name and telephone number for each contract and indicate the term of the contract and the original contract value.

If the contract was terminated, list the reason for termination. Offeror must also identify and state the status of any litigation, claims or settlement agreements related to any of the identified contracts. Each form must be signed by an officer of the Offeror confirming that the information provided is true and accurate.

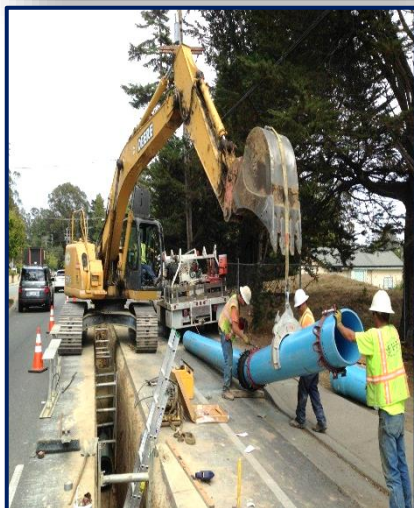
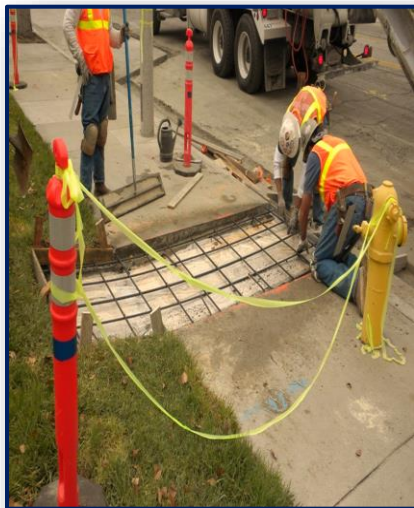
Project city/agency/other:	
Contact name:	Phone:
Project award date:	Original Contract Value:
Term of Contract:	N/A
1) Status of contract:	
2) Identify claims/litigation or settlements associated with the contract:	

By signing this Form entitled "Status of Past and Present Contracts," I am affirming that all of the information provided is true and accurate.

Signature 
Name: Majdi Ataya
Title: President

Date May 10, 2019

Proposal to Provide
Professional Consulting Services for
Construction Management & Inspection Services
FY 2018-2019
- City of Brea -



LAE
ASSOCIATES,
INC.

Contact Information:

650 North Rose Drive, # 182
Placentia, CA 92870
LAEassociates.com
Tel: 714.993.2840
Info@LAEassociates.com

May 10, 2019

Michael S. Ho, P.E.

Deputy Director of Public Works/City Engineer

Public Works Department – Engineering Division

City of Brea

1 Civic Center Circle

Brea, CA 92821-5732

**SUBJECT: PROPOSAL TO PROVIDE PROFESSIONAL CONSULTING SERVICES
FOR CONSTRUCTION MANAGEMENT & INSPECTION SERVICES, FY
2018-2019**

Dear Mr. Ho:

Local Agency Engineering Associates, Inc., DBA: LAE Associates, Inc. (LAE) is pleased to have the opportunity to submit our proposal to the City of Brea (City) to provide Professional Consulting Services for Construction Management & Inspection Services for FY 2018-2019. Throughout this letter and submittal, we express our sincere interest in working closely with the City, our extensive experience, as well as our understanding of the City's needs from this partnership.

We constantly work with agencies who have very similar and comparable projects as the City does, enabling us to reinforce our knowledge and present our expertise to the City. **The key staff members designated have over thirty (30) years of Public Works Construction Management and Construction Observation experience.**

We understand that Capital Improvement Program (CIP) and Engineering projects are designed to enhance the quality of life by improving the City's infrastructure. LAE understands that certain City projects may utilize Federal-Aid funds. **Our team has successfully completed and managed several Federal-Aid funded projects.** With team members having worked for various Cities, Counties, Caltrans, and other public agencies, LAE presents itself as having a firm grasp of the intricacies and details associated with the nature of this work.

LAE proposes to have two Disadvantaged Business Enterprises (DBE) subcontractors as part of its team: GCAP Services (Sylvia Linn, JD, MBA, Labor Compliance Manager, 525 Hyland Avenue, Suite 260, Costa Mesa, CA 92626, 714-800-1795) and JMD (Juan M. Diaz, MBA, PE, President/CEO, 18645 East Gale Avenue, Suite 212, City of Industry, CA 91748-1363, 626-820-1137).

We have received all appurtenant RFP addenda. This Proposal is valid for ninety (90) days from May 10, 2019. All information submitted with the proposal is true and correct.

Please feel free to contact me with any inquiries regarding this proposal at 714-993-2840 or FredA@LAEassociates.com.

Sincerely,

Fred Alamolhoda, P.E.

President

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Status of Past and Present Contracts Form

A) Qualifications, Related Experience, and References

1) Profile of the firm:

LAE Associates, Inc. (LAE) is a provider of professional engineering services to public agencies all across Southern California, with an objective of bettering the communities we live in and ensuring the satisfaction of our clients. In 2007, LAE was founded on the premise of enhancing the processes, outcomes, and nature of municipal projects and currently employs over ten (10) professionals. LAE is a Small Business Enterprise (SBE) firm and being a California corporation, LAE's clients include California cities, counties, and other public agencies.

Our firm specializes in Construction, Project, and Program Management services for public agencies. In addition, LAE's services include: Construction Observation, City Services, Staff Augmentation, Capital Project Planning, Transportation Funding Strategies, full spectrum of Caltrans (CT) Local Assistance Services Training and Consulting to individual Cities, Counties, Councils of Governments, and other Public Agencies.

Name	Local Agency Engineering Associates, Inc. (DBA: LAE Associates, Inc.)
Address	650 North Rose Drive #182 Placentia, CA 92870
Telephone	(714) 993-2840
Email	FredA@LAEassociates.com

Table 1: Identification of LAE

Having familiarity with the area allows us to provide our services in a time-effective and efficient manner with high caliber outcomes. LAE employees have experience in the public sector and know the intricacies involved in this RFP's line of work. The management of the firm has over thirty-six (36) years of Public Works experience, having been employed with several cities and CT on relevant practices. The LAE team has been successful in its efforts due to its high quality and timely project delivery, experienced staff, loyal clients, and reputable project partners it possesses. Over ten employees work from our office, client offices for staff augmentation, and/or the field. **LAE is headquartered in Placentia, CA, only a five (5) minute drive to Brea's City Hall.**

The City of Brea (City) has issued a RFP for Professional Consulting Services for Construction Management & Inspection Services for FY 2018-2019 to obtain qualified consultants and ensure the City's growth needs are met. The LAE team is a group of highly experienced personnel who have in-depth knowledge of Engineering and CIP projects, from conception to completion. Each of our proposed key team members have over thirty (30) years of Public Works experience, having been former City Engineers, Public Works Directors, and Senior Engineers. We set forth to meet and surpass the outlined Scope of Work, placing emphasis on the outcome of projects by ensuring an improved infrastructure for the communities in the City of Brea.

2) LAE's Financial Condition

LAE has a positive and solid financial condition. No bankruptcy, pending litigation, planned office closures, and/or impending mergers are foreseeable that may impede our ability to complete the project.

3), 4), and 5) Our Experience with Projects, Government Agencies, and listed Subcontractors

LAE has a demonstrated a history of providing Consultant Services for the service area we are proposing for: **Construction Management and Inspection**, having worked very closely with Cities, Counties, Caltrans, SBCTA , and other public agencies. We are the on-call consultant for many of our clients, assisting them in times of urgency as well as year-round on a variety of Public Works projects.



We have experience and knowledge in **Construction Management, Construction Observation, Project Management, and Federal Funding/Grant Compliance** with public agencies, services that apply to this RFP. We are very familiar with the entire project process, from pre-construction to post-construction, and know how to obtain desirable results for the City of Brea (City). We have been able to streamline this process for our clients with a series of established methods and rapport developed with the participating agencies.

LAE has been providing relevant project services to public agencies, services that are quite similar to those in which the City is seeking through this RFP. The

services have consisted of the following services, which will be described in greater detail in this proposal.

- Pre-Construction
- Construction Phase
- Post-Construction

The following are relevant examples of how LAE is qualified and ready to handle the needs and expectations of the City. As illustrated below, LAE has assisted public agencies with the Construction Management and Inspection of many of their projects.

Partial List of Relevant Project Experience

Central Avenue Pavement Rehabilitation Project (Phase I)

Client: City of Compton

Description: Installation of terminal blend rubber chip seal and slurry seal on existing pavement; removal and replacement of failed asphalt concrete areas, installation of ADA compliant curb ramps, curb, gutter and sidewalk improvements, traffic loop replacement and other minor associated work.

Project Funding Type: Metro Proposition C/other local Funds

Construction Cost: \$1,531,670

LAE's Duties: Construction Management, Construction Observation, Geotechnical Services, Labor Compliance

Team Members: Fred Alamolhoda, Ken Manera, Kevin Alamolhoda

LAE Subcontractors: GCAP Services (Labor Compliance), JMD (Designer)



Wilmington Avenue Safe Streets Pedestrian/Bicycle

Improvement project

Client: City of Compton

Description: Development of safer pedestrian crossings and intersections, as well as installing bicycle lanes to improve bicycle visibility and safety, thereby reducing collisions. Installation of Asphalt Rubber Hot Mix (ARHM), AC Base Course, removal and replacement of failed asphalt concrete areas, installation of ADA compliant curb ramps, curb, gutter, sidewalk, cross gutter improvements, traffic signal modifications, pedestrian signal modifications, and other minor associated work.

Project Funding Type: Active Transportation Program (ATP) & Metro Prop. C Funds

Construction Cost: \$1,219,750

LAE's Duties: Construction Management, Construction Observation, Geotechnical Services, Labor Compliance, and Grant Administration during Construction

Team Members: Fred Alamolhoda , Ken Manera, Kevin Alamolhoda, Fred Agah

LAE Subcontractors: GCAP Services (Labor Compliance) & GAI (Materials Testing)

Two (2) Quadrant Water Main Replacement Projects

Client: City of Chino

Description: Installation of Water Mains, Service Laterals, Fire Hydrants, and associated components on Ten (10) residential streets. Pressure Testing, Bacteria Testing, Tie-Ins, and service turnovers.

Project Funding Type: City Water Fund

Project Costs: \$2,600,000



LAE's Duties: Project and Construction Management, Staff Augmentation

Team Members: Bill Bayne, Kevin Alamolhoda

Sewer Re-Lining Project (*In Progress*)

Client: City of Chino

Description: Sewer Re-lining work at twelve (12) locations throughout the City.

Categories range from cracks and root intrusion to emergency and risk of collapse. Cleaning and CCTV work. Over 13,000 linear feet of re-lining work.

Project Funding Type: City Sewer Fund

Project Costs: \$598,625

LAE's Duties: Construction Management, Staff Augmentation

Team Members: Ross Anderson, Kevin Alamolhoda

Community Facilities District (CFD) Improvements (*In Progress*)

Client: City of Chino

Description: Address program, administrative, and construction management needs of CFD projects. Provide support with City's Mello-Roos Community Facilities Act funded development projects. Provide engineering/construction project management services for CFDs projects; ensure CFD project schedules, cost, quality, and performance are met; coordinate, manage, and monitor the progress of assigned CFD projects and programs at all stages of the projects; as well as perform other appurtenant work.

Project Funding Type: CFD Bonds

Project Costs: Over \$20 million

LAE's Duties: Project and Program Management **Team Members:** Ross Anderson,
Fawne Yamashiro

Federal Safe Routes to School Cycle II Project

Client: El Monte

Description: Removal of existing street improvements;
installation of sidewalk, curb, and gutter; installation of
bulb-outs (curb extensions); installation of ADA curb ramps;
installation of high visibility crosswalks, installation of
pavement marking and signage, installation of storm water
treatment system; and associated construction traffic control.



Project Funding Type: Federal Safe Routes to
School (SRTS) Funds

Construction Cost: \$1,116,100

LAE's Duties: Construction Management/Observation, Geotechnical and Material
Testing, Labor Compliance

Team Members: Fawne Yamashiro, Ken Manera

LAE Subcontractors: GCAP Services (Labor Compliance) and GAI
(Geotechnical Engineering)

Crown Valley Parkway Pavement Rehabilitation Project

Client: City of Laguna Niguel

Description: Rehabilitate the existing roadway by grinding and paving and/or full depth repairs in spot areas of pavement failure, grind adjacent to the parkway curb and gutter and median curb, and full width overlay with rubberized asphalt. Additionally, the Project will include roadway striping, traffic loop replacement and construction of ADA compliant ramps for existing non-compliant and missing ramps.



Project Funding Type: Arterial Pavement Management (APM) and Earmark
Re-purposing Federal Funds

Construction Cost: \$1,600,000 .00

LAE's Duties: Construction Management, Geotechnical Services, Labor Compliance,
Grant Compliance Administration

Team Members: Fred Agah, Fred Alamolhoda, Jerred Andrews

LAE Subcontractors: Willdan Geotechnical (Geo-technical Services), GCAP Services
(Labor Compliance)

Our approach to managing infrastructure projects is to take a results-oriented view. This means LAE takes calculated actions, proactively seeks solutions on potential issues, and plans ahead of schedule. In order to meet and surpass the City's needs and desires, the LAE team will thoroughly review the contract documents. Prior to the start of construction, LAE will have a detailed comprehension of the Plans and Specifications. The project schedule will also be followed with the budget in mind, while preserving safety. The LAE team will review the entire project: comprehend and follow the schedule, be aware of the projects' federal funding/budget and terms and have a thorough understanding of the scope of work. LAE will develop CM, Materials Testing, and Inspection systems specific to each project's needs, in order to ensure proper task management of projects. To have everyone on the same page, clear and prompt communication will be held by LAE, the City, and stakeholders of the project. The Construction and Project Management team will continuously be accessible via phone and email during construction of projects, actively communicating and updating members involved in projects.



Figure 1: Brea City Hall Park

Our proposed team possesses practical, relevant, and quality experience on projects with nearly the same Scope of Services. We are equipped to bring our familiarity and know-how to the City of Brea and be of contribution to the City's projects.

We have developed a series of internal checklists to ensure proper conduct on different types of projects with unique needs. Our system of tracking project data and information, using logs, databases, computer programs, and innovative practices, will allow us to undertake the City's projects in a timely and efficient manner.

With the use of schedules, we can track the progress of projects and look into potential upcoming conflicts. Staffing needs are also projected with the use of such systems. Critical tasks and milestones will clearly be identified, with dates shown to visualize when submittals need to be received, construction activities are to be completed, and meetings are to be conducted. Further detail of our key issue management approach is discussed in the proposal.

Since we provide Program and Fund Management as an exclusive service to some of our clients, we will incorporate our methods of managing project funds and budgets into the City's construction projects, especially for Federal Aid projects.

Considering that projects may utilize federal funding, projects shall comply with the following funding requirements:

- Clearance from federal debarment
- Disadvantaged Business Enterprises (DBE)
- Submitting construction award package to CT
- Buy America
- CT Approved Quality Assurance Program (QAP) and testing
- Contract documentation and Weekly Statement of Working Days Reporting
- Bid Quantity, progress payment, and documentation for CT invoicing

- Prevailing wages and labor compliance
- LAPM's Contract Change Order (CCO) and CCO memo
- LAPM's construction, and other federal guidelines
- LAPM's final invoicing, and closure package
- CT and FHWA's review process

The City intends to improve its overall infrastructure through a series of CIP and Engineering projects. We understand that CIP projects are designed to enhance the quality of life for the citizens. Our team will provide **Construction Management, and Inspection Services.**

When selected, the LAE team will review the Project Plans and Specifications, visit the project sites, and take notes on the project needs. We understand the City's goal of engaging in multiple CIP projects in the coming years is to create an improved, safe, and enhanced infrastructure for residents, businesses, and visitors.

Constructability Review: Upon being selected, LAE will review the Plans and Specifications to ensure that contract documents are complete before the project construction starts. LAE's CM will provide a thorough review of the construction sequence necessary to complete the improvements included in the contract documents, conduct thorough review of the construction plans and specifications, and prepare a list of the following for constructability review, including potential recommended corrections:

- Challenges of completing any element of construction
- Conflicts between elements or the environment

- Construction components not appropriately compensated by bid schedule

Each identified item of concern will be verified with design teams. Once a set of recommended corrections is developed, it will be ensured that time constraints to correct these items will impact their implementation and/or schedule.

LAE's PMs will prepare or provide the following upon completion of the Plans, Specifications & Estimates (PS&E) package in order to advertise the projects:

- Review and Provide Overall Project Coordination and Administration
- Prepare Construction Management Plan and Key Personnel Directory
- Review and Prepare Project Schedules
- Coordinate Construction Contract Documents
- Ensure Safety Program Compliance
- Review of Design Documents and Constructability Review
- Facilitate Competitive Bidding, Invitations for Bids and Contracts
- Develop Bidders Interest List/Pre-Bid Procedures
- Respond to Bidders' Inquiries

Upon bid opening, we will review the bid proposals, provide bid analysis, conduct license/reference checks, and provide our recommendation to award contracts to lowest responsive bidders for compliance. We will obtain the City's approval and the City Council meeting date to schedule for projects to be awarded. In addition, LAE will prepare City Council staff reports for the City's review and approval.

LAE has reviewed the City of Brea's Adopted Budget for Fiscal Year 2018-19. LAE understands that the City of Brea anticipates over \$15 million in capital

improvements for FY2018-19. The CIP projects will include street improvements, traffic safety enhancements, water improvements, storm drain improvements, sewer improvements, facility improvements and community facility district improvements, slurry seal, sidewalk replacement, sewer mainline relining, and miscellaneous water improvements .

(6) References

Below are our client references and their contact information.

Agency	Address	Contact Name	Telephone Number/ E-Mail Address
City of Chino	13220 Central Ave. Chino, CA 91710	Maria Fraser, P.E. CIP Engineering Manager	909.334.3310 mfraser@cityofchino.org
City of Diamond Bar	21810 Copley Drive Diamond Bar CA 91765	David Liu, P.E. Director of Public Works/City Engineer	909.839.7041 dliu@diamondbarca.gov
City of Hermosa Beach	1315 Valley Drive Hermosa Beach, CA 90254	Glen W. C. Kau, P.E. * Public Works Director	310.318.0238 gkau@hermosabch.org
City of Seal Beach	211 Eighth Street Seal Beach, CA 90740	Steve Myrter, P.E. ** Public Works Director	562.431.2527 smyrter@sealbeachca.gov

Table 2: References

* LAE worked with Glen W. C. Kau and staff while he was the Public Works Director at the City of Compton.

** LAE worked with Steve Myrter and staff while he was the Public Works Director at the City of Signal Hill. In April 2019, LAE started assisting the City of Seal Beach with the Program Management of its ATP funded project.

Personnel, Role, Education, Years of Experience	Experience Summary
<p>Nasser Abbaszadeh, P.E. Senior Construction Manager, LAE Education: M.S Civil Engineering Years of Experience: 34 Years</p>	<p>Mr. Abbaszadeh has over 34 years of progressively varied experience with multiple cities. Positions included being the City Engineer and Public Works Director for three (3) different agencies. Has been involved with Subdivisions, Grading, Site Improvement, Traffic Engineering, Capital Improvement Program (CIP), Environmental Studies, Administration and Budgeting, Contract Services Management, Parks and Building Maintenance, Water Engineering, and other areas. This varied engineering experience makes Nasser a valued team member who has the flexibility and experience to work on multiple aspects of any project. He has been assisting the City of Diamond Bar as Contract Deputy City Engineer/Senior Project Manager since February 2019 (on vacation – April/May 2019)</p>

<p>Ross Anderson, P.E.</p> <p>Senior Construction Manager, LAE</p> <p>Education: B.S. Civil Engineering</p> <p>Years of Experience: 32 years</p>	<p>Mr. Ross Anderson will be the Senior Construction Manager for the City’s CIP projects. He brings over 32 years of Project and Construction Management experience, working for both public and private entities. At the City of Laguna Niguel, Mr. Anderson served as Senior Civil Engineer in the Public Works Department, conducting Project Management of several CIP projects in different stages of development. He also conducted plan checking on design projects. Projects included storm drains and park monument signs. At the City of Manhattan Beach, he conducted Project Management of eleven (11) CIP projects. He has conducted plan checks for the Cities of Diamond Bar, El Monte, and Menifee, which were CIP projects, planned communities, and grading plans. Other work has been performed for L.A. County Sanitation Districts, Anaheim, Long Beach, and other agencies. He is currently completing his CFD assignments and overseeing a Sewer Re-Lining Project at the City of Chino.</p>
<p>William O. Bayne, P.E.</p> <p>Senior Const. Manager, LAE</p> <p>Education: B.S. Civil Engineering</p> <p>Years of Experience: 45 years</p>	<p>Mr. William O. Bayne will be the Senior Construction Manager for the City’s Public Works projects and will be a great asset to the City and LAE. He brings over 45 years of experience with public agencies, having knowledge in many Transportation and Water projects, Construction Management, Municipal Engineering, Project Management,</p>

	<p>Design, Project Documentation, and Closeout. He has been involved in the formation and oversight of over \$84 Million in public approved assessment district projects; overseen engineering, design, and funding for Public Works projects; administered bid packages, pre-bid conferences, contract negotiation, project change orders, and close outs; coordinated assessment district formation processes; and managed construction and professional service contracts. He is currently serving the City of Diamond Bar as the Alternate Deputy City Engineer (April and May) and will be available to the City of Brea.</p>
<p>Fawne Yamashiro, P.E., QSD Construction Manager, LAE Education: B.S. Civil Engineering Years of Experience: 19 years</p>	<p>Ms. Fawne Yamashiro has over nineteen (19) years of progressively varied experience providing Construction Management and Resident Engineering Services as a Consultant for variety of Orange County Transportation Authority (OCTA) Projects. She is currently the Construction Manager for two projects for Cities of Azusa and El Monte. The experience also includes working for Caltrans on bridge construction projects, highway and bridge design and local assistance for local agencies. Her experience also includes technical, analytical and design work for the County of Orange ranging from structural and hydraulic calculations to utility relocations and permitting. This varied office and field</p>

	<p>engineering experience makes Fawne a valued team member that has the flexibility and experience to work on multiple aspects of any project.</p>
<p>Kevin Alamolhoda, E.I.T. Project Engineer, LAE Education: M.B.A., B.S. Civil Engineering Years of Experience: 5 years</p>	<p>Mr. Kevin Alamolhoda will bring onboard his know-how in managing project needs. Having worked for the Programs Development and Roads Maintenance Divisions with the Los Angeles County Department of Public Works, he closely worked with Project Managers on construction projects to ensure proper conduct throughout a project's duration. He is familiar with project requirements, as well as the intricacies involved in construction projects. At the City of Chino, he works with Project Managers on the development of three (3) Watermain Replacement projects and a Sewer Re-Lining Project, (Inception to Completion of Construction).</p>
<p>Ken Manera Senior Construction Observer, LAE Education: Courses in Construction Management from San Bernardino Valley College and Cal Poly La Mirada Years of Experience: 40 years</p>	<p>Mr. Ken Manera will be assigned as a Construction Observer for the City of Colton's Public Works projects. He is an experienced Construction Observer, having worked for both the public and private sectors. His thorough, unique, and practical experience in developing asphalt concrete and concrete pavement, curbs, gutters, water and sewer lines, raised medians, safer pedestrian and bicycle crossings, intersections, striping, sidewalks, Class II bike lanes, signals, and lighting will be beneficial to the City, LAE, and the overall</p>

	quality of construction. He is currently providing Construction Observation/Inspection support at the City of San Dimas.
James Long Senior Construction Observer, LAE Years of Experience: 45 years	<p>Mr. Long has forty-five (45) years of local experience providing Public Works Construction Observation, Surveying, Quality Assurance, and Structural Inspection services. Experience includes, working on multiple airport projects, water treatment facilities, structural buildings, and other types of projects. He has a full knowledge of roadway pavement, curb, gutter and sidewalks, storm drain, water mains, sewer mains, traffic signals, street lights, irrigation, landscaping, hardscape, traffic striping, signage, monument signs, rough and precise grading, water quality, retention basins, and signing and striping. He will be available for the City's Construction Observation/Inspection needs.</p>
Grace Alvarez Programming Coordinator, LAE Education: B.A. Public Administration Years of Experience: 32 Years	<p>Ms. Grace Alvarez will be the Programming Coordinator for the City's Federally Funded projects. Her extensive experience in this line of work will be of value to the project. She has over thirty-two (32) years of experience, having been the Programming Manager for the Riverside County Transportation Commission (RCTC) and held various positions during her tenure at the City of San Jacinto. She will bring her Transportation and Funding experience to the agency and will assist in streamlining the project and agency</p>

	needs. She will be available to assist the City of Brea with this project's Federal Funding Compliance needs.
Sylvia Linn Labor Compliance Manager, GCAP Services Education: J.D., M.B.A Years of Experience: 17 years Labor Compliance Sub-Consultant	<p>Ms. Sylvia Linn has over 15 years of compliance and assessment related experience. She leads labor compliance practices and provides clients with audit, assessment, and study related support. Sylvia has extensive experience providing both California and federal prevailing wage consulting services. She leads many of the audits and studies, providing analytical reviews of existing practices, development of best practices, and recommendations to improve processes and procedures. Since 2016, GCAP Services has provided Labor Compliance Administration Services to LAE's CM projects in Azusa, Chino, Compton, El Monte and Laguna Niguel.</p>
Juan M. Diaz, P.E., M.B.A. Traffic Engineer, JMD Education: M.B.A., B.S. in Civil Engineering Years of Experience: 33 years Traffic Engineering Sub-Consultant	<p>JMD originally founded in 2001 and incorporated as JMDiaz Inc. (JMD) in 2005. JMD provides traffic analyses, design, including warrant analysis, traffic impact studies as well as traffic management plans. JMD performs designs including signage, channelization, traffic signals, field assistance, and street / parking lot lighting. He and his team will be available for the City of Brea's Traffic Engineering needs.</p>

Table 3: Staff Snapshot

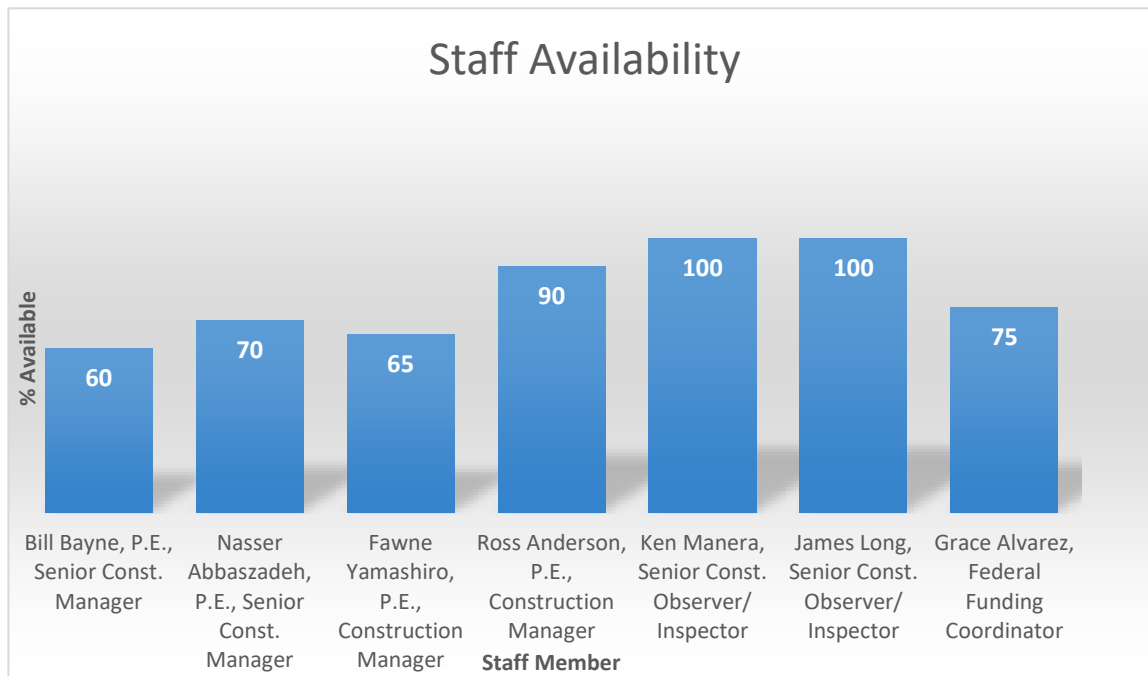


Figure 2: Staff Availability

2) Resumes

Snapshots of the key personnel's resumes are included on pages 14 to 19 of this proposal.

4) Organization Chart

Shown on the next page is a Project Organization Chart representing the team members in which LAE has carefully selected to work with the City. These individuals will closely work with the City in order to achieve the goals set forth by the RFP.

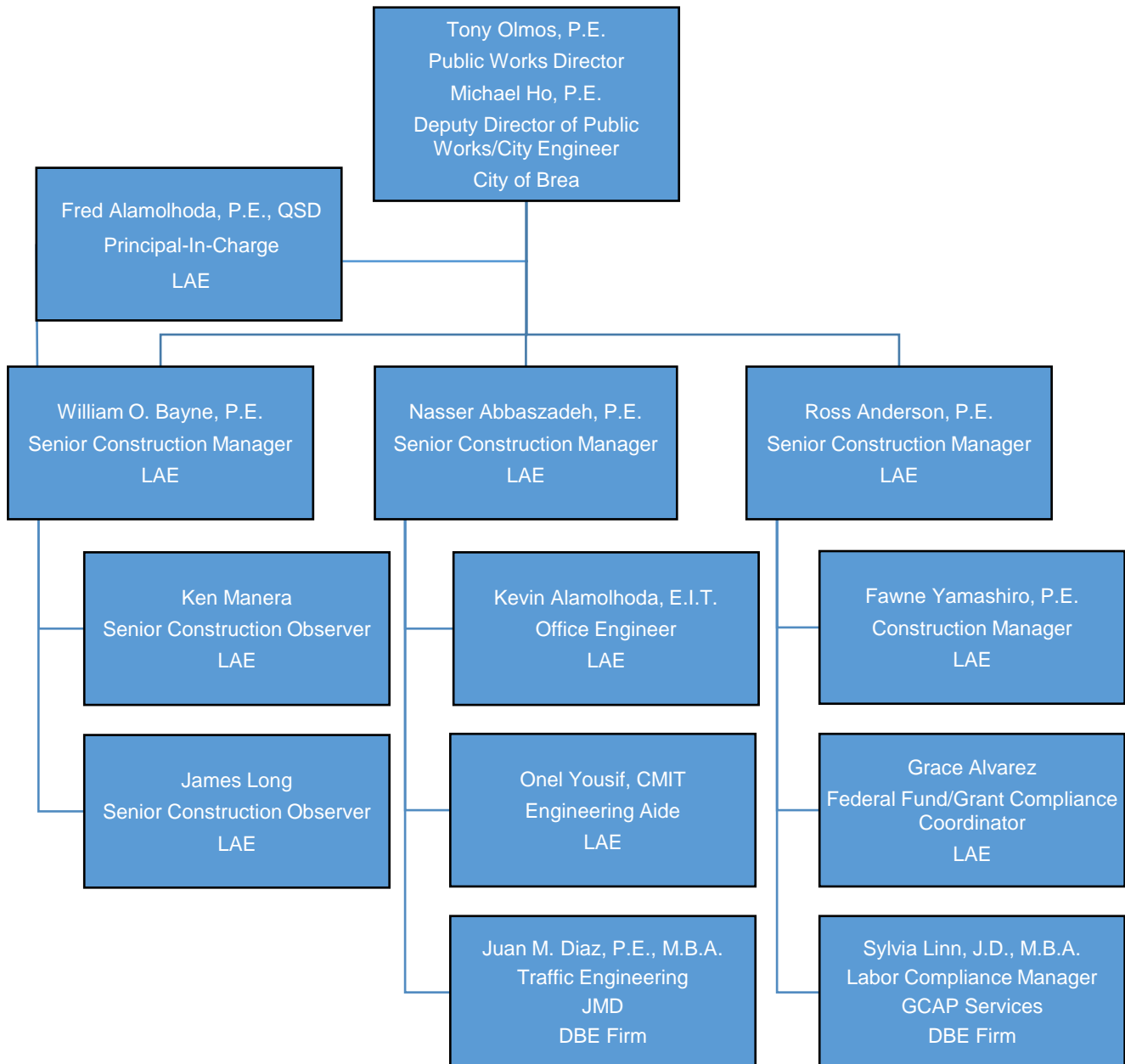


Figure 3: Project Organization Chart

All key members of the LAE team will be available to assist the City with this project. Additional team members not shown here are available to assist with the City's On-Call needs.

5) Personnel Availability

The key personnel selected in this proposal will be available to the extent proposed for the duration of projects. No person designated as "key" to the projects shall be removed or replaced without the prior written concurrence of the City.

C) Detailed Work Plan

1) and 2) Approach, Work Plan, and Managing Resources

The Construction Management and Inspection services will be provided in three phases:

- Pre-Construction
- Construction Phase
- Post-Construction

Pre-Construction Phase

Upon opening bids and evaluation of potential contractors, the City of Brea will select the lowest responsive bidder as the contractor for the construction of each project. As the selected consultant, if requested LAE will review the apparent low bidder's proposal for compliance, debarment, DBE compliance, sub-contracting, and licensing requirements, and provide recommendations to the City. The lowest responsive contractor's references will be



Figure 4: Brea Civic and Cultural Center

checked, and recommendations will be given to the City for the construction contract award. When the contractor's bonds and insurance requirements have been approved and the contract between the contractor and City has been fully executed, we will send out a **Pre-Construction Conference** notice to schedule a meeting with the City representatives from various departments, Caltrans Project Design Engineers/Landscape Architects, contractor, sub-contractors, utility companies, LAE team, schools, and other stakeholders.

LAE will prepare the Pre-Construction meeting agenda for the City's review. The following items will be reviewed at the Pre-Construction meeting:

- Plans and Specifications
- Submittals and the approval process
- City General Funds, State, Federal Grants, OCTA - M and other Funds
- Federal Requirement, such as Buy America, DBE, and Quality Assurance Program (QAP)
- Geotechnical Materials Testing Services
- Materials acceptance and approval process
- Impacted Utilities
- Coordination with the City, Departments, and other impacted agencies
- Street Sweeping and Waste Pickup Schedules
- Coordination with transit companies and similar entities
- Schools, residents, and businesses affected by the project
- Public Notices

- Construction Schedule
- Traffic Control/Phasing Plan
- Traffic Control
- Encroachment Permits, if any
- Agreed communication with the Construction Manager and Project Inspector(s)
- Labor Compliance Administration (Interviews, Payroll Reviews, etc.)
- Weekly Statement of Working Day Reports
- Contract Change Order (CCO) process
- Contract time
- Progress meetings during construction
- Inspection process
- Final project walkthrough
- Punch list items
- Preparation of as-built drawings
- Project acceptance
- Other details

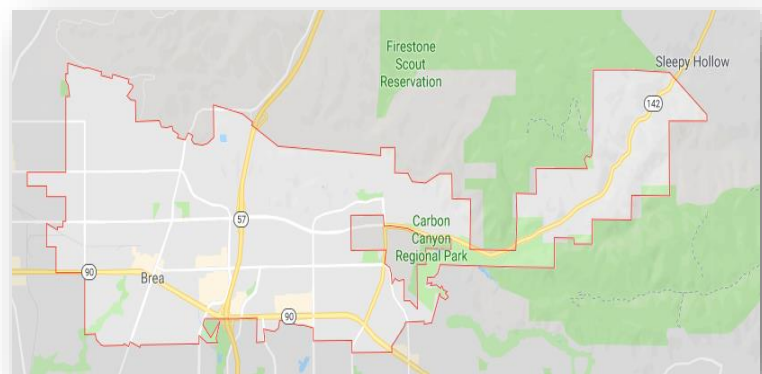


Figure 5: City of Brea

As the Construction Management provider, LAE will ensure that the construction duties of each project are conducted in line with the City's contract documents, Standard Specifications for Public Works Construction (Green Book) with all supplements, any variation from or exception to the standards, the City's QAP, and other City and industry standards for standards for street traffic, water, storm drain, sewer, facility and community facility district projects.

Therefore, upon receiving the City's Notice to Proceed, LAE will:

- Review contractor's bid and assist the City with tasks described earlier.
- Schedule kick-off meetings with the City staff and other parties.
- Schedule Pre-Construction Meetings.
- Schedule Field Pre-Construction Meetings.

Construction Award Information: If requested by the City, we will prepare the required Construction Award Package in accordance with the CT Local Assistance Procedures Manual (LAPM) for federally funded projects.

LAE will have a **Management Information System (MIS)** in order to streamline processes. A system will be implemented for organizing, tracking, filing, and managing all hardcopy/electronic correspondences such as Request for Information/Request for Clarification (RFI/RFC) submittals, reports, O&M manuals, progress payments, change orders, among other filings. We will launch methods for reviewing and processing requests for better understanding of the contract documents, shop drawings, contract schedule adjustments, change order requests, substitutions of tasks, payment requests, and the maintenance of field logs. This will ensure proper submittals and time-cautious

efforts. The contractor's submittal log will have all significant submittals noted. LAE will assist the City in notifying the public of areas in which they may experience impact and/or delays.

We will review contractors' submittals (shop drawing, mixed designs, Certificates of Compliance) and identify the submittals requiring the review by design engineers.

LAE will manage, review, and track RFIs/RFCs and Shop Drawings. We will create and implement RFI procedures log to provide feedback to inquiries the contractors pertaining to interpretations and questions regarding the plans and specifications.

The Construction Managers and Construction Observers will go over contract documents and drawings to answer questions asked by the contractor. The CM teams will first attempt to answer questions from the plans, associated documents, specifications, and applicable codes and standards. The next manner of answering questions will be for CMs to communicate with design engineers and ask for design engineers' clarification. If the design engineers are permitted by the City to develop additional design details, LAE will work with the design engineers to create a revised designs in order to match what is needed for field conditions and project needs, with the intention of not impacting the contractors' activities.

Submittal logs will be kept to process submittals before/during construction as follows:

- Traffic Control/Phasing Plans
- Project Baseline Schedule
- 2-Week Look Ahead
- Contractor's Emergency Contact List
- Dig Alert ticket(s)
- Public Notification Letter
- Material Haul Route(s)
- Mix designs
- Certificates of compliance for materials
- NPDES Requirements
- Contractor's Safety Plan
- Certified Payrolls
- Solid Waste Management and Recycling Plan

Submittals will be reviewed in a prompt manner. We know the significance of receiving submittals in the early stages of a project, as well as reviewing them in a timely fashion while not affecting construction activities. We will actively work with the contractor to ensure all submittals are submitted and approved prior to construction activities.

Project files will be maintained, which will include but are not limited to:

- Notice to Proceeds
- Correspondences
- Meeting minutes
- Submittals
- Reproductions of original contract documents, including addenda
- Weekly Statement of Working Day Reports
- Change orders' support documentations
- Permit documentations
- Clarifications for the contract documents
- Materials delivery tickets and compliance certification
- Weekly and monthly progress reports
- Labor Compliance interviews/certified payroll records
- Disadvantaged Business Enterprise (DBE) documentations
- Daily Reports
- Progress photos
- Lab and field test reports
- Progress payments support documentations
- Other project documentations
- Project closure activities

Organization of files will abide by LAPM guidelines for federally funded projects.

As mentioned in Chapter 16 of the LAPM, a Project Record Filing System for Locally Administered Federal-Aid Projects includes:

- Project Personnel
- Correspondence
- Weekly Record of Working Days
- Materials Data
- Certificate of Proficiency
- Construction Observers' Daily Reports
- Contract Item Pay Quantity Documents
- Contract Change Orders
- Extra Work Reports
- Progress Pay Estimates and Status of Funds
- Labor Compliance and EEO Records
- Contractor's Payrolls
- Final Report
- Materials Certificate
- DBE Records

Construction Phase

- **Review Traffic Control Plans:** LAE will review contractor's traffic control/staging plans and discuss them with the City Project Manager. The final plans will be approved by the City based on LAE's comments and

recommendations. LAE's Construction Observer will also review the plans in advance and enforce the traffic control/staging plans and safety requirements in and around construction zones. Detours, shutdowns, and emergency vehicle access will be checked by LAE's Construction Observer.

- **Meetings:** Have weekly, bi-weekly or as-needed team meetings with Contractors, City Project Manager(s), and other key members to go over projects, schedules, projected tasks, approval of submittals, forecasted issues, project scheduling, among other things. Meeting agendas and list of attendees will be created and provided to participants. Meeting minutes will be prepared. Noteworthy projects' issues will be brought to attention and handled accordingly.
- Contract Administration services pertaining to the Construction Management of projects will be conducted.
 - **Issues Management:** Manage and coordinate tasks among members involved in the projects as directed by contracts in order to provide the City with a proper CM outcome. Continuously evaluate construction of projects and communicate with the City. Develop and maintain clear lines of communication between City, CM, LAE's Construction Observers, and Contractors. Correspondence, reports, comments, and other documentation will be developed among these members for ease of communication.
- **Schedule:** LAE's CMs will ensure that the Master Projects' Schedules and 2-Week Look-ahead are updated by Contractors to represent up-to-date

construction conditions and reflect the decisions made. Parties will be notified of any deviation from schedules, and noncompliance will be corrected accordingly.

- **Cost Control:** Projects funding will be monitored. Cost reduction proposals and the contractor's construction methods will be reviewed for compliance with plans and specifications, making sure projects are executed within budget and in a timely manner. Contracts' payments, material quantities, and change order payments will be reviewed.
- Handle constituent concerns brought up pertaining to projects.

➤ **Labor Compliance**

- Ensure prime contractors and sub-contractors attend the pre-construction meetings, submit Certified Payrolls and other related documents. Review the labor compliance administration and interview process with Contractors and sub-contractors.
- Interview contractors/sub-contractor(s) workers as required
- Ensure proper posting of the appropriate Federal and State Wage Determinations and Federal Labor Compliance posters on the project site.



Figure 6: Labor Compliance Posters placed on Job Site

- Review the Certified Payroll records, fringe benefit statements/other documents, interview forms, daily logs, and compare for accuracy. Prepare reports of any deficiencies.
 - Request Contractors to turn in back up documents for prime contractors, subcontractors, second tier subcontractors, and unlisted subcontractors (contracts less than \$10,000) working on the project.
 - LAE has provided these services in-house or through GCAP Services, our sub-consultant, for the following Cities: Azusa, Baldwin Park, Chino, Claremont, Diamond Bar, Inglewood, Fontana, Montclair, Perris, Pomona, San Dimas, and Signal Hill.
- **Change Orders:** Contract Change Orders (CCOs) may be requested by the City, Contractors, CMs, or design engineers. When proposed changes are requested, LAE CMs will determine the need for changes, check for conformance to standards, consider other remedies, methods of compensation, impact on contracts' time, estimates of cost, and the likelihood of final approval.

If CMs find the proposed changes are reasonable, change orders file will be established. Documents prepared by the CMs for Change Orders will be given to Contractors for pricing. At the same time, Independent Cost Estimates (ICEs) and time impact analysis will be prepared by the LAE's CMs. The CMs will review Contractors CCO proposals/estimates and compare them to ICEs. Based on the reviews, the CMs will provide recommendations to the City. If negotiation is authorized, LAE CMs will perform the negotiations

with Contractors and prepare the CCOs and CCO memos per the City's format and LAPM guidelines for execution.

If a unit cost is not set prior to the work being conducted, LAE's Construction Observer(s) will collect Time & Material (T&M) tickets at the end of each day. All documentation regarding change orders will be kept, including dates of Contractor notification, interim steps, recommendations by the CM, and the final decision.

- **Dispute Resolution:** A set of procedures will be established by the City and LAE in order to implement if any disputes and/or claims arise. These procedures will be used to resolve any potential issues.

- **Geotechnical Services:**

It is understood from Page 30, Item 10, of the RFP that Geotechnical and Materials Testing services will be provided by the City's other consultants. Should the City require Geotechnical Engineering services for projects, LAE has subconsultants at its disposal to assist with the City's needs.

- **Public Relations:** Assist the City in upholding a good relationship with the public. The CM teams will promptly attempt to alleviate problems and inform the City's Project Managers as soon as possible.

Having good public relations with the general public is important to all of projects. Construction

activities may be adjacent to private residences, schools, businesses, and



Figure 7: Sample of signs to be placed

other entities. LAE aims to reduce any disturbance caused by construction.

Our Construction Observers will be addressing concerns from the public and will work with the Contractors to manage potential concerns brought up by the public, residents, businesses, and property owners.

On CIP projects, proper communication between the CM teams, residents, and businesses is critical to reduce disruptions to the area. We will need to understand busy, high-traffic, neighborhood issues, schools' concerns and high-speed times in order to allow for access during such periods. To assist with the public relations efforts of this contract, we will:

- Maintain logs of all phone calls received.
- Listen to community concerns and adhere to them.
- Work with Contractors for timely resolution of issues.
- Pass out fliers, newspaper notifications, as needed and approved by the City, about noise, dust, access to residences and businesses, construction duration, and suggested alternate routes.
- Ensure changeable message signs are present to alert traffic of the period of potential delays during lane closures.
- Communicate with emergency services regarding any events that may raise emergency calls from the public.
- Provide information to the City to place on their website.
- Plan, schedule, organize, and actively participate in community meetings, if requested by the City.

- **Permit/Environmental Compliance:** Review the Contractors' "Best Management Practices" plan prior to start of construction. Inspect the Contractor's application to avoid storm water pollution from related activities in compliance with the National Pollutant Discharge Elimination System (NPDES).
- **Progress Payments:** Process contractors payment requests and provide City with appropriate backup documentation for work completed in the subject period in accordance with the LAPM guidelines on federally funded transportation projects.
- **Funds Reimbursement Invoicing:** LAE will prepare CT progress invoices (Risk Based Invoicing) for the reimbursement of federal funds in accordance with the LAPM guidelines for federal projects.
- **Monthly Status Reports:** Assess Contractors' schedule of values compared to payment applications. Provide comments to the City regarding monthly progress payment applications submitted by contractors. Reports containing projects' progress, CCOs, as well as cost and schedule matters will be prepared monthly.
- **Site Safety:** Review and check the contractors' safety program for compliance with Cal/OSHA, contract documents, and traffic control/staging plan. LAE's Construction Observers will enforce on-site safety standards and will report any observed deviations to the City.
- **"As-Built" Drawings:** LAE's Construction Observers will have copies of plans on the site with all up-to-date changes. Upon completion of

construction, LAE will have “As-Built” verification of projects, and provide copies of “As-Built” plans to the City and involved parties. Drafting of the “As-Built” plans will be performed by others.

Post-Construction Phase

- Contract closeout services will include passing on of projects to the City, management of warranty activities, and demobilization of Contractors and CM staff.
- **Final Walkthrough:** Upon completion of projects, we will schedule final walkthrough of projects with all involved parties. LAE, along with the City’s Project Managers and other parties involved in projects, will walk projects and perform inspections of the work to determine if any work is incomplete. If any work is deemed incomplete, punch lists will be prepared and given to Contractors and City. Inspections will be conducted again to confirm incomplete work has been in fact completed. When construction is completed, we will ensure that all City concerns are met prior to providing the City with the final acceptance recommendation.
- **Project Completion Reports:** Upon completion of punch list items and acceptance of projects by the City staff (various departments/divisions) and impacted utilities, we will provide the following documents to the City:
 - Final redline “As-built” drawings. We will coordinate the completion of the final “As-Built” drawings through the design engineers.
 - All original CCOs, Daily Reports, and Project correspondence.

- All original/reviewed certified payrolls/other related documents, and interview forms.
- Final DBE documentations.
- Prepare a Notice of Completions and City Council staff reports per City guidelines and format.

All of the above described documents and additional reports, plans, and specifications will be organized in accordance with the LAPM and City requirements. They will be boxed in storage boxes and will be submitted to the City as permanent City records.

- **Final CT Invoice and Closure Packages:** If requested by the City, LAE will prepare Final CT invoices and closure packages for submission to CT in accordance with the LAPM guidelines on federal projects.

- **Construction Observation/Inspection**

Field observation will be conducted by the CM and Construction Observation teams. Thorough site observations of the project's general process will be carried out regularly and information will be recorded.

LAE's Construction Observers will:

- Attend all meetings
- Confirm compliance with Americans with Disabilities Act (ADA) requirements and contract guidelines
- Verify contractor's construction stakes
- Coordinate and schedule sampling and testing of construction materials (soil, base materials, concrete, conventional asphalt concrete)

- Retain delivery tickets
- Ensure survey markers disturbed are restored by contractors
- Record construction changes to use for the record drawings
- Report any applicable regulations by Contractors and sub-contractors
- Have a copy of the contract documents and construction-related documents at the construction sites
- Interview contractors and subcontractors' workers for Labor Compliance
- Take and maintain project sites/construction activity photos
- Communicate with utility companies and other agencies
- Prepare Daily Reports, on LAE, City, or CT format, which will consist of:
 - Contractors working hours on the jobsite.
 - Contractors and subcontractors' personnel/equipment on jobsites.
 - Weather conditions and impact on the progress of the work.
 - All communications with prime contractors and other parties.
 - Daily use of contractors and subcontractors' equipment.
 - Observations relevant to the work progress, including deficiencies or violations of contract by contractors.
 - Delivery of materials to the project sites.
 - Observed or foreseen delays contractors action plans.
 - Claims, additions, removals pertaining to contract items.
 - Visitors who come to the job sites with interest in projects.
 - Work activities.
 - Construction progress.

- Quantities measurements.
- Photographs.

➤ **Value Engineering**

Value Engineering is a practice based on function and the overall system's approach to analyze and improve a project, product, and/or process. A simple formula for "Value" is as follows:

$$\text{Value} = \frac{\text{Performance} + \text{Delivery}}{\text{Cost}}$$

Beneficial uses of Value Engineering include:

- Containing Cost
- Improving Quality
- Building consensus with projects partners.
- Solving challenging projects' issues

With Value Engineering, projects are better documented, and clearer objectives are developed. It involves stakeholders, project partners, other agencies, and Project Managers.

Status of Past and Present Contracts Form

On the form provided below, Offeror shall list the status of past and present contracts where the firm has either provided services as a prime contractor or a subcontractor during the past five (5) years in which the contract has ended or will end in a termination, settlement or in legal action. A separate form must be completed for each contract. Offeror shall provide an accurate contact name and telephone number for each contract and indicate the term of the contract and the original contract value.

If the contract was terminated, list the reason for termination. Offeror must also identify and state the status of any litigation, claims or settlement agreements related to any of the identified contracts. Each form must be signed by an officer of the Offeror confirming that the information provided is true and accurate.

Project city/agency/other: N/A	
Contact name: N/A	Phone: N/A
Project award date: N/A	Original Contract Value: N/A
Term of Contract: N/A	
1) Status of contract: N/A	
2) Identify claims/litigation or settlements associated with the contract: N/A	

LAE Associates, Inc. has not provided services as a prime contractor nor a subcontractor during the past five (5) years in which the contract has ended or will end in a termination, settlement or in legal action.

By signing this Form entitled "Status of Past and Present Contracts," I am affirming that all of the information provided is true and accurate.

Signature _____

Date 05/10/19 _____

Name: Fred Alamolhoda, P.E. _____

Title: President _____

May 10, 2019

Response to Request for Proposals for
**Construction Management and Inspection
Services for FY 2018 - 2019**



Prepared for the

City of Brea

Michael S. Ho, PE

Deputy Director of Public Works | City Engineer
Department of Public Works – Engineering Division
1 Civic and Cultural Center
Brea, CA 92821-5732

By

Interwest Consulting Group, Inc.

James G. Ross

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Huntington Beach, CA 92649
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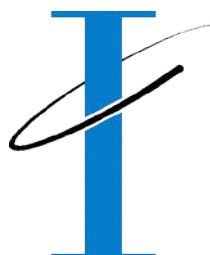


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APPENDIX

Status of Past and Present Contracts Form (in Original Proposal only)

May 10, 2019



City of Brea
Michael S. Ho, PE, Deputy Director of Public Works | City Engineer
Department of Public Works – Engineering Division
1 Civic and Cultural Center
Brea, CA 92821-5732

RE: Response to Request for Proposals for Construction Management and Inspection Services for FY 2018 – 2019

Interwest Consulting Group is pleased to submit our proposal to provide Construction Management and Inspection Services to the City of Brea's Public Works Department (City). We understand that the City is seeking qualified firms to provide these services on an as-needed basis for a variety of upcoming public works projects. Interwest is uniquely qualified to perform the requested services as we currently provide Capital Improvement Program (CIP) project management and support services to the City, and we have a proven track record of successfully providing the requested services to municipalities throughout Southern California.

Interwest is large enough – over 400 employees – to serve all of your public works needs, yet small enough to ensure that we maintain focus and are responsive to the needs of the City. We currently serve over 200 cities, counties and state agencies including the municipalities of Yorba Linda, Santa Ana, Costa Mesa, Newport Beach, Pomona, Eastvale, Rancho Palos Verdes, Lomita, Maywood, Gardena, and South Pasadena, just to name a few.

I will act as the Principal-in-Charge for this engagement with the City of Brea. I am an

authorized representative of Interwest Consulting Group, able to bind the firm to all commitments made in this proposal. We propose Steve Kooyman, PE to serve as Project Manager. Steve has years of experience serving cities throughout Orange County, including the City of Brea. He will be the primary point of contact for the City for any questions pertaining to this proposal. We do not anticipate the need for any subcontractors over the course of this engagement. Our contact information is below.

James G. Ross

15140 Transistor Lane,
Huntington Beach, CA 92649

jross@interwestgrp.com | C: 714.742.1551

Steve Kooyman, PE

15140 Transistor Lane,
Huntington Beach, CA 92649

skooyman@interwestgrp.com | C: 530.318.1066

Corporate Office:

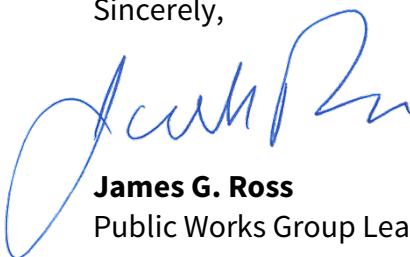
P.O. Box 18330, Boulder, CO 80308

O | F: 714.899.9039

We appreciate the opportunity to present our qualifications to provide these services to the City of Brea. We have reviewed and acknowledge the RFP and Sample Agreement, and we propose no exceptions. Our response will remain valid for a period of 90 days from the date of submittal. By my signature below, I attest that all information submitted in this proposal is true and correct.

We look forward to meeting with you to discuss our qualifications in more detail.

Sincerely,



James G. Ross
Public Works Group Leader

TECHNICAL PROPOSAL

SECTION A

Qualifications, Related Experience and References of Offeror

FIRM PROFILE

The seamless integration of municipal service professionals in support of public agencies has been our purpose since **Interwest Consulting Group** formed in 2002. Interwest was founded by individuals with a passion for serving municipalities. We currently employ more than 400 employees spanning a multitude of disciplines within public works and building safety departments throughout California. We currently serve over 200 cities, counties and state agencies, including the municipalities of Costa Mesa, Newport Beach, Yorba Linda, Santa Ana, Maywood, Lomita, South Pasadena, Rancho Palos Verdes, and Pomona, just to name a few.

We provide the following services to cities and counties:

- Construction Management & Inspection
- Municipal Engineering
- Traffic Engineering
- Building Safety
- Geographic Information System
- Information Technology
- City Planning

Our staff has held senior and executive management positions within numerous California cities including the titles of City Engineer, Public Works Director, Construction Manager, Resident Engineer and other management personnel. This depth of experience brings a high level of expertise and sensitivity towards community and special interest group issues. We value the importance of a focus that represents the interests of our public agency clients and reflects positively on the citizens they serve.

Interwest at a Glance

Services provided: Construction Management and Inspection, Municipal Engineering, Traffic Engineering, Building Safety, Information Technology, Geographic Information Systems, City Planning, and Real Estate Services

Organization: S-Corporation incorporated in the State of Colorado and licensed to do business in the State of California

Year founded: 2002

Number of employees: 400

Office locations: We have 14 office locations of various size at the locations listed below.

Southern California

150 N. Santa Anita Ave., Ste. 300
Arcadia, CA 91006
626.821.1815 Phone

15140 Transistor Lane
Huntington Beach, CA 92649
714.899.9039 Phone

1500 S. Haven Ave., Suite 220
Ontario, CA 91761
909.705.5957

431 S. Palm Canyon Drive, Suite 200
Palm Springs, CA 92262
760.417.4329 Phone

316 Tejon Place
Palos Verdes Estates, CA 90274
714.899.9039 Phone

24 South D Street, Suite 100
Perris, CA 92570
951.943.6504 Phone

9519 Chamberlain Street
Ventura, CA 93004
805.659.0017 Phone

Central California

1171 West Shaw Ave., Suite 102
Fresno, CA 93711
559.448.9839 Phone

Northern California

9300 W. Stockton Blvd., Suite 105
Elk Grove, CA 95758
916.683.3340 Phone

6280 Las Positas Blvd, Suite 200
Pleasanton, CA 94588
925.462.1114 Phone

1613 Santa Clara Drive, Suite 100
Roseville, CA 95661
916.781.6600 Phone

Nevada

4815 W. Russell Road, Suite 11K
Las Vegas, NV 89118
702.476.2200 Phone

Colorado

P.O. Box 18330
Boulder, CO 80308
303.444.0524 Phone

1218 Ash Street, Suite A
Windsor, CO 80550
970.674.3300 Phone

FINANCIAL STATUS

Interwest Consulting Group is a highly stable consulting firm. We have an excellent credit rating and solid banking relationships. In addition, we are part of a select group of consulting firms nationally who belong to the Design Professionals Risk Control Group (DPRCG), an insurance group accepting only companies with excellent risk management history. We carry very low debt and have no professional liability claims against the company. Furthermore, we do not have any pending litigation, planned office closures, or impending mergers.

FIRM EXPERIENCE

Interwest has provided the requested services for the past 17 years, and we employ a large number of qualified civil engineers, construction managers and inspectors. By design, our staff is comprised of professionals with extensive experience working directly for public agencies. The familiarity and knowledge gained by working side-by-side with local staff and partnering effectively with state and federal regulatory agencies, translates to expeditious and accurate services, well-managed budgets, and thoroughly satisfied stakeholders and clients. Our staff will ensure conformance with Federal, State and City statutes, regulations, ordinances, guidelines, applicable standards, specifications, plans, laws, and accepted standard construction practices. They have combined decades of experience providing similar services for local agency public works projects, and they are very familiar with industry and local rules and regulations.

Our proposed Project Manager for this contract, **Steve Kooyman, PE**, has extensive construction management experience with municipal Public Works and CIP projects. Over his career, he has worked as the Public Works Director of Rancho Santa Margarita; City Engineer

for Brea; Assistant Public Works Director for the City of San Juan Capistrano; and Deputy Director with the County of El Dorado. He has in-depth knowledge of construction contract requirements for public works projects, including the APWA standard plans and specifications within the “Greenbook”, as well as Caltrans requirements. Additionally, Steve has a great working knowledge of the **Virtual Project Manager software** used by the City of Brea and other municipalities in California for tracking and documenting construction.

A few of the construction projects that Steve has assisted the City of Brea in delivering include:

- [Glenbrook Waterline and Pavement Rehabilitation Project \(CIP 7452\)](#) - This \$3 million project included the installation of over 12,000 linear feet of 8” DIP, pavement rehabilitation with almost 5,000 tons of 1-1/2” AC overlay, replacement of ADA curb ramps and PCC curb and gutter, and other improvements associated with the project within the Glenbrook Subdivision. Steve played an integral part as the City Engineer overseeing the construction contractor, construction management and inspection team, and delivering the project to completion.
- [Superblock I Parking Structure \(CIP 7903\)](#) – This \$10 million project included a design-build contract for the construction of a 4 level, 478 parking stall parking structure in downtown Brea. This was a major project for the City, which Steve managed from the beginning to the end.
- [Tracks at Brea \(7873\)](#) – This over \$8 million construction multi-segment project included the construction of approximately 4 miles of multi-use recreation trail within the City along the abandoned railroad tracks. As the City Engineer, Steve provided oversight over segments 2,3,4, and 6 with respect to the construction contractors, and construction management and inspection teams, through project completion.

- [Lambert and Kraemer Pavement Rehabilitation Project \(7310\)](#) – This \$2 million project rehabilitated various segments of Lambert Road and Kraemer Blvd. with over 16,000 tons of rubberized AC, including over 600,000 SF of AC grinding, replacement of ADA curb ramps, PCC curb and gutter, and various medians. Steve provided oversight during the construction of this project through completion.
- [Tamarack and Lambert Intersection Improvements \(7310\)](#) – This \$600,000 project constructed a new right-turn pocket from Central Ave. west to Tamarack Ave. north. Steve provided construction oversight from the construction period until completion.

Steve will oversee our team of seasoned construction managers and inspectors, whose involvement in similar projects has been highlighted in our *References* section. Our client references will affirm that Interwest can perform the City's desired services with professionalism and attention to detail.

EXPERIENCE WITH VARIOUS AGENCIES

Having served as the City Engineer for the City of Brea and currently providing support for the City's Capital Improvement Program, **Steve Kooyman, PE** has great working relationships and experience with the various, local government agencies involved in project approvals and permits in the City of Brea.

Manuel Gomez will also be available to support the City, acting as a liaison with OCTA and Caltrans as-needed. As the Public Works Director of the City of Irvine for 13 years, Manuel's responsibilities included providing oversight and directing all aspects of City staff interactions with OCTA and Caltrans on major infrastructure improvements including:

- [The Sand Canyon Avenue and Jeffrey Road Grade Separations](#) - These projects were constructed in partnership and close coordination with OCTA, Metrolink, and numerous utility companies with combined project budgets of approximately \$115

million. The scope of these complex projects included construction of new triple track railroad bridges and a separate bicycle and pedestrian bridge traversing over two major arterial roadways. Manuel and his staff also managed the implementation of the project's community communications plans and significant construction detours.

- [Jamboree/I-405 Interchange Widening](#) - This \$15 million project provided for the realignment and widening of the Jamboree/I-5 Freeway Interchange. Working directly with Caltrans, OCTA and the City of Tustin, Manuel directed the project design, right-of-way acquisition and construction phases. The project was constructed in multiple phases requiring significant coordination with Caltrans and adjacent businesses to ensure public access impacts were kept to a minimum.

SUBCONTRACTOR

Interwest does not anticipate the need for a subcontractor to provide any of the requested services. We will work with the City to solicit and coordinate the services of other consultants which may be required for specific projects and have a successful track record collaborating with local firms which provide geotechnical, materials testing, deputy inspection, and special laboratory testing services.

REFERENCES

The following are relevant projects that our proposed team has delivered to municipal clients in California.

City of Yorba Linda | 2010 - Present

Contact: Rick Yee, Assistant City Engineer | 714.961.7171 | ryee@yorba-linda.org
4845 Casa Loma Ave, Yorba Linda, CA 92886

Key Personnel: James G. Ross; Tom Marnocha; John Welch; Cyrus Ganji

Bastanchury Road: This project involved the installation of two intersections of new traffic signal poles and head, traffic loops, interconnect communication conduit, construction of new horse trail fencing, sidewalk and handicap ramp construction. Interwest provided construction management and field inspection services for this very visible and busy arterial. During construction, previously buried traffic signal foundations were discovered leading to discussion of either relocating the new signal poles or removing the old, buried foundations. We opted to resolve the issue by removing the buried foundations and then backfilling and re-drilling the new traffic signal foundations. The cost of this project was \$1 Million.

Richfield Widening Project: This project included the construction of approximately 500 LF of new curb and gutter, sidewalk and a retaining wall. Our employees coordinated utility relocations, survey and materials testing. The design of the project provided many challenges that included complying with ADA handicap access and smooth driveway approaches for low profile vehicles. The Interwest inspector recognized and anticipated these potential issues early in the demolition phase to have these issues resolved and a redesign provided to the contractor in enough time to not impact the construction schedule in any negative way.

Yorba Linda Boulevard Rehabilitation: This project consisted of grinding the existing pavement and replacing it with new asphalt concrete pavement as well as restriping over

roadway and adjusting the utility boxes. This was an important and high-visibility project for the City because the site is a traffic-heavy arterial adjacent to one of Yorba Linda's busiest shopping centers. During pre-construction meetings and in speaking with local business-owners while handing out notifications, Interwest determined that a majority of the grind and overlay should be performed at night in order to minimize the impact on businesses and the traveling public. We were able to negotiate with contractor to eliminate additional costs for the night work, ensuring that the project was completed within budget while satisfying business owners and the general public.

City of Newport Beach | 2010 - Present

Contact: Mark Vukojevic, Deputy Public Works Director | 949.644.3319 | mvukojevic@newportbeachca.gov
100 Civic Center Dr, Newport Beach, CA 92660

Key Personnel: James G. Ross; Manuel Gomez; Julio Velasco; Ciro Ganji

Interwest continues to provide a wide range of public works project management and inspection services to the City of Newport Beach. Our services include:

Public Works Inspection Services for Capital Projects and Private Development:

Interwest began providing Public Works Inspection Services to the City of Newport Beach in December 2013. Our primary responsibilities have included:

- Providing field inspection for compliance with the approved construction documents
- Verifying all material amounts
- Reviewing all invoices for accuracy of work performed
- Assisting designer in resolving problems arising from field conditions
- Attending field meetings
- Facilitating coordination with utility companies

Our contract has been extended twice and now runs through March 2024.

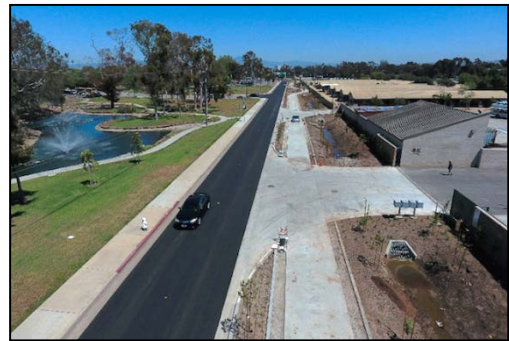
Contact: Bart Mejia, City Engineer | 714.754.5291 | baltazar.mejia@costamesaca.gov
77 Fair Dr, Costa Mesa, CA 92626

Key Personnel: James G. Ross; Chuck Stagner

East 19th Street, Safe Route to School Project from Church Street to Irvine Ave: This was a federal project requiring continuous documentation and strict compliance with the Caltrans Local Assistance Program Guidelines Manual. Tasks performed by Interwest staff included finalizing the plans and specifications for bidding purposes, advertising for bids, accepting the bids, and administratively presenting the project to the City Council for award of project to the successful bidder. The Interwest team provided the continuous project management and inspections from the beginning of work through project completion and audit. Implied tasks also included the review and approval of project submittals, providing information and updates to the public, preparation of progress payments to the contractor, and continuous coordination with the funding agency. The East 19th Street project was a 4,700 lineal foot street traffic calming project with a total of 7 intersections. Each intersection had bulb-outs at all corners, reducing the street widths to one lane in each direction, which effectively reduced the traffic speed for the entire segment - thus providing traffic calming. Each of the bulb-outs included landscaping and irrigation to support the plant palette. Each intersection was also repaved after grinding to create acceptable grades. Monuments and supporting lighting were also provided for this segment as well as improved traffic striping to accommodate the sharing of the street with bicycles. This project cost \$1.6M. Construction began in April 2017 and was completed February 2018.

Arlington Drive Improvements, Measure M OCTA

and Storm Channel Improvement Project: This was a project funded by multiple sources including OCTA and Drainage Improvement funds, which required continuous documentation and adherence with OCTA



procedures. This project consisted of reducing the potential for major storm damage within the areas west of Newport Boulevard and Arlington Drive behind the Orange County Fairgrounds. Construction included a complete increase in storm drain sizing followed by the construction of a bio-swale for low flows and the reduction of pavement through Arlington Drive to a length of 4,800 lineal feet. Additionally, a multi-purpose, bike/pedestrian and skating recreational trail was constructed meandering along the bio-swale south of Arlington Drive, and safety-lit crossings were added to protect pedestrian traffic between the existing schools and a park north of the street crossing to the fairgrounds on the south side. Aesthetically pleasing landscaping along the project length was another positive addition to the affected area. Tasks included finalizing the plans and specifications for bidding purposes, advertising for bids, and administratively presenting the project to the City Council for award. Interwest provided continuous project management and inspection throughout the project duration. We also reviewed and approved project submittals, interfaced with the public, prepared progress payments to the contractor, and coordinated with the funding agencies. The Project cost \$4.3M. Construction began in November 2017 and was completed in June 2018.

Contact: David Mango, Director, Building & Planning | 323.562.5721 | david.mango@cityofmaywood.org
4319 Slauson Ave, Maywood, CA 90270

Key Personnel: James G. Ross; Manuel Gomez; Tom Marnocha; Chuck Stagner; Ciros Ganji

Pavement Rehabilitation (Resurfacing) Project FY

2018/2019: Beginning in September 2018, Interwest has provided Project Management, Construction Management and Inspection on this project funded by Gas Tax, SB1, and Measures M & C. This project primarily consists of the



resurfacing and repairs of various City streets, and work includes the construction of asphalt concrete overlays; localized street reconstruction; header cutting and cold milling of existing asphalt concrete; the removal and reconstruction of damaged concrete improvements including curb, gutter, sidewalk, curb ramps, cross gutter, and spandrels on the streets to be resurfaced; adjustment of existing utility manholes and valve frame and covers; replacement of traffic signal loop detectors; the installation of permanent traffic striping and raised pavement markers; and miscellaneous appurtenant work.

Pavement Slurry Seal Project FY 2018/19: This project consists primarily of the slurry sealing and repairs of various City streets, including crack sealing; applying Type II emulsion-aggregate slurry; the installation of permanent traffic striping and raised pavement markers; removal and replacement of non-standard speed bumps; and miscellaneous appurtenant work. Construction began in July 2018 and was completed in late September 2018 and funding for the project was received from Gas Tax and SB1 funds. Interwest has provided Project and Construction Management and Inspection of the aforementioned project

elements, as well as adjacent school crosswalks improvements and the installation of new speed humps.

USEPA/CDBG Sewer Replacement Project: Interwest has provided project management, construction management, and construction inspection on this CDBG/USEPA funded project. Construction began in April 2018 and is projected to continue through July 2019. The project consists primarily of the removal and replacement of various diameter damaged/deficient vitrified clay pipes and sewer manholes, including trenching, backfilling and compaction of native soil, asphalt paving restoration, and the installation of striping and pavement marking.

Sewer mainline replacements have been completed on:

- Randolph St between the Westerly City Limit and Atlantic Blvd;
- Pine Ave between 61st St and Randolph St; and
- Clarkson Ave between 61st St and Randolph St

Riverfront Park Improvements: This project is an addition to the City's existing Riverfront Park and extends the park to the east and south from the intersection of Walker Avenue and 60th Street. The project includes site grading, new landscape improvements, irrigation systems upgrades, concrete walkways extensions, walkway lighting, new vegetated trellises for anti-graffiti measures, addition of park amenities and furniture, and hydroseeding for new park grass. Interwest provided project management, construction management and inspection of all project elements including the installation of the underground irrigation and electrical lines, the placement of ADA compliant concrete walkways, and the installation of

park lighting and amenities for the BBQ areas and materials for the anti-graffiti trellises.

Construction was completed in November 2018.

60th Street and Heliotrope Avenue Traffic Diversion

Project: The project generally consists of the complete installation of street improvement measures at 60th Street and Heliotrope Avenue, including the installation of colored concrete pavement, curb and gutter, curb ramps, crushed



miscellaneous base, landscaping, local depression, sidewalk, traffic striping and pavement markings, removal and replacement of roadway signs, cold milling, and paving. The project also includes the demolition and removal of existing asphalt pavement, curb and gutter, curb ramps, local depressions, sidewalk, excavation of unclassified material, grading and traffic control. Interwest provided project and construction management and inspection of this project, including all street, pavement, curb and gutter, island and access ramp work and the installation of signs, striping, and landscape work. Our engineering team also reviewed and presented alternatives to address roundabout navigation issues encountered during the implementation of this ambitious City project, the goal of which was to improve the safety of drivers, pedestrians and large commercial trucks, all of which had had previous trouble at this intersection. Construction was completed in October 2018.

Experience with Waterline Replacement Projects

We understand that a considerable amount of the City's CIP will address large scale waterline replacement projects. Our team has significant experience overseeing and inspecting



waterline replacement projects throughout Southern California. Below is a representative sampling of their experience.

Tom Marnocha

- [Pennsylvania Avenue | City of Lomita](#) – 3,500 LF of 12” Ductile Iron Pipe Water main and 150 new service connections
- [Lorraine Street Water Main Replacement | City of Lomita](#) - 900 LF plus 50 house services
- [Water Main on Yorba Linda Blvd. | City Yorba Linda](#) – Oversight of 1500LF of 24” PVC Water Main on Yorba Linda Blvd.
- [Sunnymead Blvd. | City of Moreno Valley](#) – 2,800 LF 24” PVC Water Main Replacement.

Chuck Stagner

- [Arlington Drive Improvements, Measure M OCTA and Storm Channel Improvement Project | City of Costa Mesa](#) – Construction Inspector for this \$3.4M project funded by OCTA and Drainage Improvement funds, which consisted of reducing the potential for major storm damage within the areas west of Newport Boulevard and Arlington Drive behind the Orange County Fairgrounds. Construction included a complete increase in storm drain sizing followed by the construction of a bio-swale for low flows and the reduction of pavement through Arlington Drive to a length of 4,800 lf.

Julio Velasco

- [Crenshaw-LAX Advanced Utility Relocations | LA Metropolitan Transportation Authority](#) - Construction Manager for this \$7.8M project. The waterline install required boring across Crenshaw, involving a 30” boring diameter which required a special OSHA permit, and many shutdowns which in turn required advanced notifications with the affected residents, business and utilities.

Ciros Ganji

- [Main Street and Lemon Drive | City of Yorba Linda](#) - Construction Manager and Inspector of this CIP sidewalk & street improvements project which included the removal, relocation and installation 23 water laterals & meter services; also abandoning water valves, relocating three fire hydrant assembly per project standard drawing.

Proposed Staffing and Project Organization

STAFF QUALIFICATIONS

Our proposed construction inspection staff has significant, direct experience working as City employees and as contract staff members in similar jurisdictions throughout California providing the services requested by the City. The following individuals will be available to serve the City.

James G. Ross	PRINCIPAL-IN-CHARGE
Steven Kooyman, PE	PROJECT MANAGER
Manuel Gomez	CONSTRUCTION MANAGER OCTA & CALTRANS LIAISON
Tom Marnocha, CESSWI, QSD	CONSTRUCTION MANAGER INSPECTOR
Hamid Abedzadeh, PE, QSD	CONSTRUCTION MANAGER INSPECTOR
Chuck Stagner	CONSTRUCTION INSPECTOR
Julio Velasco	CONSTRUCTION INSPECTOR
John Welch	CONSTRUCTION INSPECTOR
Ciros Ganji	CONSTRUCTION INSPECTOR

The following is a chart of our proposed staff's education, licenses and certifications.

<i>Name</i>	<i>Current Licenses & Certifications</i>
Steven Kooyman, PE <i>Project Manager Senior Engineer</i>	BS, Civil Engineering, California State University, Chico, 1991 CA Registered Professional Civil Engineer 55757 NV Registered Professional Civil Engineer 13015
Manuel Gomez <i>Construction Manager OCTA & Caltrans Liaison</i>	B.S. Civil Engineering, California State University, Long Beach APWA Southern California Chapter, Member City Engineers of Orange County, Board Member 2014-2016 OCTA Technical Advisory Committee, Chair 2018
Tom Marnocha, CESSWI, QSP <i>Construction Manager</i>	AS, Civil Engineering Technology, Northwest Wisconsin Technical Institute, 1982 CESSWI, Certified Erosion, Sediment & Storm Water Inspector 2305 QSP, Qualified SWPPP Practitioner 22064 CALTRANS, Post Earthquake Inspections & Safety Evaluation CALTRANS, Sampling & Testing Construction Materials NICET, Level II Certification AWS, Certified Associate Welding Inspector Nuclear Density Gauge Operator, Troxler Electronic Laboratories

<i>Name</i>	<i>Current Licenses & Certifications</i>
Hamid Abedzadeh, PE, QSD <i>Construction Manager Inspector</i>	MS and BS, Civil Engineering, University of Tennessee in Memphis CA Registered Professional Civil Engineer C51298 Qualified SWPPP Developer C51298
Chuck Stagner <i>Construction Inspector</i>	Best Management Practices (BMP) Certificate Holder OSHA Competent Person Certification OSHA Confined Space Certification
Julio Velasco <i>Construction Inspector</i>	Associates Degree, CADD Technology, ITT Tech Institute, 1997 CA Contractor State License 928807 Construction Health & Safety Technician (CHST) – Board of Certified Safety Professionals (BCSP) HAZWOPER Training Certification Confined Space – Entry Supervisor, Entrant, Attendant
John Welch <i>Construction Inspector</i>	QCM US Army Corps of Engineer
Ciros Ganji <i>Construction Inspector</i>	B.S., Civil Engineering, California State University of Long Beach ICC Certified Special Soil Inspector Nuclear Certified ACI Certified SWPPP and NPDES Certified

Short Bios

James G. Ross

Principal-in-Charge

James has supported municipalities and public agencies at an executive management level for the past 35 years, specializing in Public Works and Water Departments. James' experience includes successfully managing staffs of over 400 people and Capital Improvement Program budgets of approximately \$200 million. He has served on the Board of Directors and has been President of the Public Works Officers for the League of California Cities. James is also the recipient of the James Martin Award for Excellence and Service to the League and Public Works Profession. James was chosen Top Leader of the Year in 2004 and nominated for the National Top 10 Director of the Year in 2008, both for the American Public Works Association, Southern California Chapter.

Steve Kooyman, PE**Project Manager**

Steve is a registered Civil Engineer with more than 25 years of civil engineering experience and has spent over 5 years of his career serving numerous jurisdictions throughout the Southern California region. His background has provided him with the knowledge of city engineering policies and procedures, which is a proven asset when providing technical assistance to engineers, architects, contractors, city personnel, and the public. As the previous City Engineer for the City, Steve has a great working knowledge of the Public Works Department, City codes and policies, standards, and requirements.

Manuel Gomez**Construction Manager | OCTA and Caltrans Liaison**

Manuel is an experienced public works professional with more than 25 years of experience serving municipal public works departments in Orange County. Before joining Interwest, he was the Director of Public Works for the City of Irvine for 13 years and held several management positions with the City of Santa Ana over the course of another 13 years. These positions have given Manuel not only valuable insight into the successful management of municipal public works departments and staff, but also intimate understanding of Orange County communities, standards, regulations, and sensitive issues. Manuel is known for his collaborative and inclusive management style, bringing the best out in the staff that he supervises. He is proficient in state and local laws and practices, active in industry associations, and fluent in Spanish.

Tom Marnocha, QSP, CESSWI**Construction Manager | Inspector**

Tom brings more than 35 years experience in the areas of construction management, inspection, planning, schedule analysis, project management, billings and payments,

contract administration and compliance, field engineering, quality assurance, and materials testing for a variety of public works, residential and transportation projects.

He possesses a vast array of certifications, including his certifications in QSP (Qualified SWPPP Practitioner) and CESSWI (Certified Erosion, Sediment, and Storm Water Inspector). These two certifications allow Tom to serve as an inspector, monitoring Storm Water Prevention Plans ensuring they are adhering to all California rules and regulations.

Tom's diverse background allows him to bring a deep understanding and expertise to cities and government agencies on large, complex, high-value construction projects. Projects range from small city projects to multi-million dollar projects including parks, fire stations, street improvements, and community buildings. Tom is an expert in using the Contract Manager Document Control System which facilitates his ability to collaboratively work with all parties ensuring projects are well managed and brought to a successful completion.

Hamid Abedzadeh, PE, QSD**Construction Manager | Inspector**

Hamid is a registered engineer who has held supervisory and management positions for more than 14 years, managing up to 20 professional and technical employees and projects budgets up to \$40 M. He has extensive experience in construction management, material testing, geotechnical engineering, consulting and leadership with a proven track record in delivering complex projects on time and in budget.

Chuck Stagner**Construction Inspector**

Chuck is a construction inspector with more than 35 years of experience serving municipalities in his field. He has been involved of all aspects of various public works projects

and is knowledgeable of State & County Public Works regulations as well as MUTCD, SWPPP and OSHA requirements. Chuck has been involved with underground utilities for more than 25 years. In the past five years, he has provided inspection services on sewer permit projects in Costa Mesa (Victoria - Harbor Blvd to 600' West, bored a 10" line for the 600 L.F.) He has also made connections on a forced main and inspected work for pump houses on Minor Street and Mesa Blvd. Chuck is an accomplished professional who prides himself on providing quality, timely services in a friendly, collaborative way. Over his career, he has served as Project Manager, business owner, and a part of a team, giving him unique insight and the managerial skills to promote communication and satisfaction at all levels.

Julio Velasco**Construction Inspector**

Julio is a dedicated construction manager with nearly a 15-year record of success in all facets of government and public works projects. He has cultivated his track record of successful completions of multi-million dollar projects through coordinating trades, developing client relationships and building positive rapport with architects, engineers, subcontractors and vendors, all while maintaining the client's budget. Julio is well-versed in Standard Specifications for Public Works Construction (Greenbook), Work Area Traffic Control Handbook (WATCH), and material purchasing, as well as document preparation and tracking.

John Welch**Construction Inspector**

John brings more than 19 years of experience in the areas of construction management, inspection, planning, schedule analysis, project management, contract administration and compliance, field engineering, and quality assurance for a variety of public works, residential and transportation projects. John's diverse background has given him insight into serving

cities and government agencies on large, complex, high-value construction projects. His experience ranges from small city projects to multi-million dollar projects, including highways, street improvements, and airport taxi-ways. John is able to collaboratively work with all parties ensuring projects are well managed and brought to a successful completion.

Ciros Ganji**Construction Inspector**

Ciros has more than 20 years of experience in construction, construction inspection, geotechnical testing and design on a number of projects for local cities, government agencies, and private developers. He successfully completed many Capital Improvements Projects, numerous mainline underground utility projects and commercial tract developments. He is an expert in flood control, sewers, drainage, AC and PCC paving, traffic control, roadway excavation, soils testing, concrete inspection and major public works projects. He has been responsible for inspecting and reviewing proper traffic control plan; detecting and locating faulty materials; maintaining daily inspection reports; and preparing final punch lists. He has great communication skills responding to citizen complaints and providing quality customer service. In addition, he has prepared and maintained project documents including labor and equipment records and labor compliance reports. Ciros is familiar with construction project scheduling. He has worked very well with all members of private and public agencies and was highly respected for his efforts.

RESUMES

We have provided resumes for key staff on the following pages. Resumes for additional staff will be provided upon request due to page limitations.



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E D U C A T I O N

Bachelor of Science, Civil Engineering,
California State University, Chico, May
1991

R E G I S T R A T I O N S C E R T I F I C A T I O N S

CA Registered Civil Engineer | 55757

NV Registered Civil Engineer | 13015

QSD/QSP Training

P R O F E S S I O N A L A F F I L I A T I O N S

National and OC ASCE Member

Steve Kooyman, PE

Project Manager

Steve is a registered Civil Engineer with more than 25 years of civil engineering experience and has spent a vast amount of his career serving numerous jurisdictions throughout the Southern California region. His background has provided him with the knowledge of city engineering policies and procedures, which is a proven asset when providing technical assistance to engineers, architects, contractors, city personnel, and the public.

P R O J E C T S P E C I F I C E X P E R I E N C E

Senior Project Manager

2019 – Present

Interwest Consulting Group

Steve provides Project Management and Senior Engineering Services to our clients throughout Southern California.

Public Works Director | City Engineer

2018 – 2019

City of Rancho Santa Margarita

Steve supervised and managed City staff and various consultants within the Public Works Engineering Division, administering a \$5-\$6 million annual Capital Improvement Program, and was responsible for:

- All work within the public rights-of-way, over 50 PW permits issued annually;
- Working directly with the City Manager, Community Development Director, Building Official, Community Services Director, Police and Fire Services, City Attorney, Finance Director, and Human Resource Director on all PW Engineering, Maintenance, and CIP projects as part of the Executive Team;
- Coordinating with the various master and individual HOA's within the City
- Preparing and presenting various staff reports to the City Council for CIP projects;
- Administering and implementing various City Council and City Manager policies, procedures, goals, and priorities for the City;
- Managing and monitoring all work within the Department, including: developing the annual work plan and staffing plan, and developing and supervising all public works contracts in coordination with the City Attorney;

City Engineer

2015 – 2018

City of Brea

As City Engineer, Steve managed staff and administered a \$30-\$40 million annual CIP. He was responsible for:

- Updating and developing the City's Circulation Plan within the General Plan, Traffic, Water, Fire and Dispatch Impact Fee Programs, Sewer, Water, and Drainage Master plans;
- Developing expense and funding projections in coordination with the development of the 2016, 2017, and 2018 CIP and annual Engineering operational budgets;
- All work within the public rights-of-way, over 200 PW permits issued annually;
- Preparing and presenting various staff reports to the Planning Commission and City Council for CIP and development projects;
- Supervising, reviewing, and stamping all final parcel/tract maps, and lot line adjustments related to subdivisions within the City; and,
- Managing and coordinating all CEQA/NEPA documents with the City Planner within the Planning Division for PW projects.

Assistant Public Works Director, Public Works and Utilities Department

2013 – 2015

City of San Juan Capistrano

Steve supervised and managed up to 12 employees and various consultants within the PW Division for a \$10-\$15 million annual CIP. In this position, he was responsible for:

- Updating and developing of the City's Circulation Funding Plan with development projections in coordination with the development of the CIP and annual fiscal year



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- operational budgets;
- Managing the pavement management and NPDES storm water program for the City;
- Managing and supervising the maintenance of the City's parks and facilities in coordination with the Maintenance Superintendent;
- Attending and managing various advisory committees within the City for the bike/equestrian trails, and parks;
- Managing and coordinating all CEQA/NEPA documents with the Planning Department for PW projects; and,
- Managing and developing the Engineering Division annual work and staffing plans

Acting Deputy Director, Engineering, Transportation Planning and Land Development | Senior Civil Engineer | Supervising Civil Engineer

2001 – 2013

County of El Dorado

Steve served the County of El Dorado for more than a decade in various high level management positions, at his peak supervising a staff of more than 20 employees and several consultants within the Transportation Planning and Land Development Unit. He managed projects a part of the County's \$30-\$45 million annual CIP with the following responsibilities:

- Working directly with County Board Members on various high profile projects in coordination with the Presidential Tahoe Summit and State Forums;
- Serving as the County Engineer for all development within the County;
- Managing the pavement management program, traffic impact program, and NPDES storm water program for the County;
- Working directly with the County Counsel on all subdivision map agreements and PW/transportation contracts;
- Working directly with the Planning Director and County Counsel during the development of the General Plan Update;
- Attending and facilitating various public meetings regarding the General Plan Update and CIP;
- Supervising and managing the Tahoe Storm Water Management Program with Total Maximum Daily Load and NPDES requirements;
- Supervising the County's Transportation efforts in Tahoe Managed and developed the Tahoe Engineering Units annual and 5-year budgets;
- Working directly with the Tahoe Maintenance Division on all roadway, bridge, and drainage improvements; and,
- Facilitating and managing various public outreach meetings with respect to the CIP projects in Tahoe.

Associate Civil Engineer

1997 – 2001

City of South Lake Tahoe

Steve performed civil engineering design; completed hydraulic/hydrology reports, construction specifications, and contract documents; and performed construction management and inspection for numerous civil engineering within the City. He worked directly with the Planning Department on all development projects within the City including the Redevelopment Agency; and, administered, reviewed, and issued the various PW permits within the City.

Civil Engineer

1993 – 1997

Ernie Jones Associates, Ltd

Steve performed civil engineering design and performed construction management and inspection for numerous civil engineering projects, including many residential home designs in South Lake Tahoe. He designed and prepared plans for several apartment complexes, subdivision maps, improvement plans, and various water, sewer, erosion control projects.



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E D U C A T I O N

B.S. Civil Engineering,
California State University, Long Beach

**P R O F E S S I O N A L
A F F I L I A T I O N S**

APWA Southern California Chapter,
Member
City Engineers of Orange County, Board
Member 2014-2016
OCTA Technical Advisory Committee,
Chair 2018

Manuel Gomez

Senior Engineer | Caltrans and OCTA Liaison

Manuel is an experienced public works professional with more than 25 years of experience serving municipal public works departments in Orange County. Before joining Interwest, he was the Director of Public Works for the City of Irvine for 13 years and held several management positions with the City of Santa Ana over the course of another 13 years. These positions have given Manuel not only valuable insight into the successful management of municipal public works departments and staff, but also intimate understanding of Orange County communities, standards, regulations, and sensitive issues. Manuel is known for his collaborative and inclusive management style, bringing the best out in the staff that he supervises. He is proficient in state and local laws and practices, active in industry associations, and fluent in Spanish.

P R O J E C T S P E C I F I C E X P E R I E N C E

Senior Project Manager

2018 – Present

Interwest Consulting Group, Inc.

Manuel provides project management for municipal public works projects and oversees assigned projects to ensure compliance with time and budget parameters. He responds to client and public inquiries regarding engineering policies and procedures and helps municipal management teams to evaluate issues and options regarding the best approach to and practices for public works projects and programs, as well as key organizational issues.

Public Works Director

2005 – 2018

City of Irvine

As Public Works Director for over a decade, Manuel provided leadership and policy direction for the development, construction and maintenance operations of various public works infrastructure projects and programs. He directed the City's largest operating department with more than 150 full-time staff positions. He also was responsible for an annual operating budget of \$65 million and a capital improvement program of more than \$450 million.

Transportation Manager

1992 – 2005

City of Santa Ana

Manuel provided oversight and management of the development services and transportation functions of the City's Public Works Agency. He also served as the Manager of Maintenance Services and as Assistant to the City Manager during his tenure with the City of Santa Ana.



**INTERWEST
CONSULTING
GROUP**

www.interwestgrp.com

EDUCATION

Associates of Science
Civil Engineering Technology
Northwest Wisconsin Technical Institute
1982

**REGISTRATIONS
CERTIFICATIONS**

CESSWI
Certified Erosion, Sediment & Storm Water
Inspector | 2305

QSP, Qualified SWPPP Practitioner | 22064

CALTRANS
Post Earthquake Inspections & Safety
Evaluation

CALTRANS
Sampling & Testing Construction Materials

NICET, Level II Certification

AWS, Certified Associate Welding Inspector

Nuclear Density Gauge Operator
Troxler Electronic Laboratories

**PROFESSIONAL
AFFILIATIONS**

ACIA, American Construction Inspector
Association

AWS, American Welding Society

National Institute for Certification
in Engineering Technologies

SSPC, The Society for Protective Coatings

Tom Marnocha, CESSWI, QSP

Construction Manager

Tom brings more than 35 years experience in the areas of construction management, inspection, planning, schedule analysis, project management, billings and payments, contract administration and compliance, field engineering, quality assurance, and materials testing for a variety of public works, residential and transportation projects.

He possesses a vast array of certifications, including his certifications in QSP (Qualified SWPPP Practitioner) and CESSWI (Certified Erosion, Sediment, and Storm Water Inspector). These two certifications allow Tom to serve as an inspector, monitoring Storm Water Prevention Plans ensuring they are adhering to all California rules and regulations.

Tom's diverse background allows him to bring a deep understanding and expertise to cities and government agencies on large, complex, high-value construction projects. Projects range from small city projects to multi-million dollar projects including parks, fire stations, street improvements, and community buildings. Tom is an expert in using the Contract Manager Document Control System which facilitates his ability to collaboratively work with all parties ensuring projects are well managed and brought to a successful completion.

PROJECT SPECIFIC EXPERIENCE

Construction Manager | Construction Inspector

2011 – Present

Interwest Consulting Group | CA

Provides a variety of services to clients in the Southern California region, including construction management, public works construction management and observation, inspection, and SWPPP inspections. He currently provides public works construction management and inspection services on a variety of projects throughout the City of Yorba Linda:

- **Bastanchury Road improvement Project** – Provided CM services for the road widening and resurface, filterra installation, new sidewalk, curb and gutter and streetlights. Traffic signal improvements.
- **Culver City, Pedestrian Improvement Project** – Provided CM services for multiple locations for new handicap ramps and street corner configurations. Pedestrian crossing signal pole improvements.
- **Culver City, Washington Place Resurface** – Street widening and resurface with sidewalk, handicap ramp and curb & gutter installation. Signal improvements for pedestrian crossings.
- **Town Center Yorba Linda** – Provide oversight and CM services for the Town Center development which is a multiple phase multi year improvement project development.
- **Richfield Widening Project** - Approximately 500 lineal feet (LF) of new curb and gutter, sidewalk and retaining wall. Coordinated utility relocations, survey and materials testing.
- **Hidden Hills Storm Drain Lining Project** - 1500 LF of storm drain lining which includes the flushing, video documentation and lining installation.
- **Bastanchury Road** - Project involved the installation of two intersections of new traffic signal poles and head, traffic loops, interconnect communication conduit, construction of new horse trail with fencing, sidewalk and handicap ramp construction.
- **Richfield/ Buena Vista Street Light Improvement Project** - Project included relocating Edison power lines, installation of new traffic signal poles, signal heads and safety lighting, traffic loops and advanced loops and restriping.
- **Yorba Linda Medical Office Building** - Approximately 10,000 sq. ft. of medical office space. Interwest performed grading, roadwork and sidewalk improvement inspections.
- **Corta Bella, Heritage, Vista Vel Verdes, Amalfi and Encanto** - New residential housing developments totaling more than 500 homes. Interwest performed the grading and SWPP inspections for all three projects.
- **Traffic Signal** – Provided construction management and inspection for new construction of traffic signal at Richfield/Buena Vista ensuring compliance to the plans and specifications.



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- **Yorba Linda Water District Phase 1 Water Main** – Replacement of 5,000 LF of 18” water main. Provided oversight for the city which included compliance to the required traffic control and completion of the final striping to the city standards.
- **Traffic Signals** – \$500,000 new construction project consisting of traffic signals at two intersections.

ADDITIONAL EXPERIENCE

Performed construction management and inspection services on a contract basis.

- **Pier Avenue Streetscape** - \$4 million project, which had several funding sources including a \$1.2 million federal ARRA Grant from the State Water Boards. The primary goals for this project, for the **City of Hermosa**, was to improve the aesthetics of the street and improving pedestrian accessibility, parking, landscape and hardscape. Pier Avenue is the City's “main street” in the downtown area connecting Pacific Coast Highway to the City's Municipal Pier and Pier Plaza. Pier Avenue is one of the few MTA Bus Routes in the City and will include new bus shelters and other transit related improvements.
- **Civic Center Median (City of Garden Grove)** - This project involved replacing the existing landscaping and irrigation on a busy road. Project also involved installing a perimeter decorative mow strip and a city monument with lighting.
- **Garden Grove Euclid Intersection Improvement Project** - This project included widening the right turn lane on north bound Euclid to east bound Garden Grove, including adding protective barriers at the corner. The project also included adding decorative sidewalk crosswalks and a garden wall at the NE corner of the intersection.
- **Freedom Park** - \$10 million, 23-acre park project in the **City of Palm Desert** that received the California Park and Recreation Society's (CPRS) Award of Excellence. Served as Construction Manager for the project, which included underground utility construction; clearing and grubbing; irrigation and landscape installation; rough and finish grading for baseball fields, volleyball courts, tennis courts, skate park, play equipment, and soccer field with an underground drainage system; concrete site improvements; curb and gutter; asphalt parking lot; a Snack Bar and Men's/Women's Restroom facility per City of Palm Desert specifications and plans. Coordination with Coachella Valley Water District on the placement of a future well site was a major component of the project.
- **Palm Desert Redevelopment Agency** - Served as the owner's representative on this \$4 million, 8,200 sf Visitor Information Center project. Responsible for quality control and construction safety oversight. Conducted daily meetings and conferences; and received, managed, and distributed submittals. Managed all contract administration and compliance. Staff also provided pre-construction (including a biddability/constructability review) and construction management services.
- **Rancho Mirage Santa Rosa Villa Housing Project** - Provided pre-construction services, and construction management and administration-related services for the City's low-income housing project. Was on site daily serving as owner's representative. Ensured construction safety oversight, quality control, progress payments, contract administration/compliance, and document control.
- **Rancho Mirage Public Library** - A new \$15 million public library, a one-story civic library building of approximately 43,000 square feet on a 9-acre site located along Highway 111 between San Jacinto Drive and Paxton Drive. The building interior floor plan consists of offices, classrooms, a commercial kitchen, a conference room, a dining room, lounges and reading rooms. The site development incorporates two transition roads and parking lots, civil grading/soil export work, architectural surface feature improvements, and irrigation and landscaping.
- **Hathaway Park Improvements** - As Construction Manager, provided construction management services for the installation of new playground equipment at Hathaway Park for the **City of Lomita**.
- **Capital Improvement Projects** - Construction Manager and Inspector for capital improvement projects in the **City of Lomita** ranging from street repair to the construction of new municipal facilities. Coordinated and scheduled appropriate design services, reviewed completed plans and specifications, prepared or supervised the preparation of bid packages, reviewed bids and provided general engineering supervision during construction. Tracked all project correspondence using Expedition.

IDENTIFICATION OF KEY PERSONNEL

Below we have identified our proposed team and provided information regarding their current assignments and availability.

JAMES G. ROSS	
Proposed Position	Principal In Charge
Specified Tasks	Contract Management, City's Management Contact
Current Location	Huntington Beach Office
Current Assignments	Public Works Group Leader for Interwest
Availability	As-Needed
Length of Time with Interwest	4 Years

STEVE KOOYMAN, PE	
Proposed Position	Project Manager
Specified Tasks	Project And Staff Management, City's Day To Day Contact
Current Location	Huntington Beach Office
Current Assignments	City of Brea
Availability	As-Needed – Up to full-time
Length of Time with Interwest	1 Year

MANUEL GOMEZ	
Proposed Position	Construction Manager, OCTA and Caltrans Liaison
Specified Tasks	Construction Management, acting as a Liaison For OCTA and Caltrans
Current Location	Huntington Beach Office
Current Assignments	As-Needed at the Cities of Maywood, Newport Beach
Availability	As-Needed
Length of Time with Interwest	1 Year

TOM MARNOCHA, QSP, CESSWI	
Proposed Position	Construction Manager and Inspector
Specified Tasks	Construction Management and Inspection
Current Location	Huntington Beach Office
Current Assignments	As-Needed at the Cities of Yorba Linda, Maywood
Availability	As-Needed – Up to full-time depending on project timing
Length of Time with Interwest	8 Years

HAMID ABEDZADEH, PE, QSD	
Proposed Position	Construction Manager and Inspector
Specified Tasks	Construction Management and Inspection
Current Location	Huntington Beach Office
Current Assignments	As-Needed at the Cities of Costa Mesa, Pomona
Availability	As-Needed – Up to full-time depending on project timing
Length of Time with Interwest	2 Years

CHUCK STAGNER	
Proposed Position	Construction Inspector
Specified Tasks	Construction Inspection
Current Location	Huntington Beach Office
Current Assignments	As-Needed at the City of Maywood
Availability	As-Needed – Up to full-time depending on project timing
Length of Time with Interwest	3 Years

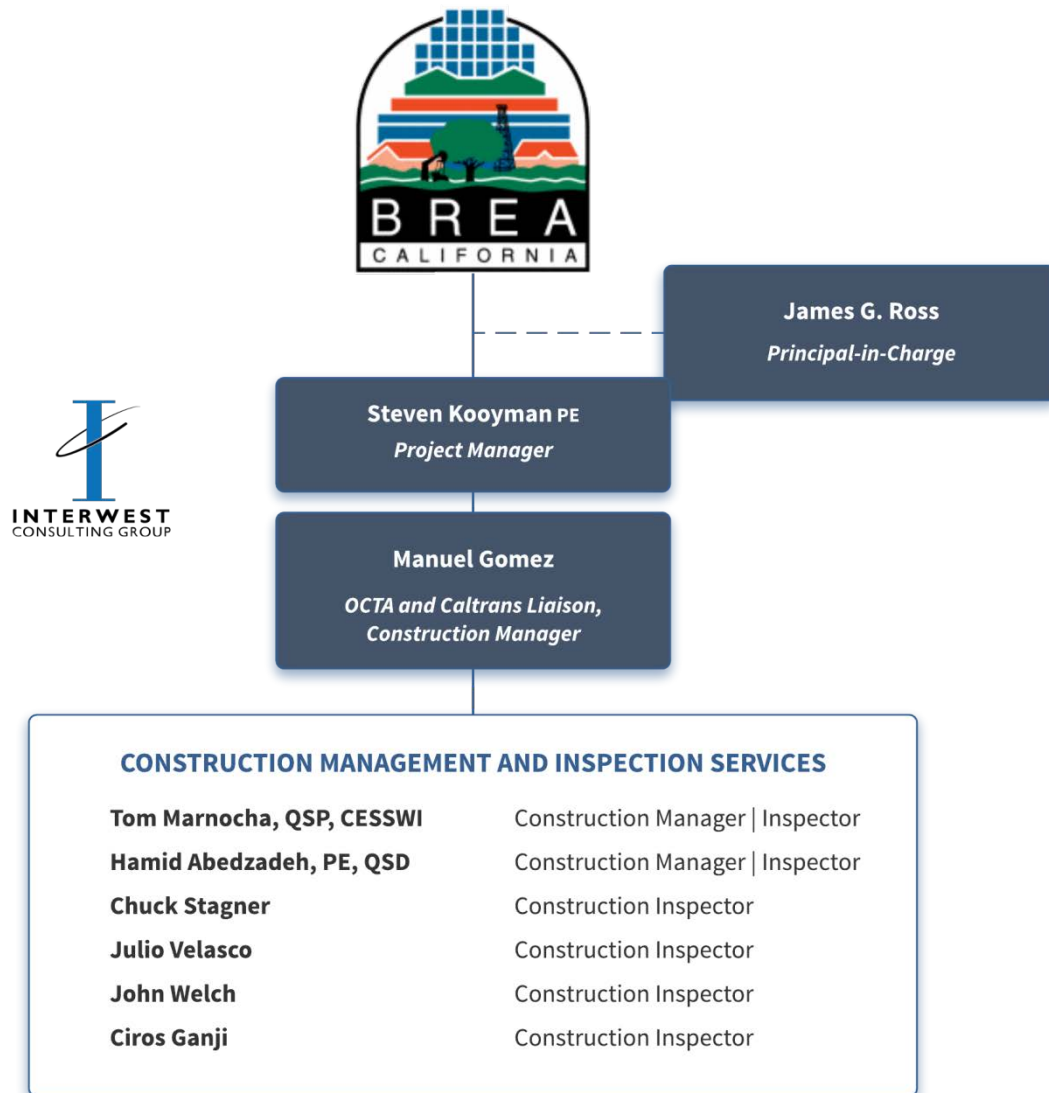
JULIO VELASCO	
Proposed Position	Construction Inspector
Specified Tasks	Construction Inspection
Current Location	Huntington Beach Office
Current Assignments	As-Needed at the Cities of Pomona, Newport Beach
Availability	As-Needed – Up to full-time depending on project timing
Length of Time with Interwest	3 Years

JOHN WELCH	
Proposed Position	Construction Inspector
Specified Tasks	Construction Inspection
Current Location	Huntington Beach Office
Current Assignments	As-Needed at the Cities of Gardena, Culver City, El Monte
Availability	As-Needed – Up to full-time depending on project timing
Length of Time with Interwest	1 Year

CIROS GANJI	
Proposed Position	Construction Inspector
Specified Tasks	Construction Inspection
Current Location	Huntington Beach Office
Current Assignments	As-Needed at the Cities of South Pasadena, Yorba Linda
Availability	As-Needed – Up to full-time depending on project timing
Length of Time with Interwest	3 Years

ORGANIZATION CHART

Below is an organization chart showing the relationships and hierarchy of proposed staff for this engagement with the City of Brea.



STATEMENT OF AVAILABILITY

Work described in the Request for Proposals will be performed by the key Interwest staff identified to the extent proposed unless prior written approval has been obtained from the City of Brea.

Detailed Work Plan

APPROACH AND WORK PLAN

Construction Management

Pre-Construction / Bidding / Award Phase

Constructability | Contract Document Review | Bid Support: Review of the construction plans and contract documents prior to bidding and report to the City any areas where there may be an opportunity to save money or find areas that can be corrected prior to the bid, resulting in more competitive bids and fewer construction change orders. This assistance is provided during the bidding process.

Pre-Project Photographs | Video: The Construction Inspector will document the condition of the project as well as the adjacent areas prior to the contractor mobilizing, thus minimizing any dispute that may arise regarding existing vs. construction damage.

Pre-Construction Meeting: We will organize or attend the pre-construction meetings prior to the Notice to Proceed being issued. Notes & a list of invitees & attendees will be distributed.

Plans, Specification & Estimate (PS&E): The PS&E package is essentially the contract document from which the contractor will bid and build the project. The project engineer, in consultation with the construction manager, takes the approved project and begins the formal design process. Every effort must be made to stay within the scope of the approved project, and adhere to the environmental document constraints. Any changes to the scope must be approved by the City; changes to the scope during the PS&E phase will likely increase construction costs, may require additional environmental studies, and possibly delay the

schedule. As the PS&E package develops, a bigger emphasis is made on constructability, traffic handling and staging. All can significantly impact construction costs.

Bidding and Construction Support

- During the bidding process, if so directed, the Interwest Team will be available to answer bidders' questions, prepare drafts of addenda or clarifications to the PS&E and assist in reviewing bids and recommending a contract award.
- During construction, we will provide supplemental support to the City and construction management section for construction inquiries. This supplemental construction support includes:
 - Reviewing and preparing responses to RFIs
 - Reviewing Contractor submittals and shop drawings for compatibility with design
 - Reviewing and providing recommendations of change order proposals
 - Performing final review/evaluation & assisting with the preparation of punch list for work deficiencies
 - Preparing record drawings of the completed projects based upon the redlined set of as-built plans

Construction Phase

Project Schedule | Submittal Review: A realistic schedule that meets the requirements of the contract documents is critical to the success of the project. Our team will constantly monitor the schedule, noting and making the City aware of any critical path slips, as well as any opportunities to compress the schedule that may arise. Further, timely and thorough submittal review is critical to a project. Examples of activities include:

- Coordinate, review & approve the Contractor's proposed schedule for completion.
- Review contractor's schedule, update submittals for conformance to master schedule and contract documents.

Document Control: We use the proven method of controlling documents through the system developed and used by Caltrans. We will apply consistent procedures to track all documentation, regardless of project size and location. Doing so will result in a standard documentation and filing system across the board for capital projects. The Construction Management and Inspection team will assure that all construction documents are uploaded into the City's VPM system as appropriate. Additionally, the Interwest team will maintain a complete filing system in accordance with Section 16.8 (Chapter 16) of the Caltrans LAPM as applicable to the project. As a result, records retrieval will be quick and efficient. Work activities include:

- Maintain all project documents, drawings, contract change orders, contractor submittals, shop drawing and correspondence in electronic form within VPM and hard copy.
- Maintain at the project site an up-to-date copy of all contracts, drawings, specifications, addenda, change orders & other modifications, in good order & marked to record all changes made during construction. We track documents, including all correspondence, which will also be uploaded within VPM.
- Ensure an office engineer is available for projects with significant document control needs, and all files will be set up by our office engineer, regardless of size pursuant to Chapter 16 of the LAPM as appropriate.
- Maintain a digital photographic library & significant activities.
- Maintain RFI, submittal and change order logs. Ensure consultants and engineers respond within contract time frames. We track the number of days submittals are outstanding and with a particular party on a weekly basis and report this information to the appropriate staff, which will be uploaded into VPM.
- Monitor Contractor and the sub-contractors regarding compliance with prevailing wage

rates and affirmative action requirements applicable to the project including a Labor Compliance Program in accordance with the CA Labor Code, AB 1506, and the Davis-Bacon Act. Our inspectors and office engineers are trained on the appropriate forms and techniques necessary to conduct these compliance activities.

- Collect and review, for compliance with all State and Federal regulations, certified payroll records requirements.

Weekly | Monthly Construction Meetings: We would attend and chair weekly or monthly project meetings with the contractors and stakeholders. We can prepare the agenda and discuss schedule, budget, changes, safety issues, etc. This has proven to be an important step to getting the project on schedule early, which will be uploaded into VPM.

Change Order Review/Dispute Resolution: Our team will review any requests for contract change orders to verify the work is necessary and outside of the contract, and we will negotiate the best way from the City perspective to pay for the work, whether that is time and materials, unit prices, or a negotiated amount. We will advise City as to their effect on the contract time and cost. We can perform independent estimates of proposed change order work when necessary or when directed by the City. The Construction Manager will then make a recommendation for approval, which, according to the City policy, will ultimately need approval by the Public Works Director.

Materials Testing Management: We will coordinate and schedule the materials testing services to acquire the necessary services, and reports, in the most efficient manner.

Compaction Control: We will coordinate compaction testing with the soil engineering firm to verify all compaction conducted meets all requirements and specifications.

Progress Payment Processing: We will review progress payments and verify quantities/unit prices, amount due, certified payroll, appropriate rates, etc. If the review shows the progress payment is accurate, we will then recommend payment and circulate it to Project Manager for additional review, signature and approval.

Agency Coordination: We will coordinate any work with other agencies to maximize contractor efficiency and keep the project on schedule.

Project Close-Out Phase

Punch List Completion: Our Inspector will generate and make the contractor aware of deficiencies as they occur in the field. We will encourage the contractor to repair or replace work that does not meet the specifications when it is identified. Interwest will oversee the complete performance of all punch list items and final clean-up before contractor moves off-site. Each punch list item is personally signed off by a member of our team, and all items must be signed off before the construction manager signs the list as complete.

Record Drawings and Other Documents: Our Construction Manager will review the record drawings with the Inspector and Engineer of Record for accuracy and completeness prior to acceptance of the project. This is monitored weekly. At the end of the project, we will obtain from contractor all record (as-built) drawings: O&M materials, attic stock, contract required documents, lien releases, & written warranties.

Geotechnical Report: Our Construction Manager will obtain a complete geotechnical report with all test results, logs, and correspondence from the geotech prior to releasing their final payment.

Final Report: Our team will prepare a final report for the project that recaps the costs, schedule, successes, and lessons learned to the City and the Project Manager for use in preparing the City Council Notice of Acceptance Staff Report.

An inventory of the “wrap up” tasks for construction management activities include:

- Administer post-construction training of custodial, maintenance, operations and grounds staff for all new equipment, systems and finish materials. We intend to invite the appropriate City maintenance personnel to the final walk-through of the project so they may ask questions and review the work. We understand that the project is built for the end-user, which is usually the maintenance department on behalf of the citizens.
- Coordinate final testing, documentation and regulatory inspections. We require all materials testing and special inspection documentation to be in a final report in chronological order.
- Advise on substantial and final completion and liquidated damages.
- Evaluate any contractor claim, negotiate and resolve claim issues. Recommend approval or denial by the City.
- Establish a warranty process and schedule six months and eleven months warranty walks.
- Oversee the complete performance of all warranty repair items.

Document Archive: Once the project is complete, we will turn over all project documents in archive form to the City and update VPM as needed.

Construction Inspection Services

Utilizing construction inspection services through Interwest Consulting Group is an extremely valuable strategy for delivering cost-effective, high quality municipal services. We inspect a variety of capital improvement, development, and utility project elements such as: waterline replacements, roadway rehabilitations, new park developments, building and utility projects on an “as-needed” basis, streets, driveways, sidewalks, curb and gutters, pedestrian ramps, drainage improvements, parks, buildings, open space amenities, trails, traffic signals, playground equipment and sports fields plus related services including sewer lift stations, sewer, domestic water, reclaimed water and street lighting. We have a proven track record of providing all of these services.

Our Inspectors will ensure that all work conforms to the project construction documents, City Codes and Ordinances including the City Grading Code and Manual, APWA “Greenbook” Standard Specifications for Public Works Construction, AWWA Standards, City and County Public Works Standards, State and Federal Building Codes related to site accessibility as well as Title 24 and ADA requirements, Caltrans’ Local Programs Manual, the City’s Quality Assurance Plan for Federal and State Funded Projects and all applicable prevailing wage laws including the Davis-Bacon and Related Acts.

Our team of professionals proposed for this assignment has extensive career expertise in the public works industry. Our local knowledge in combination with our depth of experience translates into better, more consistent decision making. This provides the City with excellent value not only today in cost for services, but more importantly in the future while operating the infrastructure. All Inspections shall be carried out using City established policies and

procedures with the highest quality staff in a timely and professional manner. We shall be an advisor and advocate and provide services with the best interest of the City in mind.

Guaranteed Deliverables

There are several important areas of work requiring special attention to ensure successful completion of a project:

Standardization & Maintenance of Project Documentation – In order to effectively combat claims, it is vitally important that the construction manager and inspector follow a uniform standard to ensure that potentially volatile issues are dealt with in a timely, accurate and consistent manner. Interwest has instituted such a system and has a proven track record of helping its clients to avoid costly claims, which will also be integrated into the City's VPM as required.

Monitoring Quality & Objectiveness of Field Personnel – Our construction supervisors routinely check the files and performance of our construction inspectors. Regular training meetings are conducted at which changes in rules and regulations are discussed. Of critical importance are the storm water compliance rules and the requirements of the general construction permit on City projects.

Public Relations – Public works projects that impact residents and businesses present unique, non-technical challenges which must be addressed throughout the life of a project. Interwest staff will work closely with these stakeholders to make them aware of the project, its status and any changes that are made. Our assigned staff possesses the non-technical skill set needed to navigate the public relations arena.

Construction Inspections (Including SWPP Compliance) – Our Inspector, as well as any other field personnel performing services will document all work, quantities, contractor and subcontractor personnel and equipment, visitors, and field orders on a daily basis.

MANAGING RESOURCES AND QUALITY CONTROL

Interwest knows that our continued success relies upon delivering high quality products to our clients with consistent attention to detail. Quality Control is not just a review of the final work product prior to its delivery to a client. Rather, true quality control is a commitment to a process of ongoing “critical eye” review and oversight throughout the project.

Routine and formal checks on assignment progress are critical for successful completion and client satisfaction. Therefore, for each assignment that we are asked to do, we will create and maintain assignment schedules and provide progress reports where needed and provide internal quality control reviews of data collected and recommendations made.

As most of our staff are former public officials, we understand the public impacts of our reports and recommendations. Recognizing the importance of Quality Control/Quality Assurance, James G. Ross, as the Principle-in-Charge, will assure Interwest’s services are of the highest quality and integrity. His role will be similar to that of an independent auditor who will regularly check on our products and services to ensure they are meeting the City’s needs. ***This will be at No Cost to the City.*** In this endeavor, we are not just looking to meet the City’s expectations, but to exceed the community’s expectations.

There are numerous design checklists that have been developed by Caltrans and augmented by Interwest. These checklists are a rigorous way to ensure that nothing has been missed and

force discussions between various disciplines. We feel strongly that the following approach to quality issues is a key reason we have been successful with our clients:

- Identify the issue as a team, in a transparent manner, with an attitude of responsibility
- Develop solutions while keeping the City's best interest as the first priority
- Implement the solution as a team
- Evaluate the process and system to determine the cause of the issue
- Learn from the issue and develop systems or training to address the weakness

Interwest will establish Project Schedule and Budget Tracking Systems for each project and review these with the team during weekly meetings to ensure there are no cost overruns or project delays.

Exceptions | Deviations

Interwest Consulting Group has reviewed the Scope of Work and Proposed Professional Services Agreement set forth in Section IV. We do not propose any exceptions, alterations or amendments to either the technical or contractual requirements.

FEE PROPOSAL

The rates displayed in the fee schedule below reflect Interwest’s current fees. Hourly rates are typically reviewed yearly on July 1 and may be subject to revision unless under specific contract obligations. In addition, there is no charge for shipping, supply, or material costs.

Classification	Hourly Billing Rate
Principal in Charge	\$175
Project Manager	160
Construction Manager	145
Assistant Construction Manager	130
Supervising Public Works Observer	135
Senior Public Works Observer	125
Public Works Observer III	120
Public Works Observer II	115
Public Works Observer I	105
Overtime, Night, Weekend, and Holiday Work	140% of above listed hourly rates

APPENDIX

We have included a signed copy of the City's "Status of Past and Present Contracts Form" on the following page in the Original Proposal only, as specified in the RFP.



Proposal for

**Professional Consulting Services for
Construction Management & Inspection Services
FY 2018 – 2019**

Prepared for:

Mr. Michael S. Ho, P.E.,

Deputy Director of Public Works / City Engineer

Public Works Department – Engineering Division

City of Brea

1 Civic & Cultural Center

Brea, CA 92821-5732

Contact: Chuck Stephan, PE

Project Manager

Phone: (909) 890-9693 / Fax: (909) 890-9694

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May 16, 2019



LETTER OF TRANSMITTAL

May 16, 2019

Mr. Michael S. Ho, PE, - Deputy Director of Public Works/City Engineer

Subject: **Proposal for Professional Consulting Services – Construction Management & Inspection Services FY 2018-2019**

We appreciate the opportunity to submit a proposal to provide Construction Management & Inspection Services for this contract. KOA serves public agencies such as yours and has performed numerous similar projects in the past 30 years since the company was established in Southern California. We are Construction Managers, Inspectors, transportation engineers and planners and have worked on public improvement projects such as Capital Improvement, Public Works, and Land Development projects. We previously provided CM and inspection services on over 10 projects in Brea since 2010. These projects included infrastructure improvements such as sewer, water and storm drain; pavement widening and rehabilitation projects; sidewalk and concrete improvements, fire stations, and various other inspections for your City. We are certain that we will be able to continue to provide these services and produce quality deliverables and a satisfactory end product if awarded this contract again.

As you will see from our proposal, KOA is highly skilled at providing the consultant services called for in the City's RFP. For this project, we will primarily be drawing upon the expertise of the personnel in our Orange and Ontario offices. We realize that ensuring our team operates in an efficient and cost-effective manner is of the utmost importance. As such, we are enlisting KOA's most experienced personnel where this line of work is concerned.

I will be the Principal-in-Charge and will provide QA/QC for the project. Mr. Kevin Higgins will lead the project team as the Construction Manager. Mr. Higgins has worked successfully with various members of the City staff and brings a solid understanding of your construction inspection needs. He will be the primary contact person for the contract and can be reached at our Ontario office at 3190 C Shelby Street, Ontario, CA 91764, (909) 890-9693 or by e-mail at khiggins@koacorp.com.

I am authorized to bind the firm to any contracts and agreements. Our proposal is valid not less than 90 days from the date of this submittal. I attest that all information submitted within the proposal is true and correct. KOA acknowledges receipt of Addendum No. 1. KOA Corporation looks forward to continue working with the City of Brea on this On-Call contract.

KOA Corporation



Chuck Stephan, PE.

Principal-in-Charge/Project Manager

CONSTRUCTION MANAGEMENT & INSPECTION SERVICES FOR FY 2018-2019

CITY OF BREA



TECHNICAL PROPOSAL

a. QUALIFICATIONS, RELATED EXPERIENCE AND REFERENCES - KOA FIRM PROFILE

Founded in 1987, KOA Corporation (KOA) is a leading provider in civil and traffic engineering, transportation planning, and construction management and inspection services for public agencies and private-sector clients. Driven by our mission, "Changing the Future of Travel", we offer our clients technical knowledge, creative solutions, and responsive services. The hallmark of our success is our dedication to each and every project being constructed per each design to leave a legacy of extraordinary contributions to our communities. As a 100% employee-owned firm, our staff includes certified transportation planners and registered civil and traffic engineers. With four Southern California offices, KOA has construction inspections services for some of the largest public works, transportation, and CIP projects throughout California.

KOA is a California Corporation, a regional firm based and working primarily in California. The office assigned to this project will be our Ontario office located at 3190 C Shelby Street, Ontario, CA 91764, (909) 890-9693.

The KOA team is well-qualified, fully prepared, and eager to continue to provide the City of Corona with the required services to inspect a variety of public works, public utilities and maintenance projects as identified in the Request for Proposal. These projects may include: concrete, sidewalk, structures, driveways, water and sewer mains and laterals, dry utility projects, storm drain, retaining walls, curb and gutter and street improvements, landscaping and irrigation, grading and earthwork, signage and striping, conduit installations, and NPDES requirements and BMP compliance. This proposal reflects the necessary qualifications and proposed work plan of the team to perform the requested work. The services indicated herein are based on what we feel is the best way to approach the project for the City's benefit.

KOA Corporation has a strong financial history and a positive financial outlook. The firm is in excellent financial condition and has no bankruptcies, pending litigations, planned office closures, or pending mergers. We have no prior or ongoing civil or criminal litigations or investigations pending in which KOA has been judged guilty or liable in the past five years.

TYPES OF SERVICES

Program Management
Construction Management
Construction Inspection
Traffic Engineering
Transportation Planning
Highway & Transportation Design

YEAR FOUNDED

1987

FORM OF ORGANIZATION

S Corporation

DIR #1000018374

SIZE/LOCATION OF OFFICES

Monterey Park (56 employees)
Ontario (18)
Orange (21)
San Diego (14)

PROJECT OFFICE LOCATION

3190 C Shelby Street
Ontario, CA 91764
Tel: (909) 890-9693
Fax: (909) 890-9694

KOA SIMILAR PROJECT EXPERIENCE



Master Sewer Plan Upgrade Phase 4, Brea, CA. On-Call Construction Management and Inspection services for the replacement and realignment of a portion of existing sewer beginning at the intersection of Lambert and Tamarack Avenue, traveling north in Tamarack Avenue, east through the Tamarack Park parking lot, then along the westerly side of the Brea Canyon Channel right-of-way, east underneath the channel and through an easement before connecting to the existing sewer in Pepper

Tree Road. Approximately 1,600 linear feet of 10-inch to 18-inch diameter sewer was proposed for this project which included the removal and replacement of 30 linear feet of 10'Wx8'H reinforced concrete box and 25 linear feet of 48'Wx11'H reinforced concrete rectangular channel. The project utilized pipe bursting operation to demolish the existing sewer pipe in the flood control channel. *Reference: City of Brea, Delfino "Chino" Consunji, PE, Deputy Director/City Engineer, 1 Civic Center Circle, Brea, CA 92821, (714) 990-7657.*

Carbon Canyon Rd Water Line Upgrade Project, Brea, CA. The Project consisted of the replacement and upgrading of water infrastructure within the Carbon Canyon Road and Olinda Avenue area, within the City of Brea, which included approximately 3,400 lineal feet of 6-inch DIP water line; approximately 300 lineal feet of 12-inch steel water line; various pump station upgrades, a retaining wall and surface restoration improvements. KOA is currently providing Project Management services to the City of Brea for the design and implementation of various capital improvement projects, all of which include water line replacement and upgrades. Our scope of services includes the management and oversight of these projects from the design face forward. Projects include:

- **Glenbrook Tract Water Line Improvement Project No. 7452:** This project was under design and involved the replacement of approximately 13,000 lineal feet of 8-inch DIP water line and associated appurtenant facilities, as well as, street restoration. KOA provide design oversight and CM services.
- **Country Hills Estates Tract Improvement Project No. 7283:** This project is also currently being design under KOA-CBM's oversight and involves the water main line replacement currently servicing Country Hills Estates tract.

Reference: City of Brea, Delfino "Chino" Consunji, PE, Deputy Director/City Engineer, 1 Civic Center Circle, Brea, CA 92821, (714) 990-7657.

Midbury Tract Water Line Replacement Project, Brea, CA.

The Project consisted of the replacement of approximately 1,800 lineal feet of 8-inch DIP Water Line throughout Midbury Tract, in the City of Brea, including appurtenant pressure regulating infrastructure, gate valves and fire hydrants and all associated pavement and concrete improvements. *Reference: City of Brea, Delfino "Chino" Consunji, PE, Deputy Director/City Engineer, 1 Civic Center Circle, Brea, CA 92821, (714) 990-7657.*

Brea Fire Station No. 4 (2013-2014) Brea, CA

KOA Corporation provided Construction Management on the City's On-Call contract that oversaw and provided construction management for the Brea Fire Station #4 Construction Project. This project included an approximately 1,500 square foot erected steel Butler Building to house Fire trucks and materials, a 1,600 square foot modular Fire House Station, and a 20'x 12' emergency response supply container on just under an acre. The project also included demolition on the existing site, structures, and



trees, grading and excavation, Building slabs and foundation walls, retaining and perimeter walls, onsite and offsite; sewer, water, storm drain and dry utilities; 16" structural concrete driveways, curb and gutter and sidewalks, wrought iron fencing and gates, fire sprinkler system, solar, electrical work, a bio-retention swale and landscaping. KOA was responsible for contract administration, reviewing plans and specs, pre-construction and construction coordination meetings, overseeing construction inspectors, weekly progress meetings approving quantities and invoicing, responding to RFI's, Change Order review, negotiations, and processing, contractor performance and compliance, project documentation, invoicing, coordinating materials testing, and project close-out reports. *Reference: City of Brea, Delfino "Chino" Consunji, PE, Deputy Director/City Engineer, 1 Civic Center Circle, Brea, CA 92821, (714) 990-7657.*

Birch Street Water Line Replacement Project, Phase 2, Brea, CA. The Project consisted of the replacement of approximately 1,700 lineal feet of 12-inch DIP Water Line and CML & CMC steel pipe, pressure reducing assembly, fire hydrants and gate valves along Birch Street from Voyager Avenue to Valencia Avenue including appurtenant pressure regulating infrastructure and associated pavement and concrete improvements. *Reference: City of Brea, Delfino "Chino" Consunji, PE, Deputy Director/City Engineer, 1 Civic Center Circle, Brea, CA 92821, (714) 990-7657.*



Broadway Sewer Replacement Project: Gilbert to Brookhurst, Anaheim, CA. KOA provided both construction management and inspection for the state funded project. The project was for the replacement of the existing 12-inch sewer line with a 15-inch VCP pipeline. A portion of the pipeline passed through the County of Orange, requiring coordination and inspection from the County. The majority of the line was constructed adjacent to the curb and gutter and immediately adjacent to buried electrical power lines, which required protection of the utility and extensive coordination with the power company. The pipeline crossed Broadway and tied into a major sewer trunk line in traffic lanes on Brookhurst. The work included the replacement of a substantial length of curb and gutter, extensive asphalt replacement, and traffic loop installation at two intersections. *Reference: City of Anaheim, Joann Wu, PE, Senior Engineer, (714) 765-4922.*



Ball/Beach/Orange/Dale Sewer Replacement Project, Anaheim, CA. This was a major sewer replacement project, where KOA provided both construction management and inspection services. The project involved the replacement of 12,000 feet on existing sewer lines in Ball Rd, Beach Blvd, Orange Road, and Dale Ave. The majority of the work was in the middle of these very busy streets and involved crossing a number of cross streets. A significant element of the project was the construction of a "squash box" on the 96" storm drain on Ball at Dale, which was necessary to deal with the conflict between the new sewer line and storm drain at that location. The pipeline on Beach involved dealing with Caltrans as Beach Blvd. is a Caltrans-operated street. This was a particularly challenging project due to significant traffic control issues, exacerbated by the need to maintain a sewer bypass at all times during operations. *Reference: City of Anaheim, Joann Wu or Kelli Tunnickliff, PE, Senior Engineer, (714) 765-4922.*



South Street Sewer Replacement Project: I-5 Freeway to Anaheim Blvd, Anaheim, CA. The significant components of this sewer replacement project included the crossing of Harbor Blvd, which is a corridor with significant utilities and fiber back-bone system; working adjacent to a school, which was in session and immediately adjacent to power line poles. The electrical poles were particularly challenging and needed to be supported in place while the adjacent sewer line was trenched. The repaving of Water Street and a substantial portion of Harbor was included in the project. The crossing of Harbor Blvd. required extensive coordination with the various utility companies and the City as well as the traffic signal, which were reconfigured. The utilities included storm water, water, fiber, CATV, power and signal interconnect systems. *Reference: City of Anaheim, Joann Wu, PE, Senior Engineer, (714) 765-4922.*



Water Street Sewer Replacement Project: From the I-5 Freeway to Olive, Anaheim, CA. The project replaced and extended the sewer line in Water Street, which was designed to discharge into an alternative collector main. The tie in to the collector was a significant element of the project with a special baffle and sluice arrangement. The pipeline was constructed adjacent to a gas main, which developed a leak during construction that resulted in the evacuation of homes in the immediate area. The complete intersection of Water and Lemon was reconstructed as part of the project. *Reference: City of Anaheim, Joann Wu, PE, Senior Engineer, (714) 765-4922.*



Lampson/Lenore Sewer Replacement Project, Garden Grove, CA. The project was for the replacement of the sewer lines in a fairly large residential area of Garden Grove in and around Lampson and Lenore. Sewer by-passes were necessary to construct the work. The project involved tying in laterals throughout the project and dealing with water connections and other utilities. A significant component of the project involved dealing with residents and maintaining access for them. The project was constructed in two phases over a 2-year period. *Reference: City of Garden Grove, Myung Chun/Sam Kim, Senior Engineer, (714) 741-5395.*

City of Corona, On-Call Inspection Contract, Stagecoach Park Water Line Project: Corona, CA (2015) KOA provided Construction Inspection on this project for the City. This project consists of installing of nearly 7,340 LF of 20" Ductile iron

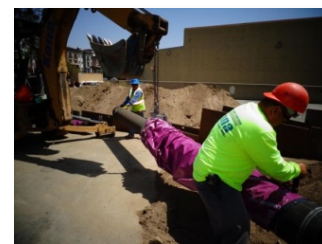
Pipe (DIP) and 250' LF of 6" DIP, 16" Flow meter station, 3" station, all appurtenances and associated cathodic protection, water lines and fire hydrants, domestic and fire lines, 1" – 2" copper services, air vacs and such, and asphalt paving. Also, the project relocated a 2" poly gas line. KOA inspectors were responsible for daily construction inspections, reports, SWPPP compliance, coordination with the soils and materials testing firms and contractors and overall quality assurance for the city.

Reference: City of Corona, Nelson Nelson, Public Works Director, 400 S. Vicentia Ave., Corona, CA 92882, (951) 736-2266, nelson.nelson@ci.corona.c.us. (John Contrado – Retired)

City of Corona - The Harrison Street Trunk Sewer Relocation, (Project No. 2015-11), Corona, CA: KOA provide construction inspections on this project for the City. (2016) The specific work anticipated for this scope includes the grind and overlay of 13,761' square feet of existing asphalt, approximately 144' linear feet of 6" and 8" curb and gutter, approximately 935' SF of concrete sidewalk, 316' LF of 27" High Strength Vitrified Clay Pipe (VCP), 90' LF of 8" High Strength Vitrified Clay Pipe (VCP), three (3) new manholes installed, two (2) new catch basins installed, a Pedestrian push button post, approximately 5,870' SF of trench repair, bike lane striping and various other x-walk and limit line striping, any ancillary concrete work and asphalt trench repair associated with the sewer relocation improvements. *Reference: City of Corona, Nelson Nelson, Public Works Director, 400 S. Vicentia Ave., Corona, CA 92882, (951) 736-2266, nelson.nelson@ci.corona.c.us. (John Contrado – Retired)*

City of Corona - Southwest Quadrant of Grand Boulevard Waterline Phase I Project (Project No. 2012-14) The specific work anticipated for this scope includes the removal of existing asphalt, abandon an existing water line on Belle Avenue; the installation of approximately 64' linear feet of 8" Ductile Iron Class 350; installing approximately 4,703' feet of 12"-inch ductile iron Class 350 waterline located within Grand Avenue loop on Sheridan Avenue, Belle Avenue, Sixth, Seventh, and Eighth Streets. This project also includes trenching, replacing and installing new fire hydrants, and new service laterals with ancillary concrete work and asphalt trench repair associated with the waterline improvements. *Reference: City of Corona, Nelson Nelson, Public Works Director, 400 S. Vicentia Ave., Corona, CA 92882, (951) 736-2266, nelson.nelson@ci.corona.c.us.*

City of Corona - Rincon Offsite Development Tract #35973, Corona, CA. (2012-13) KOA provided construction management and inspection services on this On-Call contract with inspection, for the installation of approximately 1,200 LF of 12" pressured Class 350 DIP Reclaimed Waterline including valves, Tee's, blow-offs, air vacs, 45 and 90 degree bends, fire hydrants, and irrigation services. The project also included work within a Sears retail center parking lot. Traffic control plans for all work were monitored. Inspection work also included trench compaction, repaving of asphalt streets, grind and overlays of badly damaged sections, curb and gutter replacement, and utility relocations. *Reference: City of Corona, Nelson Nelson, Public Works Director, 400 S. Vicentia Ave., Corona, CA 92882, (951) 736-2266, nelson.nelson@ci.corona.c.us. (John Contrado – Retired)*



City of Corona On-Call Inspection Services Contract City Park Reclaimed Waterline Installation, Corona, CA. KOA provided construction management and inspection services on this On-Call contract with both day and night inspection, for the installation of approximately 4,200 LF of 12" and 6" DIP Reclaimed Waterline including waterline jacking. Installation included approximately 120 LF of 24" steel casing with 12" ductile iron under the BNSF railroad tracks at Joy Street in the City of Corona. The project also included work within Caltrans jurisdiction with 495' LF of 24" steel casing (work on East Grand under SR-91), and along neighboring rock quarry. Full traffic control plans for all work were monitored. Inspection work also included repaving of asphalt streets, grind and overlays of badly damaged sections, concrete cross gutter, curb and gutter replacement, handicap ramps, and utility relocations. *City of Corona, Nelson Nelson, Public Works Director, 400 S. Vicentia Ave., Corona, CA 92882, (951) 736-2266, nelson.nelson@ci.corona.c.us. (John Contrado – Retired)*



City of Corona On-Call Inspection Services, Corona, CA. KOA has been performing construction observation services for the City of Corona's Capital Improvement Projects Program since 2010 for pavement rehabilitation, sewer, water & storm drain upgrades, and over 20 additional miscellaneous projects, which include:

- **6TH Street Rehabilitation:** The project was a pavement rehabilitation project for 6th Street, which is a major arterial from Riverside to the 91 freeway. KOA was brought in to complete the project. All of the work involved was done at night to avoid the heavy traffic experienced during daylight hours, and was completed on time and under budget.
- **Well 14 Connector:** The work involved the installation of new 16" ductile iron pipe to feed raw water from a pumping well into the water supply system, SWPPP and BMP compliance. Work also included pump station work. KOA provided the inspection services on this project for the City.

Additional City of Corona, On-Call Inspections Contract, Various Projects, Corona, CA.

- ***Renaissance Development Project:*** KOA provided Construction Management & Inspection on this project providing public works inspections on the Renaissance Development Project which was a tract development. This project consists of installing Ductile iron Pipe (DIP) water lines, all appurtenances and associated cathodic protection, air vacs, and fire hydrants, VCP sewer main and laterals, 18" - 36" RCP Storm Drain system and catch basins, curb and gutter, dry utilities, street lighting, SWPPP, asphalt paving. KOA inspectors were responsible for daily construction inspections, reports, meetings, coordination with the soils and materials testing firms and contractors and overall quality assurance for the city.
- ***Encanto Apartments at Dos Lagos:*** KOA provided Construction Inspection on the Encanto Apartment Development Project at Dos Lagos which was a 43 building Multi-Housing complex. This project consists of installing of 4"- 12" Ductile iron Pipe (DIP), all appurtenances and associated cathodic protection, water lines and fire hydrants, domestic and fire lines, 8" VCP sewer main and laterals, 18" - 42" RCP Storm Drain and 12" - 42" HDPE Storm drain system and catch basins, CONTEC underground water storage and filtering system, retaining walls, fencing, curb and gutter, dry utilities, street lighting, and asphalt paving. KOA inspectors were responsible for daily construction inspections, reports, SWPPP BMP compliance coordination with soils and materials testing firms, contractors and overall quality assurance for the city.
- ***Palisades Apartments at Thomas Ranch Tract 35590-1:*** KOA provided Construction Inspection on the Palisades Apartment Development Project at Thomas Ranch which was a 38 building Multi-Housing complex along with a

commercial development and offsite improvements. This project consists of installing of 4" - 12" Ductile iron Pipe (DIP), all appurtenances and associated cathodic protection, water lines and fire hydrants, domestic and fire lines, 6" - 8" VCP sewer main and laterals, 18" - 36" RCP Storm Drain system and catch basins, 12" - 42" HDPE Storm drain system and catch basins, 2 CONTEC underground water storage and filtering system, retaining walls, fencing, curb and gutter, dry utilities, street lighting, and asphalt paving. KOA inspectors were responsible for daily construction inspections, reports, coordination with the soils and materials testing firms and contractors, SWPPP, and overall quality assurance for the city. *Reference: City of Corona, Nelson Nelson, Public Works Director, 400 S. Vicentia Ave., Corona, CA 92882, (951) 736-2266, nelson.nelson@ci.corona.c.us.*

City of Glendora On-Call Construction Management and Inspections for the Monrovia Nursery Tracts 66608 & 66609 Grading and Infrastructure Construction, Glendora, CA. (2014 – 2017) KOA is providing Construction Management and inspection services to the City of Glendora for this grading, infrastructure, and street improvement tract development project. The project consists of two large single family tracts (#66608 & 66609) that were formerly the site of the Monrovia Nursery. City Ventures was the original developer and has since sold the project to William Lyon Homes. The project consists of demolition and arsenic soil remediation of the original site, mass grading, sewer, water, storm drain systems, tie-in to the existing Covina Canal Channel, dry utilities, Rule 20 backbone system, drainage and concrete v-ditches, retaining and garden walls, street improvements, parksites, lighting, and landscaping. The project is in a very sensitive neighborhood and requires public outreach / awareness. *Reference: City of Glendora, Maliah Ansari, City Engineer, 116 E. Foothill Blvd., Glendora, CA 91741, (626) 914-8246.*



City of Glendora Amelia Avenue – Auto Center Drive Water Main Replacement Project, Plan No. 1118, Glendora, CA. (2015 – 2016) KOA recently provided construction management and inspection services for this project that consisted of approximately 6,500' lineal feet of 8-inch, 14-inch, and 16-inch ductile iron pipe and appurtenances, new services, fire hydrants, and 20 tie-ins to existing water lines. The project construction period is 160 working days and the majority of work associated with this project requires lane closures per the project specifications that are limited to 9:00AM to 3:00PM. KOA provided daily construction reports, quality control and inspection services, communicating with the City's Project Manager,

oversight of the traffic control and construction activities, monitoring safety and SWPPP BMP's and working with the contractor and soils testing firms to ensure the project is being constructed according to the project plans and specifications.

Reference: City of Glendora, Maliha Ansari, City Engineer, 116 E. Foothill Blvd., Glendora, CA 91741, (626) 914-8246.

City of Glendora Zone 4 Waterline Replacement Project, Plan No. 1080, Glendora, CA.

(2014-15) KOA recently provided full-time construction inspection services for this project that consisted of approximately 6,120' lineal feet of 8-inch, 10-inch, and 12-inch ductile iron pipe and appurtenances, new services, fire hydrants, and tie-ins to existing water lines. The project construction period was 120 working days and the work involved private easements and a connection to a water tank that was being constructed at the same time. KOA provided daily



construction reports, quality control and inspection services, communicating with the City's Project Manager, overseeing the traffic control and construction activities, monitoring safety and SWPPP BMP's and working with the contractor and soils testing firms to ensure the project is being constructed according to the project plans and specifications. *Reference: City of Glendora, Maliha Ansari, City Engineer, 116 E. Foothill Blvd., Glendora, CA 91741, (626) 914-8246.*

Anaheim Convention Center Grand Plaza, Anaheim, CA (*APWA Project of the Year 2013, ASCE Project of the Year 2013*). KOA provided construction management and inspection services for the Grand Plaza development which consisted of a 100,000-square-foot outdoor and special event space conveniently

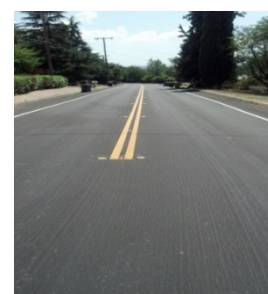


located outside of the convention center's front entrance off of Convention Way. With the nature of all stakeholders' interests involved in this project, extensive coordination between all developers was needed. Work consisted of demolition of existing asphalt and concrete, removal of pavers, installation of *new and relocated water and sewer lines* and services, fire hydrants, storm drain, irrigation, electrical, lighting and the installation of new colored concrete, pavers, asphalt, lighting and landscaping. *Reference: City of Anaheim, Robert Luciano, Principal Civil Engineer, 200 S. Anaheim Blvd., Anaheim, CA 92805, (714) 765-5157.*

City of Yucaipa, “On-Call” Construction Management and Inspections Contract: Annual Street Rehabilitation 2012 - 2014, Project #1088, Yucaipa, California KOA provided construction management, administration and inspection services on this ongoing On-Call contract for the City of Yucaipa’s annual street rehabilitation project. The project consisted of cold milling, grind and overlay of public and residential streets, pulverized existing 4” AC pavement, stockpile grindings, re-grade sub grade, place and compact Grindings to 95%, complete new paving at various locations, partial and full section removals and replacements, street widening, parking lot improvements, adjustment of existing manholes to finished grade, valve can adjustments, water line relocation, v-ditch and storm drain minor improvements, traffic control, and striping along with raised pavement markers and traffic control. Services included contract administration, bid process assistance, progress meetings, change order review and approval, pre-con meetings, maintaining project files and reports, contractor coordination, labor compliance, progress payment applications, punch lists, final reports, and all other related responsibilities. Other projects have included miscellaneous paving and street improvement projects. *Reference: City of Yucaipa, Fermin Preciado, P.E., Public Works Director, 34272 Yucaipa Blvd, Yucaipa, CA 92399, (909) 797-2489, fpreciado@yucaipa.org*



City of Yucaipa On Call – (2013 – 2014) Micro-Surfacing Program, Yucaipa, CA. KOA provided construction inspection services on this On-Call project that consisted of approximately 500,000’ SF of Micro-Surfacing over existing asphalt streets as part of the City’s Annual Program. Inspection responsibilities included pre-construction meetings, review of plans and specifications, contractor coordination, daily inspection and observation of contractor performance, daily reports, quantity calculations, striping, final punch list and walk through for acceptance. *Reference: City of Yucaipa, Fermin Preciado, Director of Public Works, (909) 797-2489.*



b. PROPOSED STAFFING AND PROJECT ORGANIZATION

KOA has been providing quality and experienced construction inspection services to the City of Brea since 2010. KOA inspectors have been inspecting for your City on various sewer, water, well, storm drain, park, street and pavement improvement projects on the capital improvement side as well as developer projects. KOA offers a deep and flexible pool of experienced and available construction inspectors. Our inspectors have an average of over twenty (20) years of experience working on public works, Capital improvements, water agency, and Caltrans projects. Our proposed staff will be available for the duration of the contract term and will not be replaced without the approval and acceptance of the City. Our organizational approach will be based upon our knowledge of the City's objective, project requirements, and our subsequent translation of those into a project plan for each inspection project. It will provide structure for directing, controlling, and reporting project activities. KOA has assembled a very qualified team that has worked on similar projects together on various On-Call contracts for numerous other agencies as well.

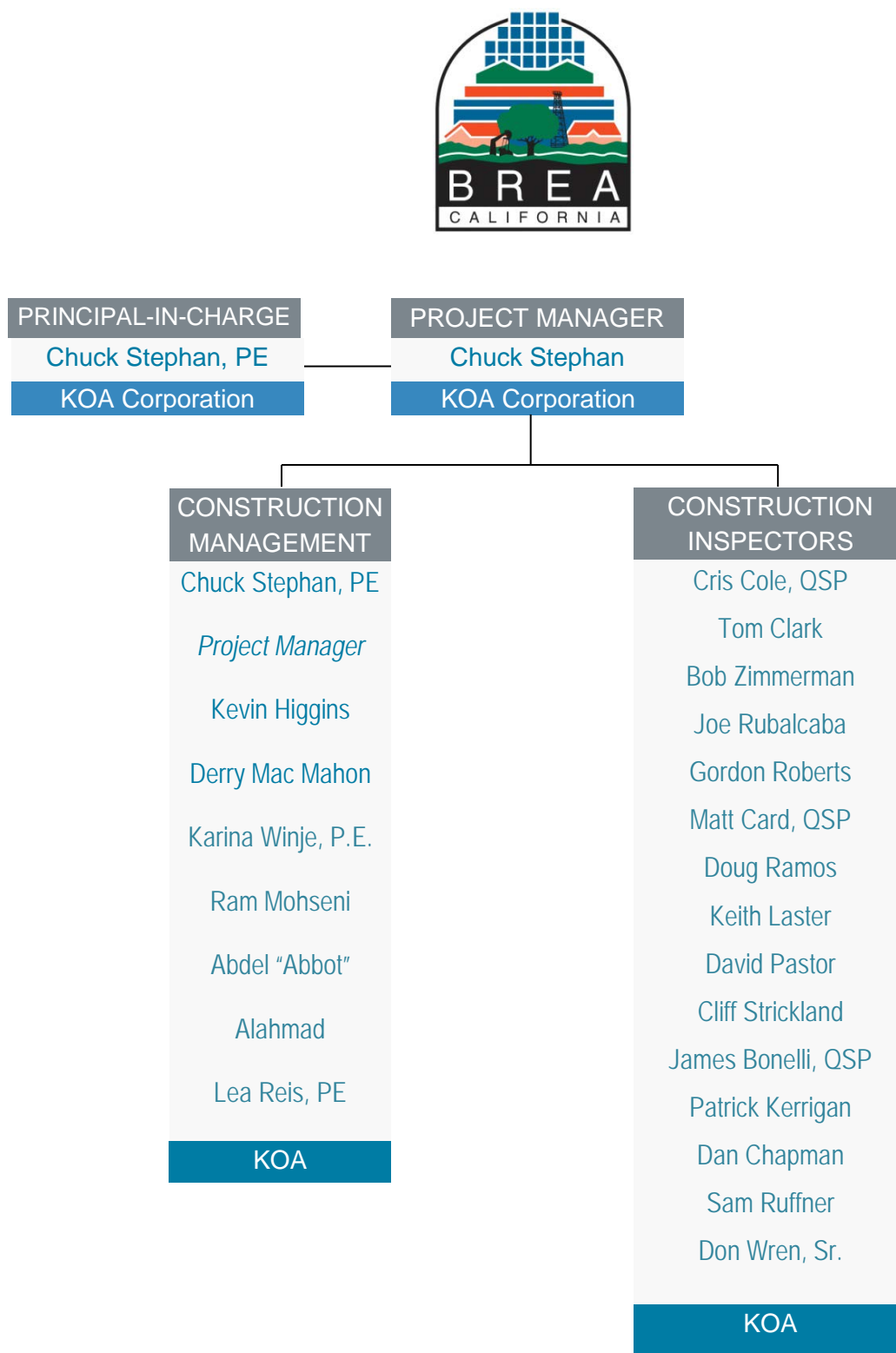
KOA maintains all project documents and files according to Caltrans Local Assistance Procedures Manual (LAPM) and is very familiar with the City's Virtual Project Management Program and has used this program on various projects uploading and sharing documents with your City.

Our management point of contact for this contract will again be Mr. Kevin Higgins and he will lead the project team, and will be responsible for the day-to-day work and contact with the City on this contract. Mr. Higgins has worked with the City staff, City Project Managers, the City Construction Manager and Inspections Coordinators since 2012 providing the City with quality experienced inspectors who have had the best interests of the City at all times. He can be reached in our Ontario office at (909) 890-9693 or by e-mail at khiggins@koacorp.com.

Mr. Higgins will be supported by a team of qualified KOA staff and NO other sub-consultants are required. None of the project team members will be removed and/or replaced without the prior written consent of the City of Brea project manager.

If needed, we have teamed with *Simplex Construction Management (DBE)* to provide additional construction management and inspection support services if required on any federally funded projects. Resumes will be provided if selected upon request.

ORGANIZATION CHART



** Due to Page limitations and spacing requirements, additional resumes can be provided upon request.

RESUMES

CHUCK STEPHAN, PE

Principal-in-Charge/Project Manager

Mr. Stephan has over 30 years of experience in civil engineering design and project management on projects for many municipalities and private firms. He has diverse project experience in planning, design, management, and construction of transportation, educational, institutional, industrial, aerospace, municipal, residential and commercial projects. Mr. Stephan works in multiple capacities as Principal-In-Charge, project manager, project engineer, lead engineer, design engineer, and construction engineer in both the civil and construction management disciplines.

Education

B.S., Agricultural Engineering, California Polytechnic State University, San Luis Obispo (1982)

Certifications

Professional Engineer, Civil, CA #C50481 (1993)

Years with Firm: 19

PROJECT EXPERIENCE

- **Engineering Services, Program Management/Project Management/Design/Construction Management, La Habra:**
Services have included annual pavement rehabilitation projects, annual water main replacement projects, arterial rehabilitation projects, intersection improvements, pedestrian facilities (curb, gutter, sidewalk, ADA ramps), alley reconstruction, plan checking, bid assistance, federal-aid reimbursements, park facility ADA improvements, athletic fields, survey staking, and storm drain improvements.
- **Off-Site Pedestrian and Traffic Improvements, Culver City Redevelopment Agency, Culver City:** Included new sidewalks, ADA compliant ramps, landscape median islands, new traffic signals, relocating utilities, repaving sidewalk enhancements, curb extensions, new crosswalks, traffic calming measures, and NTMP work.
- **Engineering Services/Program Management/Project Management/Design/Construction Management, Torrance:**
Included management, design, and construction of various public works capital improvement projects and studies. Projects included: annual pavement rehabilitation projects; annual water main replacement projects, arterial rehabilitation projects, street widening and intersection improvements; pedestrian facilities, plan checking, bid assistance; federal-aid reimbursements and storm drain improvements.

KEVIN HIGGINS
Construction Manager / QA/QC

PROFESSIONAL EXPERIENCE

Mr. Higgins has nearly 20 years of experience in the construction industry that enables him to work independently or under the direction of others. Placing a strong value on teamwork, he has worked closely with engineers, contractors, designers, landscape architects, agency staff, and other inspectors to resolve field issues. As a Project Manager/Supervisor and Inspector, he has successfully ran large-scale jobs, in excess of \$80 Million, and supervised crews of up to 50 people on over 20 park-sites, 25 roadway widening projects, over 50 land development community infrastructure projects that included LMD, CFD, HOA and public landscaped areas for numerous cities and agencies throughout Southern California. Skills: Plan review, permit processing, contract administration, construction management and inspection, verification of materials, completion of daily reports, scheduling activities, staff supervision, quality control, progress reports, labor compliance, agency coordination, project reports, bid process, pre-construction meetings, utility coordination, inspection procedures, surveying and office engineering, Scheduling; Microsoft Projects, Primavera, Expedition Contract Manager and MS Office Suite. Technical knowledge: Municipal projects, roadways and bridges, land development communities, commercial buildings, flood control channels and basins, infrastructure and dry utility systems, and residential housing.

City of Brea – On-Call Construction Management and Inspection Contract 2012 - 2015. *Construction Manager* part time on the City's On-Call contract that oversaw and provided construction inspections for the following projects:

- Birch Street Landscaped Median Enhancement Project #7862/5237(022)-Phase 1 & #7204/5237(023)-Phase 2,
- Master Plan Sewer Upgrade Phase 4, Project No. 7618,
- Residential Street Rehabilitation FY 2012-2013, project No. 7283

City of Corona, On-Call Construction Management and Inspection Contract, Corona, CA (2012–2015). *Construction Manager* on this on-going On-Call contract for the City of Corona which has included the City Park Reclaimed Water and

Education

B.S., Business Management, California State Polytechnic University, 1987

Certifications

Multiple Management, Project Management, Landscape, and SWPPP

Training Courses

24-Hour and 8-Hour Caltrans SWPPP

Certified / Construction Certified

Years with Firm: 7

Street improvements, Smith Avenue Water Line Project, Rincon Water Line Upgrade and Installation, Palisades Apartment Complex onsite and offsite improvements, Renaissance Tract Development, Encanto Apartment Infrastructure project, Excel Business Park, Via Blairo Sewer Improvement and Rehabilitation Project and other projects since July of 2012. The projects consisted of ductile iron water and sewer lines, underground storage tanks, storm drain systems, cross gutter, curb and gutter and sidewalk improvements, trench repair, grind and overlay, street lighting and traffic signals, and other rehabilitation improvements of public and residential streets throughout the city. Mr. Higgins was responsible for reviewing plans and specs, pre-construction meetings, project meetings, providing inspectors, approving quantities and invoicing, direct communication with City staff for project details, project documentation and close-out reports.

City of Glendora, Amelia Avenue, Auto Center Drive Water Main Replacement Project, Plan No. 1118, Glendora, CA (2014). *Construction Manager / Inspector.* Mr. Higgins recently provided part-time construction management and inspection services for this project that consisted of approximately 6,500' lineal feet of 8-inch, 14-inch, and 16-inch ductile iron pipe and appurtenances, new services, fire hydrants, and 20 tie-ins to existing water lines. Mr. Higgins reviewed daily construction reports, oversight of quality control and inspection services, communicating with the City's Project Manager, overseeing the inspector and construction activities and ensuring safety and SWPPP BMP's and working with the contractor and soils testing firms to ensure the project is being constructed according to the project plans and specifications.

City of Yucaipa – On-Call Construction Management and Inspection Contract 2012 – 2014. *Construction Manager* on this On-Call contract for the City of Yucaipa which has included the Annual Street Rehabilitation Project #10883 and the Annual Micro-Surfacing program #10882 projects since October of 2012. The projects consisted of cold milling, grind and overlay and other paving rehabilitation improvements of public and residential streets and micro-surfacing (slurry) of additional streets throughout the City. Mr. Higgins was responsible for reviewing plans and specs, pre-construction meetings, providing construction inspectors, approving quantities and invoicing, direct communication with the City staff for project details, project documentation and close-out reports.

Additional On-call Contracts

City of South El Monte, City of Placentia, West Covina, Rancho Mirage, Claremont, Glendora

PATRICK “RICK” KERRIGAN

Senior Construction Inspector

PROFESSIONAL EXPERIENCE

Mr. Kerrigan has over 30 years of experience in public works construction, inspection and oversight on various sewer and water, storm drain, and street improvement projects. Mr. Kerrigan was lead inspector on a number of capital improvement projects for the Cucamonga Valley Water District. He has overseen small to large Capital Improvement projects, inspections of new water lines, sewer lines, pump stations, wells and other public works that pertain to water distribution and sewer systems as well as land development and infrastructure improvement projects. Mr. Kerrigan worked for the *Cucamonga Valley Water District for nearly 30 years*. He has inspected on numerous projects and some are listed below in his project experience.

PROJECT EXPERIENCE

WMWD – La Sierra Pipeline and Sterling Pump Station and Reservoir Project, Riverside, CA: *Lead Construction Inspector:* The La Sierra Pipeline Project (W-238A) and the Sterling Pump Station and Reservoir project (W-238B) for WMWD will convey potable water from WMWD's

Arlington Desalter and Chino Desalter to serve the needs of WMWD's Riverside service area. The completion of this pipeline project and the pump station project will reduce the region's dependency on imported water from the Metropolitan Water District (MWD) of Southern California's Mills Treatment Plant and increase reliability. The pipeline project included over 4 ½ miles of 30" Class 250, 300, 350, 400, 450, and 500 welded steel pipe, a few hundred feet of 24" pipe, and all related appurtenances, a separate 1,200' of 24" diameter C-905 DR-18 PVC suction pipeline and all related appurtenances, along with storm drain work, concrete and asphalt

Education

Some College Courses

Public Works Construction Inspection and Procedures

Water Distribution Operator

Collection System Technology

Water Treatment Plant Operator

Waste Water Treatment Plant Operator

Basic Well and Booster Pumps Introduction

Safety Management Specialist

Welding Safety, Welding, Cutting and Compressed Gas

Certifications

Grade 4 Water Distribution

Grade 2 Collections System Technology

Certified Occupational Safety Specialist COSS

Certified Safety Management Specialist CSMC

Competent Person OSHA

Confined Space Awareness, Operations and Rescue

Traffic Control and Flagger Safety

First Aid and CPRIAED

Underground Service Alert

Backhoe Operator Training

Fall Protection

Ariel Work Platform and IVES Trainer

Forklift and IVES Trainer

FEMA IS-00100.PWb, IS-00200.b, I-300, IS-00700.a,

IS-00701.a, IS-00703.a, IS-00704, and

IS-00800.b Courses

Years with Firm: 3.5

roadway improvements. The Pump Station included the demo of an existing old pump station and the construction of a new state of the art block building and large pump station and a 1.5 million gallon steel reservoir.

City of Corona – Sierra Bella Development Project – Construction Inspector: Rick is currently working on this development project that includes 1,000' LF of 8" VCP Sewer Main line, and 4 manholes, 1,000' LF of 16" Ductile Iron Water Main Line and 5 Fire Hydrants, 1,000' LF of 12" Ductile Iron Re-Claimed Main line, and 30' LF of 18" Storm Drain, Asphalt grind and paving, curb and gutter, sidewalk. He is responsible for daily inspections and completing daily construction reports, coordinating with the Water Department and the City, the engineer and the contractor, maintaining files, reviewing plans and specs, maintaining an electronic photo log and as-built plans.

City of South El Monte – Sewer Improvement Phase 1 Project on Fawcett Avenue and Lexham Avenue – Construction Inspector: Rick is currently working on this sewer lining project that involves the cleaning, videoing, and re-lining of nine sections of over 3,000' linear feet of existing 8", 10", and 12" VCP sewer pipe. The contractor is making repairs to any damages to the existing lines prior to installing the polyurethane liner. Rick is performing both nighttime and day time inspections and completing daily construction reports, coordinating with the Los Angeles County Sanitation District, Caltrans, the City, the engineer and the contractor, maintaining files, reviewing videos, maintaining an electronic photo log and as-built plans.

The Haven Avenue Sewer Project- Lead Construction Inspector: This project starting just south of Baseline Road going north to just south of 19th Street, covered approximately 3,400 feet. The 15-inch vitrified clay pipe (VCP) was an added trunk line to assist peak sewer flows from existing tracts and future tracts to the north. Rick set up meetings with the contractor and city inspector to keep project on task. He oversaw the traffic control for the public safety as well as the workers. This consisted of 1 lane out of 3 being closed for the duration of the project, and closing another lane while crews were working. Time lines were scheduled for work duration start times and end times, so as not to disrupt traffic flow at peak hours. He made sure Dig Alert tickets were current and the markings were legible for contractor. He set up meetings with the boring contractor to discuss elevations. Boring took place under Baseline Road approximately 85 feet at a depth of approximately 18 feet. The bore consisted of a 24-inch casing to house the 15-inch VCP sewer main. Rick completed daily inspections, reports, and maintained files.

MAURICIO ZELEDON, P.E., QSP

Construction Manager / Inspector / Resident Engineer

PROFESSIONAL EXPERIENCE

Mr. Zeledon has over 15 years of experience in Civil Engineering Design, Project Management and Construction Management. His assignments have included Resident Engineer, QA/QC Field Engineer, Project Engineer, Civil Engineer and Construction Inspector. Mauricio has experience in administration of construction and maintenance activities involving all phases of earthwork, facilities, installation of storm drain and sanitary sewer systems, waterlines, concrete, A.C. paving, excavation, traffic signal modifications, and quality control. Mr. Zeledon obtained his QSP Certification in 2011.

Education

B.S. Civil Engineering, California State Polytechnic University, Pomona (1996)

Registrations

Prof. Engineer (Civil) CA #C64320 (2003)

Certifications

Qualified SWPPP Practitioner (QSP) #21754

Asbestos Building Inspector Initial Toxic Substances Control Act, Title II (AHERA)

Equifactor Equipment Troubleshooting Course

TapRooT Cause Analysis - Advanced Investigation Team Leader Course

Master Certificate in Concrete Repair

Years with Firm: 9

La Habra FY 2008-2009 Residential Street Rehabilitation & Annual Water Main Replacement Project La Habra, CA:

Construction Observer. KOA provided design and construction management services for this \$2 million residential street rehabilitation and water pipeline replacement project. The project included water distribution pipeline and service replacements, fire hydrant upgrades, and full depth asphalt excavation and paving on low stability subgrade soils; curb, gutter, and sidewalk repairs, cross gutters; ADA curb access ramps.

Forrester Road Turn Lane at Aten Road and Intersection Improvements, HSIPL-5958(060), County of Imperial, CA:

Resident Engineer / Construction Inspector. He provided resident engineering and inspection services for the federally-funded construction of a turn lane and intersection improvements in the County of Imperial. Widening took place on the east side of Forrester Road.

Katella Smart Street, Anaheim, CA: Construction Observer. KOA provided Construction Management and Project Management services for the reconstruction of the third phase of Katella Avenue from the I5 Freeway to the City's western boundary. The project completed the beautification of the main road from the west to Disneyland. The project included the installation of a *large diameter storm drainage system*, the construction of a mile-long 8-foot sound wall, the widening of the street to provide 3 lanes in both directions and the installation of medians and extensive landscaping.

La Habra Harbor Blvd Rehabilitation Project; Harbor Blvd and La Habra Blvd Improvement Project, La Habra, CA: Construction Observer. This federally-funded STPL project rehabilitated one mile of Harbor Blvd from Lambert Rd to Whittier Blvd, and improved the intersection at La Habra Blvd by widening the street, installing additional right and left turn lanes. This project included a Rule 20 utility undergrounding project, and commercial improvements at adjoining properties. Work includes storm drain box culvert; storm drains; curb, gutter, sidewalks, driveways; water pipelines, meter and fire hydrant relocations; bore casing under railroad right-of-way; traffic signals; pavement construction and asphalt rubber hot mix overlay.

JAMES SOTELO

Senior Construction Inspector

PROFESSIONAL EXPERIENCE

Mr. Sotelo has over 25 years of experience in public works construction, inspection and oversight on various sewer, water, grading and paving projects. He has overseen small to large Capital Improvement projects, inspections of new water lines, sewer lines, pump stations, wells, storm drain, paving and street improvement, & other public works that pertain to tract development improvements. Mr. Sotelo has also served as Construction Project Coordinator for recycled water pipelines with the Inland Empire Utility Association and *Cucamonga Valley Water District for over 20 Years.*

Monrovia Nursery Tract Development Project, Glendora, CA: *Construction Inspector*, for KOA on this project that consists of two large housing tracts (66608 & 66609) and 128 ½ acre lots for William Lyon Homes and City Ventures. This project consist of grading, large storm drain system with pipe from 18" – 84", 42" Ductile Iron Covina Canal line replacement, 8" VCP sewer mainline with 6" laterals, 8"- 12" Ductile Iron water mainline and services, fire hydrants, meters, air vacs, blow-offs, curb and gutter, asphalt street improvements, Rule 20 underground utilities, street light system, park-sites, walls and landscaping, public outreach and all included work. Maintained daily inspection reports, coordinated soils testing, photo documentation, attended pre-construction meetings and weekly progress meetings, maintained project files, performed all related daily inspections, and completed final project report.

Master Plan Sewer Upgrade – project No. 7618, Brea, CA: *Construction Inspector*, for KOA on this city of Brea sewer installation project. Project consisted of up to 25' deep sewer drop manholes, over 3,000' linear feet of 8" and 12" sewer that required the contractor Garcia Juarez to realign existing pipe, install all new pipe, jack and bore under the Orange County Flood Control Channel, repair the concrete channel bottom, pipe bursting, backfill and compaction, curb and gutter repair,

Education

College Coursework

Grade 3 Water Distribution

Operator/California State Health
Department

Grade 2 Collection System

Technology/California Water Environment
Association

Grade 2 Water Treatment Plant

Operator/California State Health
Department

Journeyman Steamfitter/Welder, P.I.P.E.

Certified Journeyman Welder, January
1984

Certifications

Emergency First Aid and CPR

Confined Space Operations and Rescue

NUCA Competent Person Certified

Certified Welder/Los Angeles Department of
Building and Safety

Welding Safety Instructor

Years with Firm: 7

asphalt paving, grading, and striping. Project consisted of weekend work as well due to the high traffic during the week on Lambert Road, City coordination with Parks and Rec Department to coordinate park closings while work completed through park parking lot, and major coordination with orange County Flood District as well as homeowners and HOA community. Maintained daily inspection reports, coordinated soils testing, photo documentation, attended pre-construction meetings and weekly progress meetings, maintained project files, performed all related daily inspections, and completed final project report.

Rincon & Main Street Watermark Tract 35973 Phase II, City of Corona, CA: *Construction Inspector*. Inspection services on this On-Call contract with inspection of the installation of approximately 1,200 LF of 12" pressured Class 350 DIP Reclaimed Waterline including valves, Tee's, blow-offs, air vacuums, 45 and 90 degree bends, fire hydrants, and irrigation services. The project also included asphalt work on Rincon Avenue and within a retail center parking lot. Inspection work also included trench bedding, backfill and compaction, repaving of asphalt streets, grind and overlays of badly damaged sections, curb and gutter replacement, utility relocations, traffic control, SWPPP, photo documentation, project meetings, daily reports, soils coordination, and as-built plans.

1630 East Recycled Water Pipeline, Cucamonga Valley Water District and the Inland Empire Utility District, Rancho Cucamonga, CA: Project Coordinator. The 1630 pipeline consisted of several miles of 36" CML&C pipe and valves that crossed under freeways and main thoroughfares, at varying depths and in three different cities including Caltrans right of ways. Related duties on this project included daily inspection reports with color photographs, documenting "as-built" drawings, monitoring traffic control and public safety as well as trench safety and attending weekly progress meetings with other agencies involved or affected by the project.

Baseline and East Avenue Widening Projects by Developer KB Home, Rancho Cucamonga, CA: Construction Inspector. Inspector in charge of water and sewer installations for the future condo development and housing tract by KB Home south of Baseline Road as well as the Townhome project on East Avenue, the relocations of water, sewer and residential utilities while coordinating with the City of Rancho Cucamonga's Project Inspector on both widening projects on East Avenue and Baseline Road. This project included daily inspections on CVWD water lines and sewer lines, manholes, fire hydrants, air vacuums, valves, and backfill and compaction to ensure that CVWD standards were met by the contractor.

CLIFF STRICKLAND

Senior Construction Inspector

PROFESSIONAL EXPERIENCE

Mr. Strickland has over 40 years of experience in public works construction, inspection and oversight on various sewer and water, storm drain, and street improvement projects. He has overseen small to large Capital Improvement projects, inspections of new water lines, sewer lines, pump stations, wells and other public works that pertain to water distribution and sewer systems as well as land development and infrastructure improvement projects. Mr. Strickland worked for the ***City of Brea Water Department and the Public Works Department for nearly 35 years***. He has also worked as a consultant inspector on additional sewer and water project for Cities and agencies as well as a building inspector on residential development projects.

City of Corona – Foothill Parkway Sewer and Water Improvement Project (2017-18) – Construction Inspector: Mr. Strickland recently provided inspections on this development project for a hotel, Starbucks and shopping center project that included over 3,000' of 8" VCP sewer mainline and laterals at up to 18' feet depth, 12 manholes, ductile iron water line and domestic and fire service lines, slurry backfill on a busy public street, asphalt improvements, and other project related work. Mr. Strickland completed daily inspections and reports, coordinated with the contractor and materials testing firm, verified quantities and traffic control, attended meetings and ensured SWPPP BMP compliance with a difficult contractor.

City of Corona "On-Call" Construction Management and Inspections Contract, Corona, CA (2014-16): Construction Inspector. Cliff has been providing inspections on various projects for the City that include *specialty Encroachment Permit Inspections, street improvements, commercial, and land development projects*. Cliff has also worked on the Palisades Apartment Project, Tract 35590 providing infrastructure inspections for sewer, water, storm drain, traffic signal, and other related work.

City of Corona "On-Call" Construction Management and Inspections Contract, Corona, CA (2014): Construction Inspector. Cliff has been providing inspections on various projects for the City that include *specialty Encroachment Permit Inspections, street improvements, commercial, and land development projects*. Cliff has also worked on the Palisades

Education

Some College Courses

Certifications

Water Treatment Operator

Certified Building Inspector-International Code

Emergency First Aid and CPR

Confined Space Operations and Rescue

Years with Firm: 3

Apartment Project, Tract 35590 providing infrastructure inspections for sewer, water, storm drain, traffic signal, and other related work. Other Corona On-Call projects included the following:

- **(2014–2015) Construction Inspector. Renaissance Tract 35468:**
- **(2014-2015) Construction Inspector. Encanto Multi-Family Apartment Project at Dos Lagos:**
- **(2013-2014) Construction Inspector. Harmony Homes – Tract 32241:** Cliff performed inspections on grading, sewer, water, storm drain, underground storage containment systems, street improvements that included curb and gutter, and street grading. Cliff was responsible for daily inspections and reports, SWPPP compliance, contractor coordination, project files and documentation, attending meetings, and final punch lists and closing documents.

City of Brea Public Works Department and Building Department, Brea, CA (1991-2004): *Construction Inspector.* Mr. Strickland performed construction Inspections for the City on new and existing Capital Improvement and various City projects as well as residential home development tracts projects. He inspected infrastructure improvements that include storm drain, curb and gutter, ADA handicap ramps, cross gutters, sidewalk, walls, lighting, and asphalt street improvement projects throughout the City. He also inspected trench bedding and compaction, repaving of asphalt streets, grind and overlays of badly damaged sections, curb and gutter replacement, and utility relocations. Related duties on these projects included daily inspection reports with color photographs, documenting “as-built” drawings, coordination with the contractors and over sight, coordination with monitoring soils and materials testing, project documents, traffic control and public safety as well as trench safety and attending progress meetings with other agencies involved or affected by the projects, while ensuring all standards and specifications are met. Mr. Strickland was also a City Building and Safety Inspector for the City during this time. He inspected framing, rough and final water, sewer, plumbing and electrical work, insulation, drywall, roofing and all other related improvements that required inspections.

City of Brea Water Department, Brea, CA (1971 – 1991): *Construction Inspector* Provided Construction Inspection services for the numerous water and sewer projects for the City of Brea as a construction inspector on Capital Improvement, Residential Land Development tract projects, treatment facilities, pump stations, and various water and sewer project throughout the city that included various types of sewer and water projects.

JIM BONELLI

Senior Construction Inspector

PROFESSIONAL EXPERIENCE

Mr. Bonelli has over 25 years of experience within civil engineering as a construction inspector and office engineer. He has worked on a variety of projects that has included, Federal Highway Administration, California Department of Transportation, City, and Special Districts. With an extensive knowledge of State and Federal Highway procedures including Site Management, Pay Estimates, Documentation and Project Specifications. Past inspection/office engineering projects included various roadways, tunnel projects, wet & dry utilities, grade separation, pier and pile observation, traffic signals, asphalt and concrete pavements, water treatment facilities, asphalt overlay, storm water, structural inspection, review of shop drawings, CIPP storm drains, slide repairs, mechanically stabilized earth walls, and sound wall inspection and observation. His experience includes construction management, contract administration, staff augmentation, plan checking, design constructability and bid ability review.

City of Coachella, Avenue 52/Grapefruit Grade Separation Project, Coachella, CA: Construction Inspector / Office Engineer - This (\$23M) Grade Separation project involved various wet and dry utility relocations; drainage improvement; building demolitions; block walls, geosynthetic reinforced soil walls; structure retaining walls; 5-traffic signals; concrete barrier (type 26 modified); rock slope protection. Mr. Bonelli set up the field office and project files, provided construction inspections and construction contract administration support, photo documentation and reports; prepared quantity sheets; updated project files; reviewed and verified RFI's and submittals, weekly status reports, prepared monthly pay estimates, process change orders, EEO interviews, jobsite safety reviews, coordinated for survey, field testing, material testing; prepared project files for project closeouts and other related tasks as assigned. (2013/2014)

Education

BS, Construction Management, Alameda University, 2002

Year Entered Profession

1991

Certifications

*Certified Storm Water Inspector
American Construction Inspectors Association (ACIA), Rubberized Asphalt Plant Inspection
California Occupational Safety and Health Act (CAL/OSHA), Trenching and Excavation
Institute of Transportation - Berkeley,
Construction Inspection of Traffic Signals
National Pollutant Discharge Elimination System (NPDES), Const. Storm Water Management
State of California Health Services, Water Treatment Operator Grade I
State of California Health Services, Water Distribution Operator Grade D3 _QSP
Certified (Needs CPESC)*

Years with Firm: 1.5

City of Lake Elsinore, Lake Elsinore, CA: Public Works Inspector - Mr. Bonelli performed permit inspections on new tract developments and capital improvement projects for the City of Lake Elsinore. He observed 12 to 15 developments throughout the different stages of construction that included; roadway improvements, mass earth grading for 2000 – 3500 lots, curbs, gutters, sidewalks, street overlays, striping, installation of 8 traffic signals and street lighting, installations of various storm drain improvements that included CIPP 30-inch to 108-inch storm drains; catch basins, concrete flood control channel; enforce dust control, perform SWPPP review and inspections on each development, storm water/bmp inspections, certificate of occupancy on new residences, prepared punch lists, final project acceptance for bonding release. (2005/07)

City of Norwalk – Caltrans District 7 – Firestone Blvd. Bridge Replacement Project, Norwalk, CA: Inspector / Assistant Resident Engineer – This Project consisted of reconstruction of a precast concrete girder bridge over the San Gabriel River. Work included ensuring contractor compliance to contract special provisions and plans, Caltrans Structures Manual, Caltrans Standard Plans and Specifications, Green Book, County of Los Angeles, LA County Flood Control District, Army Corps of Engineers, Greenbook, APWA, AWWA, City of Norwalk and City of Downey specifications. Duties included assisting RE and Structures Rep. with time impact analysis for change orders, claims, updating project documents and provided QA/QC source inspection of precast sentinel columns in Redding, Ca. *Project Cost: \$7.5 Million.* (2014/2015)

City of Riverside, I-91 / La Sierra Avenue Intersection Improvements, Riverside, CA: Construction Inspector / Office Engineer - On this \$42M project, Mr. Bonelli provided admin support, among his duties, reviewed the inspector's daily reports, verified quantities on pay estimates, prepared monthly pay estimate, reviewed and verified material submittals, coordinated for surveying and material testing, prepared COZEEP requests, prepared Caltrans lane closure requests and coordinated assignments. Construction highlights included pier and pile observation widening of On- and Off-Ramps, and adding merging lanes, construction of 12 retaining walls, MSE walls, sound wall inspection and observation, storm drain system, street lighting, signalized intersections, ramp metering along the on-ramps, utility relocations, landscaping and irrigation of all side slopes.

JERRY CUNNINGHAM

Senior Construction Inspector

PROFESSIONAL EXPERIENCE

Jerry Cunningham has over 40 years of experience as a project manager, chief inspector, supervising inspector and construction inspector for water agencies in Rialto and Rancho Cucamonga. Has supervised inspectors and overseen small and large scale waterline and sewer projects for these agencies and is well versed in sewer, water, storm drain, and waste water treatment facilities. He has various certifications which include Water Treatment Operator – Grade 2 and Water Distribution Operator - Grade 3 and has worked on numerous City projects.

City of Corona “On-Call” Contract, Construction Management and Inspections, Corona, CA: *Construction Inspector.* Jerry has been providing inspections on various projects for the City that include the following projects:

- Encroachment Permit Inspections on various utility, street improvements, commercial, and land development projects to close existing permits and new permits for developers and utility companies.
- The Walmart Waterline project -A small Ductile Iron Waterline with 1 fire hydrant, 2 valves and mainline.
- Tract 35590-1 - Provided inspections for sewer, water, storm drain, traffic signal, and other related work.
- Jerry recently provided inspections on the Auto Center Car Dealership waterline and improvement project that was completed in April 2015.

Cucamonga Valley Water District, Rancho Cucamonga, CA. *Inspection Superintendent (2001-2003) / Chief Inspector / Inspection Supervisor (1986-2001) / Construction Inspector (1975-1986).* Oversaw a staff of four Construction Inspectors, three Industrial Waste Inspectors and two Cross-connection and Backflow Prevention Inspectors and responsible for all training. Jerry created and maintained budget for Inspection Dept., including vehicles, computers, and communication equipment. He was actively involved in inspection of water and sewer facilities for housing tracts, industrial

Education

AA Degree – San Bernardino Valley College,
6/11/1976

UCSD Extension Course on Trenching,
Excavation and Soil Mechanics for
Supervisors

UCR Extension Course in Public Works
Constructions Inspection and Procedures

Certifications

State of California, Dept. of Health Services
– Water Treatment Operator, Grade 2 –
7/1982.

State of California, Dept. of Health Services
– Water Distribution Operator, Grade
D3 – 8/2001.

HazMat First Responder

Confined Space Operations and Rescue

NUCA Competent Person Certified

Years with Firm: 3.5

and commercial development and capital improvement projects. Inspected all types of water lines from CLM&C, Steel, Ductile iron, PVC, copper and all types of Sewer from Clay, Ductile Iron, and PVC. Inspections included sewer force mains, gravity flow sewer mains up to 30" diameter, sewer lift stations, bore and jack operations, sewer under freeways, through bridges and temporary above ground sewers. Also involved in the inspection of water transmission and distribution mains ranging from 4" to 42" in diameter using AC, PVC (C900) ductile iron, HDPE, CML&C and CML&W, pump stations, water reservoirs, wells, pressure reducing stations, pump lines, well field piping and fire lines.

City of Rialto Department of Public Works, Rialto, CA (1972–1975): *Public Works Inspector.* Mr. Cunningham was responsible for the inspection of various public works projects that included sidewalk, curb and gutter, sewer, water, storm drain, and street improvements construction for new housing tracts and land development projects. He also inspected and verified encroachment permits were in place for Commercial and land development projects. Additionally, he inspected the perimeter fencing for Rialto Airport per FAA specs.

He inspected all grading and paving of the one mile major thoroughfare in the west end of Rialto.

Caltrans District 8, San Bernardino, CA: *Caltrans Engineering Aid I.* Mr. Cunningham worked on various projects for Caltrans including, but not limited to the following projects: The I-15 Cajon Pass from Oak Hills Road to CHP scales, Highway 60 at Bain Street (now Country Village Rd.) and San Sevaine Channel.

DON WREN Sr.

Senior Construction Inspector

PROFESSIONAL EXPERIENCE

Don has over 25 years of public works construction inspection experience working with multiple agencies throughout Southern California, and Arizona.

He has worked on construction of major roadways, highways. He has expertise in asphalt concrete and P.C.C roadway construction, sewer line,

water line, utility relocation, drainage facility construction, roadway excavation, materials sampling and testing and construction contract administration. He has extensive knowledge of multiple agencies Standard Specifications, Standard Plans and Special Provisions. He prepares clear, concise and thorough daily project inspection reports.

City of Corona On-call Inspection Services, Corona, CA: Construction Observer. KOA continues to perform construction observation services for the City of Corona's Capital Improvement Projects Program for pavement rehabilitation, sewer, water & Storm drain upgrades, and additional miscellaneous projects:

- **6th Street Rehabilitation:** The project was a pavement rehabilitation project for 6th Street, which is a major arterial from Riverside to the 91 Freeway. KOA was brought in to complete the project. All of the work involved was done at night to avoid the very heavy traffic experienced during daylight hours.
- **Well 14 Connector:** The work involved the installation of a new 16" ductile iron pipe to feed raw water from a pumping well into the water supply system. KOA provided the inspection services
- **Via Blairo Sewer Rehabilitation:** The project involved constructing a new 8" gravity sewer in an easement through a residential neighborhood and dealing with the public relation issues associated with that type of work. By construction this sewer main, the City was able to abandon a sewer lift station, which had major operational problems.
- **Rincon/Main Development Tract #35973:** The project is a development project and provides for the installation of utilities including sewer, storm drainage, water, power and communication.

Education

Some College Coursework

Certifications

Water Distribution D-I Certification

Competent Person training

SWPPP, BMP's Training

Water Treatment Inspection Training

Years with Firm: 7

Multiple Public Works Improvement Projects, Various Cities, CA: Inspection of Roadway, highways street work from native soil / sub grade to placement of C A B, C M B, Asphalt, striping, traffic loops, signage, all traffic control. Concrete work curb & gutters, sidewalks, driveway approaches, wheel chair ramps, Storm drain jobs of various materials RCP, CMP, PVC, HDPE various sizes and D-loads, catch basins, local depressions, decks, junction structures, parking lot D.I's, Water mainline installations, water services, fire hydrants, blow-offs, air-vacs, Sewer installations, sewer laterals, standards manholes, metering manholes. Also, conducted inspections of curb and gutter, sidewalks, ADA-compliant ramps, driveway approaches, daily reports, & as built.

Pump Station to Reservoir, CVWD, City of Rancho Cucamonga, CA (2011-2012): *Public Works Inspector.* Project consisted of cement coated pips of water line installation. Duties included but not limited to on-site pipe and tank modifications and rehabilitation of wells. Duties also included traffic control, daily reports, maintaining job logs, processing reports, reviewed invoices and change orders, and responding to complaints. Duties also included inspecting pipe line installation, line and grade verification, documents and picture recording, detailed daily inspections, performing daily construction inspection to ensure contractor compliance with the contract plans and specifications and recording detailed daily inspection reports.

CRISPEN COLE, QSP

Senior Construction Inspector

PROFESSIONAL EXPERIENCE

Mr. Cole has over 35 years of varied construction and construction inspection experience including bridges, rail, piers, marinas, public facilities, water, sewer, & storm drain lines, and streets and sidewalks. Crispin performed numerous inspection services with KOA for Streets & Sidewalks, and Water & Sewer. In addition, he is our key inspector for Bridge, Rail and Pier projects.

Mr. Cole is certified as Competent Person Underground and familiar with pipe-fitting standards. Mr. Cole has worked in Corona Part time on two water line projects as well.

City of Glendora, Amelia Avenue – Auto Center Drive Water Main Replacement Project, Plan No. 1118, Glendora, CA (2014): Construction Inspector. Mr. Cole recently provided construction inspection services for this project that consisted of approximately 6,500' lineal feet of 8-inch, 14-inch, and 16-inch ductile iron pipe and appurtenances, new services, fire hydrants, and 20 tie-ins to existing water lines. The project construction period is 160 working days and the majority of work associated with this project requires lane closures per the project specifications that are limited to 9:00AM to 3:00PM. Mr. Cole is providing daily construction reports, quality control and inspection services, communicating with the City's Project Manager, overseeing the traffic control and construction activities, monitoring safety and SWPPP BMP's and working with the contractor and soils testing firms to ensure the project is being constructed according to the project plans and specifications.

City of Glendora, Zone 4 Waterline Replacement Project, Plan No. 1080 Glendora, CA (2014-15): Construction Inspector. Mr. Cole is currently providing full-time construction inspection services for this project that consists of approximately 6,120' lineal feet of 8-inch, 10-inch, and 12-inch ductile iron pipe and appurtenances, new services, fire hydrants, and tie-ins to existing water lines. The project construction period is 120 working days and the work involved private easements and a connection to a water tank that was being constructed at the same time. Mr. Cole is providing daily construction reports, quality control and inspection services, communicating with the City's Project Manager, overseeing the

Education

American University in Beirut

A.A. Business Administration, Northern
Arizona University (1975)

Certifications

Qualified SWPPP Practitioner (QSP)
#22536

Certified Erosion, Sediment and Storm
Water Inspector (CESSWI) #2602

Competent Person Underground Certified

Years with Firm: 10

traffic control and construction activities, monitoring safety and SWPPP BMP's and working with the contractor and soils testing firms to ensure the project is being constructed according to the project plans and specifications.

City of Garden Grove "On-Call" Contract, Garden Grove, CA: *Construction Inspector.* Mr. Cole performed public works and private development inspections on various projects for the City. Projects included storm drain, sewer and water replacement and new installations, street improvements, and other projects. Mr. Cole provided daily construction reports, quality control and inspection services, communicating with the City's Project Manager, overseeing the traffic control and construction activities, monitoring safety and SWPPP BMP's and working with the contractor and soils testing firms to ensure the project is being constructed according to the project plans and specifications.

Water Main Installation & Replacement, Manhattan Beach, CA: *Construction Observer.* KOA provided Construction Management and Inspection services to the City of Manhattan Beach for citywide water line repairs. New line was constructed with Ductile Iron Pipe. Repairs and Installation within the Residential district were successfully coordinated in response to resident concerns throughout the area

Trench Infiltration, Hermosa Beach, CA: *Construction Inspector.* This project installed a diversion structure, pump station, and infiltration field to divert low-flow storm drain system runoff from beach areas to a subsurface percolation field. Construction took place in the developed area around the pier, requiring significant coordination with City staff, lifeguards, and businesses. Permittees included the City, Los Angeles County and the Coastal Commission. The project was financed with ARRA funding. KOA provided construction project management and inspection services, as well as assistance for federal-aid funding requirements and reporting.

Torrance Blvd Rehabilitation, T-43/44, Torrance, CA: *Construction Observer.* The scope of work consisted of the grinding and removal of existing pavement, concrete and asphalt paving, pavement slurry seal, removal and reconstruction of sections of the street, construction of curb and gutter, sidewalks, driveways, ADA ramps, irrigation and landscaping of existing medians, striping and adjustment of utilities and other work. In addition to the above the project involved the removal and replacement of 50,500 SF of residential sidewalks, and the removal and replacement of cross gutters at 9 intersections.

SAMUEL RUFFNER

Senior Construction Inspector

PROFESSIONAL EXPERIENCE

Mr. Ruffner has twenty six years of experience in construction inspection, structures inspection, geotechnical work, and field sampling. His experience includes Civil and Public Works construction inspection consisting of mass grading, concrete and asphalt placement, masonry and concrete walls, PCC concrete including curb, gutter, sidewalk and driveways, sewer and storm water lift stations, culverts, fueling platforms, Waste Water Treatment Plants, sewer force main, water main, storm drain piping, reinforced concrete bridge structures, traffic signals, landscape and irrigation. Geotechnical field services include mass grading and excavation oversight, backfill inspection, import and export management and compaction testing. Laboratory experience, including, direct shear, soil classification, gradation, hydrometer, plasticity Index, soil resistivity, chloride and soluble sulfate content, maximum density and optimum moisture, R-Value, and expansion Index.

PROJECT EXPERIENCE

City of Chino "On-Call" Contract, Chino, CA: Mr. Ruffner is currently providing construction inspection services on various task orders for the City.

Mr. Ruffner is providing daily construction reports, quality control and inspection services, communicating with the City's Project Manager, overseeing the traffic control and construction activities, monitoring safety and SWPPP BMP's and working with the contractor and soils testing firms to ensure the project is being constructed according to the project plans and specifications. Projects have included the following:

- 2015 – 2016 Residential Paving Rehabilitation Program
- Storm Drain Projects, Handicap Ramp projects, Permit Inspections,

Education

Some College Coursework

Constructions Inspection and Procedures

Certifications

SWPPP Certified

40-Hour Hazardous Waste Training,

8-hour refresher course on Hazardous Waste Training

Trenching & shoring Course

Chorine Handling Course

Industrial Combustion and Control Course

Radiation Safety and Use of Nuclear Gauge

40-Hours Health and Safety Training Course, 79 CFR 1910.120

Annual 8-Hours Refresher

Tortoise Trained

ACI Certification

Years with Firm: 4

- 2016 – 2017 Paving Rehabilitation Program

City of Indian Wells On-Call Inspection, City of Indian Wells, CA: *Senior Construction Inspector* working as an extension of staff for the City to perform public works inspections. Projects include asphalt pavement rehabilitations, storm drain, water and sewer line replacements, asphalt and slurry seal overlays, concrete sidewalk, curb and gutter replacements, utility company oversight, new development construction for The Providence Development (Luxury Homes) and Toscana Country Club Homes and 36-Hole Championship Golf Course.

Highway 111 Sound Walls, City of Indian Wells, CA: *Senior Construction Inspector* for the construction of masonry block sound walls on Highway 111 between Eldorado Drive and Miles Avenue (approximately 30,000 linear feet). The \$4.5 million project included masonry block sound walls, utility relocations, export earthwork, traffic control, and drainage, landscape and irrigation replacement.

Fred Waring Drive Widening, City of Indian Wells, CA: *Senior Construction Inspector* for the construction of the roadway improvements on Fred Waring Drive between Deep Canyon and Washington Street. The \$18 million project includes retaining walls, sound walls, reinforced box culverts, utility relocations, export earthwork, traffic control, temporary detours, drainage, electrical, traffic signals, concrete and asphalt pavement including rubberized asphalt, landscape and irrigation, roadway signing and striping.

City of Newport Beach On-Call Inspection, City of Newport Beach, CA: *Senior Construction Inspector* working as an extension of staff for the City to perform public works inspections. Projects include asphalt pavement rehabilitations, storm drain, water and sewer line replacements / rehabilitations, asphalt and slurry seal overlays, concrete sidewalk, curb and gutter replacements, traffic signal modifications, landscape and irrigation improvements. The City is very congested and all work performed requires expertise with traffic control, temporary detours and public interaction.

Various Other Projects for the Sanitation District of Los Angeles, CA: Inspection of Operation facilities including installation of five modular buildings, scale house and scale, two steel buildings with concrete pads for equipment maintenance and hazardous waste storage, fueling station for both gas and diesel, asphalt roads, drains, sewers lines, two septic tanks, water supply from the existing 16-inch diameter HDPE water supply line to the modular buildings and scale house, and electrical throughout the facilities.

MATT CARD, QSP

Construction Inspector

PROFESSIONAL EXPERIENCE

Mr. Card's responsibilities and expertise range to serve multi-faceted roles of Project Management, Construction Management, Contract Administration, Construction Observation, and Plan Checking. He performs all tasks of cost control and contract management, and successful cost savings through extensive development constructability reviews. Additional tasks to include overall contract and value engineering and concept project redesign adjustments

within budget. Mr. Card is experienced in various CIP projects also to include vast water, sewer, pier, and sewer structure facilities.

City of Corona, Smith Avenue Water Line Improvement Project, Corona CA: Construction Inspector / Observer. Provided inspection services for the replacement of approximately 3,000 lineal feet of existing 12" diameter Cast Iron Pipe on Smith Avenue with new 12"- 18" diameter ductile iron pipe, and replaced approximately 400 linear feet of existing 4" & 8" Cast Iron Pipe with new 8" and 6" diameter Ductile Iron Pipe, new 1" meters and boxes, fire hydrants, and street improvements. Monitored construction and traffic compliance and permits; provided review and recommendations in liaison between the contractor and City; produced daily reports and closeout documents.

City of Corona, Smith Avenue Paving Rehabilitation Project, Corona CA: Construction Inspector / Observer. He Provided inspection services for the grind and overlay and full section removals and replacement of asphalt paving on this project. He monitored construction and traffic compliance and permits; provided review and recommendations in liaison between the contractor and City; produced daily reports and closeout documents.

Western Avenue and Rolling Hills Road Water Main Replacement, Torrance, CA: Construction Observer. Provided inspection services for the replacement of approximately 5,000 lineal feet of existing 12" diameter Cast Iron Pipe on Western Avenue with new 12" diameter ductile iron pipe, and replaced approximately 600 linear feet of existing 8" Cast Iron

Education

B.S. Northern Arizona University,
Flagstaff, AZ, Finance

Certifications

Qualified SWPPP Practitioner (QSP)

Pending

Certified Erosion, Sediment and Storm

Water Inspector (CESSWI) Pending

Engineering Contractors Association

California Contractor's License's A, C-27,

C-34, HAZMAT

Years with Firm: 4.5

Pipe with new 8" and 6" diameter Ductile Iron Pipe. Monitored construction and traffic compliance and permits; provided review and recommendations in liaison between the contractor and City; produced daily reports and closeout documents.

Greenville-Banning Channel Inflatable Dam & Effluent Pump Station-County of Orange, Orange, CA: Project Manager. Provided Project Management and contract administration for the construction of a pump station and discharge piping hung on an existing bridge across SA River. Project consisted of installation of inflatable dam to retain runoff water, a pump station to pump the water through pressure and gravity pipe to the SS Main at Atlanta & Brookhurst. Reviewed the plans and specifications for the conditions for construction as well as negotiating and writing all subcontracts and interpreting the contract specifications and requirements to facilitate all of the major material purchases. Performed plan review to determine conditions for payment of quantities, developed shop drawings for the pump station piping, miscellaneous metals to name a few of my functions, and negotiating all change order for changed conditions and changes in scope.

Lower Peters Canyon Drainage Improvements (Flood Control Channel) and, Bonita Canyon Rd Improvements (Excavation, Grading, CIP RCB, Structures, PVC Sewer, Paving, Electrical, Etc.)-The Irvine Company, Irvine, CA: Constructability Review. After reviewing the plans for the Bonita Canyon Project, determined and was able to eliminate one of three traffic phases for the SS portion of the Project, saving the owner time in administering the project and inconvenience to the public. Reviewed the plans and specifications for the conditions for construction as well as negotiating and writing all subcontracts and interpreting the contract specifications and requirements to facilitate all of the major material purchases. Responsible to oversee all of the contract quantities for excavation and backfill, to compare the drawing with actual conditions and cross check survey. Conducted plan review, constructability and compilation of additional costs/credits for plan revisions based on changed field conditions. On Lower Peters Canyon, plan review to field conditions was critical as adjacent grading projects continued to impact our own excavation and earth moving projects.

DOUGLAS RAMOS

Construction Inspector / Traffic Signals-Fiber Optic

PROFESSIONAL EXPERIENCE

Mr. Ramos has over 30 years of experience in public works construction, traffic systems communications, inspection and oversight on various traffic signals, CCTV, CMS, Fiber Optic, and all communications and pertinent devices. He worked for the City of Anaheim as an IMSA Level III as a systems technician and inspector for nearly his whole career. He has overseen small to large City Traffic Signal Improvement projects, inspections, maintenance and oversight of closed circuit camera systems, fiber optic cable installations, and various other signal synchronization and electrical projects throughout the City. He has also worked with various entities and stakeholders such as Disneyland and California Adventures as a supervisor overseeing Traffic signals and fiber optic installations.

City of Coachella ST-68 Traffic Signal Synchronization Project: *Construction Inspector:* KOA provided ITS and signal design services and construction inspection for the Traffic Signal Synchronization and ITS Infrastructure Phase I Deployment of the City's ITS Master Plan. Mr. Ramos provided construction field inspection of the signal controller, fiber optic cable installation, and the construction of the new traffic management center of the project. The scope includes complete construction documents (PS&E) for controller upgrades, ITS hardware & software upgrades, new 72 single mode fiber optic interconnect of all City intersections, redundant wireless interconnect and the PS&E to construct a new Traffic Management Center (TMC). The project migrated the City from Type 170 controllers with BI Tran 233 to the new McCain 2070ATC controllers running the Omni Ex program and Transparency TMC central system software. The TMC PS&E includes the design for a 3x2-47" flat panel live video wall for the operation center and server room in support of a central signal control, remote access of video detection and CCTV pan tilt zoom cameras. Signal synchronization/timing Implementation for 16 City traffic signals is included, as well as timing implementation and training for City staff for TMC operation.

Brookhurst Street Improvements from Katella Ave to Ball Road, Anaheim, CA: *Construction Inspector-* KOA provided reconstruction and widening of Brookhurst Street with the construction of two additional travel lanes and class 2 bikeways.

Education

Cypress Junior College - 2 Years of Junior College

Certifications

Level I, II and III, IMSA Traffic Signal Technician.

Level I IMSA Traffic Signal Inspector.

Corning fiber optic certification training.

Iteris and Econolite video detection training

Years with Firm: 3.5

The work on this major Anaheim trunk road included: the reconstruction of large sections of the road; the upgrade of an “at-grade” rail crossing; the reconstruction of the Cerritos Intersection, with new traffic signals; new street lights; new raised landscaped medians and extensive parkways. The widening also required storm drain and sewer improvements and the construction of stormwater infiltration bio-swales. New sidewalks, curbs and gutters, sound walls, driveways and trails were also project elements. Mr. Ramos provided the traffic signal and electrical inspections on this project.

City of Anaheim IMSA Level III, Anaheim, CA (1986 - 2014): *Construction Inspector / Systems Technician*. Douglas Ramos has implemented and performed traffic signal preventive maintenance programs as a Systems Technician and In-house Inspector for 30 years in the City of Anaheim. Included in these duties were inspections and oversight, 24 hour stand by on-call, troubleshooting and repair of all city traffic signals, CCTV, CMS and communications of all pertinent devices. He performed shop burn in and cabinet testing of new controller cabinets and fiber optic systems for contractor and city installations. He assisted in new and existing conflict monitor testing program. He provided inspections, over site and supervision of field and cabinet modifications by contractors. Performed field modifications including installing police control panels and additions of phasing and detection systems. Installed and replaced video detection cameras, programmed detection zones and updated software. He performed USA alert field marking and he performed controller cabinet replacements and oversight in the field. He also worked as a Level I and II IMSA for the City in his earlier years. He completed inspection reports, worked with various stakeholders, coordinated with contractors, and maintained project files.

City of Anaheim - Traffic Systems Communications

Doug assisted with citywide implementation of communications network first with cable and then fiber, including a traffic management center, all traffic signals, CCTV, and CMS. He assisted with the traffic management center including cable routing and terminations etc. He performed fiber optic cable inspections and installations including routing cable in conduit runs, installing connectors, fusion splices, light meter testing and OTDR testing. Supervised and inspected fiber installations city wide. Installed fiber for two Anaheim Fire Stations including connectors, interface equipment and establishing communications to city network. He also, Installed CCTV in various locations within the city including fiber and inspected and established communications to the TMC.

C. DETAILED WORK PLAN

BACKGROUND:

The City of Brea desires to qualify a number of qualified consultant firms to provide Construction Inspection services on an “as needed” basis. Anticipated work will be awarded based on competitive responses for specific projects.

PROJECT APPROACH

The KOA team has the resources required and extensive experience in completing similar work on public works and capital improvement projects. We are familiar with the required standards, procedures, and regulations, and the local engineering environment. We have recently completed or are now working on similar On-Call projects in Brea, Corona, Rancho Mirage, Chino, Anaheim, Brea, Yucaipa, Rancho Palos Verdes, West Covina, Glendora, Torrance, South El Monte, La Mirada, Downey, El Monte, Placentia, Irvine, Ontario Municipal Utilities Agency, Caltrans, SANBAG, and various other cities and agencies. Our approach to each project will be a well thought out, strategic effort which takes into account the project goals and objectives with time and budget constraints in mind.

KOA has a deep pool of flexible and available resources and our construction inspectors all have sufficient experience in the disciplines required for this service. Our references are provided in our project experience section for similar services. KOA has NO outstanding or pending complaints as determined through the Better Business Bureau, State of California Department of Consumer Affairs and we have the administrative and fiscal capability to provide and manage the proposed services.

Our inspection staff has excellent interpersonal communication skills and the ability to interact with various people during the course of a project and a willingness and availability to work weekends, nights, and odd shifts. They have good written and verbal communication skills. We have included a couple of samples of inspection daily reports prepared by some of the proposed inspectors. They also can read, understand and interpret construction plans, specifications, and contracts. KOA inspectors have a working knowledge of the following: APWA standards, Underground Construction Standards, California MUTCD, City of Brea Public Works and Department of Water and Power Standards, Standard Specifications for Public Works Construction (Greenbook), Construction Specifications Institute (CSI), and current building codes applicable to the type of work being performed.

All KOA inspectors are experienced and knowledgeable in Microsoft Excel, Word, and Outlook, are equipped with laptops and cell phones, and possess a valid California driver's license and the ability to maintain insurability. They have a High School diploma or G.E.D. equivalent and three years of journey-level experience in the construction, maintenance and repair of Public Works and Utilities projects, or an equivalent combination of training and experience and are familiar with and know how to read construction survey staking, markings and cut sheets.

KOA inspectors have years of experience working with geotechnical firms and understand material and geotechnical testing for backfill, subgrade and all sampling and testing of materials. They are all equipped with the proper equipment and training to perform the requested work.

SCOPE OF WORK

KOA understands that The City of Brea has several upcoming projects (i.e. Puente Street Water Replacement and Street Rehabilitation, South Brea Waterline Replacement, and Eagle Hills Waterline Replacement). The City of Brea is anticipating over \$15 million in capital improvements for FY 18-19. The Capital Improvement Program (CIP) includes projects in the following categories: street improvements, traffic safety enhancements, water improvements, storm drain improvements, sewer improvements, facility improvements and community facility district improvements. Ongoing annual projects such as slurry seal, sidewalk replacement, sewer mainline relining, and miscellaneous water improvements will continue as funding allows. KOA Construction Managers and inspectors will need to oversee and inspect a variety of public works and public utilities construction and maintenance projects as mentioned above according to standards and specifications, state laws, local ordinances, NPDES requirements and proper construction practices. These improvements will include Pre-Construction, Construction, and Post Construction phase work, but not limited to the following:

- Inspect concrete street improvements, including drive approaches, wheel chair ramps, block walls, and other elements; inspect asphalt concrete street paving and slurry seal coating; ensure correct street sections by checking grades and elevations.
- Observe earthwork grading, trench compaction, slope construction, earthen berms and surface drainage.
- Review soils compaction reports.

- Inspect all aspects of traffic control set-up and maintenance for conformance with codes, specifications and safety practices.
- Interpret construction plans and specifications; prepare and make recommendations on change orders; confer with City engineering staff on design problems encountered in the field.
- Perform final inspection of construction projects for field acceptance; prepare list of required corrections prior to final acceptance.
- Maintain necessary records of daily operations, including daily project reports, time, material, and equipment reports.
- Review and confirm as-built drawings for public works facilities and utility projects.
- Coordinate activities and schedules with other entities involved in the construction project.
- Keep records pertaining to work assignments, employee information, and inspection work.
- Perform public outreach and respond to queries by property owners, contractors, and staff regarding the construction project.
- Inspect construction activities to make sure they are in compliance with City standards and regulations.
- Prepare monthly pay estimates and record amounts of materials that are received or used during construction such as concrete, base, asphalt tickets and other materials tickets
- Address and resolve complaints as they arise. Notify the Project Manager of issues and request assistance when necessary.
- Perform observations, inspections and tests of construction projects and document findings in accordance with good engineering practices and applicable codes.
- Provide feedback to requests for information as it relates to projects inspected.
- Provide regular full time onsite inspection to construction projects and assess project status.
- Serve as principal liaison for construction-related activities and coordinate formal interface between stakeholders and service providers.

- Serve as the central point of contact for communications, coordination, support, and advice to the City Project Manager.
- Recognize, evaluate and properly resolve and/or make recommendations to unique problems or situations.
- Maintain effective customer service relationship with City staff and the public.
- Facilitate contract negotiations.
- Properly and safely oversee the operation of light-, medium- and heavy-duty motorized vehicles and equipment.
- Ensure appropriate communications take place with all involved personnel resulting in efficient use of manpower and finances to meet Project milestones and City's expectations.
- Other construction inspection duties as necessary to support City projects in construction.

KOA's construction inspection experience is highlighted in the previous experience section and our staff treats every project as if were our own and we were funding each project. In other words, we manage our client's costs and timelines the same as we would if we owned the projects. The proposed technical approach shown on the following section is how we typically manage these types of projects and how we propose to manage this project for your City.

KOA will serve as the City's representative and liaison with the City Project Manager and City Engineer, as well as, the Contractor during the construction of the project. Prior to the pre-construction meeting, KOA will review and be knowledgeable of the contract documents, as well as, be knowledgeable of existing site and conditions. Particular attention will be given to value engineering. KOA will review the construction documentation and identify any potential cost saving alternatives for the project. Additionally, after the pre-construction meeting, KOA will review and coordinate an analysis of the Contractor's submittals with the design team, as well as comment of the Contractor's schedule if necessary. KOA inspectors will additionally provide the following services and deliverables.

Safety: First and foremost, KOA always considers safety the most important issue on any construction project. KOA will recommend key safety provisions to require the contractor to have competent safety personnel and site specific safety programs employed on the projects at all times. KOA will monitor the contractor's operations for compliance with the project safety requirements

Constructability Review of the Project Plans and Documents: Constructability reviews will be conducted at the start of/ or before each project. A “punchlist” of comments and recommendations will be submitted to the City for consideration and implementation with the project architect. KOA will review the plans for constructability and identify potential value engineering solutions, ambiguities, conflicts and/or omissions apparent during its review. The Bid documents and technical specifications will also be reviewed for potential duplication/overlap of clauses, conflicts, proper placement of critical requirements within the order, and precedence of documents.

Pre-Construction Conference: KOA inspectors will attend Pre-Construction Meetings and work with the City Project Manager, contractor, utility agencies, and other stakeholders, and assist with the meeting agenda and minutes if needed. KOA considers the pre-construction meeting as progress meeting #1. All items discussed are designated as “open” or “closed”. All open items are carried forward to subsequent progress meetings until resolved and closed. Action items are assigned a specific responsible party and a deadline for resolution. Meeting minutes are taken and distributed to all attendees and affected coordination parties. KOA will also conduct all site meetings. Pre-construction meeting and site meeting minutes will be distributed via fax and/or email to meeting participants and to courtesy recipients identified by the City.

Daily Construction Observation Reports: KOA Inspectors will compile daily observation reports, documenting the contractor’s workforce, material and equipment used; a summary of construction activities, field problems, disputes or claims; resolutions of issues; and directions given to the contractor. Completed daily reports will be transmitted to the City on a weekly or daily basis.

Problems and Solutions: KOA’S proactive approach serves to anticipate and resolve field problems. Our team is well trained in problem solving. All issues are processed with a sense of urgency and presented to the City with suggested alternatives, cost and schedule impacts, and recommended solutions. KOA will quickly implement the alternative, which suits the best interests of the project and the City. KOA will effectively and expeditiously communicate with City staff, Design Consultants and the Contractor to identify conflicts construction problems, coordination issues, and will obtain needed action and response to submittals and RFI’s.

Document Tracking System: Complete and current project files shall be kept at the job site, or at a location agreeable to the City, and shall be available to the City at all times.

Schedule Review: KOA is intimately familiar with all of the main stream scheduling software utilized by the public works contracting industry, including, but not limited to, Primavera P3® Suretrak® and Microsoft Project®. KOA will review the baseline construction schedule, including activity sequences and duration, schedule of submittals, and schedule of delivery for products with long lead-times. The KOA team will evaluate the baseline project schedule for the following:

- Consistency with the contract schedule (completion within the contract time)
- Accurate start dates, completion dates, other dates detailed in the contract
- Any impacts of weather and change orders
- Sufficient detail – including submittal process and procurement requirements
- Sequence of construction and correct schedule logic
- Identification of the critical path and project float

Schedule Control: During the progress of construction, KOA will compare the contractor's monthly schedule updates to the baseline schedule and any approved time extensions, note shortcomings, and monitor and track corrections by the Contractor to keep the Project Schedule on track.

A 4-week look-ahead will be required from the contractor, updated weekly, and presented at the weekly construction progress meetings. This tool will keep the entire team looking one month ahead of the project and will facilitate proactive handling of project activities and issues.

Photographs: KOA will prepare and maintain an electronic photo journal documenting the construction progress. Photos shall be taken before construction begins, during construction, and upon completion of the project. All photo documentation will be submitted to the City with each project folder.

Contract Conformance: KOA's Construction Inspector will visit the site on a full time basis during the normal working hours, and when critical activities require verification of construction progress and verification that all work conforms to contract requirements. Deputy and special inspection and materials sampling and testing will be coordinated and provided as required by the final plans and specifications. KOA will reject work that does not conform to the requirements of the contract

documents and will promptly report unacceptable work to the City and contractor. Rejected work will be thoroughly documented, photographed, and tracked until repaired or replaced to the satisfaction of the City.

Coordination with the City: KOA will monitor closely the work of the contractor. The contractor will be required to submit a 4-week look-ahead schedule at the weekly meetings. This is a very effective tool in helping to coordinate the construction operation, particularly in relation to any interface operations with the City's activities. KOA will assist the City in minimizing disruption to both City and construction operations.

Safe Conditions: KOA will monitor project work and adjacent areas for unsafe conditions, promptly require corrective measures to be addressed by the Contractor in compliance with the contract documents, and report such issues and corrective measures taken to the City.

SWPPP: KOA will enforce all provisions of the Storm Water Pollution Prevention Plan. At a minimum, SWPPP requirements will be monitored and a specific SWPPP Checklist will be compiled. Any deficiencies noted will be addressed with the contractor for immediate remedy. Upon a weather report of 40% (or higher) expectancy of rain, a site walk will be conducted to ensure that SWPPP measures are in place and well maintained.

Materials and Workmanship: KOA will recommend approval of materials and workmanship that meet the contract requirements, in coordination with the authority of the consulting engineer, architect, fire inspector, deputy inspector, or other authorized representative or regulatory authorities having jurisdiction.

Documentation Interpretation & Technical Assistance: KOA will perform the coordination and expediting between the contractor, design team and City Staff to clarify any questions for interpretation of the construction documents. Timely, firm and fair determinations will be processed to minimize cost and time impacts to the project.

QA/QC: KOA will enforce the quality assurance plan, in conformance with the City's Quality Assurance Manual. KOA will coordinate QA/QC activities on a daily basis and review activities as they happen to make sure that QA/QC procedures are followed and deficiencies are resolved in a timely and efficient manner. KOA will maintain a chronological log of all records. Our Survey firm will do the same.

Testing and Observations: KOA will coordinate laboratory, jobsite, offsite testing of construction materials and required observations per construction documents, construction codes, and Jurisdictional Agencies. KOA will implement established

procedures for testing as required per the construction documents. KOA will monitor testing services, track documentation, and record testing results in weekly construction progress meetings. When necessary, KOA will require and track that corrective measures are implemented and re-inspected to verify acceptable completion.

Change Orders: KOA will establish, implement and coordinate systems for processing all contract change orders. Each issue, which is identified as a potential change to the design, scope, cost, or contract time will generate a change notice. KOA will determine whether or not a change notice should be considered. The plans and specifications will be reviewed against the change notice. If the issue does not appear to be included in the plans or specifications, a Request for Quotation (RFQ) will be sent to the Contractor. Any credits for work deleted as a result of the change will be required at this time as well. The contractor's response to the RFQ will be evaluated for reasonableness and completeness. KOA will maintain a Trend Log, listing potential changes as identified, either formally or informally. This Trend Log shall be used such that potential change items are not overlooked or deferred until the end of the job. KOA will prepare independent cost estimates as required for contract change orders. Upon approval by the City, KOA will prepare, log, and process change orders for full execution, and administer their implementation. Once fully executed, KOA will review the timely completion of the work and coordinate inclusion of the change order in the appropriate payment application.

Change Management/Claims Resolution: KOA will implement its time tested claims management process to minimize changes to the project and avoid claims such that the project can be quickly and successfully closed out. KOA has done so on over 400 public projects valued at approximately \$1 billion with no unresolved claims. The basis for KOA procedures is a well-organized documentation system, a keen understanding of the construction process, exceptionally qualified staff, and fair and firm negotiations. KOA will not defer difficult issues and will process only change issues that have been analyzed and determined to have merit. Those items will only be recommended for consideration when the most reasonable cost and time has been negotiated and all alternatives to avoid the impact have been resolved.

Daily Extra Work Reports: KOA will verify and sign contractor's daily extra work reports documenting force account (time & materials) work. In particular, KOA will monitor that only appropriate worker classifications necessary for approved time and materials work is included on extra work reports. Any inappropriate workforce and/or equipment charges will be promptly rejected and removed from extra work reports.

Progress Payment Processing: KOA inspectors will review the quantities on the payment applications submitted by the contractor and determine whether the amount requested reflects the progress of the contractor's work. Appropriate adjustments to each payment application will be required by the contractor. When the payment application is acceptable and all backup documentation is verified (certified payrolls, lien releases, etc.), The KOA team is experienced in evaluating complex pay applications. It is critical to the City's best interest that payment application review be performed accurately and prudently to maintain the prime and subcontractor incentives to perform on the projects.

Weekly Progress Meetings will be mandatory for the Contractor and staff, and optional or on an as-needed basis for the City and design team staff. All parties are always invited to attend in person or via remote.

Special Meetings will be scheduled as needed to discuss important issues or which require detailed discussion or review of plans and specifications. These meetings will follow the weekly meeting to reduce trips, if issues are not urgent.

Written Instruction: KOA will issue written instructions to contractor regarding routine matters and/or follow-up of verbal instructions as necessary to properly document project issues.

Plans, Specs and As-Builts: At a minimum, KOA will periodically review the Contractor's as-built updates on the approved job plan set; identify missing items; and require the Contractor to keep as-built records up to date throughout the project. At the City's option, KOA will keep its own set of as-built plans which will note the location of subsurface utilities encountered and/or installed; identify where any design or field changes were required (utilizing the corresponding RFI and/or change order numbers); and note the location of critical building components that are covered by finish work. At the end of the project the final as-built plans are submitted to the City within 30 days of construction completion.

Pre-Final Inspection: The Construction Inspector will perform the final job walk and prepare the punchlist (deficiency list). KOA will coordinate and observe completion of required corrections. Should the Contractor lag on a portion of the completion of project work, KOA will estimate the value of the incomplete items and recommend specific retainage in accordance with the contract to preserve the City's interest. If necessary, a change order will be recommended for approval for completion of the remaining work such that the City may file the notice of completion and start the time after which stop notices and/or claims are no longer valid.

Materials Testing Coordination: KOA will coordinate with the contractor and materials testing firm to schedule and perform quality assurance materials testing to verify compliance of the work with the contract documents. We will review test reports submitted by others to substantiate compliance and ensure that Certificates of Compliance or source release tags are furnished by the Contractor along with the applicable delivered materials at the project site.

Final Inspection: All corrections must be made before KOA recommends processing of the "Notice of Completion". KOA is noted for our attention to detail. Not only have we excelled at closing out our own projects, but we have been requested to and successfully closed out problem client projects where our services were not initially utilized. Upon completion of the punch list and final sign off by all project stakeholders, KOA will make recommendations to the City regarding Contractors final progress payment request, and prepare final progress payment for submission to City.

Delivery of As-Builts and Close-Out Documents: KOA will review "as-constructed" plans and prepare "as-constructed" reports. KOA will assist the Contractor in maintaining a field set of "as-constructed" plans to be updated daily and delivered to the City upon project completion. KOA will continually document changed field conditions and not rely on the Contractor to document "as-constructed" conditions. They will report and photograph field condition changes. The CM will document and keep these "as-constructed" conditions on plans in his office. KOA will review the Contractor's submittal of "as-constructed" conditions and compare this submittal to KOA's own documentation. Discrepancies will be discussed, resolved and recorded. Completed "as-constructed" plans will be submitted to the City.

KOA will enforce the provisions of the specifications to require the Contractor to submit well-coordinated operations and maintenance manuals, warranties & guarantees, bonds, extra stock, and/or other items required by the contract documents such that a timely close-out of the project is implemented. KOA will perform closeout duties including final organization of project files, submit to the City for final approval, and assist with the filing of the notice of completion and release of retention.

Finally, KOA will assist the City with all / any plant start up and testing if applicable and will ensure that all operations manuals, brochures, directions, and any supplier or materials spec sheets are provide by the contractor to the City in the project files and reports.

d. EXCEPTIONS/DEVIATIONS

KOA takes no exception to the agreement.

4. FEE PROPOSAL (PRICE FORM - RATES)

RATE SCHEDULE

KOA Corporation	
2019 RATE SHEET	
Professional Services	
Senior Engineer	\$190
Senior Associate Engineer	\$135
Associate Engineer	\$105
Senior Designer	\$140
Associate Designer	\$85
Senior Planner	\$190
Senior Associate Planner	\$135
Associate Planner	\$110
Construction Manager	\$170
Project Manager	\$185
Assistant Project Manager	\$150
Senior Construction Observer*	\$135
Construction Observer*	\$125
Senior Marketing Coordinator	\$100
Associate Marketing Coordinator	\$75
Marketing Coordinator	\$65
Senior Administrator	\$105
Administrative Assistant	\$80
Intern	\$60
Senior Systems Administrator	\$100
Systems Analyst	\$85
Principal	\$235

*Building/Construction Inspectors on Public Works projects are subject to State mandated prevailing wage rates. Such rates are at the discretion of the State of California and subject to change at any time. Regular adjustments are anticipated by the State on a semi-annual basis.

Rates are subject to a 3% annual increase

5. APPENDICES

FORMS

CITY OF BREA

Construction Management & Inspection Services RFP, April 2019

Status of Past and Present Contracts Form

On the form provided below, Offeror shall list the status of past and present contracts where the firm has either provided services as a prime contractor or a subcontractor during the past five (5) years in which the contract has ended or will end in a termination, settlement or in legal action. A separate form must be completed for each contract. Offeror shall provide an accurate contact name and telephone number for each contract and indicate the term of the contract and the original contract value.

If the contract was terminated, list the reason for termination. Offeror must also identify and state the status of any litigation, claims or settlement agreements related to any of the identified contracts. Each form must be signed by an officer of the Offeror confirming that the information provided is true and accurate.

Project city/agency/other: KOA has NO contracts that have been terminated in the past 5 years	
Contact name:	Phone:
Project award date:	Original Contract Value:
Term of Contract:	
1) Status of contract:	
2) Identify claims/litigation or settlements associated with the contract:	

By signing this Form entitled "Status of Past and Present Contracts," I am affirming that all of the information provided is true and accurate.

Signature _____

Name: Chuck Stephan, PE - Vice President

Title: Vice President of Construction

Date 5/10/2019

ADDENDUM(S)



REQUEST FOR PROPOSALS (RFP)

Professional Consulting Services
for**Construction Management
& Inspection Services
FY 2018-2019**

ADDENDUM NUMBER 01

Date of Issuance: May 10, 2019

Notice to All Offerors:Please note the following **changes** have been made to the subject Request for Proposals (RFP) Documents:

- 1) ***Responses to the Request for Proposal (RFP) date and time are changed to May 16, 2019, at 4 P.M.***

CITY OF BREA PUBLIC WORKS DEPARTMENT

Michael Ho, P.E.
Deputy Public Works Director/City Engineer**OFFEROR'S ACKNOWLEDGEMENT**Name of Firm: KOA CorporationName: C. Stephan

Signature: _____

This is to acknowledge receipt and review of Addendum No. 01, dated May 10, 2019. It is understood that this document with acknowledgement signature shall be incorporated in the offeror's responses to the proposal.

SECTION IV
PROFESSIONAL SERVICES AGREEMENT

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is dated July 16, 2019 for reference purposes and is executed by the City of Brea, a California municipal corporation ("City") and Onward Engineering, a California Corporation ("Consultant").

RECITALS

A. City has issued a Request for Proposal pertaining to the performance of the following professional services: construction management and inspection services for various capital improvement and private development projects on an "as-needed" basis. A full, true and correct copy of such solicitation is attached as Exhibit A.

B. Consultant has submitted a proposal for the performance of such services. A full, true and correct copy of such proposal is attached as Exhibit B.

C. The parties have executed this Agreement to provide for Consultant's performance of such services on City's behalf.

NOW, THEREFORE, the parties agree as follows:

1. Definitions: The following definitions shall apply to the following terms, except where the context of this Agreement otherwise requires:

(a) Tasks: Professional services as described in Exhibit A including (i) preparation of plans, maps, reports, and documents (collectively, "documents"); and (ii) presentation, both oral and in writing, of such documents to City as required.

(b) Services: Such professional services as are necessary to be performed by Consultant in order to complete the assigned Tasks. Consultant will provide services on an "as-needed" (on-call) basis for projects to be determined during the term of this Agreement.

(c) Completion of Tasks: The date of completion of all assigned Tasks, including any and all procedures, documents, meetings and oral presentations regarding the completion of Tasks as set forth in Exhibits A.

2. Term:

(a) Base Term: This Agreement is effective as of **July 16, 2019** and shall remain in full force and effect until **July 15, 2020** unless earlier extended pursuant to paragraph (b) or (c) of this Section, or unless terminated pursuant to Section 8 below.

(b) Extension Options: City shall have three options by which it may extend the term of this Agreement by one year at a time in its sole discretion. The extension options may be exercised sequentially or concurrently. To exercise an extension option, City shall give written notice to Consultant at least 30 days prior to the then-scheduled expiration date.

(c) Unfinished Tasks: If one or more Tasks will remain unfinished at the expiration of this Agreement, then, at City's sole discretion, the term of this Agreement may be extended to allow Consultant to complete such Task(s).

3. Consultant Responsibilities:

(a) Consultant shall undertake and complete the assigned Tasks in accordance with Exhibit A and applicable laws, all to the reasonable satisfaction of City.

(b) Consultant shall supply copies of all documents. Including all supplemental technical documents, in accordance with Exhibit A. City may thereafter review and forward to Consultant comments regarding such documents and Consultant shall thereafter make such revisions to such documents as are deemed necessary. City shall receive revised documents in such form and in the quantities determined necessary by City.

(c) Consultant shall, at its sole cost and expense, secure and hire such other persons as may, in the opinion of Consultant, be necessary to comply with the terms of this Agreement. In the event any such other persons are retained by Consultant, Consultant warrants that such persons shall be fully qualified to perform the services. Consultant further agrees that no subcontractor shall be retained by Consultant except as may otherwise be set forth in Exhibit B and upon the prior written approval of City.

4. Compensation:

(a) City shall pay Consultant pursuant to the provisions of Exhibit B for services performed pursuant to this Agreement. Such sum(s) shall cover the costs of all staff time and all other direct and indirect costs or fees, including the work of employees and subcontractors to Consultant, except as may otherwise be set forth in Exhibit B.

(b) Payments to Consultant shall be made by City in accordance with the invoices submitted by Consultant, on a monthly basis, and such invoices shall be paid within a reasonable time after receipt by City. All charges shall be in accordance with Consultant's proposal either with respect to hourly rates, time and materials, or lump sum amounts for individual tasks, as approved, in writing, by City.

(c) Consultant agrees that, in no event, shall City be required to pay to Consultant any sum in excess of 95% of the maximum payable hereunder prior to receipt by City of all final documents. Final payment shall be made not later than 60 days after presentation of final documents and acceptance by City.

(d) Additional services: Payments for additional services, requested in writing by City and not included in Consultant's proposal, shall be paid on a reimbursement basis in accordance with the fee schedule set forth in Exhibit B. Charges for additional services shall

be invoiced on a monthly basis and shall be paid by City within a reasonable time after invoices are received by City.

5. Annual Compensation Limit:

(a) Base Term Limit: Except as provided in paragraphs (b) and (c) below, in no event shall Consultant, or any person claiming by or through Consultant, be paid an aggregate amount in excess of three hundred thousand dollars (\$300,000) during the base term of this Agreement.

(b) Extension Period Limit: If City exercises an extension option, then the annual compensation limit for that extension period shall be three hundred thousand dollars (\$300,000.00) plus any unspent allocation for each of the two prior years of the term. For purposes of this paragraph, "unspent allocation" means the difference between three hundred thousand dollars (\$300,000) and the aggregate amount of City's payments to Consultant for an annual period.

(c) Developer-Reimbursed Cost Exclusion: Developer-reimbursed costs associated with Tasks performed for private development projects are not subject to the annual compensation limit and shall not be considered in any calculation of unspent allocation.

6. City Responsibilities: City shall provide to Consultant:

(a) Information and assistance as set forth in Exhibit A.

(b) Photographically reproducible copies of maps and other information, if available, which Consultant considers necessary in order to complete the Tasks.

(c) Such information as is generally available from City files applicable to the Tasks.

(d) Assistance, if necessary, in obtaining information from other governmental agencies and/or private parties. However, it shall be Consultant's responsibility to make all initial contact with respect to the gathering of such information.

7. Ownership of Documents: All documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by Consultant pursuant to this Agreement shall be considered the property of City and, upon payment for services performed by Consultant, such documents and other identified materials shall be delivered to City by Consultant. Consultant may, however, make and retain copies of such documents and materials as Consultant may desire.

8. Termination: If Consultant breaches this Agreement and fails to cure such breach within seven days of written notice, then City may immediately terminate this Agreement for cause. City may terminate this Agreement for convenience upon 15 days prior written notice to Consultant. Consultant shall not be compensated for any work performed after City's issuance of a Notice of Termination. Consultant shall provide to City any and all documents, whether in draft or final form, prepared by Consultant as of the date of termination. Consultant may not terminate this Agreement except for cause.

9. Notices and Designated Representatives: Any notices, invoices, or other documents related to this Agreement shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail or facsimile before or during the receiving party's regular business hours; (b) the business day after delivery, if delivered by e-mail or facsimile after the receiving party's regular business hours; or (c) on the second business day following deposit in the United States mail, postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from

time to time, designate in writing. The below named individuals, furthermore, shall be those persons primarily responsible for the performance by the parties under this Agreement:

CITY REPRESENTATIVE

Michael S. Ho, P.E.
Deputy Director of Public Works/City Engineer
1 Civic Center Circle
Brea, CA 92821
michaelh@ci.brea.ca.us

CONSULTANT REPRESENTATIVE

Majdi Ataya, P.E.
President
300 S. Harbor Blvd., Suite 814
Anaheim, CA 92803
(714) 533-3050

10. Insurance: Consultant shall not commence work under this Agreement until it has obtained all insurance required hereunder in a company or companies acceptable to City, nor shall Consultant allow any subcontractor to commence work on its subcontract until all insurance required of the subcontractor has been obtained. Consultant shall take out and maintain at all times during the term of this Agreement the following policies of insurance:

(a) Compensation insurance: Before beginning work, Consultant shall furnish to City a certificate of insurance as proof that it has taken out full compensation insurance for all persons whom Consultant may employ directly or through subcontractors in carrying out the services, in accordance with the laws of the State of California. Further, such policy of insurance shall provide that the insurer waives all rights of subrogation against City and its elected officials, officers, employees and agents.

In accordance with the provisions of Labor Code Section 3700, every contractor shall secure the payment of compensation to its employees. Consultant, by executing this Agreement, certifies as follows:

"I am aware of the provisions of Section 3700 of the labor Code which require every employer to be insured against liability for workers' compensation or

to undertake self insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of work of this contract.”

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

(1) Commercial General Liability (occurrence) - for bodily injury, death and property damage for products/completed operations and any and all other activities undertaken by the Consultant in the performance of this Agreement - - or - -:

(2) (Alternative to Commercial General Liability) - Comprehensive, broad form General Public Liability (occurrence) - for bodily injury, death and property damage arising out of any activities undertaken by Consultant in the performance of this Agreement.

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

(4) Professional Errors and Omissions Liability - insuring against all liability arising out of professional errors and/or omissions, providing protection of at least two million dollars and zero cents (\$2,000,000.00) for errors and/or omissions (“malpractice”) of Consultant in the performance of this Agreement . Such policy may be subject to a deductible or retention in an amount acceptable to City and shall further be subject to the provisions of subsections (2) and (6) of paragraph (c) of this Section. If a “claims made” policy is provided, such policy shall be maintained in effect from the date of performance of services on City’s behalf until three years after the date the services are accepted as completed. Coverage for the post-completion period may be provided by

renewal or replacement of the policy for each of the three years or by a three-year extended reporting period endorsement which reinstates all limits for the extended reported period. If any such policy and/or policies have a retroactive date, that date shall be no later than the date of first performance of services on behalf of City. Renewal or replacement policies shall not allow for any advancement of such retroactive date. Each such policy or policies shall include a standard "notice of circumstances" provision.

(5) Other required insurance, endorsements or exclusions as required by Exhibit A.

(6) The policies of insurance required in this Section shall have no less than the following limits of coverage:

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

(ii) \$2,000,000 (Two Million Dollars) for property damage;

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

(c) The policies of insurance required in subsections (1), (2) and (3) above shall:

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

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

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

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

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

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

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

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

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

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

(10) Otherwise be in form satisfactory to City.

(d) Prior to commencing performance under this Agreement, Consultant shall furnish City with original endorsements, or copies of each required policy, effecting and evidencing the insurance coverage required by this Agreement. The endorsements shall be

signed by a person authorized by the insurer(s) to bind coverage on its behalf. All endorsements or policies shall be received and approved by City before Consultant commences performance. If performance of this Agreement shall extend beyond one year, then Consultant shall provide City with the required policies or endorsements evidencing renewal of the required policies of insurance prior to the expiration of any required policies of insurance.

11. Indemnification: Other than in the performance of professional services and to the fullest extent permitted by law, Consultant shall indemnify, defend and hold City, its employees, agents and officials harmless from and against their tort liability, (including liability for claims, suits, actions, expenses or costs of any kind, whether actual, alleged or threatened, actual attorney's fees incurred by City, court costs, interest or defense costs including expert witness fees), where the same arise out of, in whole or in part, the performance of the Agreement by Consultant (or any individual or entity that Consultant shall bear the legal liability thereof) and which result in bodily injury or property damage to any individual or entity, including the employees or officials of Consultant.

In addition to the foregoing, Consultant shall indemnify, defend and hold harmless City and its officials and employees from and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorney's fees and costs to the extent the same are caused by the professional negligence of Consultant (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services pursuant to this Agreement.

12. Assignment: No assignment of this Agreement or of any part or obligation of performance hereunder shall be made, either in whole or in part, by Consultant without the prior written consent of City.

13. Damages: In the event that Consultant fails to submit to City the completed project, together with all documents and supplemental material required hereunder, in public hearing form to the reasonable satisfaction of City, within the time set forth herein, or as may be extended by written consent of the parties, Consultant shall pay to City, as liquidated damages and not as a penalty, the sum of ___N/A___ dollars (\$000.00) per day for each day Consultant is in default unless the default is caused by City or by acts of God, acts of the public enemy, fire, floods, epidemics, or quarantine restrictions. Consultant acknowledges that such sum represents a reasonable endeavor by the parties to estimate a fair compensation for the foreseeable losses that might result from such a default in performance by Consultant.

14. Independent Contractor: The parties agree that Consultant and its employers, officers and agents are independent contractors under this Agreement and shall not be construed for any purpose to be employees of City.

15. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of California.

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

17. Exhibits. The attached Exhibits A and B are incorporated into this Agreement by reference. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of an Exhibit, the provisions of this Agreement shall prevail.

18. Entire Agreement: 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 and binding. Any modification of this Agreement shall be effective only if it is in writing signed by both parties.


[SIGNATURES ON FOLLOWING PAGE]

TO EXECUTE THIS AGREEMENT, the parties have caused their authorized representatives to sign below.

[Consultant name]



☐ Chairperson ☒ President ☐ Vice President



☐ Secretary ☐ Asst. Secretary
☒ Chief Finance Officer ☐ Asst. Treasurer

[Pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line.]

Manager

Manager

[Pursuant to California Corporations Code Section 17703.01(d), both signature lines must be executed unless the articles of incorporation state that the firm is managed by only one manager.]

City of Brea

Mayor

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is dated July 16, 2019 for reference purposes and is executed by the City of Brea, a California municipal corporation ("City") and Local Agency Engineering Associates, Inc. dba LAE Associates, Inc., a California Corporation ("Consultant").

RECITALS

A. City has issued a Request for Proposal pertaining to the performance of the following professional services: construction management and inspection services for various capital improvement and private development projects on an "as-needed" basis. A full, true and correct copy of such solicitation is attached as Exhibit A.

B. Consultant has submitted a proposal for the performance of such services. A full, true and correct copy of such proposal is attached as Exhibit B.

~~C. The parties have executed this Agreement to provide for Consultant's~~
performance of such services on City's behalf.

NOW, THEREFORE, the parties agree as follows:

1. Definitions: The following definitions shall apply to the following terms, except where the context of this Agreement otherwise requires:

(a) Tasks: Professional services as described in Exhibit A including (i) preparation of plans, maps, reports, and documents (collectively, "documents"); and (ii) presentation, both oral and in writing, of such documents to City as required.

(b) Services: Such professional services as are necessary to be performed by Consultant in order to complete the assigned Tasks. Consultant will provide services on an "as-needed" (on-call) basis for projects to be determined during the term of this Agreement.

(c) Completion of Tasks: The date of completion of all assigned Tasks, including any and all procedures, documents, meetings and oral presentations regarding the completion of Tasks as set forth in Exhibits A.

2. Term:

(a) Base Term: This Agreement is effective as of July 16, 2019 and shall remain in full force and effect until July 15, 2020 unless earlier extended pursuant to paragraph (b) or (c) of this Section, or unless terminated pursuant to Section 8 below.

(b) Extension Options: City shall have three options by which it may extend the term of this Agreement by one year at a time in its sole discretion. The extension options may be exercised sequentially or concurrently. To exercise an extension option, City shall give written notice to Consultant at least 30 days prior to the then-scheduled expiration date.

(c) Unfinished Tasks: If one or more Tasks will remain unfinished at the expiration of this Agreement, then, at City's sole discretion, the term of this Agreement may be extended to allow Consultant to complete such Task(s).

3. Consultant Responsibilities:

(a) Consultant shall undertake and complete the assigned Tasks in accordance with Exhibit A and applicable laws, all to the reasonable satisfaction of City.

(b) Consultant shall supply copies of all documents. Including all supplemental technical documents, in accordance with Exhibit A. City may thereafter review and forward to Consultant comments regarding such documents and Consultant shall thereafter make such revisions to such documents as are deemed necessary. City shall receive revised documents in such form and in the quantities determined necessary by City.

(c) Consultant shall, at its sole cost and expense, secure and hire such other persons as may, in the opinion of Consultant, be necessary to comply with the terms of this Agreement. In the event any such other persons are retained by Consultant, Consultant warrants that such persons shall be fully qualified to perform the services. Consultant further agrees that no subcontractor shall be retained by Consultant except as may otherwise be set forth in Exhibit B and upon the prior written approval of City.

4. Compensation:

(a) City shall pay Consultant pursuant to the provisions of Exhibit B for services performed pursuant to this Agreement. Such sum(s) shall cover the costs of all staff time and all other direct and indirect costs or fees, including the work of employees and subcontractors to Consultant, except as may otherwise be set forth in Exhibit B.

(b) Payments to Consultant shall be made by City in accordance with the invoices submitted by Consultant, on a monthly basis, and such invoices shall be paid within a reasonable time after receipt by City. All charges shall be in accordance with Consultant's proposal either with respect to hourly rates, time and materials, or lump sum amounts for individual tasks, as approved, in writing, by City.

(c) Consultant agrees that, in no event, shall City be required to pay to Consultant any sum in excess of 95% of the maximum payable hereunder prior to receipt by City of all final documents. Final payment shall be made not later than 60 days after presentation of final documents and acceptance by City.

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be invoiced on a monthly basis and shall be paid by City within a reasonable time after invoices are received by City.

5. Annual Compensation Limit:

(a) Base Term Limit: Except as provided in paragraphs (b) and (c) below, in no event shall Consultant, or any person claiming by or through Consultant, be paid an aggregate amount in excess of three hundred thousand dollars (\$300,000) during the base term of this Agreement.

(b) Extension Period Limit: If City exercises an extension option, then the annual compensation limit for that extension period shall be three hundred thousand dollars (\$300,000.00) plus any unspent allocation for each of the two prior years of the term. For purposes of this paragraph, "unspent allocation" means the difference between three hundred thousand dollars (\$300,000) and the aggregate amount of City's payments to Consultant for an annual period.

(c) Developer-Reimbursed Cost Exclusion: Developer-reimbursed costs associated with Tasks performed for private development projects are not subject to the annual compensation limit and shall not be considered in any calculation of unspent allocation.

6. City Responsibilities: City shall provide to Consultant:

(a) Information and assistance as set forth in Exhibit A.

(b) Photographically reproducible copies of maps and other information, if available, which Consultant considers necessary in order to complete the Tasks.

(c) Such information as is generally available from City files applicable to the Tasks.

(d) Assistance, if necessary, in obtaining information from other governmental agencies and/or private parties. However, it shall be Consultant's responsibility to make all initial contact with respect to the gathering of such information.

7. Ownership of Documents: All documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by Consultant pursuant to this Agreement shall be considered the property of City and, upon payment for services performed by Consultant, such documents and other identified materials shall be delivered to City by Consultant. Consultant may, however, make and retain copies of such documents and materials as Consultant may desire.

8. Termination: If Consultant breaches this Agreement and fails to cure such breach within seven days of written notice, then City may immediately terminate this Agreement for cause. City may terminate this Agreement for convenience upon 15 days prior written notice to Consultant. Consultant shall not be compensated for any work performed after City's issuance of a Notice of Termination. Consultant shall provide to City any and all documents, whether in draft or final form, prepared by Consultant as of the date of termination. Consultant may not terminate this Agreement except for cause.

9. Notices and Designated Representatives: Any notices, invoices, or other documents related to this Agreement shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail or facsimile before or during the receiving party's regular business hours; (b) the business day after delivery, if delivered by e-mail or facsimile after the receiving party's regular business hours; or (c) on the second business day following deposit in the United States mail, postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from

time to time, designate in writing. The below named individuals, furthermore, shall be those persons primarily responsible for the performance by the parties under this Agreement:

CITY REPRESENTATIVE

Michael S. Ho, P.E.
Deputy Director of Public Works/City Engineer
1 Civic Center Circle
Brea, CA 92821
michaelh@ci.brea.ca.us

CONSULTANT REPRESENTATIVE

Fred Alamolhoda, P.E.
President
650 North Rose Drive, #182
Placentia, CA 92870
freda@laeassociates.com

10. Insurance: Consultant shall not commence work under this Agreement until it has obtained all insurance required hereunder in a company or companies acceptable to City, nor shall Consultant allow any subcontractor to commence work on its subcontract until all insurance required of the subcontractor has been obtained. Consultant shall take out and maintain at all times during the term of this Agreement the following policies of insurance:

(a) Compensation insurance: Before beginning work, Consultant shall furnish to City a certificate of insurance as proof that it has taken out full compensation insurance for all persons whom Consultant may employ directly or through subcontractors in carrying out the services, in accordance with the laws of the State of California. Further, such policy of insurance shall provide that the insurer waives all rights of subrogation against City and its elected officials, officers, employees and agents.

In accordance with the provisions of Labor Code Section 3700, every contractor shall secure the payment of compensation to its employees. Consultant, by executing this Agreement, certifies as follows:

"I am aware of the provisions of Section 3700 of the labor Code which require every employer to be insured against liability for workers' compensation or

to undertake self insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of work of this contract."

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

(1) Commercial General Liability (occurrence) - for bodily injury, death and property damage for products/completed operations and any and all other activities undertaken by the Consultant in the performance of this Agreement - - or - -:

(2) (Alternative to Commercial General Liability) - Comprehensive, broad form General Public Liability (occurrence) - for bodily injury, death and property damage arising out of any activities undertaken by Consultant in the performance of this Agreement.

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

(4) Professional Errors and Omissions Liability - insuring against all liability arising out of professional errors and/or omissions, providing protection of at least two million dollars and zero cents (\$2,000,000.00) for errors and/or omissions ("malpractice") of Consultant in the performance of this Agreement . Such policy may be subject to a deductible or retention in an amount acceptable to City and shall further be subject to the provisions of subsections (2) and (6) of paragraph (c) of this Section. If a "claims made" policy is provided, such policy shall be maintained in effect from the date of performance of services on City's behalf until three years after the date the services are accepted as completed. Coverage for the post-completion period may be provided by

renewal or replacement of the policy for each of the three years or by a three-year extended reporting period endorsement which reinstates all limits for the extended reported period. If any such policy and/or policies have a retroactive date, that date shall be no later than the date of first performance of services on behalf of City. Renewal or replacement policies shall not allow for any advancement of such retroactive date. Each such policy or policies shall include a standard "notice of circumstances" provision.

(5) Other required insurance, endorsements or exclusions as required by Exhibit A.

(6) The policies of insurance required in this Section shall have no less than the following limits of coverage:

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

(ii) \$2,000,000 (Two Million Dollars) for property damage;

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

(c) The policies of insurance required in subsections (1), (2) and (3) above shall:

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

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

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

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

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

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

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

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

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

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

(10) Otherwise be in form satisfactory to City.

(d) Prior to commencing performance under this Agreement, Consultant shall furnish City with original endorsements, or copies of each required policy, effecting and evidencing the insurance coverage required by this Agreement. The endorsements shall be

signed by a person authorized by the insurer(s) to bind coverage on its behalf. All endorsements or policies shall be received and approved by City before Consultant commences performance. If performance of this Agreement shall extend beyond one year, then Consultant shall provide City with the required policies or endorsements evidencing renewal of the required policies of insurance prior to the expiration of any required policies of insurance.

11. Indemnification: Other than in the performance of professional services and to the fullest extent permitted by law, Consultant shall indemnify, defend and hold City, its employees, agents and officials harmless from and against their tort liability, (including liability for claims, suits, actions, expenses or costs of any kind, whether actual, alleged or threatened, actual attorney's fees incurred by City, court costs, interest or defense costs including expert witness fees), where the same arise out of, in whole or in part, the ~~performance of the Agreement by Consultant (or any individual or entity that Consultant~~ shall bear the legal liability thereof) and which result in bodily injury or property damage to any individual or entity, including the employees or officials of Consultant.

In addition to the foregoing, Consultant shall indemnify, defend and hold harmless City and its officials and employees from and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorney's fees and costs to the extent the same are caused by the professional negligence of Consultant (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services pursuant to this Agreement.

12. Assignment: No assignment of this Agreement or of any part or obligation of performance hereunder shall be made, either in whole or in part, by Consultant without the prior written consent of City.

13. Damages: In the event that Consultant fails to submit to City the completed project, together with all documents and supplemental material required hereunder, in public hearing form to the reasonable satisfaction of City, within the time set forth herein, or as may be extended by written consent of the parties, Consultant shall pay to City, as liquidated damages and not as a penalty, the sum of N/A dollars (\$000.00) per day for each day Consultant is in default unless the default is caused by City or by acts of God, acts of the public enemy, fire, floods, epidemics, or quarantine restrictions. Consultant acknowledges that such sum represents a reasonable endeavor by the parties to estimate a fair compensation for the foreseeable losses that might result from such a default in performance by Consultant.

14. Independent Contractor: The parties agree that Consultant and its employers, officers and agents are independent contractors under this Agreement and shall not be construed for any purpose to be employees of City.

15. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of California.

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

17. Exhibits. The attached Exhibits A and B are incorporated into this Agreement by reference. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of an Exhibit, the provisions of this Agreement shall prevail.

18. Entire Agreement: 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 and binding. Any modification of this Agreement shall be effective only if it is in writing signed by both parties.

[SIGNATURES ON FOLLOWING PAGE]

TO EXECUTE THIS AGREEMENT, the parties have caused their authorized representatives to sign below.

[Consultant name]

Local Agency Engineering Associates, Inc. DBA: LAE Associates, Inc. (LAE)

Farhad Alamolhoda; AKA: Fred Alamolhoda *Farhad Alamolhoda; AKA: Fred Alamolhoda*

☐ Chairperson ☒ President ☐ Vice President

☐ Secretary ☐ Asst. Secretary

☒ Chief Finance Officer ☐ Asst. Treasurer

[Pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line.]

F. Alamolhoda

Manager

F. Alamolhoda

Manager

[Pursuant to California Corporations Code Section 17703.01(d), both signature lines must be executed unless the articles of incorporation state that the firm is managed by only one manager.]

City of Brea

Mayor

SECTION IV

PROFESSIONAL SERVICES AGREEMENT

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is dated **July 16, 2019** for reference purposes and is executed by the City of Brea, a California municipal corporation ("City") and **Interwest Consulting Group**, a California Corporation ("Consultant").

RECITALS

A. City has issued a Request for Proposal pertaining to the performance of the following professional services: construction management and inspection services for various capital improvement and private development projects on an "as-needed" basis. A full, true and correct copy of such solicitation is attached as Exhibit A.

B. Consultant has submitted a proposal for the performance of such services. A full, true and correct copy of such proposal is attached as Exhibit B.

C. The parties have executed this Agreement to provide for Consultant's performance of such services on City's behalf.

NOW, THEREFORE, the parties agree as follows:

1. **Definitions**: The following definitions shall apply to the following terms, except where the context of this Agreement otherwise requires:

(a) **Tasks**: Professional services as described in Exhibit A including (i) preparation of plans, maps, reports, and documents (collectively, "documents"); and (ii) presentation, both oral and in writing, of such documents to City as required.

(b) **Services**: Such professional services as are necessary to be performed by Consultant in order to complete the assigned Tasks. Consultant will provide services on an "as-needed" (on-call) basis for projects to be determined during the term of this Agreement.

(c) Completion of Tasks: The date of completion of all assigned Tasks, including any and all procedures, documents, meetings and oral presentations regarding the completion of Tasks as set forth in Exhibits A.

2. Term:

(a) Base Term: This Agreement is effective as of **July 16, 2019** and shall remain in full force and effect until **July 15, 2020** unless earlier extended pursuant to paragraph (b) or (c) of this Section, or unless terminated pursuant to Section 8 below.

(b) Extension Options: City shall have three options by which it may extend the term of this Agreement by one year at a time in its sole discretion. The extension options may be exercised sequentially or concurrently. To exercise an extension option, City shall give written notice to Consultant at least 30 days prior to the then-scheduled expiration date.

(c) Unfinished Tasks: If one or more Tasks will remain unfinished at the expiration of this Agreement, then, at City's sole discretion, the term of this Agreement may be extended to allow Consultant to complete such Task(s).

3. Consultant Responsibilities:

(a) Consultant shall undertake and complete the assigned Tasks in accordance with Exhibit A and applicable laws, all to the reasonable satisfaction of City.

(b) Consultant shall supply copies of all documents. Including all supplemental technical documents, in accordance with Exhibit A. City may thereafter review and forward to Consultant comments regarding such documents and Consultant shall thereafter make such revisions to such documents as are deemed necessary. City shall receive revised documents in such form and in the quantities determined necessary by City.

(c) Consultant shall, at its sole cost and expense, secure and hire such other persons as may, in the opinion of Consultant, be necessary to comply with the terms of this Agreement. In the event any such other persons are retained by Consultant, Consultant warrants that such persons shall be fully qualified to perform the services. Consultant further agrees that no subcontractor shall be retained by Consultant except as may otherwise be set forth in Exhibit B and upon the prior written approval of City.

4. Compensation:

(a) City shall pay Consultant pursuant to the provisions of Exhibit B for services performed pursuant to this Agreement. Such sum(s) shall cover the costs of all staff time and all other direct and indirect costs or fees, including the work of employees and subcontractors to Consultant, except as may otherwise be set forth in Exhibit B.

(b) Payments to Consultant shall be made by City in accordance with the invoices submitted by Consultant, on a monthly basis, and such invoices shall be paid within a reasonable time after receipt by City. All charges shall be in accordance with Consultant's proposal either with respect to hourly rates, time and materials, or lump sum amounts for individual tasks, as approved, in writing, by City.

(c) Consultant agrees that, in no event, shall City be required to pay to Consultant any sum in excess of 95% of the maximum payable hereunder prior to receipt by City of all final documents. Final payment shall be made not later than 60 days after presentation of final documents and acceptance by City.

(d) Additional services: Payments for additional services, requested in writing by City and not included in Consultant's proposal, shall be paid on a reimbursement basis in accordance with the fee schedule set forth in Exhibit B. Charges for additional services shall

be invoiced on a monthly basis and shall be paid by City within a reasonable time after invoices are received by City.

5. Annual Compensation Limit:

(a) Base Term Limit: Except as provided in paragraphs (b) and (c) below, in no event shall Consultant, or any person claiming by or through Consultant, be paid an aggregate amount in excess of three hundred thousand dollars (\$300,000) during the base term of this Agreement.

(b) Extension Period Limit: If City exercises an extension option, then the annual compensation limit for that extension period shall be three hundred thousand dollars (\$300,000.00) plus any unspent allocation for each of the two prior years of the term. For purposes of this paragraph, "unspent allocation" means the difference between three hundred thousand dollars (\$300,000) and the aggregate amount of City's payments to Consultant for an annual period.

(c) Developer-Reimbursed Cost Exclusion: Developer-reimbursed costs associated with Tasks performed for private development projects are not subject to the annual compensation limit and shall not be considered in any calculation of unspent allocation.

6. City Responsibilities: City shall provide to Consultant:

(a) Information and assistance as set forth in Exhibit A.

(b) Photographically reproducible copies of maps and other information, if available, which Consultant considers necessary in order to complete the Tasks.

(c) Such information as is generally available from City files applicable to the Tasks.

(d) Assistance, if necessary, in obtaining information from other governmental agencies and/or private parties. However, it shall be Consultant's responsibility to make all initial contact with respect to the gathering of such information.

7. Ownership of Documents: All documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by Consultant pursuant to this Agreement shall be considered the property of City and, upon payment for services performed by Consultant, such documents and other identified materials shall be delivered to City by Consultant. Consultant may, however, make and retain copies of such documents and materials as Consultant may desire.

8. Termination: If Consultant breaches this Agreement and fails to cure such breach within seven days of written notice, then City may immediately terminate this Agreement for cause. City may terminate this Agreement for convenience upon 15 days prior written notice to Consultant. Consultant shall not be compensated for any work performed after City's issuance of a Notice of Termination. Consultant shall provide to City any and all documents, whether in draft or final form, prepared by Consultant as of the date of termination. Consultant may not terminate this Agreement except for cause.

9. Notices and Designated Representatives: Any notices, invoices, or other documents related to this Agreement shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail or facsimile before or during the receiving party's regular business hours; (b) the business day after delivery, if delivered by e-mail or facsimile after the receiving party's regular business hours; or (c) on the second business day following deposit in the United States mail, postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from

time to time, designate in writing. The below named individuals, furthermore, shall be those persons primarily responsible for the performance by the parties under this Agreement:

CITY REPRESENTATIVE

Michael S. Ho, P.E.
Deputy Director of Public Works/City Engineer
1 Civic Center Circle
Brea, CA 92821
michaelh@ci.brea.ca.us

CONSULTANT REPRESENTATIVE

James G. Ross
Public Works Group Leader
15140 Transistor Lane
Huntington Beach, CA 92649
jross@interwestgrp.com

10. Insurance: Consultant shall not commence work under this Agreement until it has obtained all insurance required hereunder in a company or companies acceptable to City, nor shall Consultant allow any subcontractor to commence work on its subcontract until all insurance required of the subcontractor has been obtained. Consultant shall take out and maintain at all times during the term of this Agreement the following policies of insurance:

(a) Compensation insurance: Before beginning work, Consultant shall furnish to City a certificate of insurance as proof that it has taken out full compensation insurance for all persons whom Consultant may employ directly or through subcontractors in carrying out the services, in accordance with the laws of the State of California. Further, such policy of insurance shall provide that the insurer waives all rights of subrogation against City and its elected officials, officers, employees and agents.

In accordance with the provisions of Labor Code Section 3700, every contractor shall secure the payment of compensation to its employees. Consultant, by executing this Agreement, certifies as follows:

"I am aware of the provisions of Section 3700 of the labor Code which require every employer to be insured against liability for workers' compensation or

to undertake self insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of work of this contract.”

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

(1) Commercial General Liability (occurrence) - for bodily injury, death and property damage for products/completed operations and any and all other activities undertaken by the Consultant in the performance of this Agreement - - or - -:

(2) (Alternative to Commercial General Liability) - Comprehensive, broad form General Public Liability (occurrence) - for bodily injury, death and property damage arising out of any activities undertaken by Consultant in the performance of this Agreement.

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

(4) Professional Errors and Omissions Liability - insuring against all liability arising out of professional errors and/or omissions, providing protection of at least two million dollars and zero cents (\$2,000,000.00) for errors and/or omissions (“malpractice”) of Consultant in the performance of this Agreement . Such policy may be subject to a deductible or retention in an amount acceptable to City and shall further be subject to the provisions of subsections (2) and (6) of paragraph (c) of this Section. If a “claims made” policy is provided, such policy shall be maintained in effect from the date of performance of services on City’s behalf until three years after the date the services are accepted as completed. Coverage for the post-completion period may be provided by

renewal or replacement of the policy for each of the three years or by a three-year extended reporting period endorsement which reinstates all limits for the extended reported period. If any such policy and/or policies have a retroactive date, that date shall be no later than the date of first performance of services on behalf of City. Renewal or replacement policies shall not allow for any advancement of such retroactive date. Each such policy or policies shall include a standard “notice of circumstances” provision.

(5) Other required insurance, endorsements or exclusions as required by Exhibit A.

(6) The policies of insurance required in this Section shall have no less than the following limits of coverage:

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

(ii) \$2,000,000 (Two Million Dollars) for property damage;

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

(c) The policies of insurance required in subsections (1), (2) and (3) above shall:

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

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

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

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

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

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

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

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

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

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

(10) Otherwise be in form satisfactory to City.

(d) Prior to commencing performance under this Agreement, Consultant shall furnish City with original endorsements, or copies of each required policy, effecting and evidencing the insurance coverage required by this Agreement. The endorsements shall be

signed by a person authorized by the insurer(s) to bind coverage on its behalf. All endorsements or policies shall be received and approved by City before Consultant commences performance. If performance of this Agreement shall extend beyond one year, then Consultant shall provide City with the required policies or endorsements evidencing renewal of the required policies of insurance prior to the expiration of any required policies of insurance.

11. Indemnification: Other than in the performance of professional services and to the fullest extent permitted by law, Consultant shall indemnify, defend and hold City, its employees, agents and officials harmless from and against their tort liability, (including liability for claims, suits, actions, expenses or costs of any kind, whether actual, alleged or threatened, actual attorney's fees incurred by City, court costs, interest or defense costs including expert witness fees), where the same arise out of, in whole or in part, the performance of the Agreement by Consultant (or any individual or entity that Consultant shall bear the legal liability thereof) and which result in bodily injury or property damage to any individual or entity, including the employees or officials of Consultant.

In addition to the foregoing, Consultant shall indemnify, defend and hold harmless City and its officials and employees from and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorney's fees and costs to the extent the same are caused by the professional negligence of Consultant (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services pursuant to this Agreement.

12. Assignment: No assignment of this Agreement or of any part or obligation of performance hereunder shall be made, either in whole or in part, by Consultant without the prior written consent of City.

13. Damages: In the event that Consultant fails to submit to City the completed project, together with all documents and supplemental material required hereunder, in public hearing form to the reasonable satisfaction of City, within the time set forth herein, or as may be extended by written consent of the parties, Consultant shall pay to City, as liquidated damages and not as a penalty, the sum of ___N/A___ dollars (\$000.00) per day for each day Consultant is in default unless the default is caused by City or by acts of God, acts of the public enemy, fire, floods, epidemics, or quarantine restrictions. Consultant acknowledges that such sum represents a reasonable endeavor by the parties to estimate a fair compensation for the foreseeable losses that might result from such a default in performance by Consultant.

14. Independent Contractor: The parties agree that Consultant and its employers, officers and agents are independent contractors under this Agreement and shall not be construed for any purpose to be employees of City.

15. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of California.

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

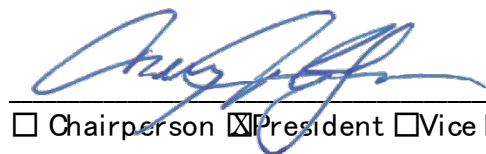
17. Exhibits. The attached Exhibits A and B are incorporated into this Agreement by reference. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of an Exhibit, the provisions of this Agreement shall prevail.


18. Entire Agreement: 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 and binding. Any modification of this Agreement shall be effective only if it is in writing signed by both parties.

[SIGNATURES ON FOLLOWING PAGE]

TO EXECUTE THIS AGREEMENT, the parties have caused their authorized representatives to sign below.

[Consultant name] Interwest Consulting Group


☐ Chairperson ☒ President ☐ Vice President


☐ Secretary ☐ Asst. Secretary
☒ Chief Finance Officer ☐ Asst. Treasurer

[Pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line.]

Manager

Manager

[Pursuant to California Corporations Code Section 17703.01(d), both signature lines must be executed unless the articles of incorporation state that the firm is managed by only one manager.]

City of Brea

Mayor

PROFESSIONAL SERVICES AGREEMENT

This Professional Services Agreement ("Agreement") is dated July 16, 2019 for reference purposes and is executed by the City of Brea, a California municipal corporation ("City") and Willdan Engineering, a California Corporation ("Consultant").

RECITALS

A. City has issued a Request for Proposal pertaining to the performance of the following professional services: construction management and inspection services for various capital improvement and private development projects on an "as-needed" basis. A full, true and correct copy of such solicitation is attached as Exhibit A.

B. Consultant has submitted a proposal for the performance of such services. A full, true and correct copy of such proposal is attached as Exhibit B.

C. The parties have executed this Agreement to provide for Consultant's performance of such services on City's behalf.

NOW, THEREFORE, the parties agree as follows:

1. Definitions: The following definitions shall apply to the following terms, except where the context of this Agreement otherwise requires:

(a) Tasks: Professional services as described in Exhibit A including (i) preparation of plans, maps, reports, and documents (collectively, "documents"); and (ii) presentation, both oral and in writing, of such documents to City as required.

(b) Services: Such professional services as are necessary to be performed by Consultant in order to complete the assigned Tasks. Consultant will provide services on an "as-needed" (on-call) basis for projects to be determined during the term of this Agreement.

(c) Completion of Tasks: The date of completion of all assigned Tasks, including any and all procedures, documents, meetings and oral presentations regarding the completion of Tasks as set forth in Exhibits A.

2. Term:

(a) Base Term: This Agreement is effective as of July 16, 2019 and shall remain in full force and effect until July 15, 2020 unless earlier extended pursuant to paragraph (b) or (c) of this Section, or unless terminated pursuant to Section 8 below.

(b) Extension Options: City shall have three options by which it may extend the term of this Agreement by one year at a time in its sole discretion. The extension options may be exercised sequentially or concurrently. To exercise an extension option, City shall give written notice to Consultant at least 30 days prior to the then-scheduled expiration date.

(c) Unfinished Tasks: If one or more Tasks will remain unfinished at the expiration of this Agreement, then, at City's sole discretion, the term of this Agreement may be extended to allow Consultant to complete such Task(s).

3. Consultant Responsibilities:

(a) Consultant shall undertake and complete the assigned Tasks in accordance with Exhibit A and applicable laws, all to the reasonable satisfaction of City.

(b) Consultant shall supply copies of all documents. Including all supplemental technical documents, in accordance with Exhibit A. City may thereafter review and forward to Consultant comments regarding such documents and Consultant shall thereafter make such revisions to such documents as are deemed necessary. City shall receive revised documents in such form and in the quantities determined necessary by City.

(c) Consultant shall, at its sole cost and expense, secure and hire such other persons as may, in the opinion of Consultant, be necessary to comply with the terms of this Agreement. In the event any such other persons are retained by Consultant, Consultant warrants that such persons shall be fully qualified to perform the services. Consultant further agrees that no subcontractor shall be retained by Consultant except as may otherwise be set forth in Exhibit B and upon the prior written approval of City.

4. Compensation:

(a) City shall pay Consultant pursuant to the provisions of Exhibit B for services performed pursuant to this Agreement. Such sum(s) shall cover the costs of all staff time and all other direct and indirect costs or fees, including the work of employees and subcontractors to Consultant, except as may otherwise be set forth in Exhibit B.

(b) Payments to Consultant shall be made by City in accordance with the ~~invoices submitted by Consultant, on a monthly basis, and such invoices shall be paid within~~ a reasonable time after receipt by City. All charges shall be in accordance with Consultant's proposal either with respect to hourly rates, time and materials, or lump sum amounts for individual tasks, as approved, in writing, by City.

(c) Consultant agrees that, in no event, shall City be required to pay to Consultant any sum in excess of 95% of the maximum payable hereunder prior to receipt by City of all final documents. Final payment shall be made not later than 60 days after presentation of final documents and acceptance by City.

(d) Additional services: Payments for additional services, requested in writing by City and not included in Consultant's proposal, shall be paid on a reimbursement basis in accordance with the fee schedule set forth in Exhibit B. Charges for additional services shall

be invoiced on a monthly basis and shall be paid by City within a reasonable time after invoices are received by City.

5. Annual Compensation Limit:

(a) Base Term Limit: Except as provided in paragraphs (b) and (c) below, in no event shall Consultant, or any person claiming by or through Consultant, be paid an aggregate amount in excess of three hundred thousand dollars (\$300,000) during the base term of this Agreement.

(b) Extension Period Limit: If City exercises an extension option, then the annual compensation limit for that extension period shall be three hundred thousand dollars (\$300,000.00) plus any unspent allocation for each of the two prior years of the term. For purposes of this paragraph, "unspent allocation" means the difference between three hundred thousand dollars (\$300,000) and the aggregate amount of City's payments to Consultant for an annual period.

(c) Developer-Reimbursed Cost Exclusion: Developer-reimbursed costs associated with Tasks performed for private development projects are not subject to the annual compensation limit and shall not be considered in any calculation of unspent allocation.

6. City Responsibilities: City shall provide to Consultant:

(a) Information and assistance as set forth in Exhibit A.

(b) Photographically reproducible copies of maps and other information, if available, which Consultant considers necessary in order to complete the Tasks.

(c) Such information as is generally available from City files applicable to the Tasks.

(d) Assistance, if necessary, in obtaining information from other governmental agencies and/or private parties. However, it shall be Consultant's responsibility to make all initial contact with respect to the gathering of such information.

7. Ownership of Documents: All documents, data, studies, surveys, drawings, maps, models, photographs and reports prepared by Consultant pursuant to this Agreement shall be considered the property of City and, upon payment for services performed by Consultant, such documents and other identified materials shall be delivered to City by Consultant. Consultant may, however, make and retain copies of such documents and materials as Consultant may desire.

8. Termination: If Consultant breaches this Agreement and fails to cure such breach within seven days of written notice, then City may immediately terminate this Agreement for cause. City may terminate this Agreement for convenience upon 15 days prior written notice to Consultant. ~~Consultant shall not be compensated for any work performed~~ after City's issuance of a Notice of Termination. Consultant shall provide to City any and all documents, whether in draft or final form, prepared by Consultant as of the date of termination. Consultant may not terminate this Agreement except for cause.

9. Notices and Designated Representatives: Any notices, invoices, or other documents related to this Agreement shall be deemed received on: (a) the day of delivery, if delivered by hand during the receiving party's regular business hours or by e-mail or facsimile before or during the receiving party's regular business hours; (b) the business day after delivery, if delivered by e-mail or facsimile after the receiving party's regular business hours; or (c) on the second business day following deposit in the United States mail, postage prepaid, to the addresses listed below, or to such other addresses as the parties may, from

time to time, designate in writing. The below named individuals, furthermore, shall be those persons primarily responsible for the performance by the parties under this Agreement:

CITY REPRESENTATIVE

Michael S. Ho, P.E.
Deputy Director of Public Works/City Engineer
1 Civic Center Circle
Brea, CA 92821
michaelh@ci.brea.ca.us

CONSULTANT REPRESENTATIVE

Chris Baca, RCI, CESSWI
Dir. of Const. Mang. and Insp. Ser.
2401 E. Katella Avenue, Suite 300
Anaheim, CA 92806
cbaca@willdan.com

10. Insurance: Consultant shall not commence work under this Agreement until it has obtained all insurance required hereunder in a company or companies acceptable to City, nor shall Consultant allow any subcontractor to commence work on its subcontract until all insurance required of the subcontractor has been obtained. Consultant shall take out and maintain at all times during the term of this Agreement the following policies of insurance:

(a) Compensation insurance: Before beginning work, Consultant shall furnish to City a certificate of insurance as proof that it has taken out full compensation insurance for all persons whom Consultant may employ directly or through subcontractors in carrying out the services, in accordance with the laws of the State of California. Further, such policy of insurance shall provide that the insurer waives all rights of subrogation against City and its elected officials, officers, employees and agents.

In accordance with the provisions of Labor Code Section 3700, every contractor shall secure the payment of compensation to its employees. Consultant, by executing this Agreement, certifies as follows:

"I am aware of the provisions of Section 3700 of the labor Code which require every employer to be insured against liability for workers' compensation or

to undertake self insurance in accordance with the provisions of that code, and I will comply with such provisions before commencing the performance of work of this contract."

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

(1) Commercial General Liability (occurrence) - for bodily injury, death and property damage for products/completed operations and any and all other activities undertaken by the Consultant in the performance of this Agreement - - or - -:

(2) (Alternative to Commercial General Liability) - Comprehensive, broad form General Public Liability (occurrence) - for bodily injury, death and property damage arising out of any activities undertaken by Consultant in the performance of this Agreement.

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

(4) Professional Errors and Omissions Liability - insuring against all liability arising out of professional errors and/or omissions, providing protection of at least two million dollars and zero cents (\$2,000,000.00) for errors and/or omissions ("malpractice") of Consultant in the performance of this Agreement . Such policy may be subject to a deductible or retention in an amount acceptable to City and shall further be subject to the provisions of subsections (2) and (6) of paragraph (c) of this Section. If a "claims made" policy is provided, such policy shall be maintained in effect from the date of performance of services on City's behalf until three years after the date the services are accepted as completed. Coverage for the post-completion period may be provided by

renewal or replacement of the policy for each of the three years or by a three-year extended reporting period endorsement which reinstates all limits for the extended reported period. If any such policy and/or policies have a retroactive date, that date shall be no later than the date of first performance of services on behalf of City. Renewal or replacement policies shall not allow for any advancement of such retroactive date. Each such policy or policies shall include a standard "notice of circumstances" provision.

(5) Other required insurance, endorsements or exclusions as required by Exhibit A.

(6) The policies of insurance required in this Section shall have no less than the following limits of coverage:

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

~~(ii) \$2,000,000 (Two Million Dollars) for property damage;~~

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

(c) The policies of insurance required in subsections (1), (2) and (3) above shall:

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

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

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

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

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

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

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

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

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

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

(10) Otherwise be in form satisfactory to City.

(d) Prior to commencing performance under this Agreement, Consultant shall furnish City with original endorsements, or copies of each required policy, effecting and evidencing the insurance coverage required by this Agreement. The endorsements shall be

signed by a person authorized by the insurer(s) to bind coverage on its behalf. All endorsements or policies shall be received and approved by City before Consultant commences performance. If performance of this Agreement shall extend beyond one year, then Consultant shall provide City with the required policies or endorsements evidencing renewal of the required policies of insurance prior to the expiration of any required policies of insurance.

11. Indemnification: Other than in the performance of professional services and to the fullest extent permitted by law, Consultant shall indemnify, defend and hold City, its employees, agents and officials harmless from and against their tort liability, (including liability for claims, suits, actions, expenses or costs of any kind, whether actual, alleged or threatened, actual attorney's fees incurred by City, court costs, interest or defense costs including expert witness fees), where the same arise out of, in whole or in part, the ~~performance of the Agreement by Consultant (or any individual or entity that Consultant~~ shall bear the legal liability thereof) and which result in bodily injury or property damage to any individual or entity, including the employees or officials of Consultant.

In addition to the foregoing, Consultant shall indemnify, defend and hold harmless City and its officials and employees from and against any and all losses, liabilities, damages, costs and expenses, including reasonable attorney's fees and costs to the extent the same are caused by the professional negligence of Consultant (or any entity or individual that Consultant shall bear the legal liability thereof) in the performance of professional services pursuant to this Agreement.

12. Assignment: No assignment of this Agreement or of any part or obligation of performance hereunder shall be made, either in whole or in part, by Consultant without the prior written consent of City.

13. Damages: In the event that Consultant fails to submit to City the completed project, together with all documents and supplemental material required hereunder, in public hearing form to the reasonable satisfaction of City, within the time set forth herein, or as may be extended by written consent of the parties, Consultant shall pay to City, as liquidated damages and not as a penalty, the sum of N/A dollars (\$000.00) per day for each day Consultant is in default unless the default is caused by City or by acts of God, acts of the public enemy, fire, floods, epidemics, or quarantine restrictions. Consultant acknowledges that such sum represents a reasonable endeavor by the parties to estimate a fair compensation for the foreseeable losses that might result from such a default in performance by Consultant.

14. Independent Contractor: The parties agree that Consultant and its employers, officers and agents are independent contractors under this Agreement and shall not be construed for any purpose to be employees of City.

15. Governing Law: This Agreement shall be governed by and construed in accordance with the laws of the State of California.

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

17. Exhibits. The attached Exhibits A and B are incorporated into this Agreement by reference. In the event of any material discrepancy between the express provisions of this Agreement and the provisions of an Exhibit, the provisions of this Agreement shall prevail.

18. Entire Agreement: 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 and binding. Any modification of this Agreement shall be effective only if it is in writing signed by both parties.

[SIGNATURES ON FOLLOWING PAGE]

TO EXECUTE THIS AGREEMENT, the parties have caused their authorized representatives to sign below.

[Consultant name]

Will C. Payett

☐ Chairperson ☐ President ☒ Vice President

☐ Secretary ☐ Asst. Secretary

☐ Chief Finance Officer ☐ Asst. Treasurer

[Pursuant to California Corporations Code Section 313, both signature lines must be executed unless the signatory holds at least one of the offices designated on each line.]

Manager

Manager

[Pursuant to California Corporations Code Section 17703.01(d), both signature lines must be executed unless the articles of incorporation state that the firm is managed by only one manager.]

City of Brea

Mayor

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
FROM: Bill Gallardo, City Manager
DATE: 07/16/2019
SUBJECT: Change Order to the Purchase Order with IntelesysOne

RECOMMENDATION

Authorize the Purchasing Agent to issue a change order in the amount of \$10,609.74 to the original purchase order with IntelesysOne for furnishing and installing the Mitel telephone and voicemail system increasing the amount from \$313,005.36 to \$323,615.10.

BACKGROUND/DISCUSSION

On January 15, 2019, the City Council authorized the purchase and installation of a new Mitel telephone and voicemail system in an amount of \$313,005.36 from IntelesysOne replacing the existing Avaya phone system, which is no longer supported. During the course of work, changes to the voice switches were required due to needed additional analog devices at the Civic & Cultural Center and the Brea Community Center, and the license bundle was upgraded to the advanced level to provide additional features for programming the system and the phones. Along with a few other minor changes, the additional cost including tax came to \$10,609.74, or about 3.4% more. The prices for the additional requirements were based on the State of California Multiple Award Schedules (CMAS), which are in accordance with the federal General Services Administration (GSA) contracts and the National Association of State Procurement Officials (NASPO) which is a nationally procured contract.

Since the increased amount exceeds the Administrative Services Director's authority under Purchasing Code §3.24.140 – Change Order amount of the lesser of 5% of the original purchase amount or \$5,000.00, City Council's approval is requested for this change order.

COMMISSION/COMMITTEE RECOMMENDATION

The Finance Committee reviewed staff's recommendation at their July 9, 2019 meeting and it was recommended for City Council approval.

FISCAL IMPACT/SUMMARY

The Fiscal Year 2018-19 budget has sufficient funding available in the Administrative Services Information Technology Internal Service Fund 475 account to pay the additional amount. There will be no additional impact to the General Fund.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Neil Groom, Procurement and Contracts Administrator

Concurrence: Cindy Russell, Administrative Services Director and
Randy Hornsby, Information Technology Manager

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
FROM: Bill Gallardo, City Manager
DATE: 07/16/2019
SUBJECT: Copier Equipment Rentals and Leases

RECOMMENDATION

Authorize the Purchasing Agent to execute the rental, lease, and maintenance agreements with Canon Solutions America, Inc. for a total of \$14,816.49 per year based on 60-month rentals and leases of digital printing/copying equipment plus as-needed print charges estimated to be \$6,285.26 per year; and to issue annual purchase orders based on available budget appropriations.

BACKGROUND/DISCUSSION

City departments utilize digital printing/copying equipment (equipment) to print an average of 66,487 copies per month or 797,844 per year. This equipment helps departments to meet their immediate needs for lower volume printing and copying. The high-speed/high-volume equipment located in Reprographics provides services for their larger printing and copying requirements. To help align department's needs with the right equipment at the right price, Purchasing reviewed the features and historical volume of each of the existing units, conferred with using departments, consulted with copier vendors, and visited a showroom for product demonstrations. Staff discovered that many units were underutilized, meaning that their capacity far exceeded their monthly volume; some had features that were not used at all or rarely used; while some were underperforming production requirements.

The scenario that best meets Brea's current copying requirements and provides significant cost savings is to rent and lease all new units from Canon based on the competitively bid Orange County Rental Contract and the National Intergovernmental Purchasing Alliance (NIPA) cooperative purchasing contract. Use of these cooperative purchasing programs is authorized under section 3.24.170 of the Brea City Code.

Based on the historical volume for the current equipment, the cost of the equipment (rent and lease cost) and as-needed print charges, which includes all maintenance and supplies, except for paper is estimated to be \$64,124.45 per year. The comparative costs for the new equipment would be about \$21,101.74 per year, resulting in projected savings of \$43,022.71 per year or \$215,113.55 over the five-year agreements. The summary below provides the current costs, projected costs, and projected savings.

Current Annual Costs	Projected Annual Costs	Projected Annual Savings	Projected Five-Year Savings
\$64,124.45	\$21,101.74	\$43,022.71	\$215,113.55

Under the terms and conditions of the Orange County Rental Contract and the NIPA contract, the City has the right to terminate should funding or appropriations not be forthcoming.

COMMISSION/COMMITTEE RECOMMENDATION

The Finance Committee reviewed staff's recommendation at their July 9, 2019 meeting and it was recommended for City Council approval.

FISCAL IMPACT/SUMMARY

The Fiscal Year 2019-20 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

Rental Agreements

Lease Agreement

 CANON SOLUTIONS AMERICA Canon Solutions America, Inc. ("CSA") One Canon Park, Melville, NY 11747		RENTAL AGREEMENT		DATE SUBMITTED 6/19/2019	ORDER # S0942800
		Sales Representative Name Colleen Kay Lambert			

BILL TO	Customer Name BREA, CITY OF	SHIP TO (IF DIFFERENT)	Customer Name BREA, CITY OF
	Address 1 CIVIC CENTER CIRCLE - Purchasing		Address 1 CIVIC CENTER CIRCLE - Floor 3 Comm. Dev
	City/State/Zip BREA / CA / 92821-5732		City/State/Zip BREA / CA / 92821-5732
	Party Number 1316872		Party Number 1316872

Existing Master Agreement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Existing Master Agreement #: RCA-017-17010032	Rental Term 60 months	Tax Exempt Certificate Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No	Tax Exempt? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Rental Price List R County of Orange 60 MTHS	Purchase Order #	Purchase Order <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Effective Date
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Qty	Item Number	Equipment Type	Equipment Description	Serial	Month Rent per Unit	Allowance	CPC above allowance
1	3275C002	Engine	IRADVC5540IV3		\$98.14	0	0.0055 B&W
1	0619C002	Accessory	BUFFER PASS UNIT-L1		\$3.40		0.0400 Color
1	0609C002	Accessory	CASSETTE FEEDING UNIT-AM1		\$8.67		
1	1972V064	Accessory	ESP NEXT GEN PCS POWER FILTER (120V/15A) XG-PCS-15D		\$2.57		
1	4848B065	Accessory	MEAP WEB CONNECTION KIT V5.2 FOR GEN3		\$0.01		
1	0613C002	Accessory	STAPLE FINISHER-Y1		\$20.54		
				Cost per unit	\$ 133.33		
				Sales Tax	\$ 10.33		
				Total Cost	\$ 143.66		

Please refer to Master Agreement with County of Orange Procurement RCA -017-17010032, which precedes the CSA Rental Agreement.

Pricing for MFP/Copiers Includes <input type="checkbox"/> Toner Inclusive (excludes paper & staples) <input checked="" type="checkbox"/> Toner Inclusive & Staples (excludes paper) <input type="checkbox"/> No Supplies	Additional Requirements <input checked="" type="checkbox"/> Standard (Usage billed monthly in arrears; Based on date of Install, Consolidated) <input type="checkbox"/> Special Billing Connect product to Customer Network? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Credit Card Recurring Billing
 Requires submission of secure credit card authorization form.

BY YOUR SIGNATURE BELOW, YOU AGREE TO RENT, AS SPECIFIED ABOVE, THE ITEMS LISTED ABOVE OR IN ANY ADDENDUM(S) TO THIS AGREEMENT. YOU ACKNOWLEDGE RECEIPT OF A COPY OF THIS AGREEMENT, CONSISTING OF TWO PAGES INCLUDING THIS FACE PAGE. THE ADDITIONAL TERMS AND CONDITIONS ON PAGE 2 HEREOF AND IN ANY ADDENDUM(S) HERETO ARE INCORPORATED AND MADE PART OF THIS AGREEMENT.

Customer's Authorized Signature _____

Printed Name _____ Title _____ Date _____

Shipping Instructions	Customer Delivery Information	Customer IT Contact Information
Ship Via: _____ Hours of Operation <u>8 - 5</u> Number of Steps <u>0</u> Elevator <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Loading Dock <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name <u>Verenice Ramirez</u> Email <u>verenicer@cityofbrea.net</u> Phone <u>714.990.7787</u> Earliest Date for Delivery: <u>7</u> / <u>31</u> / <u>2019</u> Special Delivery/Installation Instruction _____	This individual may be contacted for network connectivity. Name <u>Randy Hornsby</u> Phone <u>714.990.7263</u> Email <u>RandyH@cityofbrea.net</u>

IF ORDER INCLUDES PICK-UP/TRADE-IN'S, COMPLETE THE ADDITIONAL EQUIPMENT TRADE-IN FORM.

RENTAL AGREEMENT				DATE SUBMITTED 6/19/2019		ORDER # S0942777	
				Canon Solutions America, Inc. ("CSA") One Canon Park, Melville, NY 11747			

BILL TO	Customer Name BREA, CITY OF			SHIP TO (IF DIFFERENT)	Customer Name BREA, CITY OF		
	Address 1 CIVIC CENTER CIRCLE - Purchasing				Address 1 CIVIC CENTER CIRCLE - Floor 1 PD Records #1		
	City/State/Zip BREA / CA / 92821-5732				City/State/Zip BREA / CA / 92821-5732		
	Party Number 1316872				Party Number 1316872		

Existing Master Agreement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Existing Master Agreement #: RCA-017-17010032	Rental Term 60 months	Tax Exempt Certificate Attached?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Tax Exempt?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Renewal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Rental Price List R County of Orange 60 MTHS				Purchase Order #		Purchase Order		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	

Qty	Item Number	Equipment Type	Equipment Description	Serial	Month Rent per Unit	Allowance	CPC above allowance
1	3324C001	Engine	IRADV4551IV3		\$55.25	0	0.0049 B&W
1	2299C001	Accessory	CABINET TYPE-Q		\$2.95		
1	1972V064	Accessory	ESP NEXT GEN PCS POWER FILTER (120V/15A) XG-PCS-15D		\$2.57		
1	1423C002	Accessory	INNER FINISHER-J1		\$10.96		
1	4848B065	Accessory	MEAP WEB CONNECTION KIT V5.2 FOR GEN3		\$0.01		
				Cost per unit	\$ 71.74		
				Sales Tax	\$ 5.56		
				Total Cost	\$ 77.30		

Please refer to Master Agreement with County of Orange Procurement RCA -017-17010032, which precedes the CSA Rental Agreement.

Pricing for MFP/Copiers Includes <input type="checkbox"/> Toner Inclusive (excludes paper & staples) <input checked="" type="checkbox"/> Toner Inclusive & Staples (excludes paper) <input type="checkbox"/> No Supplies	Additional Requirements <input checked="" type="checkbox"/> Standard (Usage billed monthly in arrears; Based on date of Install, Consolidated) <input type="checkbox"/> Special Billing Connect product to Customer Network? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Customer's Authorized Signature _____

Printed Name _____ Title _____ Date _____

Shipping Instructions	Customer Delivery Information	Customer IT Contact Information
Ship Via: _____ Hours of Operation <u>8 - 5</u> Number of Steps <u>0</u> Elevator <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Loading Dock <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name <u>Verenice Ramirez</u> Email <u>verenicer@cityofbrea.net</u> Phone <u>714.990.7787</u> Earliest Date for Delivery: <u>7</u> / <u>31</u> / <u>2019</u> Special Delivery/Installation Instruction _____	This individual may be contacted for network connectivity. Name <u>Randy Hornsby</u> Phone <u>714.990.7263</u> Email <u>RandyH@cityofbrea.net</u>

IF ORDER INCLUDES PICK-UP/TRADE-IN'S, COMPLETE THE ADDITIONAL EQUIPMENT TRADE-IN FORM.

 CANON SOLUTIONS AMERICA Canon Solutions America, Inc. ("CSA") One Canon Park, Melville, NY 11747	RENTAL AGREEMENT	DATE SUBMITTED 6/19/2019	ORDER # S0942777
	Sales Representative Name Colleen Kay Lambert		

BILL TO	Customer Name BREA, CITY OF	SHIP TO (IF DIFFERENT)	Customer Name BREA, CITY OF
	Address 1 CIVIC CENTER CIRCLE - Purchasing		Address 500 Sievers Avenue - Senior Center
	City/State/Zip BREA / CA / 92821-5732		City/State/Zip BREA / CA / 92821-5732
	Party Number 1316872		Party Number 1316872

Existing Master Agreement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Existing Master Agreement #: RCA-017-17010032	Rental Term 60 months	Tax Exempt Certificate Attached?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Tax Exempt?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Renewal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Rental Price List R County of Orange 60 MTHS	Purchase Order #	Purchase Order	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Effective Date
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Qty	Item Number	Equipment Type	Equipment Description	Serial	Month Rent per Unit	Allowance	CPC above allowance
1	3324C001	Engine	IRADV4551IV3		\$55.25	0	0.0049 B&W
1	2299C001	Accessory	CABINET TYPE-Q		\$2.95		
1	1972V064	Accessory	ESP NEXT GEN PCS POWER FILTER (120V/15A) XG-PCS-15D		\$2.57		
1	1423C002	Accessory	INNER FINISHER-J1		\$10.96		
1	4848B065	Accessory	MEAP WEB CONNECTION KIT V5.2 FOR GEN3		\$0.01		
				Cost per unit	\$ 71.74		
				Sales Tax	\$ 5.56		
				Total Cost	\$ 77.30		

Please refer to Master Agreement with County of Orange Procurement RCA -017-17010032, which precedes the CSA Rental Agreement.

Pricing for MFP/Copiers Includes <input type="checkbox"/> Toner Inclusive (excludes paper & staples) <input checked="" type="checkbox"/> Toner Inclusive & Staples (excludes paper) <input type="checkbox"/> No Supplies	Additional Requirements <input checked="" type="checkbox"/> Standard (Usage billed monthly in arrears; Based on date of Install, Consolidated) <input type="checkbox"/> Special Billing Connect product to Customer Network? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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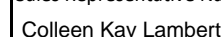
BY YOUR SIGNATURE BELOW, YOU AGREE TO RENT, AS SPECIFIED ABOVE, THE ITEMS LISTED ABOVE OR IN ANY ADDENDUM(S) TO THIS AGREEMENT. YOU ACKNOWLEDGE RECEIPT OF A COPY OF THIS AGREEMENT, CONSISTING OF TWO PAGES INCLUDING THIS FACE PAGE. THE ADDITIONAL TERMS AND CONDITIONS ON PAGE 2 HEREOF AND IN ANY ADDENDUM(S) HERETO ARE INCORPORATED AND MADE PART OF THIS AGREEMENT.

Customer's Authorized Signature _____

Printed Name _____ Title _____ Date _____

Shipping Instructions	Customer Delivery Information	Customer IT Contact Information
Ship Via: _____ Hours of Operation 8 - 3 Number of Steps 0 Elevator <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Loading Dock <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Name <u>Verenice Ramirez</u> Email <u>verenicer@cityofbrea.net</u> Phone <u>714.990.7787</u> Earliest Date for Delivery: <u>7</u> / <u>31</u> / <u>2019</u> Special Delivery/Installation Instruction _____	This individual may be contacted for network connectivity. Name <u>Randy Hornsby</u> Phone <u>714.990.7263</u> Email <u>RandyH@cityofbrea.net</u>

IF ORDER INCLUDES PICK-UP/TRADE-IN'S, COMPLETE THE ADDITIONAL EQUIPMENT TRADE-IN FORM.



 CANON SOLUTIONS AMERICA Canon Solutions America, Inc. ("CSA") One Canon Park, Melville, NY 11747	RENTAL AGREEMENT		DATE SUBMITTED 6/19/2019	ORDER # S0942777
				Sales Representative Name Colleen Kay Lambert

BILL TO	Customer Name BREA, CITY OF	SHIP TO (IF DIFFERENT)	Customer Name BREA, CITY OF
	Address 1 CIVIC CENTER CIRCLE - Purchasing		Address 1 CIVIC CENTER CIRCLE - Floor 1 PD Records #2
	City/State/Zip BREA / CA / 92821-5732		City/State/Zip BREA / CA / 92821-5732
	Party Number 1316872		Party Number 1316872

Existing Master Agreement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Existing Master Agreement #: RCA-017-17010032	Rental Term 60 months	Tax Exempt Certificate Attached?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Tax Exempt?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Renewal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Rental Price List R County of Orange 60 MTHS	Purchase Order #	Purchase Order	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Effective Date
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Qty	Item Number	Equipment Type	Equipment Description	Serial	Month Rent per Unit	Allowance	CPC above allowance
1	3324C001	Engine	IRADV4551IV3		\$55.25	0	0.0049 B&W
1	2299C001	Accessory	CABINET TYPE-Q		\$2.95		
1	1972V064	Accessory	ESP NEXT GEN PCS POWER FILTER (120V/15A) XG-PCS-15D		\$2.57		
1	1423C002	Accessory	INNER FINISHER-J1		\$10.96		
1	4848B065	Accessory	MEAP WEB CONNECTION KIT V5.2 FOR GEN3		\$0.01		
				Cost per unit	\$ 71.74		
				Sales Tax	\$ 5.56		
				Total Cost	\$ 77.30		

Please refer to Master Agreement with County of Orange Procurement RCA -017-17010032, which precedes the CSA Rental Agreement.

Pricing for MFP/Copiers Includes <input type="checkbox"/> Toner Inclusive (excludes paper & staples) <input checked="" type="checkbox"/> Toner Inclusive & Staples (excludes paper) <input type="checkbox"/> No Supplies	Additional Requirements <input checked="" type="checkbox"/> Standard (Usage billed monthly in arrears; Based on date of Install, Consolidated) <input type="checkbox"/> Special Billing Connect product to Customer Network? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Customer's Authorized Signature _____

Printed Name _____ Title _____ Date _____

Shipping Instructions	Customer Delivery Information	Customer IT Contact Information
Ship Via: _____ Hours of Operation <u>8 - 5</u> Number of Steps <u>0</u> Elevator <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Loading Dock <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name <u>Verenice Ramirez</u> Email <u>verenicer@cityofbrea.net</u> Phone <u>714.990.7787</u> Earliest Date for Delivery: <u>7</u> / <u>31</u> / <u>2019</u> Special Delivery/Installation Instruction _____	This individual may be contacted for network connectivity. Name <u>Randy Hornsby</u> Phone <u>714.990.7263</u> Email <u>RandyH@cityofbrea.net</u>

IF ORDER INCLUDES PICK-UP/TRADE-IN'S, COMPLETE THE ADDITIONAL EQUIPMENT TRADE-IN FORM.





RENTAL AGREEMENT

DATE SUBMITTED

6/19/2019

ORDER #

S0942787

CANON SOLUTIONS AMERICA

Canon Solutions America, Inc. ("CSA")

One Canon Park, Melville, NY 11747

Sales Representative Name

Colleen Kay Lambert

BILL TO	Customer Name BREA, CITY OF	SHIP TO (IF DIFFERENT)	Customer Name BREA, CITY OF		
	Address 1 CIVIC CENTER CIRCLE - Purchasing		Address 1 CIVIC CENTER CIRCLE - Floor 3 Pacific Room		
	City/State/Zip BREA / CA / 92821-5732		City/State/Zip BREA / CA / 92821-5732		
	Party Number 1316872		Party Number 1316872		
Existing Master Agreement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Existing Master Agreement #: RCA-017-17010032	Rental Term 60 months	Tax Exempt Certificate Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No	Tax Exempt? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Rental Price List R County of Orange 60 MTHS			Purchase Order #	Purchase Order <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Effective Date

Qty	Item Number	Equipment Type	Equipment Description	Serial	Month Rent per Unit	Allowance	CPC above allowance
1	3324C001	Engine	IRADV4551IV3		\$55.25	0	0.0049 B&W
1	0609C002	Accessory	CASSETTE FEEDING UNIT-AM1		\$8.67		
1	1426C001	Accessory	BUFFER PASS UNIT-N1		\$3.57		
1	1972V064	Accessory	ESP NEXT GEN PCS POWER FILTER (120V/15A) XG-PCS-15D		\$2.57		
1	4848B065	Accessory	MEAP WEB CONNECTION KIT V5.4 FOR GEN3		\$0.01		
1	0613C002	Accessory	STAPLE FINISHER-Y1		\$20.54		
				Cost per unit	\$ 90.61		
				Sales Tax	\$ 7.02		
				Total Cost	\$ 97.63		

Please refer to Master Agreement with County of Orange Procurement RCA -017-17010032, which precedes the CSA Rental Agreement.

Pricing for MFP/Copiers Includes

- ☐ Toner Inclusive (excludes paper & staples)
- ☒ Toner Inclusive & Staples (excludes paper)
- ☐ No Supplies

Additional Requirements

- ☒ Standard (Usage billed monthly in arrears; Based on date of Install, Consolidated)
- ☐ Special Billing
- Connect product to Customer Network? ☒ Yes ☐ No

Credit Card Recurring Billing

Requires submission of secure credit card authorization form.

BY YOUR SIGNATURE BELOW, YOU AGREE TO RENT, AS SPECIFIED ABOVE, THE ITEMS LISTED ABOVE OR IN ANY ADDENDUM(S) TO THIS AGREEMENT. YOU ACKNOWLEDGE RECEIPT OF A COPY OF THIS AGREEMENT, CONSISTING OF TWO PAGES INCLUDING THIS FACE PAGE. THE ADDITIONAL TERMS AND CONDITIONS ON PAGE 2 HEREOF AND IN ANY ADDENDUM(S) HERETO ARE INCORPORATED AND MADE PART OF THIS AGREEMENT.

Customer's Authorized Signature _____

Printed Name _____ Title _____ Date _____

Shipping Instructions	Customer Delivery Information	Customer IT Contact Information
Ship Via: _____ Hours of Operation 8 - 5 Number of Steps 0 Elevator <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Loading Dock <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name Verenice Ramirez Email verenicer@ci.brea.ca.us Phone 714.990.7787 Earliest Date for Delivery: 7 / 31 / 2019 Special Delivery/Installation Instruction	This individual may be contacted for network connectivity. Name Randy Hornsby Phone 714.990.7263 Email RandyH@cityofbrea.net

IF ORDER INCLUDES PICK-UP/TRADE-IN'S, COMPLETE THE ADDITIONAL EQUIPMENT TRADE-IN FORM.

RENTAL AGREEMENT				DATE SUBMITTED 6/19/2019		ORDER # S0942794		
CANON SOLUTIONS AMERICA Canon Solutions America, Inc. ("CSA") One Canon Park, Melville, NY 11747				Sales Representative Name Colleen Kay Lambert				
BILL TO	Customer Name BREA, CITY OF			SHIP TO (IF DIFFERENT)	Customer Name BREA, CITY OF			
	Address 1 CIVIC CENTER CIRCLE - Purchasing				Address 1 CIVIC CENTER CIRCLE - Floor 3 Mgmt. Hall			
	City/State/Zip BREA / CA / 92821-5732				City/State/Zip BREA / CA / 92821-5732			
	Party Number 1316872				Party Number 1316872			
Existing Master Agreement?		<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Existing Master Agreement #: RCA-017-17010032	Rental Term 60 months	Tax Exempt Certificate Attached?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Tax Exempt? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Rental Price List R County of Orange 60 MTHS				Purchase Order #		Purchase Order <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		Effective Date
Qty	Item Number	Equipment Type	Equipment Description	Serial	Month Rent per Unit	Allowance	CPC above allowance	
1	3324C001	Engine	IRADV4551IV3		\$55.25	0	0.0049 B&W	
1	0609C002	Accessory	CASSETTE FEEDING UNIT-AM1		\$8.67			
1	1972V064	Accessory	ESP NEXT GEN PCS POWER FILTER (120V/15A) XG-PCS-15D		\$2.57			
1	1423C002	Accessory	INNER FINISHER-J1		\$10.96			
1	4848B065	Accessory	MEAP WEB CONNECTION KIT V5.4 FOR GEN3		\$0.01			
				Cost per unit	\$ 77.46			
				Sales Tax	\$ 6.00			
				Total Cost	\$ 83.46			
Please refer to Master Agreement with County of Orange Procurement RCA -017-17010032, which precedes the CSA Rental Agreement.								
Pricing for MFP/Copiers Includes <input type="checkbox"/> Toner Inclusive (excludes paper & staples) <input checked="" type="checkbox"/> Toner Inclusive & Staples (excludes paper) <input type="checkbox"/> No Supplies				Additional Requirements <input checked="" type="checkbox"/> Standard (Usage billed monthly in arrears; Based on date of Install, Consolidated) <input type="checkbox"/> Special Billing Connect product to Customer Network? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No				
Credit Card Recurring Billing Requires submission of secure credit card authorization form.								

BY YOUR SIGNATURE BELOW, YOU AGREE TO RENT, AS SPECIFIED ABOVE, THE ITEMS LISTED ABOVE OR IN ANY ADDENDUM(S) TO THIS AGREEMENT. YOU ACKNOWLEDGE RECEIPT OF A COPY OF THIS AGREEMENT, CONSISTING OF TWO PAGES INCLUDING THIS FACE PAGE. THE ADDITIONAL TERMS AND CONDITIONS ON PAGE 2 HEREOF AND IN ANY ADDENDUM(S) HERETO ARE INCORPORATED AND MADE PART OF THIS AGREEMENT.

Customer's Authorized Signature _____

Printed Name _____ Title _____ Date _____

Shipping Instructions	Customer Delivery Information	Customer IT Contact Information
Ship Via: _____ Hours of Operation <u>8 - 5</u> Number of Steps <u>0</u> Elevator <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Loading Dock <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name <u>Verenice Ramirez</u> Email <u>verenicer@cityofbrea.net</u> Phone <u>714.990.7787</u> Earliest Date for Delivery: <u>7</u> / <u>31</u> / <u>2019</u> Special Delivery/Installation Instruction _____	This individual may be contacted for network connectivity. Name <u>Randy Hornsby</u> Phone <u>714.990.7263</u> Email <u>RandyH@cityofbrea.net</u>

IF ORDER INCLUDES PICK-UP/TRADE-IN'S, COMPLETE THE ADDITIONAL EQUIPMENT TRADE-IN FORM.

 CANON SOLUTIONS AMERICA Canon Solutions America, Inc. ("CSA") One Canon Park, Melville, NY 11747		RENTAL AGREEMENT		DATE SUBMITTED 6/19/2019	ORDER # S0942794
		Sales Representative Name Colleen Kay Lambert			

BILL TO	Customer Name BREA, CITY OF		SHIP TO (IF DIFFERENT)	Customer Name BREA, CITY OF	
	Address 1 CIVIC CENTER CIRCLE - Purchasing			Address 545 Berry Street - Public Works	
	City/State/Zip BREA / CA / 92821-5732			City/State/Zip BREA / CA / 92821-5732	
	Party Number 1316872			Party Number 1316872	

Existing Master Agreement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Existing Master Agreement #: RCA-017-17010032	Rental Term 60 months	Tax Exempt Certificate Attached?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Tax Exempt?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Renewal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Rental Price List R County of Orange 60 MTHS	Purchase Order #	Purchase Order	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Effective Date
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Qty	Item Number	Equipment Type	Equipment Description	Serial	Month Rent per Unit	Allowance	CPC above allowance
1	3324C001	Engine	IRADV4551IV3		\$55.25	0	0.0049 B&W
1	0609C002	Accessory	CASSETTE FEEDING UNIT-AM1		\$8.67		
1	1972V064	Accessory	ESP NEXT GEN PCS POWER FILTER (120V/15A) XG-PCS-15D		\$2.57		
1	1423C002	Accessory	INNER FINISHER-J1		\$10.96		
1	4848B065	Accessory	MEAP WEB CONNECTION KIT V5.4 FOR GEN3		\$0.01		
				Cost per unit	\$ 77.46		
				Sales Tax	\$ 6.00		
				Total Cost	\$ 83.46		

Please refer to Master Agreement with County of Orange Procurement RCA -017-17010032, which precedes the CSA Rental Agreement.

Pricing for MFP/Copiers Includes <input type="checkbox"/> Toner Inclusive (excludes paper & staples) <input checked="" type="checkbox"/> Toner Inclusive & Staples (excludes paper) <input type="checkbox"/> No Supplies	Additional Requirements <input checked="" type="checkbox"/> Standard (Usage billed monthly in arrears; Based on date of Install, Consolidated) <input type="checkbox"/> Special Billing Connect product to Customer Network? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Credit Card Recurring Billing
 Requires submission of secure credit card authorization form.

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Customer's Authorized Signature _____

Printed Name _____ Title _____ Date _____

Shipping Instructions	Customer Delivery Information	Customer IT Contact Information
Ship Via: _____ Hours of Operation <u>8 - 5</u> Number of Steps <u>0</u> Elevator <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No Loading Dock <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Name <u>Verenice Ramirez</u> Email <u>verenicer@cityofbrea.net</u> Phone <u>714.990.7787</u> Earliest Date for Delivery: <u>7</u> / <u>31</u> / <u>2019</u> Special Delivery/Installation Instruction _____	This individual may be contacted for network connectivity. Name <u>Randy Hornsby</u> Phone <u>714.990.7263</u> Email <u>RandyH@cityofbrea.net</u>

IF ORDER INCLUDES PICK-UP/TRADE-IN'S, COMPLETE THE ADDITIONAL EQUIPMENT TRADE-IN FORM.

<div style="text-align: center; margin-top: 5px;"> RENTAL AGREEMENT </div>				DATE SUBMITTED 6/19/2019		ORDER # S0942794	
				CANON SOLUTIONS AMERICA Canon Solutions America, Inc. ("CSA") One Canon Park, Melville, NY 11747			

BILL TO	Customer Name BREA, CITY OF			SHIP TO (IF DIFFERENT)	Customer Name BREA, CITY OF		
	Address 1 CIVIC CENTER CIRCLE - Purchasing				Address 695 Madison Way - BCC/Lobby		
	City/State/Zip BREA / CA / 92821-5732				City/State/Zip BREA / CA / 92821-5732		
	Party Number 1316872				Party Number 1316872		

Existing Master Agreement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		Existing Master Agreement #: RCA-017-17010032	Rental Term 60 months	Tax Exempt Certificate Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No	Tax Exempt? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Rental Price List R County of Orange 60 MTHS				Purchase Order #	Purchase Order <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Effective Date

Qty	Item Number	Equipment Type	Equipment Description	Serial	Month Rent per Unit	Allowance	CPC above allowance
1	3324C001	Engine	IRADV4551IV3		\$55.25	0	0.0049 B&W
1	0609C002	Accessory	CASSETTE FEEDING UNIT-AM1		\$8.67		
1	1972V064	Accessory	ESP NEXT GEN PCS POWER FILTER (120V/15A) XG-PCS-15D		\$2.57		
1	1423C002	Accessory	INNER FINISHER-J1		\$10.96		
1	4848B065	Accessory	MEAP WEB CONNECTION KIT V5.4 FOR GEN3		\$0.01		
				Cost per unit	\$ 77.46		
				Sales Tax	\$ 6.00		
				Total Cost	\$ 83.46		
Please refer to Master Agreement with County of Orange Procurement RCA -017-17010032, which precedes the CSA Rental Agreement.							

Pricing for MFP/Copiers Includes <input type="checkbox"/> Toner Inclusive (excludes paper & staples) <input checked="" type="checkbox"/> Toner Inclusive & Staples (excludes paper) <input type="checkbox"/> No Supplies		Additional Requirements <input checked="" type="checkbox"/> Standard (Usage billed monthly in arrears; Based on date of Install, Consolidated) <input type="checkbox"/> Special Billing Connect product to Customer Network? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
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Customer's Authorized Signature _____

Printed Name _____ Title _____ Date _____

Shipping Instructions	Customer Delivery Information	Customer IT Contact Information
Ship Via: _____ Hours of Operation <u>8 - 5</u> Number of Steps <u>0</u> Elevator <input type="checkbox"/> Yes <input type="checkbox"/> No Loading Dock <input type="checkbox"/> Yes <input type="checkbox"/> No	Name <u>Verenice Ramirez</u> Email <u>verenicer@cityofbrea.net</u> Phone <u>714.990.7787</u> Earliest Date for Delivery: <u>7</u> / <u>31</u> / 2019 Special Delivery/Installation Instruction _____	This individual may be contacted for network connectivity. Name <u>Randy Hornsby</u> Phone <u>714.990.7263</u> Email <u>RandyH@cityofbrea.net</u>

IF ORDER INCLUDES PICK-UP/TRADE-IN'S, COMPLETE THE ADDITIONAL EQUIPMENT TRADE-IN FORM.



RENTAL AGREEMENT

DATE SUBMITTED

6/19/2019

ORDER #

S0942796

CANON SOLUTIONS AMERICA

Canon Solutions America, Inc. ("CSA")

One Canon Park, Melville, NY 11747

Sales Representative Name

Colleen Kay Lambert

BILL TO	Customer Name BREA, CITY OF	SHIP TO (IF DIFFERENT)	Customer Name BREA, CITY OF
	Address 1 CIVIC CENTER CIRCLE - Purchasing		Address 1 CIVIC CENTER CIRCLE - P2 PD Dispatch
	City/State/Zip BREA / CA / 92821-5732		City/State/Zip BREA / CA / 92821-5732
	Party Number 1316872		Party Number 1316872

Existing Master Agreement?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Existing Master Agreement #: RCA-017-17010032	Rental Term 60 months	Tax Exempt Certificate Attached?	<input type="checkbox"/> Yes <input type="checkbox"/> No	Tax Exempt?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Renewal?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Rental Price List R County of Orange 60 MTHS	Purchase Order #	Purchase Order	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Effective Date
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Qty	Item Number	Equipment Type	Equipment Description	Serial	Month Rent per Unit	Allowance	CPC above allowance
1	1408C026	Engine	IRADV4551IV2		\$55.28	0	0.0049 B&W
1	2858B002	Accessory	SUPER G3 FAX BOARD - AG1		\$3.17		
1	2299C001	Accessory	CABINET TYPE-Q		\$2.95		
1	1972V064	Accessory	ESP NEXT GEN PCS POWER FILTER (120V/15A) XG-PCS-15D		\$2.57		
1	1423C002	Accessory	INNER FINISHER-J1		\$10.96		
1	4848B065	Accessory	MEAP WEB CONNECTION KIT V5.2 FOR GEN3		\$0.01		
				Cost per unit	\$ 74.94		
				Sales Tax	\$ 5.81		
				Total Cost	\$ 80.75		

Please refer to Master Agreement with County of Orange Procurement RCA -017-17010032, which precedes the CSA Rental Agreement.

Pricing for MFP/Copiers Includes <input type="checkbox"/> Toner Inclusive (excludes paper & staples) <input checked="" type="checkbox"/> Toner Inclusive & Staples (excludes paper) <input type="checkbox"/> No Supplies	Additional Requirements <input checked="" type="checkbox"/> Standard (Usage billed monthly in arrears; Based on date of Install, Consolidated) <input type="checkbox"/> Special Billing Connect product to Customer Network? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Customer's Authorized Signature _____

Printed Name _____ Title _____ Date _____

Shipping Instructions	Customer Delivery Information	Customer IT Contact Information
Ship Via: _____ Hours of Operation <u>8 - 5</u> Number of Steps <u>0</u> Elevator <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Loading Dock <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name <u>Verenice Ramirez</u> Email <u>verenicer@cityofbrea.net</u> Phone <u>714.990.7787</u> Earliest Date for Delivery: <u>7</u> / <u>31</u> / <u>2019</u> Special Delivery/Installation Instruction _____	This individual may be contacted for network connectivity. Name <u>Randy Hornsby</u> Phone <u>714.990.7263</u> Email <u>RandyH@cityofbrea.net</u>

IF ORDER INCLUDES PICK-UP/TRADE-IN'S, COMPLETE THE ADDITIONAL EQUIPMENT TRADE-IN FORM.

 CANON SOLUTIONS AMERICA Canon Solutions America, Inc. ("CSA") One Canon Park, Melville, NY 11747		RENTAL AGREEMENT		DATE SUBMITTED 6/19/2019	ORDER # S0942797
		Sales Representative Name Colleen Kay Lambert			

BILL TO	Customer Name BREA, CITY OF	SHIP TO (IF DIFFERENT)	Customer Name BREA, CITY OF
	Address 1 CIVIC CENTER CIRCLE - Purchasing		Address 1 CIVIC CENTER CIRCLE-P2 PD/PROPERTY & EVIDENCE
	City/State/Zip BREA / CA / 92821-5732		City/State/Zip BREA / CA / 92821-5732
	Party Number 1316872		Party Number 1316872

Existing Master Agreement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Existing Master Agreement #: RCA-017-17010032	Rental Term 60 months	Tax Exempt Certificate Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No	Tax Exempt? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Rental Price List R County of Orange 60 MTHS	Purchase Order #	Purchase Order <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Effective Date
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Qty	Item Number	Equipment Type	Equipment Description	Serial	Month Rent per Unit	Allowance	CPC above allowance
1	3312C002	Engine	IRADVC356IFV3		\$56.50	0	0.0095 B&W
1	9580B003	Accessory	CASSETTE FEEDING Unit-AG1		\$9.37		0.0750 Color
1	4848B065	Accessory	MEAP WEB CONNECTION KIT V5.2 FOR GEN3		\$0.01		
1	1410C001	Accessory	STAPLE FINISHER-Z1		\$13.57		
				Cost per unit	\$ 79.45		
				Sales Tax	\$ 6.16		
				Total Cost	\$ 85.61		

Please refer to Master Agreement with County of Orange Procurement RCA -017-17010032, which precedes the CSA Rental Agreement.

Pricing for MFP/Copiers Includes <input type="checkbox"/> Toner Inclusive (excludes paper & staples) <input checked="" type="checkbox"/> Toner Inclusive & Staples (excludes paper) <input type="checkbox"/> No Supplies	Additional Requirements <input checked="" type="checkbox"/> Standard (Usage billed monthly in arrears; Based on date of Install, Consolidated) <input type="checkbox"/> Special Billing Connect product to Customer Network? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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BY YOUR SIGNATURE BELOW, YOU AGREE TO RENT, AS SPECIFIED ABOVE, THE ITEMS LISTED ABOVE OR IN ANY ADDENDUM(S) TO THIS AGREEMENT. YOU ACKNOWLEDGE RECEIPT OF A COPY OF THIS AGREEMENT, CONSISTING OF TWO PAGES INCLUDING THIS FACE PAGE. THE ADDITIONAL TERMS AND CONDITIONS ON PAGE 2 HEREOF AND IN ANY ADDENDUM(S) HERETO ARE INCORPORATED AND MADE PART OF THIS AGREEMENT.

Customer's Authorized Signature _____

Printed Name _____ Title _____ Date _____

Shipping Instructions	Customer Delivery Information	Customer IT Contact Information
Ship Via: _____ Hours of Operation <u>8 - 5</u> Number of Steps <u>0</u> Elevator <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Loading Dock <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name <u>Verenice Ramirez</u> Email <u>verenicer@cityofbrea.net</u> Phone <u>714.990.7787</u> Earliest Date for Delivery: <u>7</u> / <u>31</u> / <u>2019</u> Special Delivery/Installation Instruction _____	This individual may be contacted for network connectivity. Name <u>Randy Hornsby</u> Phone <u>714.990.7263</u> Email <u>RandyH@cityofbrea.net</u>

IF ORDER INCLUDES PICK-UP/TRADE-IN'S, COMPLETE THE ADDITIONAL EQUIPMENT TRADE-IN FORM.

 CANON SOLUTIONS AMERICA Canon Solutions America, Inc. ("CSA") One Canon Park, Melville, NY 11747		RENTAL AGREEMENT		DATE SUBMITTED 6/19/2019	ORDER # S0942797
		Sales Representative Name Colleen Kay Lambert			

BILL TO	Customer Name BREA, CITY OF	SHIP TO (IF DIFFERENT)	Customer Name BREA, CITY OF
	Address 1 CIVIC CENTER CIRCLE - Purchasing		Address 1 CIVIC CENTER CIRCLE - Floor 2 Fire Dept.
	City/State/Zip BREA / CA / 92821-5732		City/State/Zip BREA / CA / 92821-5732
	Party Number 1316872		Party Number 1316872

Existing Master Agreement? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Existing Master Agreement #: RCA-017-17010032	Rental Term 60 months	Tax Exempt Certificate Attached? <input type="checkbox"/> Yes <input type="checkbox"/> No	Tax Exempt? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Renewal? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
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Rental Price List R County of Orange 60 MTHS	Purchase Order #	Purchase Order <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Effective Date
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Qty	Item Number	Equipment Type	Equipment Description	Serial	Month Rent per Unit	Allowance	CPC above allowance
1	3312C002	Engine	IRADVC356IFV3		\$56.50	0	0.0095 B&W
1	9580B003	Accessory	CASSETTE FEEDING Unit-AG1		\$9.37		0.0750 Color
1	4848B065	Accessory	MEAP WEB CONNECTION KIT V5.2 FOR GEN3		\$0.01		
1	1410C001	Accessory	STAPLE FINISHER-Z1		\$13.57		
				Cost per unit	\$ 79.45		
				Sales Tax	\$ 6.16		
				Total Cost	\$ 85.61		

Please refer to Master Agreement with County of Orange Procurement RCA -017-17010032, which precedes the CSA Rental Agreement.

Pricing for MFP/Copiers Includes <input type="checkbox"/> Toner Inclusive (excludes paper & staples) <input checked="" type="checkbox"/> Toner Inclusive & Staples (excludes paper) <input type="checkbox"/> No Supplies	Additional Requirements <input checked="" type="checkbox"/> Standard (Usage billed monthly in arrears; Based on date of Install, Consolidated) <input type="checkbox"/> Special Billing Connect product to Customer Network? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
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Customer's Authorized Signature _____

Printed Name _____ Title _____ Date _____

Shipping Instructions	Customer Delivery Information	Customer IT Contact Information
Ship Via: _____ Hours of Operation <u>8 - 5</u> Number of Steps <u>0</u> Elevator <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No Loading Dock <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Name <u>Verenice Ramirez</u> Email <u>verenicer@cityofbrea.net</u> Phone <u>714.990.7787</u> Earliest Date for Delivery: <u>7</u> / <u>31</u> / 2019 Special Delivery/Installation Instruction _____	This individual may be contacted for network connectivity. Name <u>Randy Hornsby</u> Phone <u>714.990.7263</u> Email <u>RandyH@cityofbrea.net</u>

IF ORDER INCLUDES PICK-UP/TRADE-IN'S, COMPLETE THE ADDITIONAL EQUIPMENT TRADE-IN FORM.



CANON SOLUTIONS AMERICA

Canon Solutions Americas, Inc. ("CSA")
One Canon Park, Melville, NY 11747
(800) 613-2228

**UNIFIED LEASE AGREEMENT
ADDENDUM**
National IPA

Customer: BREA CALIFORNIA CITY OF		Related to Unified Lease Agreement – ULF#: S0929805	
Street Address: 1 CIVIC CTR CIR	City : BREA	State: CA	Zip: 92821
Equipment Description: (4) ICMF525DW;		Term: 60	

WHEREAS, Canon Solutions America, Inc. ("CSA"), and the above-described Customer, together with any Guarantors, have determined that it is for their mutual benefit to enter into this Unified Lease Agreement Addendum ("Addendum") to the above-described Unified Lease Agreement ("Agreement"). All capitalized terms used below that are not defined in this Addendum shall have the meanings set forth in the Agreement.

NOW, THEREFORE, for good and valuable consideration, intending to be legally bound, the parties hereby agree as follows:

1. Anything in the Agreement to the contrary notwithstanding, and subject to all of the terms and conditions set forth in this Addendum, the terms and conditions of the Agreement shall be modified as follows:

This transaction shall be governed in all respects by the Ts&Cs of contract # FI-R-0251-18 dated 10-1-2018 between CSA and DuPage County and any Ts&Cs which conflict with or vary from the contract terms shall be deemed null and void.

2. It is expressly agreed by the parties that this Addendum is supplemental to the Agreement, and that the provisions thereof, unless specifically modified herein, shall remain in full force and effect and shall apply to this Addendum as though they were expressly set forth herein.
3. In the event of any conflict or inconsistency between the provisions of this Addendum and any provisions of the Agreement, the provisions of this Addendum shall in all respects govern and control.
4. CSA may accept a facsimile or other electronic transmission of this Addendum as an original, and facsimile or other electronically transmitted copies of Customer's and any Guarantor's signature will be treated as an original for all purposes. THIS ADDENDUM SHALL BE EFFECTIVE WHEN IT HAS BEEN SIGNED BY CUSTOMER AND ANY GUARANTORS AND ACCEPTED BY CSA.

IN WITNESS WHEREOF, the parties have caused this Addendum to be executed as of the date set forth below.

Canon Solutions America, Inc.

BREA CALIFORNIA CITY OF

By: _____

By: _____

Name: _____

Name: _____

Title: _____

Title: _____

Date: _____

Date: _____



CANON SOLUTIONS AMERICA

Canon Solutions America, Inc. ("CSA")
One Canon Park, Melville, NY 11747
(800) 613-2228

ACQUISITION AGREEMENT LEASE OR PURCHASE

National IPA

S0929805.02Salesperson Colleen Kay LambertOrder Date: 6 / 24 / 2019

Customer ("you"):		Customer Account:		Ship To:		Customer Account:	
Company: CITY OF BREA				Company: CITY OF BREA			
Address: 1 CIVIC Center Circle - Purchasing				Address: Please See Addendum			
City: BREA		County: ORANGE		City:		County:	
State: CA	Zip: 92821	Phone #: 714.990.7787		State:	Zip:	Phone #:	
Contact: Neil Groom		Fax #:		Contact: Please See Addendum		Fax #:	
Email: neilg@cityofbrea.net				Email:			

Lease or Purchase:

- ☒ You agree to lease the items listed below or in any addendum(s) to this Agreement from the Leasing Company identified below, at the fixed periodic lease payments indicated below or in any addendum(s) to this Agreement and for the fixed term specified in the lease agreement between you and the Leasing Company. Delivery to you of the items specified is contingent on you signing a lease agreement with the Leasing Company.

☒ Canon Financial Services, Inc. ☐ Other (Name of Leasing Company): _____

- ☐ You agree to purchase the items listed below or in any addendum(s) to this Agreement, for the purchase price specified.

The "bill to" for the items listed is the Leasing Company or you, depending on which box is checked above.

PLEASE PRINT

Equipment, Supplies and Licenses of Application Software with listed third party support contracts:

Item Code	Product Description	Qty	Unit Price	Periodic Lease Payment or Purchase Price
	Please See Addendum			

This transaction shall be governed in all respects by the Terms and conditions of contract # FI-R-0251-18 dated 10-1-2018 between Canon Solutions America, Inc. and DuPage County and any terms and conditions which conflict with or vary from the contract terms shall be deemed null and void.

Payment Terms	Other Requirements	Subtotal from Supplemental Addendum	108.00
<input type="checkbox"/> Check with Order Check # _____	<input checked="" type="checkbox"/> P.O. Required P.O. # _____	Subtotal	108.00
<input type="checkbox"/> Net 30	<input type="checkbox"/> Tax Exempt (Attach Certificate)	Delivery/Install	0.00
<input checked="" type="checkbox"/> Lease	<input type="checkbox"/> Customer Declines Equipment Maintenance	Sales Tax	8.37
<input type="checkbox"/> Other _____		Total	\$ 116.37
<input type="checkbox"/> Credit Card: Requires submission of secure credit card authorization form.		Deposit	0.00
		Balance Due	

Shipping Instructions	Customer Delivery Information	Customer IT Contact Information
Ship Via: _____ Hours of Operation <u>8-5</u> Number of Steps _____ Elevator Yes <input type="checkbox"/> No <input type="checkbox"/> Loading Dock Yes <input type="checkbox"/> No <input type="checkbox"/>	Name <u>Verenice Ramriez</u> Email <u>verenicer@ci.brea.ca.us</u> Phone <u>714.990.7787</u> Earliest Date for Delivery: <u>8</u> / <u>14</u> / <u>2019</u> Special Delivery/Installation Instruction <u>Please refer to the attached shipping address list for each delivery location.</u>	This individual may be contacted for network connectivity. Name <u>Randy Hornsby</u> Phone <u>714.990.7263</u> Email <u>RandyH@cityofbrea.net</u>

BY YOUR SIGNATURE BELOW, YOU AGREE TO LEASE OR PURCHASE, AS SPECIFIED ABOVE, THE ITEMS LISTED ABOVE OR IN ANY ADDENDUM(S) TO THIS AGREEMENT. YOU ACKNOWLEDGE RECEIPT OF A COPY OF THIS AGREEMENT, CONSISTING OF TWO PAGES INCLUDING THIS FACE PAGE. THE ADDITIONAL TERMS AND CONDITIONS ON PAGE 2 HEREOF AND IN ANY ADDENDUM(S) HERETO ARE INCORPORATED AND MADE PART OF THIS AGREEMENT.

Customer's Authorized Signature _____

Printed Name _____

Title _____

Date _____

ADDITIONAL TERMS AND CONDITIONS

S0929805.02

These are the additional terms and conditions referred to on the face page to which they are attached. Such face page and addendum(s), collectively with these terms and conditions, the "Agreement."

1. LEASE OR PURCHASE PRICE AND PAYMENT. You agree to lease or purchase the units of equipment and supplies (the "Equipment") and licenses of application software with separate support contracts (the "Listed Software" and, together with the Equipment, the "Listed Items"), in each case as indicated on the face page hereof or in any addendum(s) hereto. (a) If purchasing the Listed Items, the total purchase price specified in the Agreement, including sales taxes and delivery/installation charges, is due and payable in accordance with the payment terms of this Agreement. (b) If leasing the Listed Items, CSA shall sell the Listed Items to the Leasing Company subject in all respects to the warranty limitations and disclaimers and limitations of liability in this Agreement. You shall enter into a lease agreement with the Leasing Company providing, in addition to such terms and conditions as the Leasing Company shall require, for fixed periodic lease payments indicated herein over a fixed lease term as specified in the lease agreement. Delivery/installation charges, if separately itemized in this Agreement, are due and payable in accordance with the payment terms of this Agreement. You are responsible for payment of sales or use taxes on monthly rentals if applicable, even if not specified in this Agreement. (c) In addition to the amounts shown in this Agreement, you shall pay CSA's rates for any special rigging for delivery and installation when CSA notifies you of in advance, subject to your approval. (d) CSA will, at no additional charge, install all Equipment in accordance with its normal practices and requirements. Maintenance and any other post-installation support of Equipment is not covered by this Agreement, and will only be provided by CSA if a separate maintenance agreement is entered into and to the extent provided therein. (e) Installation/Implementation of Listed Software may be at an additional charge except to the extent included as a Listed Item, and may be conditioned on your agreement to a separate statement of work or other document covering the scope and schedule of installation/implementation, configuration options, responsibilities of each party, and other matters, which shall solely govern as to the matters covered therein. Additional charges may apply for work beyond the initial scope described in such separate document. (f) Support for Listed Software is provided directly by the respective developers thereof and as set forth in each developer's applicable separate support contract, and is not provided by CSA under this Agreement except as expressly provided herein. Support for Listed Software may require separate purchase by you of a support contract, unless included under this Agreement as a Listed Item. The terms of support contracts for Listed Software are available from the developers, or will be provided to you by CSA upon request. Notwithstanding any provision in the support contract to the contrary, it shall automatically renew on an annual basis, subject to a price increase after the initial term. (g) CSA shall make available to you from time to time upgrades and bug fixes for the Listed Software, but: (i) only if such upgrades and bug fixes are provided to CSA by the developers of such Listed Software, (ii) availability of upgrades and bug fixes may be at additional charge, and (iii) installation of such upgrades and bug fixes by CSA if requested by you shall be at additional charge. You are not required to use CSA for installation of either Listed Software or for any upgrades and bug fixes, but if installation is done by anyone other than CSA, CSA shall have no responsibility for any performance or other issues that may result from such installation. CSA shall also use reasonable efforts to provide Level 1 support for the Listed Software for so long as a CSA maintenance agreement for the related Equipment remains in effect, except that for certain Listed Software, Level 1 support shall be provided only if and so long as a separate software support contract for such Listed Software from the developer thereof is in effect. Level 1 support consists of (i) providing help-line telephone assistance in operating the Listed Software and identifying service problems and attempting to troubleshoot any such problems in the Listed Software; (ii) escalating operating problems to the available developer of the Listed Software as needed to rectify such problems, including facilitating contact between you and the developer of the Listed Software as necessary; and (iii) maintaining a log of such problems to assist in tracking the same. (h) If you acquired Uniflow, an authorized CSA representative may receive a print usage report for business reviews. (i) CSA reserves the right to withhold shipment of the Listed Items (j) until you make full payment of the total price specified in this Agreement or if CSA revokes any credit extended to you because of your failure to pay any amounts when due or for any other reason affecting your creditworthiness, or (ii) until you enter into a lease agreement with the Leasing Company and the Leasing Company commits to full payment of the purchase price agreed to between CSA and the Leasing Company. If at any time prior to shipment, CSA discovers any mistake in pricing or Equipment configuration for any Listed Item(s), CSA reserves the right to notify you of the mistake in writing, and such notification will constitute the non-acceptance of this Agreement by it with respect to such Listed Items without liability.

2. LIMITED WARRANTY. All Canon and Océ brand Equipment is provided with a manufacturer's end user limited warranty from Canon USA, Inc. CSA is an authorized Canon service dealer and provides warranty service under the Canon USA limited warranties. All other Listed Items are provided subject to such end user warranties and license terms as are provided by the manufacturer or developer as packaged or otherwise provided with the Listed Items. CSA shall upon your request provide to you copies of all such end user warranties and license. **SUCH WARRANTIES ARE IN LIEU OF ALL OTHER WARRANTIES, EXPRESSED OR IMPLIED, INCLUDING ANY IMPLIED WARRANTIES REGARDING MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE, RELATING TO THE USE OR PERFORMANCE OF THE LISTED ITEMS, AND ALL SUCH OTHER WARRANTIES ARE HEREBY EXPRESSLY DISCLAIMED. YOU EXPRESSLY ACKNOWLEDGE THAT SUCH WARRANTIES DO NOT ASSURE UNINTERRUPTED OPERATION AND USE OF THE LISTED ITEMS.**

3. DATA. You acknowledge that the hard drive(s) on the Equipment, including attached devices, may retain images, content or other data that you may store for purposes of normal operation of the Equipment ("Data"). You acknowledge that CSA is not storing Data on your behalf and that exposure or access to the Data by

CSA, if any, is purely incidental to the services performed by CSA. Neither CSA nor any of their affiliates has an obligation to erase or overwrite Data upon your return of the Equipment to CSA or any leasing company. You are solely responsible for: (i) your compliance with applicable law and legal requirements pertaining to data privacy, storage, security, retention and protection; and (ii) all decisions related to erasing or overwriting Data. Without limiting the foregoing, you should, (a) enable the Hard Disk Drive (HDD) data erase functionality that is a standard feature on certain Equipment and/or (b) prior to return or other disposition of the Equipment, utilize the HDD (or comparable) formatting function (which may be referred to as "Initialized All Data/Settings" function) if found on the Equipment to perform a one pass overwrite of Data or, if you have higher security requirements, you may purchase from CSA at current rates an appropriate option for the Equipment, which may include (x) an HDD Data Encryption Kit option which disguises information before it is written to the hard drive using encryption algorithms, (y) a HDD Data Erase Kit that can perform up to a 3-pass overwrite of Data (for Equipment not containing data erase functionality as a standard feature), or (z) a replacement hard drive (in which case you should properly destroy the replaced hard drive). The terms of this Section 3 shall solely govern as to Data, notwithstanding that any provisions of this Agreement or any separate confidentiality or data security or other agreement now or hereafter entered into between you and CSA could be construed to apply to Data.

4. SECURITY; LATE PAYMENT. As security for the payment of all amounts due to CSA, you hereby grant to CSA a security interest in the Listed Items. To the extent permitted by applicable law, you hereby authorize CSA to file with the appropriate governmental authorities any and all financing statements necessary to evidence or perfect CSA's security interest in the Listed Items. Without limiting any of CSA's right and remedies under applicable law, if payments are late, you shall pay the actual and reasonable costs and expenses of collection incurred by CSA, including the maximum attorney's fees permitted by law and CSA may charge you and you agree to pay, a late charge equal to the higher of five percent (5%) of the amount due or \$10 as reasonable collection fees, not to exceed the maximum amount permitted by law.

5. WARRANTY OF BUSINESS PURPOSE. You represent and warrant that that the Listed Items will not be used for personal, family or household purposes.

6. LIMITATION OF LIABILITY. CSA SHALL NOT BE LIABLE FOR INJURY OR DAMAGE EXCEPT TO THE EXTENT CAUSED BY CSA'S NEGLIGENCE OR WILLFUL MISCONDUCT. CSA SHALL NOT BE LIABLE FOR EXPENDITURES FOR SUBSTITUTE EQUIPMENT, LOSS OF REVENUE OR PROFIT, LOSS, CORRUPTION OR RELEASE OF DATA, FAILURE TO REALIZE SAVINGS OR OTHER BENEFITS, STORAGE CHARGES OR INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT, REGARDLESS OF THE LEGAL THEORY ON WHICH THE CLAIM IS BASED AND EVEN IF CSA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

7. CHOICE OF LAW AND FORUM. THIS AGREEMENT AND ALL CLAIMS, DISPUTES AND CAUSES OF ACTION RELATING THERETO, WHETHER SOUNDING IN CONTRACT, TORT OR STATUTE, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. YOU CONSENT TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE CITY OF NEW YORK UPON SERVICE OF PROCESS MADE IN ACCORDANCE WITH THE APPLICABLE STATUTES AND RULES OF THE STATE OF NEW YORK OR THE UNITED STATES. ANY AND ALL SUITS YOU COMMENCE AGAINST CSA, WHETHER OR NOT ARISING UNDER THIS AGREEMENT, SHALL BE BROUGHT ONLY IN THE STATE OR FEDERAL COURTS LOCATED WITHIN THE CITY OF NEW YORK. YOU HEREBY WAIVE OBJECTIONS AS TO VENUE AND CONVENIENCE OF FORUM. ANY SUIT, OTHER THAN ONE SEEKING PAYMENT OF AMOUNTS DUE HEREUNDER, SHALL BE COMMENCED, IF AT ALL, WITHIN ONE (1) YEAR OF THE DATE THAT THE CLAIM ACCRUES. THE PARTIES IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUIT BETWEEN THEM.

8. GENERAL. This Agreement shall be binding on you upon your signature and on CSA upon the delivery of any of the Listed Items. All provisions of this Agreement including Section 3, which by their nature can be construed to survive the expiration or termination of the Agreement shall so survive. This Agreement, together with any related CSA credit application, constitutes the entire agreement between the parties with respect to the furnishing of the Listed Items, superseding all previous proposals and agreements, oral or written. No lease agreement entered into between you and the Leasing Company with respect to any Listed Items shall be binding on CSA in any respect or affect your rights or CSA's obligations hereunder. Any purchase order utilized by you shall be for your administrative convenience only, and any terms therein which conflict with, vary from or supplement the provisions of this Agreement shall be deemed null and void. No representation or statement not contained on the original of this Agreement shall be binding upon CSA as a warranty or otherwise, nor shall this Agreement be modified or amended except by a writing signed by you and a designated representative of CSA. If a court finds any provision of this Agreement (or part thereof) to be unenforceable, the remaining provisions of this Agreement shall remain in full force and effect. This Agreement shall not be assignable by you without CSA's prior written consent, and any attempted assignment without such consent, which shall not be unreasonably withheld, shall be void; except that you may, as described above, assign to your leasing company your right to acquire the Listed Items and your warranty rights hereunder, but your other rights hereunder, are not assignable to the leasing company and such assignment shall not relieve you of any of your obligations hereunder. You expressly disclaim having relied upon any representation or statement concerning the capability, condition, operation, performance or specifications of the Listed Items, except to the extent set forth on the original of this Agreement. You agree that CSA may accept an electronic image of this Agreement as an original, and that electronic copies of your signature will be treated as an original for all purposes.



CANON SOLUTIONS AMERICA
 Canon Solutions America, Inc. ("CSA")
 One Canon Park, Melville, NY 11747
 (800) 613-2228

**ADDENDUM TO ADD ADDITIONAL EQUIPMENT TO
 ACQUISITION AGREEMENT # S0929805.02 (the "Agreement")**

Salesperson Colleen Kay Lambert Order Date: 6 / 24 / 2019

Customer ("you"):			
Company: CITY OF BREA			Contact: Neil Groom
Address: 1 CIVIC Center Circle - Purchasing			Phone: 714.990.7787 Fax:
City: BREA	State: CA	Zip: 92821	E-Mail: neilg@cityofbrea.net

PLEASE PRINT

Equipment, Supplies and Licenses of Application Software with listed third party support contracts and Ship To locations and contacts:

Item Code	Product Description	Qty	Unit Price	Periodic Payment/ Purchase Price	Ship To location (if different than above)	Elev. (y/n)	# of Step	Load Dock (y/n)	Contact Name & Phone Number	E-Mail
2223C002	IMAGECLASS MF525DW	1		108.00	City of Brea - Fire Station 3 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
5858A010	CABINET STAND TYPE S	1		Included	City of Brea - Fire Station 3 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
0865C001	PAPER FEEDER PF-C1	1		Included	City of Brea - Fire Station 3 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
2368V991	PRINTER CONNECTIVITY	1		Included	City of Brea - Fire Station 3 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
3537V015	INSTALL PAK LBP/IMAGECLASS	1		Included	City of Brea - Fire Station 3 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
IntSupplies	Pre-install supplies installed in machine	1		Included	City of Brea - Fire Station 3 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
2223C002	IMAGECLASS MF525DW	1		Included	City of Brea - Fire Station 1 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
5858A010	CABINET STAND TYPE S	1		Included	City of Brea - Fire Station 1 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
0865C001	PAPER FEEDER PF-C1	1		Included	City of Brea - Fire Station 1 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
2368V991	PRINTER CONNECTIVITY	1		Included	City of Brea - Fire Station 1 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
3537V015	INSTALL PAK LBP/IMAGECLASS	1		Included	City of Brea - Fire Station 1 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
IntSupplies	Pre-install supplies installed in machine	1		Included	City of Brea - Fire Station 1 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
2223C002	IMAGECLASS MF525DW	1		Included	City of Brea - Fire Station 4 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
5858A010	CABINET STAND TYPE S	1		Included	City of Brea - Fire Station 4 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
Carry forward to Face side of Agreement			Subtotal							



CANON SOLUTIONS AMERICA
 Canon Solutions America, Inc. ("CSA")
 One Canon Park, Melville, NY 11747
 (800) 613-2228

**ADDENDUM TO ADD ADDITIONAL EQUIPMENT TO
 ACQUISITION AGREEMENT # S0929805.02 (the "Agreement")**

Salesperson Colleen Kay Lambert Order Date: 6 / 24 / 2019

Customer ("you"):			
Company: CITY OF BREA		Contact: Neil Groom	
Address: 1 CIVIC Center Circle - Purchasing		Phone: 714.990.7787	Fax:
City: BREA	State: CA	Zip: 92821	E-Mail: neilg@cityofbrea.net

PLEASE PRINT

Equipment, Supplies and Licenses of Application Software with listed third party support contracts and Ship To locations and contacts:

Item Code	Product Description	Qty	Unit Price	Periodic Payment/ Purchase Price	Ship To location (if different than above)	Elev. (y/n)	# of Step	Load Dock (y/n)	Contact Name & Phone Number	E-Mail
0865C001	PAPER FEEDER PF-C1	1		Included	City of Brea - Fire Station 4 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
2368V991	PRINTER CONNECTIVITY	1		Included	City of Brea - Fire Station 4 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
3537V015	INSTALL PAK LBP/IMAGECLASS	1		Included	City of Brea - Fire Station 4 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
IntSupplies	Pre-install supplies installed in machine	1		Included	City of Brea - Fire Station 4 BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
2223C002	IMAGECLASS MF525DW	1		Included	City of Brea - Fire Station 2 200 N. BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
5858A010	CABINET STAND TYPE S	1		Included	City of Brea - Fire Station 2 200 N. BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
0865C001	PAPER FEEDER PF-C1	1		Included	City of Brea - Fire Station 2 200 N. BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
2368V991	PRINTER CONNECTIVITY	1		Included	City of Brea - Fire Station 2 200 N. BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
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IntSupplies	Pre-install supplies installed in machine	1		Included	City of Brea - Fire Station 2 200 N. BREA CA 92821	N	0	N	Verenice Ramriez 714.990.7787	verenicer@ci.brea.ca.us
Carry forward to Face side of Agreement			Subtotal							



CANON SOLUTIONS AMERICA, INC.

LEASE AGREEMENT

CFS-1020 (03/18)

CANON FINANCIAL SERVICES, INC. ("CFS")

Remittance Address: 14904 Collections Center Dr.

Chicago, Illinois 60693 Phone: (800) 220-0200

COMPANY LEGAL NAME		DBA		CFS' AGREEMENT NUMBER: S0929805.02	
BREA CALIFORNIA CITY OF				PHONE ("Customer") 714.990.7787	
BILLING ADDRESS		CITY	COUNTY	STATE	ZIP
1 CIVIC Center Circle - Purchasing		BREA	ORANGE	CA	92821
EQUIPMENT ADDRESS		CITY	COUNTY	STATE	ZIP
Please View Equipment Schedule A					
EQUIPMENT INFORMATION					NUMBER AND AMOUNT OF PAYMENTS
Quantity	Serial Number	Make/Model/Description			Number of Payments
					60
					\$108.00
Term in months:		60	Payment Frequency: <input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Other: _____		
Number of Payments in Advance:		0	End of Term Purchase Option: <input checked="" type="checkbox"/> Fair Market Value <input type="checkbox"/> \$1.00 <input type="checkbox"/> Other (\$ or %): _____		
Total Amount Due at Signing *:		\$0.00	* Plus Applicable Taxes (estimated)		

THIS AGREEMENT IS NON-CANCELABLE BY CUSTOMER. CUSTOMER REPRESENTS THAT ALL ACTION REQUIRED TO AUTHORIZE EXECUTION OF THIS AGREEMENT ON BEHALF OF CUSTOMER BY THE FOLLOWING SIGNATORIES HAS BEEN TAKEN. THE UNDERSIGNED HAS READ, UNDERSTANDS AND HEREBY AGREES TO ALL OF THE TERMS AND CONDITIONS SET FORTH IN THIS AGREEMENT.

ACCEPTED		AUTHORIZED CUSTOMER SIGNATURE	
CANON FINANCIAL SERVICES, INC.			
By: _____		By: X _____	Title: _____
Title: _____		Printed Name: _____	Email Address: _____
Date: _____		Tax ID#: _____	If proprietor, DOB: _____ Date: _____
		By: X _____	Title: _____
		Printed Name: _____	Email Address: _____
To: Canon Financial Services, Inc. ("CFS")			
ACCEPTANCE CERTIFICATE			
Customer certifies that (a) the Equipment referred to in this Agreement has been received, (b) installation has been completed, (c) the Equipment has been examined by Customer and is in good operating order and condition and is, in all respects, satisfactory to Customer, and (d) the Equipment is irrevocably accepted by Customer for all purposes under this Agreement. Accordingly, Customer hereby authorizes billing under this Agreement.			
Signature: _____	Printed Name: _____	Title (if any): _____	Date: _____

TERMS AND CONDITIONS

- 1. AGREEMENT:** CFS leases to Customer, a _____ organized under the laws of the State of _____, with its chief executive office at _____ and Customer leases from CFS, with its place of business at 158 Gaither Drive, Suite 200, Mount Laurel, New Jersey 08054, all the equipment described above, together with all replacement parts and substitutions for and additions to such equipment ("Equipment"), upon the terms and conditions set forth in this Lease Agreement ("Agreement").
- 2. TERM OF AGREEMENT:** This Agreement shall be effective on the date the Equipment is delivered to Customer, provided Customer executes CFS' form of acceptance ("Acceptance Certificate") or otherwise accepts the Equipment as specified herein. The term of this Agreement begins on the date accepted by CFS or any later date that CFS designates, and shall consist of the payment periods specified above and any renewal periods. After acceptance of the Equipment, Customer shall have no right to revoke such acceptance or cancel this Agreement during the term hereof. The term of this Agreement shall end, unless sooner terminated by CFS, when all amounts required to be paid by Customer under this Agreement have been paid as provided and either (a) Customer has purchased the Equipment in accordance with the terms hereof or (b) the Equipment has been returned at the end of the scheduled term or renewal term in accordance with the terms hereof. Customer has no right to return the Equipment to CFS prior to the end of the scheduled term of this Agreement for any reason whatsoever, including, without limitation, payment of all amounts due hereunder prior to the end of the scheduled term.
- 3. PAYMENTS:** Customer agrees to pay to CFS, as invoiced, during the term of this Agreement, (a) the payments specified under "Number and Amount of Payments" above, and (b) such other amounts permitted hereunder as invoiced by CFS ("Payments"). The Payment and the End of Term Purchase Option ("Purchase Option") price specified above are based on the supplier's best estimate of the cost of the Equipment. Customer authorizes CFS to adjust the Payment and Purchase Option herein by up to fifteen percent (15%) if the actual total cost of the Equipment, including any sales or use tax, is more or less than originally estimated. Customer's obligation to pay all amounts due under this Agreement and all other obligations hereunder shall be absolute and unconditional and is not subject to any abatement, set-off, defense or counterclaim for any reason whatsoever.
- 4. APPLICATION OF PAYMENTS:** All Payments received by CFS from Customer under this Agreement will be applied to amounts due and payable hereunder chronologically, based on the date of the charge as shown on the invoice for each such amount, and among amounts having the same date in such order as CFS, in its discretion, may determine.
- 5. ADVANCE PAYMENTS:** Customer agrees that CFS may in its sole discretion apply, but shall not be obligated to apply, any amount paid in advance to any amount due or to become due hereunder, and in no event shall any amount paid in advance earn interest except where required by applicable law.
- 6. NO CFS WARRANTIES:** CUSTOMER ACKNOWLEDGES THAT CFS IS NOT A MANUFACTURER, DEALER, OR SUPPLIER OF THE EQUIPMENT. CUSTOMER AGREES THAT THE EQUIPMENT IS LEASED "AS IS" AND IS OF A SIZE, DESIGN, AND CAPACITY SELECTED BY CUSTOMER. CUSTOMER ACKNOWLEDGES THAT CFS HAS MADE NO REPRESENTATION OR WARRANTY WITH RESPECT TO THE SUITABILITY OR DURABILITY OF THE EQUIPMENT, THE ABSENCE OF ANY CLAIM OF INFRINGEMENT OR THE LIKE, OR ANY OTHER REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE EQUIPMENT INCLUDING, WITHOUT LIMITATION, THE IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE. Any warranty with respect to the Equipment made by the manufacturer, dealer, or supplier is separate from, and is not a part of, this Agreement and shall be for the benefit of CFS, Customer and CFS' successors and assignees, if any. So long as Customer is not in breach or default of this Agreement, CFS assigns to Customer any warranties (including those agreed to between Customer and the manufacturer, dealer, or supplier) which CFS may have with respect to any item of Equipment; provided that the scope and limitations of any such warranty shall be solely as set out in any agreement between Customer and such manufacturer, dealer, or supplier or as otherwise specified in warranty materials from such manufacturer, dealer, or supplier and shall not include any implied warranties arising solely from CFS' acquisition of the Equipment. CUSTOMER ACKNOWLEDGES THAT NEITHER THE SUPPLIER NOR ANY DEALER IS AUTHORIZED TO WAIVE OR ALTER ANY TERM OF THIS AGREEMENT OR ANY SCHEDULE, OR TO MAKE ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THIS AGREEMENT OR THE EQUIPMENT ON BEHALF OF CFS.
- 7. ACCEPTANCE; DELIVERY:** Customer's execution of the Acceptance Certificate, or other confirmation of Customer's acceptance of the Equipment, shall conclusively establish that the Equipment has been delivered to and accepted by Customer for all purposes of this Agreement and Customer may not, for any reason, revoke that acceptance; however, if Customer has not, within ten (10) days after delivery of such Equipment, delivered to CFS written

PERSONAL GUARANTY

The undersigned, (whether one or more are specified, "Guarantor(s)"), in consideration of CANON FINANCIAL SERVICES INC. ("CFS") entering into an Agreement (together with any schedules or supplements thereto, "Agreement") with Customer identified above ("Customer") irrevocably and unconditionally, jointly and severally, guarantee to CFS, and its successors and assigns, the payment when due of all amounts owed under the Agreement (whether at maturity or upon the occurrence of an event of default or otherwise) and the performance by Customer of all terms of the Agreement and any other transaction between Customer and CFS (collectively, "Liabilities"). If Customer shall fail to pay or perform any Liabilities when due, Guarantors shall, upon demand, pay any amounts which may be due from Customer and take any action required of Customer under the Agreement. This is an absolute and continuing guaranty, and Guarantors' liability under this Guaranty is primary and will not be affected by any settlement, extension, renewal or modification of the Agreement or any discharge or release of Customer's obligations whether by agreement or operation of law.

If any payment on the Liabilities is thereafter set aside, recovered or required to be returned for any reason (including without limitation the bankruptcy, insolvency or reorganization of Customer or any other person), the Liabilities to which such payment was applied shall for the purposes of this Guaranty be deemed to have continued in existence, notwithstanding such application, and this Guaranty shall be enforceable as to such Liabilities as fully as if such application had never been made. This Guaranty may be terminated only upon sixty (60) days' prior written notice to CFS, and such termination shall be effective only as to Liabilities arising under schedules, supplements, or agreements entered into after the effective date of termination and shall not affect CFS' rights under this Guaranty arising out of the Agreement or other agreements entered into prior to such date.

Guarantors waive all damages, demands, presentments and notices of every kind and nature, any rights of set-off, and any defenses available to a guarantor (other than the defense of payment and performance in full) under applicable law. Guarantors further waive any (i) notice of the incurring of indebtedness by Customer and the acceptance of this Guaranty, (ii) right to require suit against Customer or any other party before enforcing this Guaranty and (iii) right of subrogation to CFS' rights against Customer until the Liabilities are satisfied in full. Any (a) renewals and extensions of time of payment, (b) release, substitution or compromise of or realization upon the Equipment, other guaranties or any collateral security and (c) exercise of any other right under this or any other agreement between CFS and Customer or any third party, may be made, granted and effected by CFS without notice to Guarantors and without in any manner affecting Guarantors' liability under this Guaranty.

Guarantors shall pay all expenses (including attorneys' fees and legal expenses) paid or incurred by CFS in endeavoring to collect the Liabilities, or any part thereof and in enforcing the Guaranty. THIS GUARANTY SHALL FOR ALL PURPOSES BE DEEMED A CONTRACT ENTERED INTO IN THE STATE OF NEW JERSEY. THE RIGHTS OF THE PARTIES UNDER THIS GUARANTY SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY WITHOUT REFERENCE TO CONFLICT OF LAW PRINCIPLES. ANY ACTION BETWEEN GUARANTORS AND CFS SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF CAMDEN OR BURLINGTON, NEW JERSEY, OR AT CFS' SOLE OPTION, IN THE STATE WHERE ANY GUARANTOR, CUSTOMER OR EQUIPMENT IS LOCATED. GUARANTORS, BY THEIR EXECUTION AND DELIVERY HEREOF, IRREVOCABLY WAIVE OBJECTIONS TO THE JURISDICTION OF SUCH COURTS AND OBJECTIONS TO VENUE AND CONVENIENCE OF FORUM. GUARANTORS, BY THEIR EXECUTION AND DELIVERY HEREOF, AND CFS, BY ITS ACCEPTANCE HEREOF, HEREBY IRREVOCABLY WAIVES ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDINGS.

Guarantors agree that CFS may accept a facsimile or other electronic transmission of this Guaranty as an original, and that facsimile or electronically transmitted copies of Guarantors' signatures will be treated as an original for all purposes.

Printed Name: _____ Signature: _____ (no title) Date: _____
Address: _____ Phone: _____

notice of non-acceptance, specifying the reasons therefor and specifically referencing this Agreement, Customer shall be deemed to have irrevocably accepted such Equipment. CFS is the lessor and Customer is the lessee of the Equipment under this Agreement. As between CFS and Customer only, this Agreement shall supersede any Customer purchase order in its entirety, notwithstanding anything to the contrary contained in any such purchase order. Customer agrees to waive any right of specific performance of this Agreement and shall hold CFS harmless from damages if for any reason the Equipment is not delivered as ordered, if the Equipment is unsatisfactory or if CFS does not execute this Agreement. Customer agrees that any delay in delivery of the Equipment shall not affect the validity of this Agreement.

8. LOCATION; LIENS; NAMES; OFFICES: Customer shall not move the Equipment from the location specified herein except with the prior written consent of CFS. Customer shall keep the Equipment free and clear of all claims and liens other than those in favor of CFS. Customer's legal name (as set forth in its constituent documents filed with the appropriate governmental office or agency) is as set forth herein. The jurisdiction of organization and chief executive office address of Customer are as set forth herein. Customer shall provide CFS with written notice at least thirty (30) days prior to any change of its legal name, chief executive office address or its form of organization (including, without limitation, its jurisdiction of organization), and shall execute and deliver to CFS such documents as required or appropriate.

9. WARRANTY OF BUSINESS PURPOSE; USE; PERSONAL PROPERTY; FINANCING STATEMENTS: Customer represents and warrants that the Equipment will not be used for personal, family, or household purposes. Customer shall comply with all laws and regulations relating to the use and maintenance of the Equipment. Customer shall put the Equipment only to the use contemplated by the manufacturer. The Equipment shall remain personal property regardless of whether it becomes affixed to real property or permanently rests upon any real property or any improvement to real property. Customer authorizes CFS (and any third party filing service designated by CFS) to execute and file (a) financing statements evidencing the interest of CFS in the Equipment (including forms containing a broader description of the Equipment than the description set forth herein), (b) continuation statements in respect thereof, and (c) amendments thereto, and Customer irrevocably waives any right to notice thereof.

10. INDEMNITY: Customer shall reimburse CFS for and defend CFS against any claim for losses or injury caused by the Equipment. This Section shall survive termination of this Agreement.

11. MAINTENANCE; ALTERATIONS: Customer shall keep and maintain the Equipment in good working order and shall, at Customer's expense, supply and install all replacement parts and accessories when required to maintain the Equipment in good working condition. Customer shall not, without the prior written consent of CFS, make any changes or substitutions to the Equipment. Any and all replacement parts, accessories, authorized changes to and/or substitutions for the Equipment shall become part of the Equipment and subject to the terms of this Agreement.

12. TAXES; OTHER FEES AND CHARGES: CUSTOMER SHALL PAY AND DISCHARGE WHEN DUE ALL LICENSE AND REGISTRATION FEES, ASSESSMENTS, SALES, USE, PROPERTY AND OTHER TAXES, AND OTHER EXPENSES AND CHARGES, together with any applicable penalties, interest, and administrative fees now or at any time imposed upon any Equipment, the Payments, or Customer's performance or non-performance of its obligations hereunder, whether payable by or assessed to CFS or Customer. If Customer fails to pay any such fees, assessments, taxes, expenses or charges as required hereunder, CFS shall have the right but not the obligation to pay those fees, assessments, taxes, expenses and charges, and Customer shall promptly reimburse CFS, upon demand, for all such payments made plus administrative fees and costs, if any. Customer acknowledges that, where required by law, CFS will file any notices and pay personal property taxes levied on the Equipment. Customer shall reimburse CFS for the expense of such personal property taxes as invoiced by CFS and pay CFS a processing fee not to exceed \$50 per year per item of Equipment that is subject to such tax. Customer agrees that CFS has not, and will not, render tax advice to Customer, and that payment of such taxes is an administrative act. ON THE DATE OF THE FIRST SCHEDULED PAYMENT AND THE DATE OF THE FIRST SCHEDULED PAYMENT AFTER THE ADDITION OF ANY EQUIPMENT, CUSTOMER SHALL PAY TO CFS A DOCUMENTATION FEE, IN THE AMOUNT OF \$85, TO REIMBURSE CFS FOR ITS ADMINISTRATIVE AND RECORDING COSTS.

13. INSURANCE: Customer, at its sole cost and expense, shall, during the term hereof including all renewals and extensions, obtain, maintain and pay for (a) insurance against the loss, theft, or damage to the Equipment for the full replacement value thereof, and (b) comprehensive public liability and property damage insurance. All such insurance shall provide for a deductible not exceeding \$5,000 and be in form and amount, and with companies satisfactory to CFS. Each insurer providing such insurance shall name CFS as additional insured and loss payee and provide CFS thirty (30) days' written notice before the policy in question shall be materially altered or canceled. Customer shall pay the premiums for such insurance, shall be responsible for all deductible portions thereof, and shall deliver certificates or other evidence of insurance to CFS. The proceeds of such insurance, at the option of CFS, shall be applied to (a) replace or repair the Equipment, or (b) pay CFS the "Remaining Lease Balance", which shall be the sum of: (i) all amounts then owed by Customer to CFS under this Agreement; *plus* (ii) the present value of all remaining Payments for the full term of this Agreement; *plus* (iii) the "Asset Value," which shall be: (A) for an Agreement with a \$1.00 Purchase Option, \$1.00; (B) for an Agreement with a Fair Market Value Purchase Option or no Purchase Option selected, the Fair Market Value of the Equipment (as defined herein); and (C) for an Agreement with an Other Purchase Option, the respective dollar amount of such Purchase Option indicated on the face of this Agreement; *plus* (iv) any applicable taxes, expenses, charges and fees. For purposes of determining present value under this Agreement, Payments shall be discounted at three percent (3%) per year. Customer hereby appoints CFS as Customer's attorney-in-fact solely to make claim for, receive payment of, and execute and endorse all documents, checks, or drafts for any loss or damage to Equipment under any such insurance policy. If within ten (10) days after CFS' request, Customer fails to deliver satisfactory evidence of such insurance to CFS, then CFS shall have the right, but not the obligation, to obtain insurance covering CFS' interests in the Equipment, and add the costs of acquiring and maintaining such insurance, and an administrative fee, to the amounts due from Customer under this Agreement. CFS and any of its affiliates may make a profit on the foregoing.

14. LOSS; DAMAGE: Customer assumes and shall bear the entire risk of loss, theft of, or damage to the Equipment from any cause whatsoever, effective upon delivery to Customer. No such loss, theft or damage shall relieve Customer of any obligation under this Agreement. In the event of damage to any Equipment, Customer shall immediately repair such damage at Customer's expense. If any Equipment is lost, stolen, or damaged beyond repair, Customer, at the option of CFS, will (a) replace the same with like equipment in a condition acceptable to CFS and convey clear title to such equipment to CFS (and such equipment will become "Equipment" and be subject to the terms of this Agreement), or (b) pay CFS the Remaining Lease Balance. Upon CFS' receipt of the Remaining Lease Balance, CFS shall transfer the applicable Equipment to Customer "AS-IS, WHERE-IS" without any representation or warranty whatsoever, except for title, and this Agreement shall terminate with respect to such Equipment.

15. DEFAULT: Any of the following events or conditions shall constitute an Event of Default under this Agreement: (a) Customer defaults in the payment when due of any indebtedness of Customer to CFS, whether or not arising under this Agreement, without notice or demand by CFS; (b) Customer or any guarantor of Customer's obligations hereunder ("Guarantor") ceases doing business as a going concern; (c) Customer or any Guarantor becomes insolvent or makes an assignment for the benefit of creditors; (d) a petition or proceeding is filed by or against Customer or any Guarantor under any bankruptcy or insolvency law; (e) a receiver, trustee, conservator, or liquidator is appointed for Customer, any Guarantor, or any of their property; (f) any statement, representation or warranty made by Customer or any Guarantor to CFS is incorrect in any material respect; or (g) Customer or any Guarantor who is a natural person dies.

16. REMEDIES: Upon the happening of any one or more Events of Default, CFS shall have the right to exercise any one or all of the following remedies (which shall be cumulative), simultaneously, or serially, and in any order: (a) to require Customer to immediately pay all Payments hereunder (whether or not then due) and other amounts due under this Agreement, with CFS retaining title to the Equipment; (b) to terminate any and all agreements with Customer; (c) with or without notice, demand or legal process, to enter upon the premises wherever the Equipment may be found, to retake possession of any or all of the Equipment, and (i) retain such Equipment and all Payments and other sums paid hereunder, or (ii) sell the Equipment and recover from Customer the amount by which the Remaining Lease Balance exceeds the net amount received by CFS from such sale; or (d) to pursue any other remedy permitted at law or in equity. CFS (i) may dispose of the Equipment in its then present condition or following such preparation and processing as CFS deems commercially reasonable; (ii) shall have no duty to prepare or process the Equipment prior to sale; (iii) may disclaim warranties of title, possession, quiet enjoyment and the like; and (iv) may comply with any applicable state or federal law requirements in connection with a disposition of the Equipment and none of the foregoing actions shall be deemed to adversely affect the commercial reasonableness of the disposition of the Equipment. If the Equipment is not available for sale, Customer shall be liable for the Remaining Lease Balance and any other amounts due under this Agreement. No waiver of any of Customer's obligations, conditions or covenants shall be effective unless contained in a writing signed by CFS. Failure to exercise any remedy that CFS may have shall not constitute a waiver of any obligation with respect to which Customer is in default.

17. LATE CHARGES; EXPENSES OF ENFORCEMENT: If Customer fails to pay any sum to be paid by Customer to CFS under this Agreement on or before the due date, Customer shall pay CFS, upon demand, an amount equal to the greater of ten percent (10%) of each such delayed Payment or twenty-five dollars (\$25) for each billing period or portion of a billing period such Payment is delayed, in each case to the extent permitted by applicable law. The amounts specified above shall be paid as liquidated damages and as compensation for CFS' internal operating expenses incurred in connection with such late payment. In addition, Customer shall reimburse CFS for all of its out-of-pocket costs and expenses incurred in exercising any of its rights or remedies hereunder or in enforcing any of the terms of this Agreement, including, without limitation, reasonable fees and expenses of attorneys and collection agencies, whether or not suit is brought. If CFS should bring court action, Customer and CFS agree that attorney's fees equal to twenty-five percent (25%) of the total amount sought by CFS shall be deemed reasonable for purposes of this Agreement.

18. ASSIGNMENT: CUSTOMER SHALL NOT ASSIGN OR PLEDGE THIS AGREEMENT IN WHOLE OR IN PART, NOR SHALL CUSTOMER SUBLET OR LEND ANY EQUIPMENT WITHOUT PRIOR WRITTEN CONSENT OF CFS. CFS may pledge or transfer this Agreement. Customer agrees that if CFS transfers this Agreement, the assignee will have the same rights and benefits that CFS has now and will not have to perform any of CFS' obligations which CFS will continue to perform. Customer agrees that the rights of the assignee will not be subject to any claims, defenses, or set-offs that Customer may have against CFS. If Customer is given notice of any such transfer, Customer agrees, if so directed therein, to pay directly to the assignee all or any part of the amounts payable hereunder.

19. RENEWAL; RETURN: Except in the case of an Agreement containing a \$1.00 Purchase Option, this Agreement shall automatically renew on a month-to-month basis at the same Payment amount and frequency unless Customer sends written notice to CFS, at least sixty (60) days' before the end of the scheduled term or any renewal term that Customer either (i) shall exercise the Purchase Option in accordance with the terms hereof and at the end of such term exercises such Purchase Option, or (ii) does not want to renew this Agreement and at the end of such term returns the Equipment as provided below. Unless this Agreement automatically renews or Customer purchases the Equipment as provided herein, Customer shall, at the termination of this Agreement, return the Equipment at its sole cost and expense in good operating condition, ordinary wear and tear resulting from proper use excepted, to a location specified by CFS. CFS may charge Customer a return fee equal to the greater of one Payment or \$250 for the processing of returned Equipment. If for any reason Customer shall fail to return the Equipment to CFS as provided herein, Customer shall pay to CFS upon demand one billing period's Payment for each billing period or portion thereof that such return is delayed. Customer shall reimburse CFS for any costs incurred by CFS to place the Equipment in good operating condition.

20. PURCHASE OPTION: (A) END OF TERM PURCHASE OPTION. To exercise this option, Customer shall give CFS sixty (60) days' prior irrevocable written notice (unless the Purchase Option is \$1.00) that it will purchase all the Equipment at the end of the initial term or any renewal term for the Purchase Option price indicated on the face of this Agreement plus any applicable taxes, expenses, charges and fees. (B) PRIOR TO MATURITY PURCHASE. Customer may, at any time, upon sixty (60) days' prior irrevocable written notice purchase all (but not less than all) the Equipment at a price equal to the sum of all remaining Payments *plus* the Fair Market Value, *plus* any applicable taxes, expenses, charges and fees. For purposes of this Agreement, "Fair Market Value" shall be CFS' retail price at the time Customer notifies CFS of its intent to purchase the Equipment. Upon proper notice and payment by Customer of the amounts specified above, CFS shall transfer the Equipment to Customer "AS-IS WHERE-IS" without any representation or warranty whatsoever, except for title, and this Agreement shall terminate.

21. DATA: Customer acknowledges that the hard drive(s) on the Equipment, including attached devices, may contain images, content or other data that Customer may store for purposes of normal operation of the Equipment ("Data"). Customer acknowledges that CFS is not storing Data on behalf of Customer and that exposure or access to the Data by CFS, if any, is purely incidental to the services performed by CFS. Neither CFS nor any of its affiliates has an obligation to erase or overwrite Data upon Customer's return of the Equipment to CFS. Customer is solely responsible for: (A) its compliance with applicable law and legal requirements pertaining to data privacy, storage, security, retention and protection; and (B) all decisions related to erasing or overwriting Data. Without limiting the foregoing, if applicable, Customer should, (i) enable the Hard Disk Drive (HDD) data erase functionality that is a standard feature on certain Equipment and/or (ii) prior to return or other disposition of the Equipment, utilize the HDD (or comparable) formatting function (which may be referred to as "Initialized All Data/Settings" function) if found on the Equipment to perform a one pass overwrite of Data or, if Customer has higher security requirements, Customer may purchase from its Canon dealer at current rates an appropriate option for the Equipment, which may include (a) an HDD Data Encryption Kit option which disguises information before it is written to the hard drive using encryption algorithms, (b) an HDD Data Erase Kit that can perform up to a 3-pass overwrite of Data (for Equipment not containing data erase functionality as a standard feature), or (c) a replacement hard drive (in which case Customer should properly destroy the replaced hard drive). Customer shall indemnify CFS, its subsidiaries, directors, officers, employees and agents from and against any and all costs, expenses, liabilities, claims, damages, losses, judgments or fees (including reasonable attorneys' fees) arising or related to the storage, transmission or destruction of the Data. This section survives termination or expiration of this Agreement. The terms of this section shall solely govern as to Data, notwithstanding that any provisions of this Agreement or any separate confidentiality or data security or other agreement now or hereafter entered into between Customer and CFS applies, or could be construed to apply to Data.

22. MAXIMUM INTEREST; RECHARACTERIZED AGREEMENT: No Payment is intended to exceed the maximum amount of interest permitted to be charged or collected by applicable laws, and any such excess Payment will be applied to payments due under this Agreement, in inverse order of maturity, and thereafter shall be refunded. If this Agreement is recharacterized as a conditional sale or loan, Customer hereby grants to CFS, its successors and assigns, a security interest in the Equipment to secure payment and performance of Customer's obligations under this Agreement.

23. UCC - ARTICLE 2A: CUSTOMER ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT IS INTENDED AS A "FINANCE LEASE" AS THAT TERM IS DEFINED IN ARTICLE 2A OF THE UNIFORM COMMERCIAL CODE ("UCC 2A") AND THAT CFS IS ENTITLED TO ALL BENEFITS, PRIVILEGES AND PROTECTIONS OF A LESSOR UNDER A FINANCE LEASE. CUSTOMER WAIVES ITS RIGHTS AS A LESSEE UNDER UCC 2A SECTIONS 508-522.

24. WAIVER OF OFFSET: This Agreement is a net lease. If the Equipment is not properly installed, does not operate as represented or warranted, or is unsatisfactory for any reason, Customer shall make such claim solely against the supplier, dealer, or manufacturer. Customer waives any and all existing and future claims and offsets against any Payments or other charges due under this Agreement, and unconditionally agrees to pay such Payments and other charges, regardless of any offset or claim which may be asserted by Customer or on its behalf.

25. GOVERNING LAW; VENUE; WAIVER OF JURY TRIAL: THIS AGREEMENT HAS BEEN EXECUTED BY CFS IN, AND SHALL FOR ALL PURPOSES BE DEEMED A CONTRACT ENTERED INTO IN, THE STATE OF NEW JERSEY. THE RIGHTS OF THE PARTIES UNDER THIS AGREEMENT SHALL BE GOVERNED BY THE LAWS OF THE STATE OF NEW JERSEY WITHOUT REFERENCE TO CONFLICT OF LAW PRINCIPLES. ANY ACTION BETWEEN CUSTOMER AND CFS SHALL BE BROUGHT IN ANY STATE OR FEDERAL COURT LOCATED IN THE COUNTY OF CAMDEN OR BURLINGTON, NEW JERSEY, OR AT CFS' SOLE OPTION, IN THE STATE WHERE CUSTOMER OR THE EQUIPMENT IS LOCATED. CUSTOMER, BY ITS EXECUTION AND DELIVERY HEREOF, IRREVOCABLY WAIVES OBJECTIONS TO THE JURISDICTION OF SUCH COURTS AND OBJECTIONS TO VENUE AND CONVENIENCE OF FORUM. CUSTOMER, BY ITS EXECUTION AND DELIVERY HEREOF, AND CFS, BY ITS ACCEPTANCE HEREOF, HEREBY IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUCH PROCEEDINGS.

26. MISCELLANEOUS: All notices required or permitted under this Agreement shall be sufficient if delivered personally, sent via facsimile or other electronic transmission, or mailed to such party at the address set forth in this Agreement, or at such other address as such party may designate in writing from time to time. Any notice from CFS to Customer shall be effective three (3) days after it has been deposited in the mail, duly addressed. All notices to CFS from Customer shall be effective after it has been received via U.S. mail, express delivery, facsimile or other electronic transmission. If there should be more than one party executing this Agreement as Customer, all obligations to be performed by Customer shall be the joint and several liability of all such parties. Customer's representations, warranties, and covenants under this Agreement shall survive the delivery and return of the Equipment. Any provision of this Agreement that may be determined by competent authority to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of this Agreement. No such prohibition or unenforceability in any jurisdiction shall invalidate or render unenforceable such provision in any other jurisdiction. Customer agrees that CFS may insert missing information or correct other information on this Agreement including the Equipment's description, serial number, and location, and corrections to Customer's legal name; otherwise, this Agreement contains the entire arrangement between Customer and CFS and no modifications of this Agreement shall be effective unless in writing and signed by the parties. Customer agrees that CFS may accept a facsimile or other electronic transmission of this Agreement or any Acceptance Certificate as an original, and that facsimile or electronically transmitted copies of Customer's signature will be treated as an original for all purposes.



CANON FINANCIAL SERVICES, INC. ("CFS")
Remittance address: 14904 Collections Center Drive
Chicago, Illinois 60693 (800) 220-0200

Equipment Schedule

CFS-1002 (01/13)

AGREEMENT NUMBER:	S0929805.02
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This Equipment Schedule ("Schedule") is attached to and made part of the agreement (whether designated a lease, rental, Master Lease or otherwise) between Canon Financial Services, Inc. ("CFS") and BREA CALIFORNIA CITY OF ("Customer") (the "Agreement"). The Equipment described below, together with the equipment described on the face of the Agreement, if any, shall be deemed "Equipment" for the purposes of the Agreement and shall be subject to the terms and conditions set forth in the Agreement.

Equipment Address (County, City, State, ZIP)	Quantity	Serial Number	Make / Model / Accessory / Description
City of Brea - Fire Station 2 200 N. Brea Blvd., BREA, CA 92821	1		ICMF525DW
City of Brea - Fire Station 3 2600 E. Santa Fe Road, BREA, CA 92821	1		ICMF525DW
City of Brea - Fire Station 4 198 N Olinda Place, BREA, CA 92821	1		ICMF525DW
City of Brea - Fire Station 1 555 North Berry Street, BREA, CA 92821	1		ICMF525DW
			and any and all accessories.

In witness whereof, the parties have caused this Schedule to be executed on the same date set forth on the Agreement.

ACCEPTED
CANON FINANCIAL SERVICES, INC.
By: _____
Title: _____
Effective Date: _____

AUTHORIZED CUSTOMER SIGNATURE
Customer: <u>BREA CALIFORNIA CITY OF</u>
By: X _____
Printed Name: _____
Title: _____



CANON SOLUTIONS AMERICA

Canon Solutions America, Inc. ("CSA")
One Canon Park, Melville, NY 11747
(800) 613-2228

MAINTENANCE AGREEMENT***National IPA*****Related Acquisition Agreement #** S0929805.02Salesperson Colleen Kay Lambert Order Date: 6 / 24 / 2019

Customer ("you"):		Customer Account:		Equipment Location:		Customer Account:	
Company: CITY OF BREA				Company: CITY OF BREA			
Address: 1 CIVIC Center Circle - Purchasing				Address: Please View Below			
City: BREA		County: ORANGE		City:		County:	
State: CA	Zip: 92821	Phone #: 714.990.7787		State:	Zip:	Phone #: 714.990.7787	
Contact: Neil Groom		Fax #:		Contact: Verence Ramriez		Fax #:	
Email: neilg@cityofbrea.net				For each unit of Equipment listed, you shall indicate specific contact and location (if different than above) in the table below or in any Addendum to this Agreement.			
Maintenance Billing Entity				PO Required		Meter Read Collection Options	
Base Charge: <input checked="" type="checkbox"/> CSA <input type="checkbox"/> Canon Financial Services, Inc. ("CFS")				<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		imageWARE Remote unless noted in table below*	
Per Image Charge: <input checked="" type="checkbox"/> CSA <input type="checkbox"/> Canon Financial Services, Inc. ("CFS")				PO#		W = myCSA website	
Base Charge Billing Cycle		Initial Term		Coverage Plan			
<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Other		60 Months (min. 12)		<input type="checkbox"/> Per Unit <input checked="" type="checkbox"/> Fleet <input type="checkbox"/> Aggregate If adding the Equipment below to existing an Aggregate, provide either a contract # or serial # under Aggregate.			
Excess Per Image* Charge Billing Cycle		Price Plan		Consumables Inclusive		Toner Fulfillment Method	
<input checked="" type="checkbox"/> Monthly <input type="checkbox"/> Quarterly <input type="checkbox"/> Other		<input type="checkbox"/> Standard <input checked="" type="checkbox"/> Fixed		<input checked="" type="checkbox"/> Toner <input type="checkbox"/> Other		Customer order unless noted for Equipment below**	

Subject to the terms and conditions of this Agreement, CSA agrees to service the Equipment listed below or in any Addendum(s) to this Agreement at the charges stated herein or therein. For newly installed Equipment, the Start Date is provided in Paragraph 1 of the Additional Terms and Conditions. The Start Date for previously in place Equipment is ____/____/____.

*Each Image is equal to 1 printed page except for Océ brand Wide Format products in which case each Image is equal to one (1) square foot.

Model	Serial #	Start Meter		Covered Images per unit or Fleet included in Base Charge <small>All aggregate images should be listed per unit.</small>			Per Image Charge in excess of Covered Images			Base Charge per unit or Fleet	Corporate Advantage Yes/No	Alt Meter Method*
		B & W	Color	B & W	Color	Long Sheet	B & W	Color	Long Sheet			
ICMF525DW							0.015200			\$0.00	No	
Contact: Verenice Ramriez				Phone #: 714.990.7787		Fax #:		Email: verenicer@ci.brea.ca.us				
Location: City of Brea - Fire Station 1 BREA, CA 92821								Auto Toner Fulfillment: <input type="checkbox"/> **(Requires imageWare Remote)				
ICMF525DW												
Contact: Verenice Ramriez				Phone #: 714.990.7787		Fax #:		Email: verenicer@ci.brea.ca.us				
Location: City of Brea - Fire Station 2 200 N. Brea Blvd. BREA, CA 92821								Auto Toner Fulfillment: <input type="checkbox"/> **(Requires imageWare Remote)				
ICMF525DW												
Contact: Verenice Ramriez				Phone #: 714.990.7787		Fax #:		Email: verenicer@ci.brea.ca.us				
Location: City of Brea - Fire Station 3 BREA, CA 92821								Auto Toner Fulfillment: <input type="checkbox"/> **(Requires imageWare Remote)				
ICMF525DW												
Contact: Verenice Ramriez				Phone #: 714.990.7787		Fax #:		Email: verenicer@ci.brea.ca.us				
Location: City of Brea - Fire Station 4 BREA, CA 92821								Auto Toner Fulfillment: <input type="checkbox"/> **(Requires imageWare Remote)				

Subtotal from Supplemental Addendum										
CUSTOMER SATISFACTION POLICY If you are not satisfied with the performance of your Canon or Océ brand product, upon your written request, CSA in its sole discretion will repair or replace the product with a like unit with equivalent capabilities. Prior to replacement, CSA shall have had the opportunity to return the product to good working order in accordance with the terms of this agreement. This policy shall apply for 3 years from the date of installation or for the initial term of any CFS Lease, if longer, provided you are not in default of this Agreement and such maintenance services have not been canceled or terminated.										Subtotal
										Tax
										Total

BY YOUR SIGNATURE BELOW, YOU AGREE TO PURCHASE THE MAINTENANCE SERVICES SPECIFIED ABOVE. YOU ACKNOWLEDGE RECEIPT OF A COPY OF THIS AGREEMENT, CONSISTING OF 2 PAGES INCLUDING THIS FACE PAGE. THE ADDITIONAL TERMS AND CONDITIONS ON PAGE 2 HEREOF AND IN ANY ADDENDUM(S) HERETO, ARE INCORPORATED AND MADE A PART OF THIS AGREEMENT.

Customer's Authorized Signature _____

Printed Name _____ Title _____ Date _____

These are the additional terms and conditions referred to on the face page to which they are attached (such face page, and any addendum(s) hereto, collectively with these terms and conditions, the "Agreement").

1. TERM. Maintenance under this Agreement shall start on the date (the "Start Date") of installation for newly installed equipment (inclusive of standard embedded Canon brand software) (the "Equipment") covered under toner inclusive service. For all other newly installed Equipment, the Start Date shall be at the end of the relevant Equipment warranty or 90 days from installation, whichever comes first. The Start Date is stated on the face page for all previously in place Equipment. (a) The initial term specified on the face page shall renew for successive 12 month period unless either party gives written notice of non-renewal at least 30 days prior to the expiration of the then-current term. The renewal charges shall be reflected on the invoice for the first billing cycle of the renewal period. You shall have the right to terminate the renewal contract with 30 days advance written notice to CSA.

2. CHARGES Base Charges and Per Image Charges, including Images in Excess of Covered Images, shall be invoiced in accordance with the CFS Agreement. For Long Sheet images over 38.4" the meter shall record a quantity of 2 images. For Equipment designated as Corporate Advantage, the meter shall record a quantity of 2 images for any image produced on media wider than 8 1/2". Invoices shall be due and payable within 30 days of the invoice date unless otherwise stated on the invoice. Applicable taxes shall be added to the charges. If payments are late, (i) you shall pay the actual and reasonable costs and expenses of collection incurred by CSA, including the maximum attorney's fees permitted by law and (ii) CSA may charge you and you agree to pay, a late charge equal to five percent (5%) of the amount due for each billing period or portion of a billing period such payment is delayed or \$10 as reasonable collection fees, not to exceed the maximum amount permitted by law. If the Standard Price Plan is selected on the face side, during the initial term, the charges specified on the face page are subject to an annual increase up to 10% (as determined by CSA in its sole discretion) either (i) on each anniversary of the start date or (ii) once in each calendar year if you have selected the Aggregate Coverage Plan. Fixed Price Plans shall not increase during the initial term. If you have selected CFS on the face page as the billing entity, your maintenance charges will appear on your periodic lease invoice along with standard lease charges. CFS will remit your payment of maintenance charges to CSA upon receipt. (a) Consumables Inclusive service includes replenishment of consumables specified on the face page for exclusive use with the Equipment. CSA may terminate this Agreement if you use the consumables in a different manner. In the event your toner usage exceeds by more than 10% the published manufacturer specifications for conventional office image coverage, as determined by CSA, CSA may invoice you for such excess usage. You may purchase additional toner from CSA if required during the term. You shall bear all risk of loss, theft or damage to unused consumables, which shall remain CSA's property and shall be returned promptly upon termination of this Agreement. (b) If you have selected the Fleet or Aggregate Coverage Plan, the Base Charge and the Covered Images shall apply to all of the Equipment on the Schedule unless otherwise indicated. If specified on the face page that the Listed Items are being added to an existing Fleet Coverage Plan under a previous agreement between you and CSA, (i) the fleet shall include the listed items under the previous agreement, and all other agreements for which the add to existing fleet option was selected, and (ii) the maintenance term for all Listed Items under this Agreement shall be the same as the maintenance term for all listed items under all such previous agreements. (c) If specified on the face page that the Listed Items are being added to an existing Aggregate Coverage Plan under a previous agreement between you and CSA, the Covered Images shall apply to all of the Equipment on the schedule, unless otherwise indicated, plus the listed items under the previous agreement(s), and all other agreements for which the add to existing Aggregate Coverage Plan was selected, on an aggregated basis, for so long as the maintenance term for all such listed items continues. (d) Unless otherwise indicated on the face page, you authorize CSA to use networked features of the Equipment including imageWARE Remote to receive software updates, activate features/new licenses and/or transmit use and service data accumulated by the Equipment over your network by means of an HTTPS protocol and to store, analyze and use such data for purposes related to servicing the Equipment and product improvement. (e) You agree to provide meter readings to CSA, if applicable, in accordance with the meter read option selected and CSA's normal procedures. If you selected the myCSA website, you, your employees or agents shall complete CSA's registration process governing access to and use of such website, and you agree to be bound by, and comply with its Terms of Use. CSA may change your meter read options from time to time upon 60 days notice. If CSA does not receive timely meter readings from you, you agree to pay invoices that reflect CSA's estimates of meter readings. CSA reserves the right to verify the accuracy of any meter readings from time to time, and to invoice you for any shortfall in the invoice for the next periodic billing cycle.

3. COVERED SERVICE. CSA shall provide all routine preventive maintenance and emergency service necessary to keep the Equipment in good working order in accordance with this Agreement and CSA's normal practice. Such service shall be performed during CSA's local regular business hours (8:30 A.M. to 5:00 P.M. Monday through Friday, except holidays).

(a) You shall afford CSA reasonable and safe access to the Equipment to perform on-site service. CSA may terminate its maintenance obligations as to any Equipment if you relocate it to a site outside CSA's service territory. If, in CSA's opinion, any Equipment cannot be maintained in good working order through CSA's routine maintenance services, CSA may, at its option, (i) substitute comparable Equipment or (ii) cancel any balance of the term of this Agreement as to such Equipment and refund the unearned portion of any prepaid charges hereunder. Parts or Equipment replaced or removed by CSA in connection with maintenance services hereunder shall become the property of CSA and you disclaim any interest therein. (b) CSA shall make available to you from time to time upgrades and bug fixes for the software licensed as part of the Equipment ("Embedded Software"), but: (i) only if such upgrades and bug fixes are provided to CSA by the developers of such Embedded Software, (ii) availability of upgrades and bug fixes may be at additional charge, and (iii) installation of such upgrades and bug fixes by CSA if requested by you shall be at additional charge. You are not required to use CSA for installation of any upgrades and bug fixes, but if installation is done by anyone other than CSA, CSA shall have no responsibility for any performance or other issues that may result from such installation. CSA shall also use reasonable efforts to provide Level 1 support for the Embedded Software. Level 1 support consists of (i) providing help-line telephone assistance in operating the Embedded Software and identifying service problems and attempting to troubleshoot any such problems in the Embedded Software; (ii) escalating operating problems to the available developer of the Embedded Software as needed to rectify such problems, including facilitating contact between you and the developer of the Embedded Software as necessary; and (iii) maintaining a log of such problems to assist in tracking the same. Embedded Software as used herein does not include separately-priced application software supplied by CSA to you under any separate acquisition agreement, and support therefor shall be solely governed by the provisions thereof.

4. NON-COVERED SERVICE. The following services, and any other work beyond the scope of this Agreement, shall be invoiced in accordance with CSA's then current labor, parts and supply charges: (a) replacement of any consumable supply item not provided as part of toner inclusive service identified on the face page, including, without limitation, paper, toner, ink, waste containers, fuser oil, staples, other media, print heads and puncher dies; (b) repairs necessitated by factors other than normal use including, without limitation, any willful act, negligence, abuse or

misuse of the Equipment; the use of parts, supplies or software which are not supplied by CSA and which cause abnormally frequent service calls or service problems; service performed by personnel other than CSA personnel; accident; use of the Equipment with non-compatible hardware or software components; electrical power malfunction or heating, cooling or humidity ambient conditions; (c) de-installation, re-installation or relocation of Equipment; (d) repairs to or realignment of Equipment, and related training, necessitated by changes you made to your system configuration or network environment; (e) work which you request to be performed outside of CSA's regular business hours; or (f) repair of any network/system connection device, except when listed on face page.

5. DATA. You acknowledge that the hard drive(s) on the Equipment, including attached devices, may retain images, content or other data that you may store for purposes of normal operation of the Equipment ("Data"). You acknowledge that CSA is not storing Data on behalf of you and that exposure or access to the Data by CSA, if any, is purely incidental to the services performed by CSA. Neither CSA nor any of their affiliates has an obligation to erase or overwrite Data upon your return of the Equipment to CSA or any leasing company. You are solely responsible for: (i) your compliance with applicable law and legal requirements pertaining to data privacy, storage, security, retention and protection; and (ii) all decisions related to erasing or overwriting Data. Without limiting the foregoing, you should, (a) enable the Hard Disk Drive (HDD) data erase functionality that is a standard feature on certain Equipment and/or (b) prior to return or other disposition of the Equipment, utilize HDD (or comparable) formatting function (which may be referred to as "Initialized All Data/Settings" function) if found on the Equipment to perform a one pass overwrite of Data or, if you have higher security requirements, you may purchase from CSA at current rates an available option for the Equipment, which may include (x) an HDD Data Encryption Kit option which disguises information before it is written to the hard drive using encryption algorithms, (y) a HDD Data Erase Kit that can perform up to a 3-pass overwrite of Data (for Equipment not containing data erase functionality as a standard feature), or (z) a replacement hard drive (in which case you should properly destroy the replaced hard drive). The terms of this Section 5 shall solely govern as to Data, notwithstanding that any provisions of this Agreement or any separate confidentiality or data security or other agreement now or hereafter entered into between you and CSA could be construed to apply to Data.

6. EXCLUSION OF WARRANTIES AND LIMITATION OF LIABILITY. CSA EXPRESSLY DISCLAIMS ALL WARRANTIES EXPRESS OR IMPLIED INCLUDING IMPLIED WARRANTIES OF MERCHANTABILITY AND FITNESS FOR A PARTICULAR PURPOSE RELATING TO THE USE OR PERFORMANCE OF THE EQUIPMENT AND SOFTWARE OR ANY METER READ COLLECTION METHOD PROVIDED BY CSA. YOU EXPRESSLY ACKNOWLEDGE THAT THE FURNISHING OF MAINTENANCE SERVICE UNDER THIS AGREEMENT DOES NOT ASSURE UNINTERRUPTED OPERATION AND USE OF THE EQUIPMENT, SOFTWARE OR METER COLLECTION METHODS. CSA SHALL NOT BE LIABLE FOR INJURY OR DAMAGE EXCEPT TO THE EXTENT CAUSED BY CSA'S NEGLIGENCE OR WILLFUL MISCONDUCT. CSA SHALL NOT BE LIABLE FOR EXPENDITURES FOR SUBSTITUTE EQUIPMENT OR SERVICES, LOSS OF REVENUE OR PROFIT, LOSS, CORRUPTION OR RELEASE OF DATA, FAILURE TO REALIZE SAVINGS OR OTHER BENEFITS, STORAGE CHARGES OR INCIDENTAL, SPECIAL, PUNITIVE OR CONSEQUENTIAL DAMAGES ARISING OUT OF OR IN CONNECTION WITH THIS AGREEMENT REGARDLESS OF THE LEGAL THEORY ON WHICH THE CLAIM IS BASED AND EVEN IF CSA HAS BEEN ADVISED OF THE POSSIBILITY OF SUCH DAMAGES.

7. DEFAULT. You shall be in default of this Agreement if you fail to perform any of your obligations under this Agreement, including making prompt undisputed payments when due. CSA may withhold service under this Agreement in whole or in part until any delinquent payment is received by CSA. CSA may terminate this Agreement in whole or in part upon your default with thirty (30) days notice to you, unless such default is cured by you within the thirty (30) day period. If an overdue payment is disputed in good faith within thirty (30) days after the due date thereof, you shall pay all undisputed amounts and promptly make a good faith effort to resolve such dispute with CSA. In the event of your default, CSA may, without limiting its other rights and remedies available under applicable law and this Agreement, require you to pay all charges then due but unpaid, including any applicable late charges, plus an early termination fee equal to three (3) times the average monthly billing to date and any excess toner charges per Section 2(b). You agree that such charges are reasonable liquidated damages for loss of bargain and not a penalty.

8. GOVERNING LAW. THIS AGREEMENT AND ALL CLAIMS, DISPUTES AND CAUSES OF ACTION RELATING THERETO, WHETHER SOUNDING IN CONTRACT, TORT OR STATUTE, SHALL BE GOVERNED BY AND CONSTRUED IN ACCORDANCE WITH THE LAWS OF THE STATE OF NEW YORK. YOU CONSENT TO THE EXCLUSIVE JURISDICTION AND VENUE OF ANY STATE OR FEDERAL COURT LOCATED WITHIN THE CITY OF NEW YORK UPON SERVICE OF PROCESS MADE IN ACCORDANCE WITH THE APPLICABLE STATUTES AND RULES OF THE STATE OF NEW YORK OR THE UNITED STATES. ANY AND ALL SUITS YOU COMMENCE AGAINST CSA, WHETHER OR NOT ARISING UNDER THIS AGREEMENT, SHALL BE BROUGHT ONLY IN THE STATE OR FEDERAL COURTS LOCATED WITHIN THE CITY OF NEW YORK. YOU HEREBY WAIVE OBJECTIONS AS TO VENUE AND CONVENIENCE OF FORUM. ANY SUIT, OTHER THAN ONE SEEKING PAYMENT OF AMOUNTS DUE HEREUNDER, SHALL BE COMMENCED, IF AT ALL, WITHIN ONE (1) YEAR OF THE DATE THAT THE CLAIM ACCRUES. THE PARTIES IRREVOCABLY WAIVE ANY RIGHT TO A JURY TRIAL IN ANY SUIT BETWEEN THEM.

9. ENTIRE AGREEMENT. This Agreement shall be binding upon your signature and upon the installation of the Equipment by CSA or commencement of the covered services if this Agreement is for renewal of a prior maintenance agreement or for equipment previously installed. This Agreement constitutes the entire agreement between the parties with respect to the furnishing of maintenance service for the Equipment, superseding all previous proposals and agreements, oral or written. All provisions of this Agreement including Section 5, which by their nature can be construed to survive the expiration or termination of the Agreement shall so survive. Any purchase order utilized by you shall be for your administrative convenience only, and any terms therein which conflict with, vary from or supplement the provisions of this Agreement shall be deemed null and void. No representation or statement not contained on the original of this Agreement shall be binding upon CSA as a warranty or otherwise, nor shall this Agreement be modified or amended except by a writing signed by both you and a designated representative of CSA. If a court finds any provision of this Agreement (or part thereof) to be unenforceable, the remaining provisions of this Agreement shall remain in full force and effect. This Agreement shall not be assignable by you without CSA's prior written consent, and any attempted assignment without such consent shall be void. You expressly disclaim having relied upon any representation or statement concerning the capability, condition, operation, performance or specifications of the Equipment and Software, except to the extent set forth on the original of this Agreement. You agree that CSA may accept an electronic image of this Agreement as an original, and that electronic copies of your signature will be treated as an original for all purposes.

This transaction shall be governed in all respects by the Ts&Cs of contract # FI-R-0251-18 dated 10-1-2018 between CSA and DuPage County and any Ts&Cs which conflict with or vary from the contract terms shall be deemed null and void.

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
FROM: Bill Gallardo, City Manager
DATE: 07/16/2019
SUBJECT: Organizational Consulting Services for the Brea Police Department

RECOMMENDATION

1. Approve the Agreement with Management Partners to provide Organizational Consulting Services for the Brea Police Department in an amount not-to-exceed \$88,600.00; and
2. Authorize the Chief of Police to issue up to two six-month extensions.

BACKGROUND/DISCUSSION

In 2013, the Brea Police Department was reduced by approximately 40% and was reorganized as the result of the end of a police services agreement with the City of Yorba Linda. At that time, the department structure, including staffing levels, was determined via an internal analysis based primarily on the experiences of senior staff and other anecdotal information. The department indicated it would continually evaluate operations and make recommendations for changes as necessary. Since then, although some modifications have been made due to changing needs and economic conditions, the department remains roughly the same size and structure even as Brea continues to evolve with further growth projected.

To ensure the Brea Police Department evolves along with the City of Brea, and is positioned to continue to provide exceptional law enforcement services, a highly-qualified consultant was sought to provide a fresh view external of the organization, free from local biases and uninfluenced by anecdotal experiences. The selected consultant will help develop an organizational strategy that outlines seven-year goals for the Police Department, including a specific implementation plan for the first two years followed by a five-year strategic plan.

Highlights of the objectives included in the scope of services requirements are: 1) Develop a comprehensive Police Staffing Needs Analysis that includes organizational structures, work plans, and service level goals that operationally align Brea with other local public safety agencies and industry best practices; 2) Develop a plan to enhance Police operations over a seven-year period with detailed implementation plans for the first two years followed by a five-year strategic plan to meet emerging and evolving law enforcement challenges and opportunities; 3) Assess performance metrics and use of data analytics; and 4) Assess current and projected service populations and geographic considerations to evaluate current and future service levels, service demands and standards for service delivery, including but not limited to staffing (including support staff), equipment needs, and deployment schedules.

These goals and objectives will help the Brea Police Department meet the needs of the Brea community from 2020 and beyond. To help accomplish these important aspirations, the Police

Department developed the scope of services and the Purchasing Division solicited competitive proposals from well-qualified consultants. Six firms submitted responses by the May 14, 2019 deadline and staff began the evaluations immediately thereafter.

Staff independently ranked each of the proposals according to the consultant's experience performing similar services, demonstrated record of past successes, proposed staffing, quality of the proposed work plan, and satisfactory references. Scores were based on a 75 point maximum possible. Based on their demonstrated competence, professional qualifications, and proposed work plan, Management Partners was deemed the best-qualified consultant.

Thereafter, staff reviewed their price proposal and determined that it was fair and reasonable. An interview was held with Management Partners to meet their key project personnel, clarify various aspects of their proposal, and negotiate certain parts of the scope of work and their relative price points. A best and final offer request was issued to capture the changes and seek any price concessions, which resulted in a decrease of \$4,400 and is reflected in the following table.

Rank	Score	Consultant Name	Price
1	70.33	Management Partners	\$88,600
2	63.17	The Novak Consulting Group	\$64,400
3	57.33	Matrix Consulting Group	\$68,000
4	50.00	Center for Public Safety Management	\$66,150
5	49.33	Hillard Heintze	\$148,981
6	31.00	B2G Global Strategies	\$495,015

The Agreement has an option for up to two six-month time-only extensions that will permit additional time to complete the scope of services tasks based on mutual agreement of the parties.

COMMISSION/COMMITTEE RECOMMENDATION

The Finance Committee reviewed staff's recommendation at their July 9, 2019 meeting and it was recommended for City Council approval.

FISCAL IMPACT/SUMMARY

The Fiscal Year 2018-19 Budget has sufficient funding available in the Police Department's Professional Services account (110-21-2111-4249).

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Neil Groom, Procurement and Contracts Administrator

Concurrence: Chief John Burks; and

Cindy Russell, Administrative Services Director

Attachments

Agreement

**PROFESSIONAL SERVICES
AGREEMENT**

THIS AGREEMENT ("Agreement") is effective on the date on which this Agreement is executed by the City of Brea, ("Effective Date"), and is between Management Partners, Incorporated, ("CONTRACTOR") and the CITY OF BREA, a California municipal corporation ("CITY"). CONTRACTOR and CITY are sometimes referred to herein collectively as the "Parties" and singularly as "Party". The Parties agree as follows:

I. Agreement

- A. This Agreement, together with the following exhibits are incorporated herein by reference, and supersedes all prior agreements and understandings:
 - Exhibit A – Scope of Services/Specifications
 - Exhibit B – Compensation
 - Exhibit C – General Provisions
 - Exhibit D – Indemnity and Insurance Requirements
- B. This Agreement may be modified by written amendment executed by all parties.

II. Scope of Services Summary

CONTRACTOR shall, during the Term of the Agreement, provide **Organizational Consulting Services** as further set forth in Exhibit A, all to CITY's reasonable satisfaction (collectively, the "Services").

III. Term of the Agreement

- A. CONTRACTOR shall commence performance of Services on the date **indicated in the notice to proceed issued by the City Project Manager**.
- B. AGREEMENT shall remain in full force and effect **for eight (8) months** unless sooner terminated as set forth in the Termination subsection of Exhibit C ("Term").
- C. AGREEMENT may be extended for one or more additional terms not to exceed **two (2) six-month periods** (each an "Extended Term"), commencing upon the expiration of the preceding Term.

IV. Compensation Summary

- A. CITY shall pay CONTRACTOR for satisfactorily and completely rendered Services according to prices and in the manner set forth in Exhibit B. Parties agree that full and complete payment for all Services shall not exceed **\$88,600.00** ("Contract Amount"). The CITY shall have no obligation to pay any amount in excess of the foregoing amounts, unless agreed to in writing by the CITY.
- B. CONTRACTOR shall not render any services in excess of the Services described in Exhibit A ("Additional Services") without CITY's prior written approval. Any work performed without CITY's prior written approval shall be deemed to have been performed as part of the Services and included within the not-to-exceed Contract Amount.

V. Insurance Requirements Summary

- A. All insurance shall comply with the specific requirements set forth in Exhibit D.
B. Exhibit D shall govern in the event of any conflict with the following coverages.

1. **Commercial General Liability (CGL)**
Limits shall be no less than \$2,000,000 per occurrence.
2. **Automobile Liability Insurance (ALI) (any auto)**
Limits shall be no less than \$2,000,000 per occurrence.
3. **Workers' Compensation**
State of California statutory limits
Employer's Liability Insurance
Limits shall be no less than \$1,000,000 per accident for bodily injury or disease.
4. **Professional Liability Insurance (PL)**
Limits shall be no less than \$2,000,000 per claim.

VI. Notices and Designated Representatives

All notices made pursuant to this Agreement shall be in writing and deemed effectively given: (i) upon receipt, when delivered personally; (ii) one business day after deposit with an overnight courier service; or (iii) two business days after having been sent by registered or certified mail, whether or not a signed receipt is received, provided a proof of delivery is obtained. All communications shall be sent to:

CITY – Project Manager:
John Burks
Chief
1 Civic Center Circle
Brea, CA 92821
(714) 990-7744 phone
JohnB@CityofBrea.net

CITY – City Clerk (if over \$25,000):
Lillian Harris-Neal, MMC
City Clerk
1 Civic Center Circle
Brea, CA 92821
(714) 990-7757 phone
LillianHN@CityofBrea.net

CONTRACTOR:

Representative's Name	Jerry Newfarmer
Title	President and CEO
Address, Suite#	2107 North First Street, Suite 470
City, State, Zip	San Jose, California 95131
Phone	408-437-5400
Email	jnewfarmer@managementpartners.com

(SIGNATURES ON FOLLOWING PAGE)



Offer and Acceptance

I. OFFER made by Contractor to the City of Brea:

I, the undersigned, hereby represent and warrant that I am authorized to submit this Offer on behalf of and to bind the principals who I represent to all the requirements of the City of Brea's Terms & Conditions, Specifications, Scope or Work, any attachments, exhibits, amendments; and I offer and agree to those requirements at the prices set forth in Exhibit B-Compensation. Further, I understand that no contract exists unless City accepts this Offer by signing below.

Business Name: Management Partners

Federal ID# 31-1407585

only for Public Works projects Contractor Lic.#: _____ DIR Reg#: _____

Business Type ☐ Individual/Sole Proprietor ☐ Partnership ☐ Limited Liability Company
(Contractor select one) ☐ Corporation (requires two signatures) ☐ Other


Address: 2107 North First Street, Suite 470

City, State, Zip: San Jose, California 95131

Printed Name & Title: Jerry Newfarmer, President and CEO

Phone & Email: 408-437-5400 jnewfarmer@managementpartners.com

Signature(s): _____ Date: 5/13/2019
(principal) 

Signature(s): _____ Date: 5/13/2019
(2nd Signature required if corp) 

II. ACCEPTANCE of Offer by the City of Brea:

I, the undersigned, hereby represent and warrant that I am authorized to accept Offer on behalf of and to bind City of Brea and I accept the Offer accordingly. Contractor is now bound to furnish all requirements set forth in Contractor's Offer. Contractor is cautioned not to begin work until a written notice to proceed or purchase order is received from City.

City of Brea, a California Municipal Corporation

Mailing Address: 1 Civic Center Circle

City, State, Zip: Brea California 92821

Printed Name & Title: Christine Marick, Mayor

Authorized Signature: _____

Date: _____

III. Attestation (if total contract value exceeds \$25,000 or \$200,000 for Public Works projects)

Printed Name: Lillian Harris-Neal

Title: City Clerk

Signature: _____

Date: _____

EXHIBIT A
SCOPE OF WORK

I. Time of Performance

- A. **Commencement and Completion of Work.** The Services to be performed pursuant to this Agreement shall commence upon *receipt of written notice to proceed from the City*. Failure to commence work in a timely manner and/or diligently pursue work to completion may be deemed to be a breach, resulting in termination of this Agreement.
- B. **Schedule.** After commencement of performance pursuant to paragraph A, above, the Services must be completed *within six months for the two-year implementation plan and two months thereafter for the strategic plan*.
- C. **Excusable Delays.** Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations enacted after the Effective Date, riots, acts of war, or any other conditions beyond the reasonable control of a party.

II. Additional Services

- A. Additional Services are those services related to the scope of services of CONTRACTOR set forth in this Exhibit A but not anticipated at the time of execution of this Agreement. Additional Services shall be provided only when an Addendum to this Agreement authorizing the Additional Services is approved by CITY in accordance with CITY's purchasing procedures.
- B. CITY reserves the right to perform any work that would otherwise constitute Additional Services with its own staff or to retain other contractors to perform the Additional Services.

III. City Provisions

City will provide available documents and access to City staff directly relating to the Scope of Services from 7am to 5pm Monday through Friday excluding City observed holidays. Any deviations will need to be pre-approved by the City Project Manager.

IV. Scope of Services

- A. General Requirements
 - 1. This Scope of Services establishes the minimum requirements for providing the Consulting Services.
 - 2. CONTRACTOR shall fully and timely provide all deliverables described herein in strict accordance with the terms and conditions of this Agreement and all applicable Federal, State, and local laws, rules, and regulations.
 - 3. CONTRACTOR shall provide all labor, materials, equipment and mobilization to complete the services for the City.
- B. Specific Requirements

Proposed Work Plan

Activity 1 – Start Project

We will begin by meeting with the Police Department's command staff and the City's project team to review and confirm the detailed plan of work, schedule and deliverables. During this meeting we will establish the relationship between Management Partners' team and the City's project team. We will discuss the coordination assistance that will be provided by City staff and submit a preliminary information request identifying the documents we will need to begin our analysis.

Activity 2 – Gather Information and Obtain Input

During this activity, Management Partners will gather information from several sources. Included in our information gathering will be techniques to hear insights from department leaders, supervisors and employees.

- **Review Written Documents and Data.** We will review demographic data, future service demand projections, Police Department core values, strategic planning efforts, goals and objectives, organization charts, budget, CAD/RMS data including GIS layers and analysis, staffing levels, response policies, shift schedules and other relevant documents.
- **Conduct Interviews.** We will interview approximately 22 key City officials and staff, including Council members, city managers, police command staff and leadership staff. We will ask questions about existing practices, organizational structure, law enforcement outcomes, and challenges and opportunities for improvement.
- **Facilitate Department Roundtables.** We will convene two roundtables. One will be with department heads to understand their perspectives and how they can collaborate with the Police Department on its staffing and strategic direction to optimize community services. A second roundtable will be convened with the nine-member board of the Brea Police Association to hear their objectives, interests and concerns.
- **Conduct Focus Groups with Police Department Employees.** We will facilitate up to three focus groups to ensure broad employee input about strengths, needs, and opportunities. We will consider equitable labor group representation when organizing the employee focus groups.
- **Observe Field Operations.** We will conduct field observations, which could include ride-alongs with patrol personnel, or, as appropriate, observing personnel in training activities. During this phase, we will observe how personnel approach their work, particularly important work processes, and identify impediments to effective fieldwork.
- **Analyze Growth Projections.** Management Partners' team members are familiar with the community and organization and has expertise analyzing the impacts of growth. This analysis will inform our review of the Police Department's staffing and facility needs and add context for the preparation of the strategic plan.
- **Optional: Conduct Confidential Employee Survey.** If desired, we will create a confidential online survey to allow all department personnel to provide anonymous input for this assessment. Ideas would be provided about ways to increase efficiency, improve practices and procedures, and optimize services.

At the conclusion of this data gathering, Management Partners will create a summary of the major themes and our observations. This summary will allow us to determine if the data we have gathered is sufficient or whether additional data and information will be needed for our analysis.

Continued on Next Page

Activity 3 – Conduct Peer Benchmarking Survey and Identify Best Practices

Using criteria we establish in collaboration with Police Department leaders, we will identify up to six peer agencies to collect relevant data. Examples of data points we expect to gather from peers include staffing (sworn, civilian); organization structure; reporting relationships and rank structure; crime statistics; workload (calls for service, by type); operating budgets; and services provided inhouse vs. through partnerships with other agencies. We will use these data to place Brea in the context of similar police agencies and provide benchmarks for comparison purposes.

In addition, we are knowledgeable about best practices and industry standards from around the country and will ascertain those that have practical application for the department.

Activity 4 – Conduct Analysis

Next, we will analyze the workload, staffing, operations and organization structure of the Police Department. Specifically, our analysis will cover the items listed in the scope of work, as follows.

- Determine resources needed to maintain safety, service levels and professionalism.
- Determine officers, supervisors and support staff needed to achieve level-of-service goals.
- Assess organizational structure, spans of control, management structure, administration and support personnel, ratio of civilian to sworn positions, and special unit staffing.
- Determine how personnel deployment strategies support current and optimal service delivery.
- Provide a projection of future workload and service demands.
- Evaluate public safety facilities.
- Evaluate partnerships, shared services, shared resources, and contracted services.
- Assess performance metrics.
- Identify redundancies, inefficiencies and other gaps between current and optimal service.

Our best practice standards come from such accepted standards as the recommendations of the Commission on the Accreditation of Law Enforcement Agencies (CALEA), the National Institute of Justice, the General Accountability Office's (GAO) recommendations on service efforts and accomplishments, our own compilation over time of best practices observed from prior engagements, and relevant professional literature.

Activity 5 – Report Results

During this activity we will complete the tasks to report results as described below.

- ***Prepare observations and preliminary recommendations memorandum.*** When the above activities are concluded, we will prepare a document with our observations and preliminary recommendations. We will meet with Police Department leaders to discuss them, receive feedback, and answer questions.
- ***Prepare draft project report.*** Following the review described above, we will prepare a draft report that includes our methodology, the analysis of relevant issues, and recommendations to improve the efficiency of the department's structure and staffing, scheduling and functions.
- ***Finalize project report.*** Once feedback from the Police Department's project team is received on the draft report, we will prepare the final report, which will include a rich discussion of our analysis and recommendations.

Continued on Next Page

Activity 6 – Prepare for Strategic Planning Workshop

Once our analysis is complete, we will prepare for a strategic planning workshop that will include City and Police representatives as selected by the project leaders. We will use the information gathered for the previous analysis, gather any additional information needed, prepare a workshop agenda and materials, and provide advice about workshop logistics.

Activity 7 – Facilitate Strategic Planning Workshop

We will facilitate a one-day workshop with Police Department and City leaders as well as others ss designated. It is our understanding that a cross-section of the department will be invited to participate, representing both sworn and civilian staff and various levels of the organization.

The purpose of the workshop will be to determine what should be reaffirmed and what needs to be updated in the Strategic Plan. Examples of the types of discussions that are likely to take place that day include the following.

- Review and discuss the results of the staffing, organizational and operational analysis;
- Identify activities for a work plan for the next two years and goals for the next five years;
- Identify measurable strategies for each activity and goal; and
- Determine reporting and accountability mechanisms.

The workshop will be facilitated in a way that allows all participants to be fully engaged. We will use a combination of small and large group discussions to achieve the workshop objectives and ensure all voices are heard. Following the workshop, we will summarize the results.

Activity 8 – Prepare Strategic Plan

Based on the results of the workshop, Management Partners will prepare a draft Strategic Plan for the Police Department that contains the following components, pending refinement of the structure of the plan document in collaboration with the department's project team.

- Description of project approach,
- Vision, mission and values,
- Work plan for the next two years,
- Multi-year goals,
- Strategies for each goal, and
- Reporting and accountability mechanisms for the strategic plan.

We will review the draft with the project team and finalize it based on your input. The department will provide high resolution photos that we can put into the plan.

Activity 9 – Support Implementation

Upon completion of the final report, Management Partners will prepare two draft Implementation Action Plans (IAP). The first will contain the report recommendations. This action plan will be an executable roadmap that details the specific steps needed to accomplish each of the recommendations included in the report based on actual priorities of the department. It also includes a suggested priority for each recommendation (short-, medium- and long-term), and assigned responsibility.

The second IAP will reflect the Strategic Plan goals and actions. It will contain the timelines, assignments, and milestones to accomplish each of the strategies contained in the Strategic Plan.

Continued on Next Page

Other Optional Activities

Given the broad scope of services listed in the RFP, some analysis will necessarily be at a high level. Based on the desires of the Police Department, Management Partners can expand any of the areas of inquiry to provide more in-depth research and examination. For example, these may include facilities, financing, mutual aid, equipment needs, geographic deployment, resource demand and supply, emergency response services, current crime trends and future police models. We would be happy to work with the City to scope additional activities as desired.

Revisions to the Scope of Work

Project Timeframes. Management Partners understands the City has revised the project timeframes to require the staffing study to be completed within six months and the strategic plan within two months thereafter. We believe these revised timeframes are reasonable and, if selected, Management Partners will prepare a detailed project schedule consistent with them. The schedule will include the Implementation Action Plans for the staffing study and strategic planning phases being completed concurrent with the revised timeframes. It will be provided to the department as a deliverable during the kickoff meeting.

Review of Facilities and Department Policies. We understand the department has determined it does not need an assessment of facility needs or an analysis of the department's policies. We will remove these tasks from our scope of work.

Confidential Employee Survey. Chief Burks advised during the interview that department cohesion and communication is effective and, therefore, a confidential employee survey is not necessary. We will remove this task from our scope of work.

Presentation to Police Department Personnel. We understand the department may need the consultant to make a presentation to Police Department personnel, and you requested this be included as an optional task. We will add this optional task to our scope of work. Further, as we previously confirmed, our proposal includes a presentation to the City's Executive Team and the City Council, as necessary.

Data Analytics. Captain Hawley discussed the importance of data analytics during the interview, including forecasting future conditions and workload. This discussion pertained to the role of Dave Jensen from our firm. In order to be cost-conscious, our original proposal envisioned Dave working remotely from our San Jose office. However, given the importance of this area of analysis Management Partners will, if selected, expand his role and make him available for up to two on-site meetings in Brea at no additional cost to the City for his travel, time or expenses. Of course, Dave will also be available to the department remotely (email, telephone and video) during the course of our work. As his resume shows, Dave is a former Fremont police officer and investigator who became responsible for the police department's information technology function. He was later promoted to Chief Technology Officer in Fremont and went on to complete his public sector career as the Director of Information Technology for the City of Sunnyvale.

V. Ownership of Work Product

- A. Unless otherwise agreed upon in writing, all reports, documents, or other original written material, including any original images, photographs, video files, digital files, and/or other media created or developed for the CITY by CONTRACTOR in the performance of this Agreement (collectively, "Work Product") shall be and remain the property of CITY without restriction or limitation upon its use or dissemination by CITY. All Work Product shall be considered to be "works made for hire", and all Work Product and any and all intellectual property rights arising from creation thereof, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of CITY without restriction or limitation upon their use, duplication or dissemination by CITY. CONTRACTOR shall not obtain or attempt to obtain copyright protection as to any of the Work Product.
- B. CONTRACTOR hereby assigns to CITY all ownership and any and all intellectual property rights to the Work Product that are not otherwise vested in the CITY pursuant to the foregoing paragraph.

CONTRACTOR warrants and represents that it has secured all necessary licenses, consents or approvals to use any instrumentality, thing or component as to which any intellectual property right exists, including computer software, used in the rendering of the Services and the production of all Work Product produced under this Agreement, and that CITY has full legal title to and the right to reproduce the Work Product. CONTRACTOR shall defend, indemnify and hold CITY, and its elected officials, officers, employees, servants, attorneys, designated volunteers, and agents serving as independent contractors in the role of city officials, harmless from any loss, claim or liability in any way related to a claim that CITY's use of any of the Work Product is violating federal, state or local laws, or any contractual provisions, or any laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual property rights and/or interests in product or inventions. CONTRACTOR shall bear all costs arising from the use of patented, copyrighted, trade secret or trademarked documents, materials, equipment, devices or processes in connection with its provision of the Services and Work Product produced under this Agreement. In the event the use of any of the Work Product or other deliverables hereunder by CITY is held to constitute an infringement and the use of any of the same is enjoined, CONTRACTOR, at its expense, shall: (a) secure for CITY the right to continue using the Work Product and other deliverables by suspension of any injunction, or by procuring a license or licenses for CITY; or (b) modify the Work Product and other deliverables so that they become non-infringing while remaining in compliance with the requirements of this Agreement. This covenant shall survive the termination of this Agreement.

End of Exhibit A

**EXHIBIT B
COMPENSATION**

I. Total Compensation

- A. CONTRACTOR agrees to accept the specified compensation as set forth in this Agreement as full payment for satisfactorily performing all work, including furnishing all labor and materials required to fully and satisfactorily complete the Services to CITY's reasonable satisfaction. To the maximum extent permitted by law, CONTRACTOR assumes all risks related to its performance of the Services including risks of unforeseen difficulties or conditions which may arise or be encountered in the performance of the Services. CONTRACTOR shall only be compensated as set forth herein for work satisfactorily performed in accordance with the Scope of Work.
- B. **Contract Amount.** Payment shall not exceed the total, all-inclusive amount of ***\$88,600.00 for all terms combined.***
- C. City reserves the right to adjust the Scope of Services and a corresponding change will be made not-to-exceed the Contract Amount.
- D. **CITY shall have no obligation to pay any sum in excess of the Fixed Prices and/or Total Contract Amount unless authorized by in writing by the CITY.**

II. Fees and Expenses

- A. **Lump Sum.** CONTRACTOR shall be paid for the performance of Services on a fixed not-to-exceed lump sum basis for Tasks.
- B. **Billable Rates.** CONTRACTOR shall be paid for the performance of Services on a time-and-material basis in accordance with Attachment 1 to Exhibit B.
- C. **Reimbursable Expenses.** ***CONTRACTOR expenses that are necessary for the proper completion of the Services are fully incorporated into the Billable Rates.***
- D. **Price Increases.** Price increase for the duration of this Agreement are not allowed.

III. Manner of Payment and Accounting Requirements

- A. Taxes
 - 1. CONTRACTOR shall pay, when and as due, any and all taxes incurred as a result of CONTRACTOR's compensation hereunder, including estimated taxes, and shall provide CITY with proof of the payment upon request.
 - 2. CONTRACTOR hereby agrees to indemnify CITY for any claims, losses, costs, fees, liabilities, damages or injuries suffered by CITY arising out of CONTRACTOR's breach of this Section.
- B. Payment Terms
 - 1. CONTRACTOR shall submit invoices in arrears, after Services have been received. CITY will make payment in net 30 days after receipt of an undisputed invoice in a format acceptable to CITY. Invoices are subject to



routine processing requirements. The responsibility for providing an acceptable invoice to CITY for payment rests with CONTRACTOR. Incomplete or incorrect invoices are not acceptable and will be returned to CONTRACTOR for correction.

2. Billing shall cover Services not previously invoiced. CONTRACTOR shall reimburse CITY for any monies paid to the Contractor for services not provided, or when services do not meet the contract requirements.
3. Payments made by the CITY shall not preclude the right of the CITY from thereafter disputing any items involved or billed under this contract and shall not be construed as acceptance of any part of the goods or services.

C. Invoices

1. CONTRACTOR will provide an invoice on the CONTRACTOR'S letterhead. Each invoice will have a unique number and must include:
 - a) Contractor's name and address
 - b) Contractor's remittance address, if different from above
 - c) Contractor's Taxpayer ID Number
 - d) Name of City Agency/Department
 - e) Delivery/service address
 - f) Contract number
 - g) Purchase Order (PO) number
 - h) Date of invoice
 - i) Description of Services/Goods
 - j) Sales tax, if applicable
 - k) Freight/delivery charges, if applicable
 - l) Total
2. Invoices and support documentation are to be forwarded to:
 - a) City of Brea
 - b) Accounts Payable
 - c) 1 Civic Center Circle
 - d) Brea CA 92821
 - e) City does not accept electronic invoices.
 - f) Accounting Records of CONTRACTOR
 - g) During performance of this Agreement and for a period of three (3) years after termination or expiration of this Agreement, CONTRACTOR shall maintain all accounting and financial records related to this Agreement, including, but not limited to, records of CONTRACTOR's costs for all Services and Additional Services performed under this Agreement and records of CONTRACTOR's reimbursable expenses, if any, in accordance with generally accepted accounting practices, and shall keep and make the records available for inspection and audit by representatives of the CITY upon reasonable written notice.

End of Exhibit B

Attachment 1 to Exhibit B

Hours and Cost

Cost Proposal with Changes Noted in Revisions to the Scope of Work

Management Partners anticipates devoting 543 hours of our staff time over about six months to complete this project. The total cost is \$86,900, which includes all fees and expenses. If the optional activity of preparing and delivering a presentation to the Police Department personnel is desired the total cost would be \$88,600.

Activity	Cost
1. Start Project	\$4,500
2. Gather Information and Obtain Input	\$18,300
3. Conduct Peer Benchmarking Survey and Identify Best Practices	\$9,800
4. Conduct Analysis	\$17,400
5. Report Results	\$14,800
6, 7 and 8. Prepare for and Facilitate Strategic Planning Workshop; Prepare Strategic Plan	\$18,400
9. Support Implementation	\$3,700
TOTAL	\$86,900
Optional Task: Prepare and Deliver Presentation to Police Department Personnel	\$1,700
TOTAL WITH OPTIONAL TASK	\$88,600

Management Partners' hourly rates are as follows:

Title	Rate
Partner	\$200
Special Advisor	\$190
Management Analyst	\$85

The ultimate test of a quality project is that the client is pleased with the results, and we are committed to achieving that goal.

**EXHIBIT C
GENERAL PROVISIONS**

I. Standard Requirements

- A. **Assignment and Subcontracting.** To assignment of this Agreement or of any part or obligation of performance hereunder shall be made, nor shall any required performance be subcontracted, either in whole or in part, by CONTRACTOR without the prior written consent of CITY.
- B. **Compliance with Law.** CONTRACTOR shall forthwith undertake and complete the Services in accordance with Exhibit "A" attached to this Agreement and all in accordance with Federal, State and CITY statutes, regulations, ordinances and guidelines all to the reasonable satisfaction of CITY.
- C. **Confidentiality.** Any and all information and data provided to CONTRACTOR pursuant to this Agreement shall be forever maintained as confidential by CONTRACTOR, to the maximum extent permitted by law.
- D. **Standard of Care.** CONTRACTOR shall provide exceptional Standard of Care while fulfilling the terms of this Agreement, is performing as a representative of CITY. 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 the CITY or CONTRACTOR, for the investigation and response to complaints.
- E. **Hires.** 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.
- F. **Independent Contractor.** CONTRACTOR is retained by CITY only to the extent set forth in this Agreement, and the CONTRACTOR's relationship to the CITY is that of an independent contractor. CONTRACTOR shall be free to dispose of all portions of CONTRACTOR's time and activities which CONTRACTOR is not obligated to devote to the CITY in such a manner and to such persons, firms, or corporations as the CONTRACTOR sees fit except as expressly provided in this Agreement. Neither the CITY nor any of its agents shall have control over the conduct of the CONTRACTOR or any of the CONTRACTOR's employees, except as set forth in this Agreement. CONTRACTOR shall not have the status of an employee under this Agreement, or be entitled to participate in any insurance, medical care, vacation, sick leave or other benefits provided for CITY's officers or employees. CONTRACTOR shall have no power to incur any debt, obligation, or liability on behalf of CITY or otherwise act on behalf of the CITY as an agent. CONTRACTOR shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of the CITY. CONTRACTOR agrees to pay all required taxes on amounts paid to CONTRACTOR under this Agreement, and to indemnify and

hold CITY harmless from any and all taxes, assessments, penalties, and interest asserted against CITY by reason of the independent contractor relationship created by this Agreement. CONTRACTOR shall fully comply with the workers' compensation law regarding CONTRACTOR and CONTRACTOR's employees. CONTRACTOR further agrees to indemnify and hold CITY harmless from any failure of CONTRACTOR to comply with applicable workers' compensation laws. CITY shall have the right to offset against the amount of any fees due to CONTRACTOR under this Agreement any amount due to CITY from CONTRACTOR as a result of CONTRACTOR's failure to promptly pay to CITY any reimbursement or indemnification arising under this Section.

- G. **Information and Assistance.** CITY will provide information and assistance as set forth in Exhibit "A" hereto; photographically reproducible copies of maps and other information, if available, which CONTRACTOR considers necessary in order to complete the Project. Such information as is generally available from CITY files applicable to the Project. Assistance, if necessary, in obtaining information from other governmental agencies and/or private parties. However, it shall be CONTRACTOR's responsibility to make all initial contact with respect to the gathering of such information.
- H. **Governing Law .**This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for any legal action arising out this Agreement shall be the Superior Court of the County of Orange, California.
- I. **Entire Agreement.** 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 and binding. Any modification of this Agreement shall be effective only if it is in writing signed by all parties.
- J. **Precedence of Documents.** In the event of any inconsistency or conflict between the Agreement and any of the Exhibits or any other attachments, the Agreement, then this Exhibit C, then the remaining Exhibits and attachments shall govern.
- K. **Termination.** This Agreement may be terminated by CITY for any or no reason upon the giving of a written notice of termination to CONTRACTOR at least fifteen (15) days prior to the date of termination specified in said notice. In the event this Agreement is so terminated, and provided CONTRACTOR is not then in breach, CONTRACTOR shall be paid on a pro-rata basis with respect to the percentage of the Services satisfactorily completed or goods satisfactorily provided as of the date of termination. In no event, however, shall CONTRACTOR receive more than the Contract Amount. CONTRACTOR shall provide to CITY any and all Work Product including all documents, data, studies, surveys, drawings, maps, models, photographs and reports, whether in draft or final form, prepared by CONTRACTOR as of the date of termination. CONTRACTOR may not terminate this Agreement except for cause.

End of Exhibit C

**EXHIBIT D
INDEMNITY AND INSURANCE REQUIREMENTS**

I. Indemnity Requirements

- A. **Indemnity for Professional Services.** To the fullest extent permitted by law, the CONTRACTOR shall, at its sole cost and expense, protect, defend, hold harmless and indemnify City, its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those CITY agents serving as independent contractors in the role of CITY officials (collectively "Indemnitees" in this Section), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys and other professionals, and all costs associated therewith (collectively "Claims"), whether actual, alleged or threatened, arising out of, pertaining to, or relating to, in whole or in part, the negligence, recklessness or willful misconduct of CONTRACTOR, and/or its officers, agents, servants, employees, subcontractors, contractors or their officers, agents, servants or employees (or any entity or individual for that CONTRACTOR shall bear the legal liability thereof) in the performance of professional services under this Agreement. CONTRACTOR shall defend the Indemnitees in any action or actions filed in connection with any Claims with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. CONTRACTOR shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.
- B. **Other Indemnities.** Other than in the performance of professional services, and to the fullest extent permitted by law, CONTRACTOR shall, at its sole cost and expense, protect, defend, hold harmless and indemnify the Indemnitees from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys and other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively "Damages"), in law or equity, whether actual, alleged or threatened, which arise out of, pertain to, or relate to the acts or omissions of CONTRACTOR, its officers, agents, servants, employees, subcontractors, materialmen, suppliers, or contractors, or their officers, agents, servants or employees (or any entity or individual that CONTRACTOR shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Damages arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the Parties. CONTRACTOR shall defend the Indemnitees in any action or actions filed in connection with any Damages with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. CONTRACTOR shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.
- C. The above provisions are independent of and shall not in any way be limited by Insurance Requirements below. City approval of the Insurance does not in any way relieve the Contractor from liability under this Section.

II. Insurance Requirements

A. General

1. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. If the existing policies do not meet the Insurance Requirements set forth herein, Contractor agrees to amend, supplement or endorse the policies to do so.
2. Without limiting the Contractor's indemnity obligations hereunder, Contractor shall procure and maintain in full force and effect for the Term of this Agreement, the following policies of insurance.
3. For all insurance required by this Agreement, if a general aggregate limit applies, either the general aggregate limit shall apply separately to the Services or the general aggregate limit shall be twice the required occurrence limit.
4. If the Contractor maintains broader coverage and/or higher limits than the minimums required herein, City requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor.

B. Coverages

1. Commercial General Liability (CGL)

- a) CGL affords coverage at least as broad as Insurance Services Office "occurrence" form CG 00 01, including products and completed operations, property damage, bodily injury, and personal & advertising injury.
- b) Limits shall be no less than \$2,000,000 per occurrence

2. Products-Completed Operations (PCO)

Contractor shall procure and submit to City evidence of insurance for a period of at least ten (10) years from the time that all work under this Contract is completed.

3. Automobile Liability Insurance (ALI)

- a) ALI with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) for each accident for bodily injury and property damage with limit no less than \$1,000,000 per occurrence.
- b) If Contractor does not own any vehicles, Contractor may satisfy this requirement by providing the following:
 - (1) A personal automobile liability policy for the contractor's own vehicle, if Contractor is a one-person operation; and
 - (2) A non-owned & hired auto liability endorsement to the commercial general liability policy if the contractor may lease, hire, rent, borrow, or use vehicles of others (e.g., employee-owned vehicles).

4. Workers' Compensation (WC)

- a) Workers' Compensation as required by the State of California with statutory limits, and Employer's Liability Insurance with a limit of not less than \$1,000,000 per accident for bodily injury or disease.
- b) Self-Employment Affidavit or Declaration, signed under the penalty of perjury, if Contractor does not have any employees who will be performing work on behalf of City, Contractor must provide the following:
 - (1) A signed Self-Employment Affidavit Letter or a signed Declaration that Contractor is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that Contractor will comply with such provisions before commencing the performance of the work of this contract; and
 - (2) A certification that Contractor does not employ any individual(s) in the course and scope of business operations.

5. Professional Liability Insurance (PL)

- a) Covered Professional Services shall specifically include all work to be performed under this contract and delete any exclusion that may potentially affect the work to be performed.
- b) Limits shall be no less than \$1,000,000 per claim; \$2,000,000 aggregate

C. Endorsements

Insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to City for approval. The insurance policies shall contain or be endorsed to contain, the following provisions:

1. Commercial General Liability & Contractors Pollution Liability

a) Additional Insured

- (1) City, its elected officials, officers, employees, volunteers, boards, and representatives shall be additional insureds with regard to liability and defense of suits or claims arising out of the work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations.
- (2) Additional Insured Endorsements shall not:
 - (a) Be limited to "Ongoing Operations"
 - (b) Exclude "Contractual Liability"
 - (c) Restrict coverage to the "Sole" liability of Contractor
 - (d) Exclude "Third-Party-Over Actions"

(e) Contain any other exclusion contrary to the Contract

(3) Additional Insured Endorsements shall be at least as broad as ISO Form(s) CG 20 10 11 85; or CG 2010 and CG 20 37.

b) Primary Insurance

This insurance shall be primary and any other insurance whether primary, excess, umbrella or contingent insurance, including deductible, or self-insurance available to the insureds added by endorsement shall be in excess of and shall not contribute with this insurance. Coverage shall be at least as broad as ISO CG 20 01 04 13.

2. Auto Liability

a) Additional Insured

City, its elected officials, officers, employees, volunteers, boards, agents and representatives) shall be additional insureds with regard to liability and defense of suits or claims arising out of the work or operations performed by or on behalf of the Contractor.

b) Primary Insurance

This insurance shall be primary and any other insurance whether primary, excess, umbrella or contingent insurance, including deductible, or self-insurance available to the insureds added by endorsement shall be in excess of and shall not contribute with this insurance.

3. Workers' Compensation

A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

D. Insurance Obligations of Contractor

The Insurance obligations under this Agreement shall be: (1) all the Insurance coverage and/or limits carried by or available to Contractor; or (2) the minimum Insurance coverage requirements and/or limits shown in this agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to City. No representation is made that the minimum Insurance requirements of this agreement are sufficient to cover the obligations of the Contractor under this agreement.

E. Notice of Cancellation

Required insurance policies shall not be cancelled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon City except ten (10) days shall be allowed for non-payment of premium.

F. Waiver of Subrogation

Required insurance coverages (except professional liability) shall not prohibit Contractor from waiving the right of subrogation prior to a loss. Contractor shall

waive all rights of subrogation against the indemnified parties and policies shall contain or be endorsed to contain such a provision. This provision applies regardless of whether City has received a waiver of subrogation endorsement from the insurer.

G. Evidence of Insurance

All policies, endorsements, certificates, and/or binders shall be subject to approval by City as to form and content. These requirements are subject to amendment or waiver only if so approved in writing by City. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15 days) prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with City. If such coverage is cancelled or reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

H. Deductible or Self-Insured Retention

Any deductible or self-insured retention must be approved in writing by City and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention. City may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration and defense expenses within the retention.

I. Contractual Liability

The coverage provided shall apply to the obligations assumed by the Contractor under the indemnity provisions of this Contract.

J. Failure to Maintain Coverage

Contractor agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to City. City shall have the right to withhold any payment due until Contractor has fully complied with the insurance provisions of this Contract.

In the event that the Contractor's operations are suspended for failure to maintain required insurance coverage, the Contractor shall not be entitled to an extension of time for completion of the Work because of production lost during suspension.

K. Acceptability of Insurers

Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law. Any other rating must be approved in writing by City.

L. Claims Made Policies

If coverage, including coverage for Construction Defect claims, is written on a claims-made basis, the retroactive date on such insurance and all subsequent insurance shall coincide or precede the effective date of the initial Contractor's Agreement with City and an extended reporting period shall be provided for a period of at least ☐ 2 years ☒ 3 years ☐ 5 years ☐ 10 years from termination or expiration of this Contract.

M. Insurance for Subcontractors

Contractor shall be responsible for causing Subcontractors to purchase the same types and limits of insurance in compliance with the terms of this Contract/Agreement, including adding City as an Additional Insured, providing Primary and Non-Contributory coverage and Waiver of Subrogation to the Subcontractor's policies. The Commercial General Liability Additional Insured Endorsement shall be on a form at least as broad as CG 20 38 04 13.

End of Exhibit D

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 07/16/2019

SUBJECT: Professional Services Agreement with PeopleSpace for the Brea Civic and Cultural Center 3rd Floor Redesign and Furniture Purchase (CIP 7955)

RECOMMENDATION

1. Approve agreement with PeopleSpace in the amount not-to-exceed \$347,606; and
2. Authorize City Engineer to approve change orders up to 10% of the not-to-exceed amount

BACKGROUND/DISCUSSION

Over the past several years, the City has made incremental improvements throughout the facility, including upgrading the Detective Bureau, Records Division and Locker Room within the Police Department, the Fire Department's administrative offices, and the Utility Billing, Building and Safety, and Reception Counters on the 3rd floor. The proposed CIP project to redesign the 3rd floor office space has been a goal for many years and is a continuation of the necessary upgrades required to improve building safety and enhance employee efficiency and collaboration.

The 3rd floor Redesign and Furniture Purchase project has three main priorities:

1. Bring current office furniture up to date to improve both safety and the ability to reconfigure spaces as time goes on;
2. Design enclosed offices for mid-level managers currently in cubicles, in order to facilitate private conversations; and
3. Bring individuals within the same department - who are, in some cases, currently working on separate floors - closer together for the sake of increased efficiency, collaboration, and innovation.

The majority of the 3rd floor contains office furniture that is original to the building and is in need of replacement. At the time of purchase 39 years ago, the workstations selected were not designed to accommodate the technology staff uses today, specifically the use of computers. Additionally, the cubicles have experienced significant wear-and-tear; however, the original furniture supplier no longer carries parts needed to make necessary replacements and adjustments to the cubicles, leaving no easy solution to properly improve existing work spaces. Exhibit A includes photos of some of the many broken baseboards and illustrates the challenges with cubicle power and wiring. Additionally, current cubicle configurations are inconsistent and vary in size across the organization. Exhibit B shows examples of current mismatched cubicles and variances in configurations. The design phase of the project will assess and standardize appropriate work station sizes based on employee position and true space needs. Since City employees spend 8-10 hours per day at the workstations, staff recommends improving the safety

and quality of their environment by purchasing improved office furniture and reconfiguring the layout to maximize and properly allocate space.

In addition to revitalizing and standardizing work stations, the project includes designing enclosed offices which will increase privacy for six mid-level managers. Currently, these managers are situated in open cubicles that do not foster the necessary enclosed privacy required for managers to work and converse with employees and community members. Exhibit C shows the existing cubicle space being utilized by these managers. As part of this contract, PeopleSpace will be expected to determine the footprint of these offices in order to maximize space on the 3rd floor, and to ultimately furnish the offices. The structural design and construction of these offices is not a part of this scope of work and will be coordinated through a separate contract with another vendor.

The last project goal is to consolidate displaced departments and use city office space more resourcefully. Two departments, Administrative Services and Management Services, have multiple employees working in various areas of the building, which can lead to challenges of isolation and inefficiency. One example is the Human Resources and Purchasing Divisions which are located in the center of the 3rd floor, with the rest of the Administrative Services Department located on the North wing of the floor. Staff recommends relocating these two divisions within the rest of their department area. The second example is the Communications and Marketing Division which is located on the 2nd floor, while the rest of the Management Services Department is located on the 3rd floor. Staff recommends relocating this division to the 3rd floor, which would consolidate the Management Services Department. If PeopleSpace determines these consolidations could all be accommodated on the 3rd floor, this would potentially leave the office space on the 2nd floor vacant, creating an additional leasing opportunity and revenue generator.

In order to initiate the project, staff issued a Request for Proposals in May and received responses from 1) Tangram Interiors and 2) PeopleSpace. Ultimately, PeopleSpace was selected based on their competitive pricing that will allow the City to comprehensively renovate the entire 3rd floor within our current budget. Additionally, PeopleSpace has extensive municipal experience having partnered with neighboring cities, such as the Cities of La Habra, Buena Park and Newport Beach. Lastly, PeopleSpace proposed solutions which would encourage collaboration and take advantage of underutilized square footage, such as outdoor spaces. Staff will partner with PeopleSpace to begin work on the design phase immediately and is projecting the furniture purchase and installation will occur later this calendar year.

While working to meet the project goals, staff will ensure the furniture selected will be classic and timeless, in order to preserve it for years to come. Once the design phase of the project has been completed, staff will provide an update to City Council prior to construction of private offices and installation of the product. This project will also work in tandem with ongoing efforts to increase security throughout the 3rd floor.

COMMISSION/COMMITTEE RECOMMENDATION

At their July 9, 2019 meeting the Finance Committee approved the project to move forward to City Council with direction that the purchased furniture should be a design that is "timeless and classic".

FISCAL IMPACT/SUMMARY

There are sufficient funds budgeted, totaling \$495,000, in the CIP Project No. 7955 to fund the proposed scope of services. The project is funded by the Fixed Asset Replacement Program. There will be no General Fund impact.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Jenn Colacion, Management Analyst and Melissa Davis, Management Analyst

Concurrence: Chris Emeterio, Assistant City Manager; Cindy Russell, Administrative Services Director; and Tony Olmos, Public Works Director

Attachments

Agreement

PeopleSpace Proposal

Exhibit A - Cubicle Challenges

Exhibit B - Configuration Challenges

Exhibit C - Private Office Build-Out

**PROFESSIONAL SERVICES
AGREEMENT**

THIS AGREEMENT ("Agreement") is effective ***on the date on which this Agreement is executed by the City of Brea***, ("Effective Date"), and is between ***PeopleSpace***, ("CONTRACTOR") and the CITY OF BREA, a California municipal corporation ("CITY"). CONTRACTOR and CITY are sometimes referred to herein collectively as the "Parties" and singularly as "Party". The Parties agree as follows:

I. Agreement

- A. This Agreement, together with the following exhibits are incorporated herein by reference, and supersedes all prior agreements and understandings:

Exhibit A – Scope of Services/Specifications

Exhibit B – Compensation

Exhibit C – General Provisions

Exhibit D – Indemnity and Insurance Requirements

Exhibit E – Labor Code Requirements

- B. This Agreement may be modified by written amendment executed by all parties.

II. Scope of Services Summary

CONTRACTOR shall, during the Term of the Agreement, ***Design, Furnish, and Install Furniture for the 3rd Floor of the Brea Civic and Cultural Center*** as further set forth in Exhibit A, all to CITY's reasonable satisfaction (collectively, the "Services").

III. Term of the Agreement

- A. CONTRACTOR shall commence performance of Services on ***the date indicated in the notice to proceed issued by the City Project Manager***.
- B. AGREEMENT shall remain in full force and effect ***until all Services have been performed satisfactorily*** unless sooner terminated as set forth in the Termination subsection of Exhibit C ("Term").
- C. AGREEMENT may ***not be extended except by written amendment by Parties prior to the expiration of the Term***.

IV. Compensation Summary

- A. CITY shall pay CONTRACTOR for satisfactorily and completely rendered Services according to prices and in the manner set forth in Exhibit B. Parties agree that full and complete payment for all Services shall not exceed ***\$347,606, plus a 10% contingency*** ("Contract Amount"). The CITY shall have no obligation to pay any amount in excess of the foregoing amounts, unless agreed to in writing by the CITY.
- B. CONTRACTOR shall not render any services in excess of the Services described in Exhibit A ("Additional Services") without CITY's prior written approval. Any work performed without CITY's prior written approval shall be deemed to have been performed as part of the Services and included within the not-to-exceed Contract Amount.

V. Insurance Requirements Summary

- A. All insurance shall comply with the specific requirements set forth in Exhibit D.
- B. Exhibit D shall govern in the event of any conflict with the following coverages.
1. **Commercial General Liability (CGL)**
Limits shall be no less than \$2,000,000 per occurrence.
 2. **Automobile Liability Insurance (ALI) (any auto)**
Limits shall be no less than \$2,000,000 per occurrence.
 3. **Workers' Compensation**
State of California statutory limits
Employer's Liability Insurance
Limits shall be no less than \$1,000,000 per accident for bodily injury or disease.
 4. **Professional Liability Insurance (PL)**
Limits shall be no less than \$2,000,000 per claim.
- C. Bonds
1. **Performance Bond**
Fifty percent (50% of the amount of this Agreement).
 2. **Payment Bond**
Fifty percent (50% of the amount of this Agreement).
 3. **Warranty Bond**
One-hundred percent (100% of the amount of this Agreement).

VI. Notices and Designated Representatives

All notices made pursuant to this Agreement shall be in writing and deemed effectively given: (i) upon receipt, when delivered personally; (ii) one business day after deposit with an overnight courier service; or (iii) two business days after having been sent by registered or certified mail, whether or not a signed receipt is received, provided a proof of delivery is obtained. All communications shall be sent to:

CITY – Project Manager:
Jenn Colacion
Management Analyst
1 Civic Center Circle
Brea, CA 92821
(714) 671-4452 phone
JenniferC@CityofBrea.net

CITY – City Clerk (if over \$25,000):
Lillian Harris-Neal, MMC
City Clerk
1 Civic Center Circle
Brea, CA 92821
(714) 990-7757 phone
LillianHN@CityofBrea.net

CONTRACTOR:

Representative's Name Brian Sigler
Title Business Development Manager
Address, Suite# 17800 Mitchell North
City, State, Zip Irvine, CA 92614
Phone (949) 724-9444
Email bsigler@peoplespace.com

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, The parties hereto have executed this Agreement as of the day and year first set forth above. The undersigned Parties represent and warrant that they are authorized to bind their principles to the terms of this agreement.

CONTRACTOR

Business Name: PeopleSpace, Inc.

Federal ID# 33-0894213

only for Public Works projects Contractor Lic.#: 989310 DIR Reg#: 1000015449

Business Type ☐ Individual/Sole Proprietor ☐ Partnership ☐ Limited Liability Company
(Contractor select one) ☒ Corporation (requires two signatures) ☐ Other

Address: 17800 Mitchell North

City, State, Zip: Irvine, CA, 92614

Printed Name & Title: Jesse Bagley, CEO and Brian Airth, Chief Business Development Officer

Phone & Email: (949) 724-9444; jesse@peoplespace.com and brian@peoplespace.com

Signature(s):
(principal)

Date: 07/09/19

Signature(s):
(2nd Signature required if corp)

Date: 07/09/19

CITY OF BREA

City of Brea, a California Municipal Corporation

Mailing Address: 1 Civic Center Circle

City, State, Zip: Brea California 92821

Printed Name & Title: Christine Marick, Mayor

Authorized Signature: _____ Date _____

Attestation (if total contract value exceeds \$25,000 or \$200,000 for Public Works projects)

Printed Name & Title: Lillian Harris-Neal, City Clerk

Authorized Signature: _____ Date _____

**EXHIBIT A
SCOPE OF SERVICES**

I. Time of Performance

- A. **Commencement and Completion of Work.** The Services to be performed pursuant to this Agreement shall commence upon receipt of written notice to proceed from the City. Failure to commence work in a timely manner and/or diligently pursue work to completion may be deemed to be a breach, resulting in termination of this Agreement.
- B. **Schedule.** After commencement of performance pursuant to paragraph A, above, the Services must be completed ***within the mutually agreed-upon time.***
- C. **Excusable Delays.** Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations enacted after the Effective Date, riots, acts of war, or any other conditions beyond the reasonable control of a party.

II. Additional Services

- A. Additional Services are those services related to the scope of services of CONTRACTOR set forth in this Exhibit A but not anticipated at the time of execution of this Agreement. Additional Services shall be provided only when an Addendum to this Agreement authorizing the Additional Services is approved by CITY in accordance with CITY's purchasing procedures.
- B. CITY reserves the right to perform any work that would otherwise constitute Additional Services with its own staff or to retain other contractors to perform the Additional Services.

III. City Provisions

None.

IV. Ownership of Work Product

- A. Unless otherwise agreed upon in writing, all reports, documents, or other original written material, including any original images, photographs, video files, digital files, and/or or other media created or developed for the CITY by CONTRACTOR in the performance of this Agreement (collectively, "Work Product") shall be and remain the property of CITY without restriction or limitation upon its use or dissemination by CITY. All Work Product shall be considered to be "works made for hire", and all Work Product and any and all intellectual property rights arising from creation thereof, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of CITY without restriction or limitation upon their use, duplication or dissemination by CITY. CONTRACTOR shall not obtain or attempt to obtain copyright protection as to any of the Work Product.
- B. CONTRACTOR hereby assigns to CITY all ownership and any and all intellectual property rights to the Work Product that are not otherwise vested in the CITY pursuant to the foregoing paragraph.

CONTRACTOR warrants and represents that it has secured all necessary licenses, consents or approvals to use any instrumentality, thing or component

as to which any intellectual property right exists, including computer software, used in the rendering of the Services and the production of all Work Product produced under this Agreement, and that CITY has full legal title to and the right to reproduce the Work Product. CONTRACTOR shall defend, indemnify and hold CITY, and its elected officials, officers, employees, servants, attorneys, designated volunteers, and agents serving as independent contractors in the role of city officials, harmless from any loss, claim or liability in any way related to a claim that CITY's use of any of the Work Product is violating federal, state or local laws, or any contractual provisions, or any laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual property rights and/or interests in product or inventions. CONTRACTOR shall bear all costs arising from the use of patented, copyrighted, trade secret or trademarked documents, materials, equipment, devices or processes in connection with its provision of the Services and Work Product produced under this Agreement. In the event the use of any of the Work Product or other deliverables hereunder by CITY is held to constitute an infringement and the use of any of the same is enjoined, CONTRACTOR, at its expense, shall: (a) secure for CITY the right to continue using the Work Product and other deliverables by suspension of any injunction, or by procuring a license or licenses for CITY; or (b) modify the Work Product and other deliverables so that they become non-infringing while remaining in compliance with the requirements of this Agreement. This covenant shall survive the termination of this Agreement.

Continued on Next Page

V. Scope of Services

- A. CONTRACTOR shall furnish all labor, materials and equipment necessary to provide the Services.
- B. The Services include and the CITY requires CONTRACTOR to:
 - 1. DESIGN
 - a) Design services shall include the assessment of departmental needs and preparation of a preliminary space plan for the entire 3rd floor area to assist the City of Brea in becoming more efficient and collaborative, as well as recommend furniture solutions based on a new design layout. Consultant shall prepare final design to include construction-level drawings/specifications for a portion of the 3rd floor based on cost estimates provided by consultant for general areas noted below. Private office construction drawings are not part of this scope-of-work.
 - b) The "Priority Area" consists of 39 workstations and 16 private offices, and is expected to be the first portion to be constructed. The remaining areas will be completed in a later phase to be determined by City Council approval and budgetary appropriations, unless current project budget allows them be constructed along with the "Priority Area."

Design Criteria:

- Create a space plan for the 3rd floor based on input provided by City staff.
 - Unify departments for improved efficiency and collaboration.
 - Make recommendations for consistency among workstation sizes.
 - Address needs for storage and collaborative areas.
 - Proposed furniture solutions for all cubicles and private offices.
 - Ensure sufficient access to power and network connectivity.
 - Consider design elements for outdoor spaces along the 3rd floor veranda.
 - Consultant shall be required to collaborate with two other pending projects that will be taking place simultaneously. Perimeter office construction will create enclosed office spaces for management staff and may impact the priority area depending on the exact size of the offices after they are built. Also, City staff is working on improved security measures which will include creating entry points for employee-only access. Any impact to the design phase of this project will be identified and addressed as we move from Consultant selection to project kickoff discussion.
- 2. FURNITURE PURCHASE
 - a) Consultant shall be expected to provide a comprehensive inventory of the items recommended for purchase (e.g. desks, cubicles, shelving, etc.) to furnish the workstations and private

offices as specified in the approved design. Consultant is expected to be a licensed or approved installer for the manufacturer of the furniture being recommended. The City shall determine the make, style, and grade for final purchase based on the City's evaluation of the product line. City will coordinate with vendor as appropriate throughout the process to order, store (if necessary), deliver and install the furniture.

3. INSTALLATION

- a) Consultant will provide the necessary installation services to complete the furnishing of offices and workspaces as specified in the approved design. Installers are expected to possess the required D-34 Contractor's License and provide compensation to installation teams subject to prevailing wages.

4. WORK SCHEDULE

- a) Consultant shall be expected to complete the Preliminary and Final Design of the project within 12 weeks from the Notice to Proceed (NTP). Upon completion, evaluation and formal acceptance of the design product, Consultant shall be expected to assist with furniture purchase within 4 weeks. Upon receipt of product, Consultant shall be expected to coordinate with City staff to develop a timeline for installation with minimal impact on the organization (Example: Install 15 cubicles over a 3-day weekend).

End of Exhibit A

**EXHIBIT B
COMPENSATION**

I. Total Compensation

- A. CONTRACTOR agrees to accept the specified compensation as set forth in this Agreement as full payment for satisfactorily performing all work, including furnishing all labor and materials required to fully and satisfactorily complete the Services to CITY's reasonable satisfaction. To the maximum extent permitted by law, CONTRACTOR assumes all risks related to its performance of the Services including risks of unforeseen difficulties or conditions which may arise or be encountered in the performance of the Services. CONTRACTOR shall only be compensated as set forth herein for work satisfactorily performed in accordance with the Scope of Work.
- B. **Contract Amount.** Payment shall not exceed the total, all-inclusive amount of **\$347,606, plus a 10% contingency** for the Term.
- C. **CITY shall have no obligation to pay any sum in excess of the Fixed Prices and/or Total Contract Amount unless authorized by in writing by the CITY.**

II. Fees and Expenses

- A. **Lump Sum.** *CONTRACTOR shall be paid for the performance of Services on a fixed not-to-exceed lump sum basis in accordance with Attachment 1 to Exhibit B.*
- B. **Reimbursable Expenses.** *None allowed.*

III. Manner of Payment and Accounting Requirements

- A. Taxes
 - 1. CONTRACTOR shall pay, when and as due, any and all taxes incurred as a result of CONTRACTOR's compensation hereunder, including estimated taxes, and shall provide CITY with proof of the payment upon request.
 - 2. CONTRACTOR hereby agrees to indemnify CITY for any claims, losses, costs, fees, liabilities, damages or injuries suffered by CITY arising out of CONTRACTOR's breach of this Section.
- B. Payment Terms
 - 1. CONTRACTOR shall submit invoices in arrears, after Services have been received. CITY will make payment in net 30 days after receipt of an undisputed invoice in a format acceptable to CITY. Invoices are subject to routine processing requirements. The responsibility for providing an acceptable invoice to CITY for payment rests with CONTRACTOR. Incomplete or incorrect invoices are not acceptable and will be returned to CONTRACTOR for correction.
 - 2. Billing shall cover Services not previously invoiced. CONTRACTOR shall reimburse CITY for any monies paid to the Contractor for services not provided, or when services do not meet the contract requirements.
 - 3. Payments made by the CITY shall not preclude the right of the CITY from thereafter disputing any items involved or billed under this contract and shall not be construed as acceptance of any part of the goods or services.

C. Invoices

1. CONTRACTOR will provide an invoice on the CONTRACTOR'S letterhead. Each invoice will have a unique number and must include:

- a) Contractor's name and address
- b) Contractor's remittance address, if different from above
- c) Contractor's Taxpayer ID Number
- d) Name of City Agency/Department
- e) Delivery/service address
- f) Contract number
- g) Purchase Order (PO) number
- h) Date of invoice
- i) Description of Services/Goods
- j) Sales tax, if applicable
- k) Freight/delivery charges, if applicable
- l) Total

2. Invoices and support documentation are to be forwarded to:

- a) City of Brea
- b) Accounts Payable
- c) 1 Civic Center Circle
- d) Brea CA 92821

3. City does not accept electronic invoices.

D. Accounting Records of CONTRACTOR

1. During performance of this Agreement and for a period of three (3) years after termination or expiration of this Agreement, CONTRACTOR shall maintain all accounting and financial records related to this Agreement, including, but not limited to, records of CONTRACTOR's costs for all Services and Additional Services performed under this Agreement and records of CONTRACTOR's reimbursable expenses, if any, in accordance with generally accepted accounting practices, and shall keep and make the records available for inspection and audit by representatives of the CITY upon reasonable written notice.

End of Exhibit B

Attachment 1 to Exhibit B
Billable Rates

Item	Description	Qty	Price	Total
01	Preliminary Design	1	\$5,100	\$5,100
02	Final Design	1	\$9,350	\$9,350
03	Furniture Purchase and Installation*	1	\$333,156	\$333,156
			Total	\$347,606

End of Attachment 1

*This is a not-to-exceed amount. The final amount paid will be dependent on final City elected options.

EXHIBIT C
GENERAL PROVISIONS

I. **Standard Requirements**

- A. **Assignment and Subcontracting.** To assignment of this Agreement or of any part or obligation of performance hereunder shall be made, nor shall any required performance be subcontracted, either in whole or in part, by CONTRACTOR without the prior written consent of CITY.
- B. **Compliance with Law.** CONTRACTOR shall forthwith undertake and complete the Services in accordance with Exhibit "A" attached to this Agreement and all in accordance with Federal, State and CITY statutes, regulations, ordinances and guidelines all to the reasonable satisfaction of CITY.
- C. **Confidentiality.** Any and all information and data provided to CONTRACTOR pursuant to this Agreement shall be forever maintained as confidential by CONTRACTOR, to the maximum extent permitted by law.
- D. **Standard of Care.** CONTRACTOR shall provide exceptional Standard of Care while fulfilling the terms of this Agreement, is performing as a representative of CITY. 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 the CITY or CONTRACTOR, for the investigation and response to complaints.
- E. **Hires.** 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.
- F. **Independent Contractor.** CONTRACTOR is retained by CITY only to the extent set forth in this Agreement, and the CONTRACTOR's relationship to the CITY is that of an independent contractor. CONTRACTOR shall be free to dispose of all portions of CONTRACTOR's time and activities which CONTRACTOR is not obligated to devote to the CITY in such a manner and to such persons, firms, or corporations as the CONTRACTOR sees fit except as expressly provided in this Agreement. Neither the CITY nor any of its agents shall have control over the conduct of the CONTRACTOR or any of the CONTRACTOR's employees, except as set forth in this Agreement. CONTRACTOR shall not have the status of an employee under this Agreement, or be entitled to participate in any insurance, medical care, vacation, sick leave or other benefits provided for CITY's officers or employees. CONTRACTOR shall have no power to incur any debt, obligation, or liability on behalf of CITY or otherwise act on behalf of the CITY as an agent. CONTRACTOR shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of the CITY. CONTRACTOR agrees to pay all required taxes on amounts paid to CONTRACTOR under this Agreement, and to indemnify and

hold CITY harmless from any and all taxes, assessments, penalties, and interest asserted against CITY by reason of the independent contractor relationship created by this Agreement. CONTRACTOR shall fully comply with the workers' compensation law regarding CONTRACTOR and CONTRACTOR's employees. CONTRACTOR further agrees to indemnify and hold CITY harmless from any failure of CONTRACTOR to comply with applicable workers' compensation laws. CITY shall have the right to offset against the amount of any fees due to CONTRACTOR under this Agreement any amount due to CITY from CONTRACTOR as a result of CONTRACTOR's failure to promptly pay to CITY any reimbursement or indemnification arising under this Section.

- G. **Information and Assistance.** CITY will provide information and assistance as set forth in Exhibit "A" hereto; photographically reproducible copies of maps and other information, if available, which CONTRACTOR considers necessary in order to complete the Project. Such information as is generally available from CITY files applicable to the Project. Assistance, if necessary, in obtaining information from other governmental agencies and/or private parties. However, it shall be CONTRACTOR's responsibility to make all initial contact with respect to the gathering of such information.
- H. **Governing Law .**This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for any legal action arising out this Agreement shall be the Superior Court of the County of Orange, California.
- I. **Entire Agreement.** 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 and binding. Any modification of this Agreement shall be effective only if it is in writing signed by all parties.
- J. **Precedence of Documents.** In the event of any inconsistency or conflict between the Agreement and any of the Exhibits or any other attachments, the Agreement, then this Exhibit C, then the remaining Exhibits and attachments shall govern.
- K. **Termination.** This Agreement may be terminated by CITY for any or no reason upon the giving of a written notice of termination to CONTRACTOR at least fifteen (15) days prior to the date of termination specified in said notice. In the event this Agreement is so terminated, and provided CONTRACTOR is not then in breach, CONTRACTOR shall be paid on a pro-rata basis with respect to the percentage of the Services satisfactorily completed or goods satisfactorily provided as of the date of termination. In no event, however, shall CONTRACTOR receive more than the Contract Amount. CONTRACTOR shall provide to CITY any and all Work Product including all documents, data, studies, surveys, drawings, maps, models, photographs and reports, whether in draft or final form, prepared by CONTRACTOR as of the date of termination. CONTRACTOR may not terminate this Agreement except for cause.

End of Exhibit C

EXHIBIT D
INDEMNITY AND INSURANCE REQUIREMENTS

I. Indemnity Requirements

A. Indemnity for Professional Services.

To the fullest extent permitted by law, the CONTRACTOR shall, at its sole cost and expense, protect, defend, hold harmless and indemnify City, its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those CITY agents serving as independent contractors in the role of CITY officials (collectively "Indemnitees" in this Section), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys and other professionals, and all costs associated therewith (collectively "Claims"), whether actual, alleged or threatened, arising out of, pertaining to, or relating to, in whole or in part, the negligence, recklessness or willful misconduct of CONTRACTOR, and/or its officers, agents, servants, employees, subcontractors, contractors or their officers, agents, servants or employees (or any entity or individual for that CONTRACTOR shall bear the legal liability thereof) in the performance of professional services under this Agreement. CONTRACTOR shall defend the Indemnitees in any action or actions filed in connection with any Claims with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. CONTRACTOR shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.

B. Indemnity for Design Professional Services.

To the fullest extent permitted by law, the CONTRACTOR shall, at its sole cost and expense, indemnify and hold harmless City, its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those CITY agents serving as independent contractors in the role of CITY officials (collectively "Indemnitees" in this Section), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants and other professionals, and all costs associated therewith, and reimbursement of attorneys' fees and costs of defense (collectively "Claims"), whether actual, alleged or threatened, to the extent arising out of, pertaining to, or relating to, in whole or in part, the negligence, recklessness or willful misconduct of the CONTRACTOR, and/or its officers, agents, servants, employees, subcontractors, contractors or their officers, agents, servants or employees (or any entity or individual that the CONTRACTOR shall bear the legal liability thereof) in the performance of design professional services under this Agreement by a "design professional," as the term is defined under California Civil Code § 2782.8(c). Notwithstanding the foregoing and as required by Civil Code § 2782.8(a), in no event shall the cost to defend the Indemnitees that is charged to CONTRACTOR exceed CONTRACTOR's proportionate percentage of fault.

C. Other Indemnities.

Other than in the performance of professional services, and to the fullest extent permitted by law, CONTRACTOR shall, at its sole cost and expense, protect, defend, hold harmless and indemnify the Indemnitees from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys and other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively "Damages"), in law or equity, whether actual, alleged or threatened, which arise out of, pertain to, or relate to the acts or omissions of CONTRACTOR, its officers, agents, servants, employees, subcontractors, materialmen, suppliers, or contractors, or their officers, agents, servants or employees (or any entity or individual that CONTRACTOR shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Damages arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the Parties. CONTRACTOR shall defend the Indemnitees in any action or actions filed in connection with any Damages with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. CONTRACTOR shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.

- D. These Indemnification provisions are independent of and shall not in any way be limited by the Insurance Requirements of this Agreement.

II. Insurance Requirements

A. General

1. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. If the existing policies do not meet the Insurance Requirements set forth herein, Contractor agrees to amend, supplement or endorse the policies to do so.
2. Without limiting the Contractor's indemnity obligations hereunder, Contractor shall procure and maintain in full force and effect for the Term of this Agreement, the following policies of insurance.
3. For all insurance required by this Agreement, if a general aggregate limit applies, either the general aggregate limit shall apply separately to the Services or the general aggregate limit shall be twice the required occurrence limit.
4. If the Contractor maintains broader coverage and/or higher limits than the minimums required herein, City requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor.

B. Coverages

1. Commercial General Liability (CGL)

- a) CGL affords coverage at least as broad as Insurance Services Office "occurrence" form CG 00 01, including products and completed operations, property damage, bodily injury, and personal & advertising injury.
- b) Limits shall be no less than \$2,000,000 per occurrence

2. Products-Completed Operations (PCO)

Contractor shall procure and submit to City evidence of insurance for a period of at least ten (10) years from the time that all work under this Contract is completed.

3. Automobile Liability Insurance (ALI)

- a) ALI with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) for each accident for bodily injury and property damage with limit no less than \$1,000,000 per occurrence.
- b) If Contractor does not own any vehicles, Contractor may satisfy this requirement by providing the following:
 - (1) A personal automobile liability policy for the contractor's own vehicle, if Contractor is a one-person operation; and
 - (2) A non-owned & hired auto liability endorsement to the commercial general liability policy if the contractor may lease, hire, rent, borrow, or use vehicles of others (e.g., employee-owned vehicles).

4. Workers' Compensation (WC)

- a) Workers' Compensation as required by the State of California with statutory limits, and Employer's Liability Insurance with a limit of not less than \$1,000,000 per accident for bodily injury or disease.
- b) Self-Employment Affidavit or Declaration, signed under the penalty of perjury, if Contractor does not have any employees who will be performing work on behalf of City, Contractor must provide the following:
 - (1) A signed Self-Employment Affidavit Letter or a signed Declaration that Contractor is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that Contractor will comply with such provisions before commencing the performance of the work of this contract; and
 - (2) A certification that Contractor does not employ any individual(s) in the course and scope of business operations.

5. Professional Liability Insurance (PL)

- a) Covered Professional Services shall specifically include all work to be performed under this contract and delete any exclusion that may potentially affect the work to be performed.
- b) Limits shall be no less than \$1,000,000 per claim; \$2,000,000 aggregate

C. Endorsements

Insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to City for approval. The insurance policies shall contain or be endorsed to contain, the following provisions:

1. Commercial General Liability & Contractors Pollution Liability

a) Additional Insured

- (1) City, its elected officials, officers, employees, volunteers, boards, and representatives shall be additional insureds with regard to liability and defense of suits or claims arising out of the work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations.
- (2) Additional Insured Endorsements shall not:
 - (a) Be limited to "Ongoing Operations"
 - (b) Exclude "Contractual Liability"
 - (c) Restrict coverage to the "Sole" liability of Contractor
 - (d) Exclude "Third-Party-Over Actions"
 - (e) Contain any other exclusion contrary to the Contract
- (3) Additional Insured Endorsements shall be at least as broad as ISO Form(s) CG 20 10 11 85; or CG 2010 and CG 20 37.

b) Primary Insurance

This insurance shall be primary and any other insurance whether primary, excess, umbrella or contingent insurance, including deductible, or self-insurance available to the insureds added by endorsement shall be in excess of and shall not contribute with this insurance. Coverage shall be at least as broad as ISO CG 20 01 04 13.

2. Auto Liability

a) Additional Insured

City, its elected officials, officers, employees, volunteers, boards, agents and representatives) shall be additional insureds with regard to liability and defense of suits or claims arising out of the work or operations performed by or on behalf of the Contractor.

b) Primary Insurance

This insurance shall be primary and any other insurance whether primary, excess, umbrella or contingent insurance, including deductible, or self-insurance available to the insureds added by endorsement shall be in excess of and shall not contribute with this insurance.

3. Workers' Compensation

A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

D. Insurance Obligations of Contractor

The Insurance obligations under this Agreement shall be: (1) all the Insurance coverage and/or limits carried by or available to Contractor; or (2) the minimum Insurance coverage requirements and/or limits shown in this agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to City. No representation is made that the minimum Insurance requirements of this agreement are sufficient to cover the obligations of the Contractor under this agreement.

E. Notice of Cancellation

Required insurance policies shall not be cancelled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon City except ten (10) days shall be allowed for non-payment of premium.

F. Waiver of Subrogation

Required insurance coverages (except professional liability) shall not prohibit Contractor from waiving the right of subrogation prior to a loss. Contractor shall waive all rights of subrogation against the indemnified parties and policies shall contain or be endorsed to contain such a provision. This provision applies regardless of whether City has received a waiver of subrogation endorsement from the insurer.

G. Evidence of Insurance

All policies, endorsements, certificates, and/or binders shall be subject to approval by City as to form and content. These requirements are subject to amendment or waiver only if so approved in writing by City. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15 days) prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with City. If such coverage is cancelled or reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

H. Deductible or Self-Insured Retention

Any deductible or self-insured retention must be approved in writing by City and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention. City may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration and defense expenses within the retention.

I. Contractual Liability

The coverage provided shall apply to the obligations assumed by the Contractor under the indemnity provisions of this Contract.

J. Failure to Maintain Coverage

Contractor agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to City. City shall have the right to withhold any payment due until Contractor has fully complied with the insurance provisions of this Contract.

In the event that the Contractor's operations are suspended for failure to maintain required insurance coverage, the Contractor shall not be entitled to an extension of time for completion of the Work because of production lost during suspension.

K. Acceptability of Insurers

Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law. Any other rating must be approved in writing by City.

L. Claims Made Policies

If coverage, including coverage for Construction Defect claims, is written on a claims-made basis, the retroactive date on such insurance and all subsequent insurance shall coincide or precede the effective date of the initial Contractor's Agreement with City and an extended reporting period shall be provided for a period of at least ☐ 2 years ☒ 3 years ☐ 5 years ☐ 10 years from termination or expiration of this Contract.

M. Insurance for Subcontractors

Contractor shall be responsible for causing Subcontractors to purchase the same types and limits of insurance in compliance with the terms of this Contract/Agreement, including adding City as an Additional Insured, providing Primary and Non-Contributory coverage and Waiver of Subrogation to the Subcontractor's policies. The Commercial General Liability Additional Insured Endorsement shall be on a form at least as broad as CG 20 38 04 13.

End of Exhibit D

EXHIBIT E
LABOR CODE REQUIREMENTS

I. Prevailing Wage Requirements

- A. CONTRACTOR acknowledges that the work required is a "public work" as defined in Labor Code Section 1720, et seq. Notice is hereby given that in accordance with the provisions of California Labor Code, Division 2, Part 7, Chapter 1, Articles 1 and 2, the CONTRACTOR is required to pay not less than the general prevailing rate of per diem wages for work of a similar character in locality in which the public work is performed, and not less than the general prevailing rate of per diem wages for holiday and overtime work. In that regard, the Director of the Department of Industrial Relations of the State of California is required to and has determined such general prevailing rates of per diem wages. The applicable prevailing rates can be found on the following website: <http://www.dir.ca.gov/OPRL/pwd/>. For federal projects, Davis-Bacon requirements apply, and the appropriate wage determinations can be found in the project specifications. CONTRACTOR shall ascertain all prevailing wages applicable to the Project and shall cause a copy of such wage determinations to be posted at the job site.

Pursuant to Labor Code §1775, the CONTRACTOR shall forfeit, as penalty to CITY, not more than two hundred dollars (\$200.00) for each laborer, workman, or mechanic employed for each calendar day or portion thereof, if such laborer, workman, or mechanic is paid less than the general prevailing rate of wages hereinbefore stipulated for any work done under this Contract, by him or by any subcontractor under him, in violation of the provisions of said Labor Code.

- B. CONTRACTOR shall comply with and be bound by the provisions of Labor Code Section 1777.5 concerning the employment of apprentices on public works projects. CONTRACTOR shall be responsible for compliance with Section 1777.5 for all apprenticeable occupations. Prior to commencing work under this Agreement, CONTRACTOR shall provide CITY with a copy of the information submitted to any applicable apprenticeship program. Within sixty (60) days after concluding work pursuant to this Agreement, CONTRACTOR and each of its subcontractors shall submit to the CITY a verified statement of the journeyman and apprentice hours performed under this Agreement.

- C. Eight (8) hours of labor shall constitute a legal day's work for all workmen employed in the execution of this Contract, and the CONTRACTOR and any subcontractor under him shall comply with and be governed by the laws of the State of California having to do with working hours set forth in Division 2, Part 7, Chapter 1, Article 3 of the Labor Code of the State of California as amended.

The CONTRACTOR shall forfeit, as a penalty to CITY, twenty-five dollars (\$25.00) for each laborer, workman, or mechanic employed in the execution of the Contract, by him or any subcontractor under him, upon any of the work hereinbefore mentioned, for each calendar day during which said laborer, workman, or mechanic is required or permitted to labor more than eight (8) hours in violation of said Labor Code.

- D. CONTRACTOR shall comply with and be bound by the provisions of Labor Code Section 1776, which requires CONTRACTOR and each subcontractor to (1) keep accurate payroll records and verify such records in writing under penalty of

perjury, as specified in Section 1776. CONTRACTOR and its subcontractors shall furnish electronic certified payroll records to the Labor Commissioner in accordance with Labor Code Section 1771.4. The project is subject to compliance monitoring and enforcement by the Department of Industrial Relations. The CONTRACTOR is responsible for compliance with Section 1776 by itself and all of its subcontractors(.

- E. For every subcontractor who will perform work on the project, CONTRACTOR shall be responsible for such subcontractors' compliance with Labor Code Sections 1771, 1775, 1776, 1777.5, 1813, and 1815, and CONTRACTOR shall include in the written contract between it and each subcontractor copies of Labor Code Sections 1771, 1775, 1776, 1777.5, 1813, and 1815 and a requirement that each subcontractor shall comply with these aforementioned sections. CONTRACTOR shall be required to take all actions necessary to enforce such contractual provisions and ensure subcontractor's compliance, including without limitation, conducting a periodic review of the certified payroll records of the subcontractor and upon becoming aware of a failure of the subcontractor to pay his or her workers the specified prevailing rate of wages, CONTRACTOR shall diligently take corrective action to halt or rectify the failure.
- F. CONTRACTOR truthfully represents that at the time CONTRACTOR submitted its bid or proposal for this Project, and thereafter, CONTRACTOR possessed, and now possesses the required license(s) from the State Contractors State Licensing Board, and as required in the bid documents, as well as all permits, qualifications, insurance and approvals of any nature that are legally required of CONTRACTOR to practice its trade(s) and complete the Project. CONTRACTOR agrees to not be debarred at any time through the duration of this Agreement. CONTRACTOR has investigated and represents and will ensure that all subcontractors possessed and now possesses a valid specialty trade license in its trade, as well as all permits, qualifications, insurance and approvals of any nature that are legally required of the subcontractor to practice its trade during the term of this Agreement and at the time the CONTRACTOR's bid was submitted. All licenses must comply with California Business and Professions Code Section 7057 regarding a general building contractor. CONTRACTOR and all subcontractors must comply with business license requirements of the CITY. CONTRACTOR shall not perform work with debarred subcontractor pursuant to Labor Code Section 1777.1 or 1777.7.
- G. In accordance with Labor Code Sections 1725.5 and 1771.1, no contractor or subcontractor shall be qualified to bid on, be listed in a bid proposal, subject to the requirements of Section 4104 of the Public Contract Code, or engage in the performance of any contract for public work, unless currently registered and qualified to perform public work pursuant to Section 1725.5 [with limited exceptions for bid purposes only under Labor Code Section 1771.1(a)].



CITY OF BREA |
PeopleSpace Submittals

**CITY OF BREA
3RD FLOOR REDESIGN &
FURNITURE REPLACEMENT
RFP #2019042602
DUE 05.15.19**





May 15, 2019

City of Brea
City Clerk's Office
1 Civic Center Circle
Brea, California 92821

Subject: 3rd Floor Redesign & Furniture Replacement RFP #2019042602

We are excited to present this Bid Response for the City of Brea 3rd Floor Redesign and Furniture Replacement RFP #2019042602. We are committed to you, the City of Brea and the 3rd Floor Redesign & Furniture Replacement Project. We can cover your project scope from project start to the punch walk and beyond.

If you knew us as Interior Office Solutions, Inc. (IOS), we have rebranded under the name PeopleSpace. PeopleSpace is a collaboration between IOS and Haworth. PeopleSpace gives you the best of all possible worlds by combining the strengths of two leaders who have compatible visionary approaches to the commercial interiors industry.

We deliver a positive customer experience from start to finish. You have the breadth of choice, depth of expertise and flawless, customer-focused execution that has made IOS a top solutions provider on the West Coast.

We look forward to working together and providing a successful project and creating a long lasting relationship.

Sincerely,

Jesse Bagley
Founder | Chief Executive Officer
949.697.8710 | jesse@peoplespace.com
People Space | 17800 Mitchell North | Irvine, CA 92614

CONTACT INFORMATION

Brian Sigler
Business Development Manager

PeopleSpace
17800 Mitchell North
Irvine, California 92614

949.610.3723
bsigler@peoplespace.com

CITY OF BREA COMPREHENSIVE FEE SCHEDULE

Phase 1 – Preliminary Design

	Quantity	Unit	Total:
Design Services Hours	60	\$ 85.00	\$ 5,100.00

Phase 2 – Final Design

	Quantity	Unit	Total:
Design Services Hours	110	\$ 85.00	\$ 9,350.00

Total for Phases 1 & 2 \$ 14,450.00

Phase 3 – Furniture Purchase & Installation with Notices to Proceed at the beginning of each phase.
Below is just an estimated budget for mid-range furniture solutions and services to assist with a projected budget.

	Quantity	Unit	Total
Design Services Hours Credited	-170	\$ 85.00	\$ (14,450.00)
Priority Area PO	16	\$ 2,885.00	\$ 46,160.00
Priority Area Wkstns	39	\$ 2,975.00	\$116,025.00
Estimated Ancillary	1	\$ 34,000.00	\$ 34,000.00
Labor to Install			\$ 14,500.00
Sales Tax (7.75%)			\$ 16,328.09
SubTotal for Priority Area			<u>\$ 212,563.09</u>
Additional Budget for Entire Scope			
PO	8	\$ 2,885.00	\$ 23,080.00
Wkstns	22	\$ 2,975.00	\$ 65,450.00
Estimated Ancillary	1	\$ 27,500.00	\$ 27,500.00
Labor to Install			\$ 9,300.00
Sales Tax (7.75%)			\$ 9,713.08
Budgetary Grand Total			<u>\$347,606.16</u>

peoplespace

City of Brea
Design, Furnish, and Install Furniture

RFP # 2019042602

APPENDIX A

Comparative Costs Worksheet

Bidder Name: PeopleSpace - Base Response (Recommended Solution)

This worksheet will be used for the sole intent of obtaining comparable costs at three different price points for product and in no way is representative of the style or configuration of furniture the City of Brea intends to utilize within the final design.

Using the sample workstation on the following page, please provide cost estimates for the furniture in the chart below. Assume that estimates represent the total cost of furnishing a complete workspace, limited to the following:

- 8' x 7.5' Modular Workstation (non-height adjustable)
- Desk Chair
- 4 Feet of Linear Storage Space

	Low Tier/Grade	Mid Tier/Grade	High Tier/Grade
Workstation	\$ 1660.00	\$ 2235.00	\$ 3735.00
Chair	\$ 240.00	\$ 315.00	\$ 505.00
Storage	\$ 285.00	\$ 425.00	\$ 460.00
Total	\$ 2185.00	\$ 2975.00	\$ 4700.00

APPENDIX A

Comparative Costs Worksheet

Bidder Name: PeopleSpace - Alternate 1 Response

This worksheet will be used for the sole intent of obtaining comparable costs at three different price points for product and in no way is representative of the style or configuration of furniture the City of Brea intends to utilize within the final design.

Using the sample workstation on the following page, please provide cost estimates for the furniture in the chart below. Assume that estimates represent the total cost of furnishing a complete workspace, limited to the following:

- 8' x 7.5' Modular Workstation (non-height adjustable)
- Desk Chair
- 4 Feet of Linear Storage Space

	Low Tier/Grade	Mid Tier/Grade	High Tier/Grade
Workstation	\$ 1105.00	\$ 1895.00	\$ 3375.00
Chair	\$ 240.00	\$ 315.00	\$ 505.00
Storage	\$ 195.00	\$ 330.00	\$ 600.00
Total	\$ 1540.00	\$ 2540.00	\$ 4480.00

APPENDIX A

Comparative Costs Worksheet

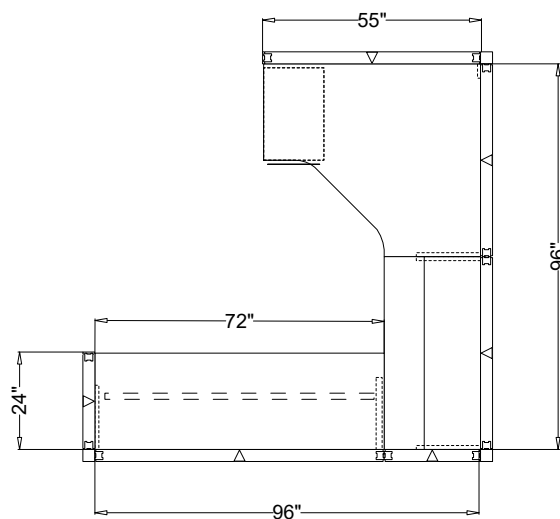
Bidder Name: PeopleSpace - Alternate 2 Response

This worksheet will be used for the sole intent of obtaining comparable costs at three different price points for product and in no way is representative of the style or configuration of furniture the City of Brea intends to utilize within the final design.

Using the sample workstation on the following page, please provide cost estimates for the furniture in the chart below. Assume that estimates represent the total cost of furnishing a complete workspace, limited to the following:

- 8' x 7.5' Modular Workstation (non-height adjustable)
- Desk Chair
- 4 Feet of Linear Storage Space

	Low Tier/Grade	Mid Tier/Grade	High Tier/Grade
Workstation	\$ 1360.00	\$ 2335.00	\$ 3825.00
Chair	\$ 255.00	\$ 375.00	\$ 575.00
Storage	\$ 240.00	\$ 415.00	\$ 675.00
Total	\$ 1855.00	\$ 3125.00	\$ 5075.00



WORKSTATION- GOOD
HAWORTH COMPOSE + X-SERIES STORAGE

- 66"H with 42"H lower panels with tackable fabric tiles and metal trim
- White laminate worksurfaces with standard edgeband
- 48"W metal overhead with sliding door
- Box/box/file pedestal
- All grade A finishes

PRICE: \$1945 EACH

ADDITIONAL OPTIONS FOR GOOD SOLUTION:

- ALTERNATE 1- FRIANT DASH

PRICE: \$130 EACH



FRIANT DASH BROCHURE
Please click on the image to view

- ALTERNATE 2- AIS DIVI

PRICE: \$1600 EACH



AIS DIVI BROCHURE
Please click on the image to view

GOOD SEATING



ALTERNATE 1- AIS BOLTON

- Mid back task chair
- Black base, frame and arms
- Tension adjustable synchro-tilt with upright back lock and seat depth adjustment
- Height adjustable arms
- Hard or soft 60mm wheel casters
- Standard 4" (16"-20") pneumatic cylinder
- Body conforming lumbar support
- 300lbs rating

PRICE: \$240



AIS BOLTON BROCHURE
Please click on the image to view



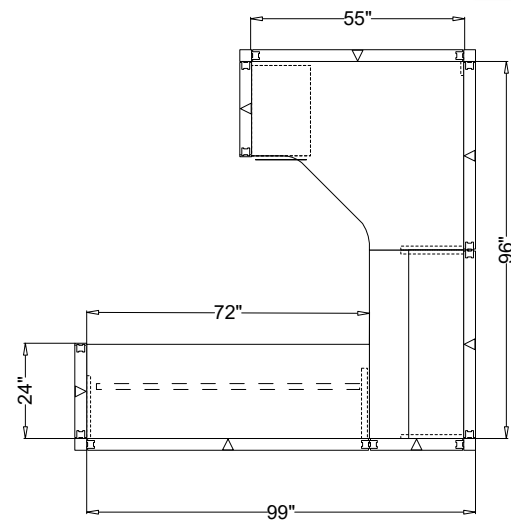
ALTERNATE 2- SITONIT NOVO

- Mid back task chair
- Black base, frame and arms
- Height adjustable arms
- Lumbar support
- Standard synchro and cylinder
- Hard or soft 60mm wheel casters
- Standard 4" (16"-20") pneumatic cylinder

PRICE: \$255



SITONIT NOVO BROCHURE
Please click on the image to view



**WORKSTATION- BETTER
HAWORTH COMPOSE + X-SERIES STORAGE**

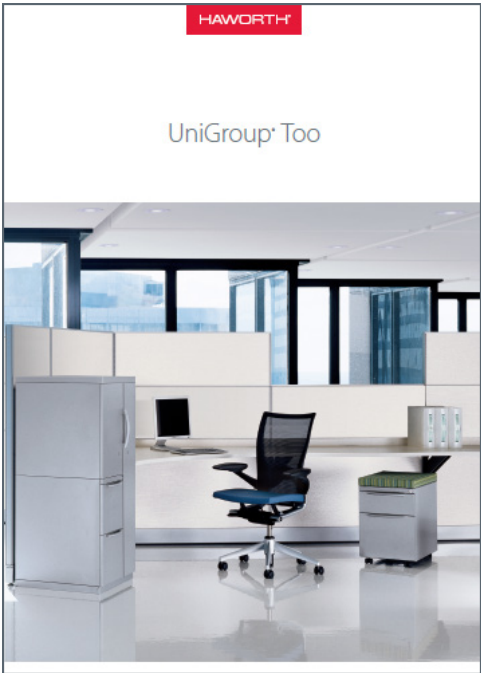
- 66"H with 42"H lower panels with tackable fabric tiles and aluminum trim
- Wood laminate worksurfaces with standard edgeband
- 48"W metal overhead, laminate flipper door and lock
- Box/box/file pedestal with laminate fronts and bar pulls
- All grade B finishes

PRICE: \$2660 EACH

ADDITIONAL OPTIONS FOR BETTER SOLUTION:

- ALTERNATE 1- HAWORTH UNIGROUP TOO

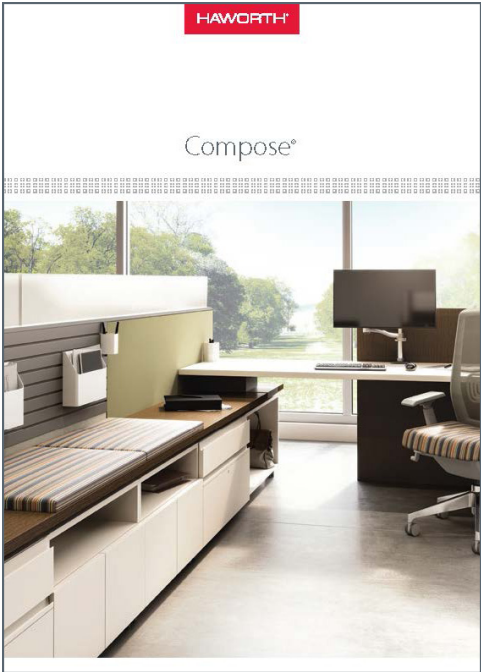
PRICE: \$2225 EACH



HAWORTH UNIGROUP BROCHURE
Please click on the image to view

- ALTERNATE 2- HAWORTH COMPOSE

PRICE: \$2750 EACH



HAWORTH COMPOSE BROCHURE
Please click on the image to view

BETTER SEATING



ALTERNATE 1- HAWORTH SOJI

- Mesh back task chair
- Black base, frame and arms
- Height adjustable arms
- Back lock
- Seat depth adjustable
- Hard or soft 60mm wheel casters

PRICE: \$315



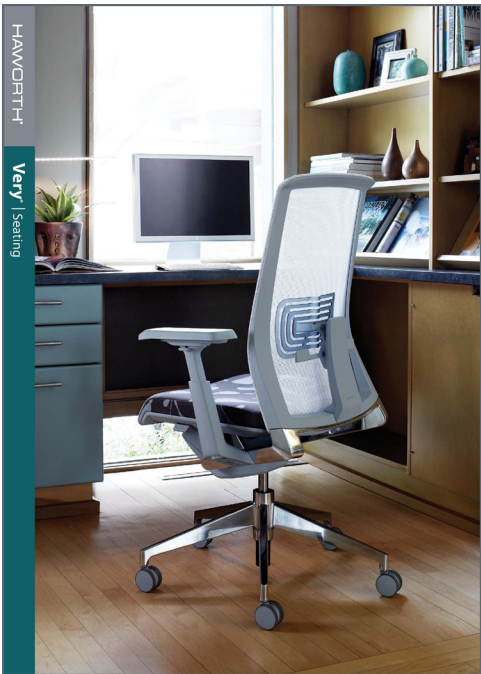
HAWORTH SOJI BROCHURE
Please click on the image to view



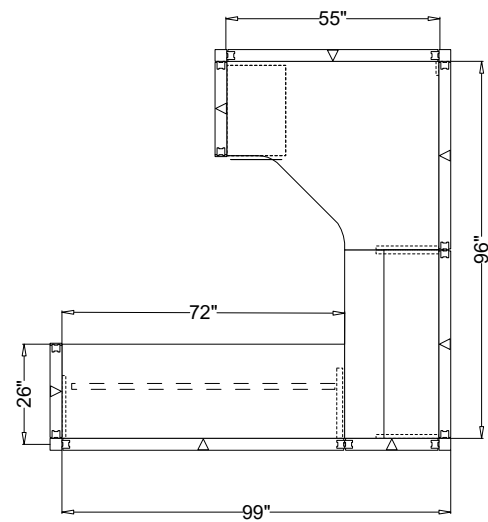
ALTERNATE 2- HAWORTH VERY

- Mesh back task chair
- Black base, frame and arms
- 4D adjustable arms
- Adjustable asymmetrical lumbar
- Seat depth adjustable
- Hard or soft 60mm wheel casters

PRICE: \$375



HAWORTH VERY BROCHURE
Please click on the image to view



**WORKSTATION- BEST
HAWORTH COMPOSE + X-SERIES STORAGE**

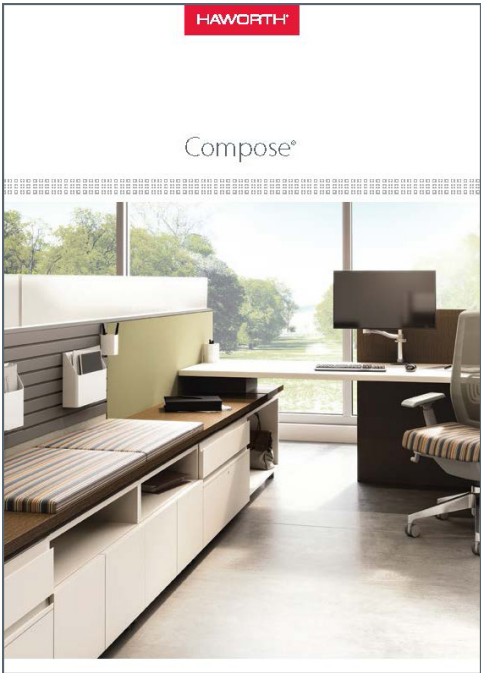
- 66"H with 42"H lower panels with tackable segmented fabric tiles and wood trim
- Wood veneer worksurfaces
- 48"W metal overhead with glass front and lock
- Metal box/box/file pedestal
- All premium grade finishes

PRICE: \$4195 EACH

ADDITIONAL OPTIONS FOR BEST SOLUTION:

- ALTERNATE 1- HAWORTH COMPOSE

PRICE: \$3975 EACH



HAWORTH COMPOSE BROCHURE
Please click on the image to view

- ALTERNATE 2- HAWORTH PREMISE

PRICE: \$4500 EACH



HAWORTH PREMISE BROCHURE
Please click on the image to view

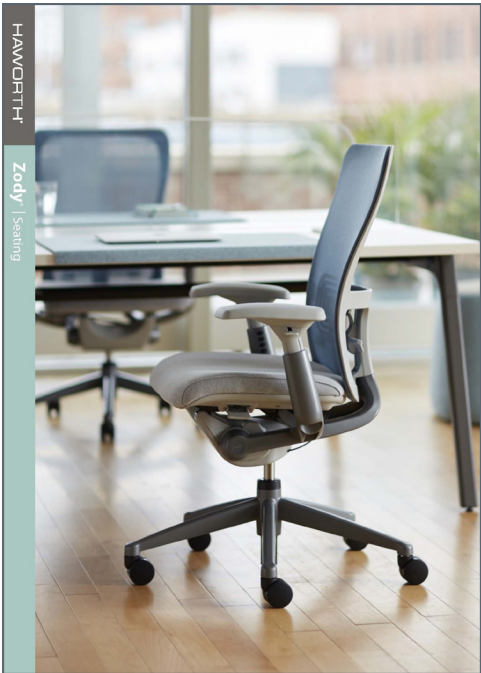
BEST SEATING



ALTERNATE 1- HAWORTH ZODY

- Mesh back task chair
- Black base, frame and arms
- 4D adjustable arms
- Adjustable asymmetrical lumbar
- Back lock
- Seat depth adjustable
- Hard or soft 60mm wheel casters

PRICE: \$505



HAWORTH ZODY BROCHURE
Please click on the image to view



ALTERNATE 2- HAWORTH FERN

- Mesh back task chair
- Black base, frame and arms
- 4D adjustable arms
- Back stop
- Adjustable asymmetrical lumbar
- Seat depth adjustable
- Hard or soft 60mm wheel casters

PRICE: \$575



HAWORTH FERN BROCHURE
Please click on the image to view



BILLING RATES

Please review our current billing rates below:

YEAR	BILLING RATE
Project Manager	\$85/HOUR
Project Designer	\$85/HOUR

SUBCONTRACTORS

We are not utilizing any subcontractors for this City of Brea 3rd Floor Redesign & Furniture Replacement project.

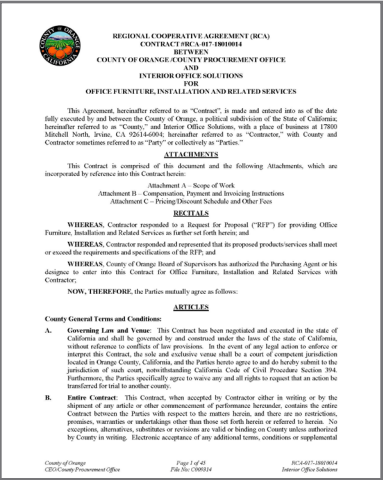
OVERHEAD PERCENTAGES

We have an overhead percentages of 10% on all product, not subcontractors.

COOPERATIVE AGREEMENTS

PeopleSpace and Haworth have access to various Cooperative Agreements that may be beneficial to the City of Brea and their projects. Please review the following County of Orange Contract, OMNIA Partners (formerly the U.S. Communities) Contract and CMAS

County of Orange Contract



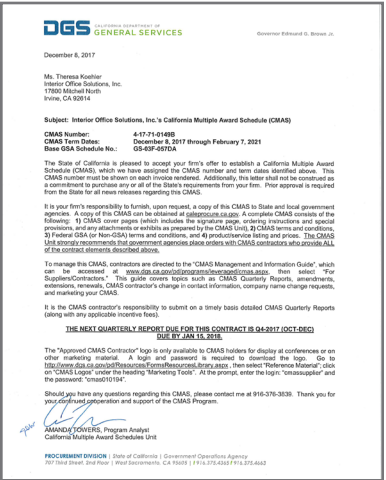
Please click on the image above to view
the County of Orange contract

OMNIA Partners Contract

[illegible]

Please click on the image above to view the PeopleSpace General COI

California Multiple Award Schedule (CMAS)



Please click on the image above to view
PeopleSpace's CMAS

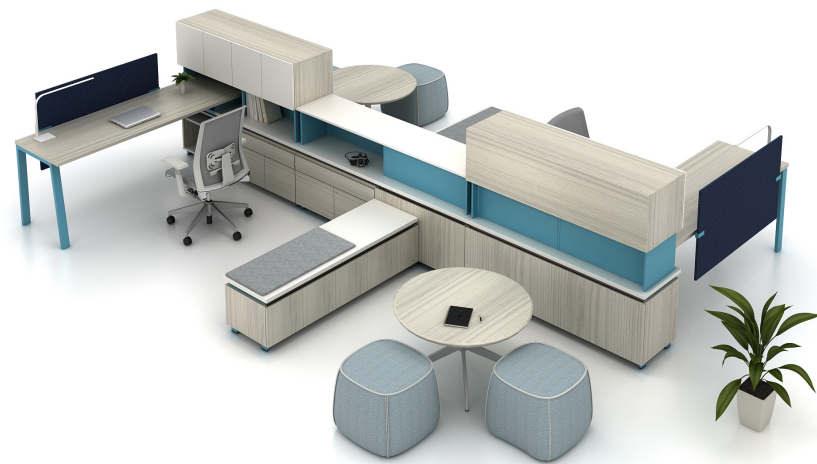
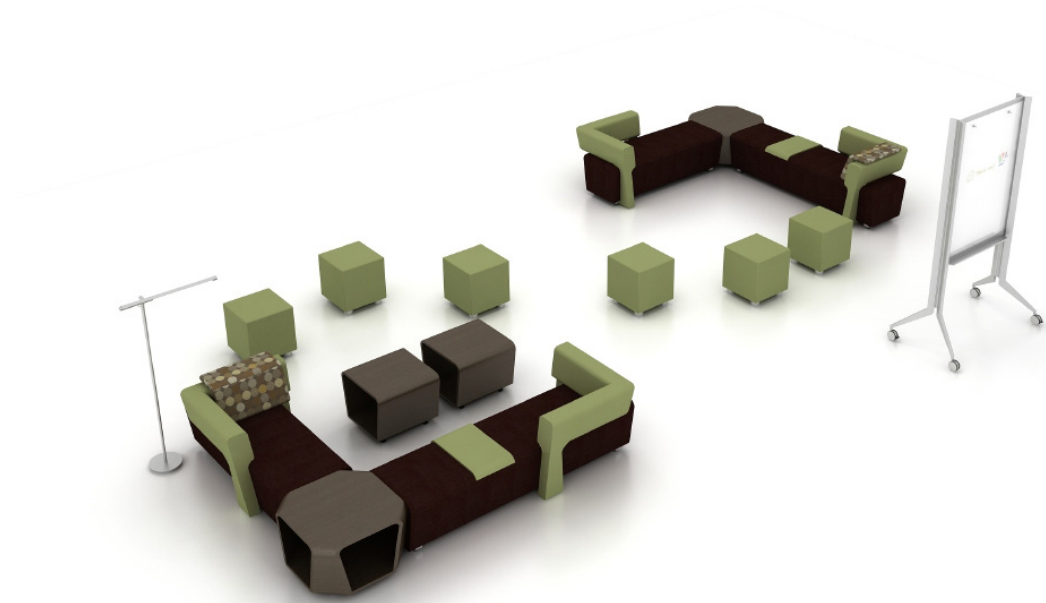
1. COLLABORATIVE/MULTI-USE SPACES

CONSISTENCY AMONG WORKSTATION SIZE:
APPROXIMATELY 6' X 6'



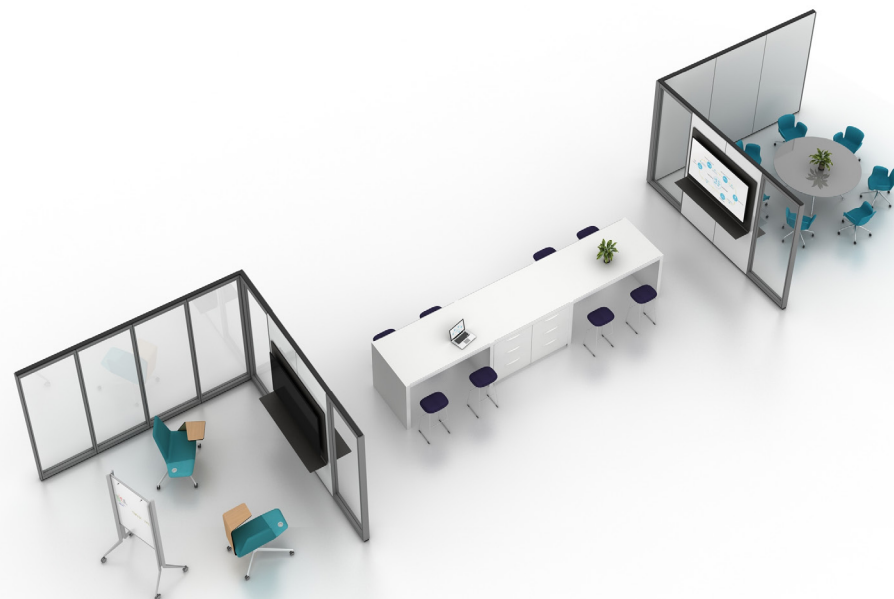
1. COLLABORATIVE/MULTI-USE SPACES

ADDRESSING THE NEEDS FOR STORAGE +
COLLABORATIVE AREAS

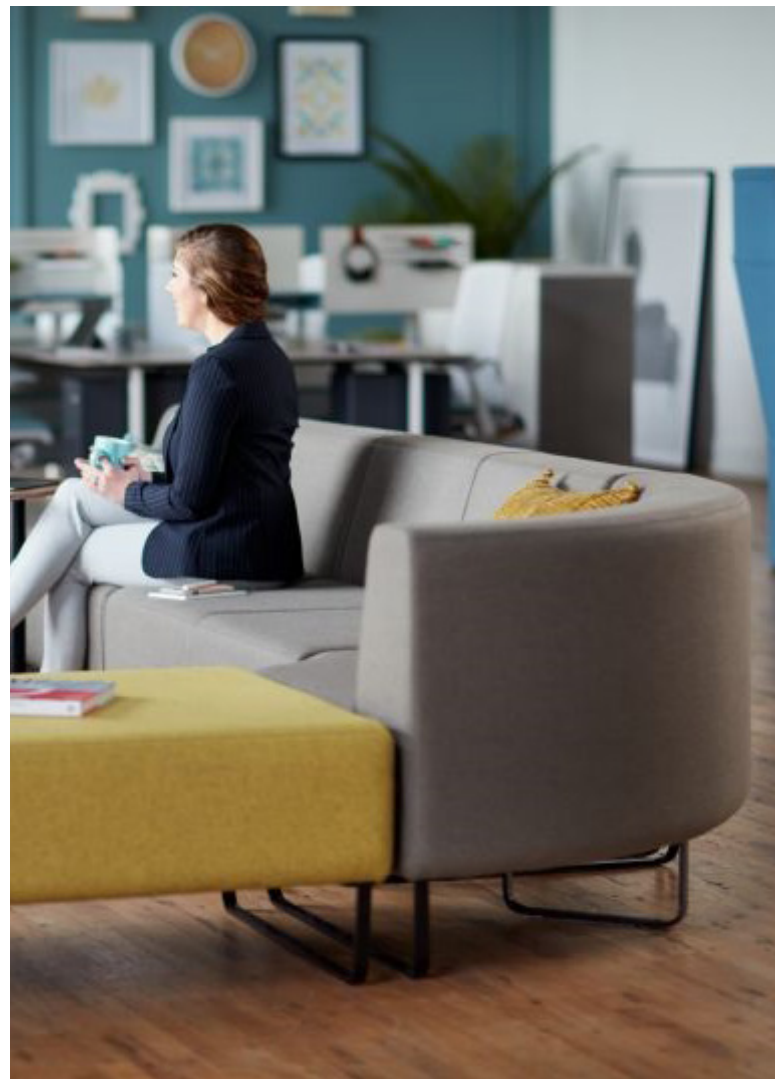


1. COLLABORATIVE/MULTI-USE SPACES

ADDRESSING THE NEEDS FOR STORAGE +
COLLABORATIVE AREAS



1. COLLABORATIVE/MULTI-USE SPACES



1. COLLABORATIVE/MULTI-USE SPACES



ENSURING SUFFICIENT ACCESS TO POWER +
NETWORK CONNECTIVITY

1. COLLABORATIVE/MULTI-USE SPACES



1. COLLABORATIVE/MULTI-USE SPACES



1. COLLABORATIVE/MULTI-USE SPACES



1. COLLABORATIVE/MULTI-USE SPACES



1. COLLABORATIVE/MULTI-USE SPACES

PROPOSING FURNITURE SOLUTIONS FOR
PRIVATE OFFICES



1. COLLABORATIVE/MULTI-USE SPACES

PROPOSING FURNITURE SOLUTIONS FOR
PRIVATE OFFICES



1. COLLABORATIVE/MULTI-USE SPACES

PROPOSING FURNITURE SOLUTIONS FOR
PRIVATE OFFICES



2. OUTDOOR SPACES



2. OUTDOOR SPACES



2. OUTDOOR SPACES



**Statement of Compliance
(Scope of Work, Terms & Conditions, and Agreement)**

Each Offer must be accompanied by a signed Statement of Compliance. *Offeror must sign one of the declarations stated below* indicating that the Offer was submitted with or without exceptions to this Solicitation, Scope of Work, Terms and Conditions, or Agreement as may be attached.

PeopleSpace

(Offeror's Company Name)

I. No Exceptions

By signing below, Offeror declares that their Offer was prepared in strict compliance with the instructions, conditions, and terms of the Solicitation, Scope of Work, and Agreement.

SIGNATURE: _____

PRINT NAME: _____

TITLE: _____

DATE: _____

Jesse Bagley

Founder | Chief Executive Officer

05.15.19

II. With Exceptions

By signing below, Offeror states that their Offer has been prepared in consideration of and with exception to some of the terms of this Solicitation, Scope of Work, Terms and Conditions, or Agreement. Offeror is advised that exceptions and/or a suggested change to any of the terms of Solicitation, Scope of Work, Terms and Conditions, or Agreement must be submitted in writing as an attachment to the Offer submittal. By signing below, Offeror declares that the Offer includes a statement that identifies each item to which Offeror is taking exception or is recommending change, includes the suggested rewording of the contractual obligations or suggested change in this Solicitation, identifies the reasons for submitting the proposed exception or change, as well as, any impact the change or exception may have on contract costs, scheduling, or other considerations. City reserves the right to reject any declarations that are not accompanied with the required documentation as described above.

SIGNATURE: _____

PRINT NAME: _____

TITLE: _____

DATE: _____

Non-Collusion Affidavit

Note: To be executed by Offeror and submitted with Offer.

State of _____

California

(the State of the place of business)

County of _____

Orange

(the County of the place of business)

Jesse Bagley

(name of the person signing this form)

says that he/she is _____

Founder | Chief Executive Officer

of

PeopleSpace

(title of the person signing this form)

(name of offering company)

the party making the foregoing offer that the offer is not made in the interest of, or on behalf of, any undisclosed person, partnership, company, association, organization, or corporation; that the offer is genuine and not collusive or sham; that the OFFEROR has not directly or indirectly induced or solicited any other offeror to put in a false or sham offer; that the OFFEROR has not directly or indirectly colluded, conspired, connived, or agreed with any offeror or anyone else to put in a sham offer, or to refrain from offering; that the OFFEROR has not in any manner, directly or indirectly, sought by agreement, communication, or conference with anyone to fix the offer price of the OFFEROR or any other offeror, or to fix any overhead, profit, or cost element of the offer price, or of that of any other offeror; that all statements contained in the offer are true; and, the OFFEROR has not, directly or indirectly, submitted his or her offer price or any breakdown thereof, or the contents thereof, or divulged information or data relative thereto, to any corporation, partnership, company, association, organization, depository, or to any member or agent thereof, to effectuate a collusive or sham offer, and has not paid, and will not pay, any person or entity for such purpose.

Any person executing this declaration on behalf of a OFFEROR that is a corporation, partnership, joint venture, limited liability company, limited liability partnership, or any other entity, hereby represents that he or she has full power to execute, and does execute, this declaration on behalf of the OFFEROR.

I declare under penalty of perjury under the Laws of the State of California that the foregoing is true and correct and that this declaration is executed as set forth.

SIGNATURE: _____

PRINT NAME: _____

TITLE: _____

DATE: _____

Jesse Bagley

Founder | Chief Executive Officer

05.15.19

Notary is not required for this offer.

Client References (for like work)

PeopleSpace

(Offeror's Company Name)

1. Client's Company Name:	City of La Habra
Client Address:	110 E La Habra Boulevard, La Habra, CA 90633
Contact's Name:	Roy Ramsland
Contact's Title:	Planning Manager
Contact's Telephone & FAX:	Tel 562-383-4100 Fax 562-383-4476
Contact's Email:	rramsland@lahabraca.gov
Scope of Services/Products Provided:	Private Offices, Work Stations, Conference Rooms, City Council
Project Completion Date & Value:	Completed 2017 \$700,000
2. Client's Company Name:	Sundt / San Diego State University Project
Client Address:	5500 Campanile Road, San Diego, CA 92182
Contact's Name:	Jamie Frye
Contact's Title:	VP, Preconstruction Manager
Contact's Telephone & FAX:	Tel 619-321-4805
Contact's Email:	jpfrye@sundt.com
Scope of Services/Products Provided:	650 Dorms, Common Areas, Lobbies, Training, Conference, Lounge
Project Completion Date & Value:	Completed 2017 \$2,700,000
3. Client's Company Name:	ZAGG/Mophie
Client Address:	15495 Sand Canyon , 4th Floor, Irvine, CA 92618
Contact's Name:	Tarah Draper
Contact's Title:	HR Generalist / HR Facilities
Contact's Telephone & FAX:	Tel 949-502-0833
Contact's Email:	Tarah.draper@mophie.com
Scope of Services/Products Provided:	100 work stations and private offices, lounge and lobbies
Project Completion Date & Value:	Completed 2018 \$700,000
4. Client's Company Name:	Meggitt Sensing Systems
Client Address:	14600 Myford Rd, Irvine, CA 92606
Contact's Name:	Michael Gooch
Contact's Title:	VP Facilities
Contact's Telephone & FAX:	Tel 949-493-8181
Contact's Email:	Michael.gooch@meggitt.com
Scope of Services/Products Provided:	200 work stations, private offices, conference rooms
Project Completion Date & Value:	Completed 2014 \$900,000

Duplicate this form as necessary to complete list.

Subcontractors List-Standard

Offeror's Company Name PeopleSpace
Offeror's Contractors License #s 989310
Offeror's License Classifications C61/D34

List all proposed subcontractors for this work.

☒ Check this box, if no subcontractors are to be used for any of the proposed work.
Failure to provide required subcontractors per Offeror Qualifications may render bid nonresponsive.

1. Company	
License #s	
License class	
DIR # & Exp Date	
Proposed work & amounts	
Address	
City, ST, zip	
Contact Name	
Phone Number	
Email	
2. Company	
License #s	
License class	
DIR # & Exp Date	
Proposed work & amounts	
Address	
City, ST, zip	
Contact Name	
Phone Number	
Email	
3. Company	
License #s	
License class	
DIR # & Exp Date	
Proposed work & amounts	
Address	
City, ST, zip	
Contact Name	
Phone Number	
Email	

Duplicate this form as necessary to complete list.

Subcontractors List-Public Works Projects

Offeror's Company Name

PeopleSpace

Offeror's Contractors License #s

989310

Offeror's License Classifications

C61/D34

In accordance with Government Code Section 4104, the Bidder/Offeror shall set forth the name, business address, license number, class and DIR registration number of each subcontractor who will perform work or render service to the Contractor on said contract in an amount in excess of 0.5% of the total bid and the portion of the work to be done by such subcontractor.

Offeror certifies: That they are able to and will perform the balance of all work which is not covered in the above subcontractors listing; that AGENCY will be furnished copies of all subcontracts entered into by subcontractor for this project

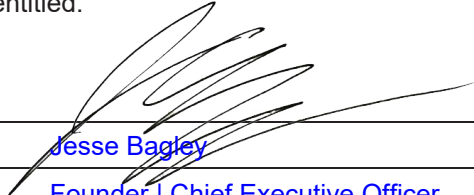
☒ Check this box, if no subcontractors are to be used for any of the proposed work.
Failure to provide required subcontractors per Offeror Qualifications may render bid nonresponsive.

Offer Item Nbr	% of Work	Name, Address and E-mail of Subcontractor	State License No	Class	DIR Reg. No.

Duplicate this form as necessary to complete list.

Anti-Kickback Affidavit-Public Works

The undersigned is submitting this Offer for performing by contract the work required by this Solicitation, agrees to comply with the Copeland "Anti-Kickback" Act (18 USC 74) as supplemented in the Department of Labor regulations (29 CFR, Part 3). This act provides that each contractor or subcontractor shall be prohibited from inducing, by any means, any person employed in the construction or repair of public work, to give up any part of the compensation to which he/she is otherwise entitled.

SIGNATURE: 

PRINT NAME: Jesse Bagley

TITLE: Founder | Chief Executive Officer

DATE: 05.15.19

Compensation Insurance Certificate-Public Works

Pursuant to Section 1861 of the State Labor Code, each contractor to whom a public works contract has been awarded shall sign the following certificate.

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

SIGNATURE: _____

PRINT NAME: _____

TITLE: _____

DATE: _____

Jesse Bagley

Founder | Chief Executive Officer

05.15.19

Insurance Commitment Form

City reserves the right to modify the Exhibit D Insurance Requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances.

City's acceptance and/or approval by City does not, and shall not be construed to, relieve Contractor of any obligations, responsibilities or liabilities under any resultant Contract.

- The undersigned, at Contractor's sole cost and expense, hereby promises and agrees to:
- A. Acquire the required insurance as set forth in Exhibit D Insurance Requirements.
 - B. Provide all insurance written by companies licensed or authorized by the State of California to issue insurance in the State of California with an A.M. Best Company rating of A VII or better.
 - C. Provide all required proofs of insurance, certificates of insurance, policies, endorsements, and waiver of subrogations as set forth in Exhibit D Insurance Requirements within 30 days of notification of contract award and prior to the start of any work, whichever occurs sooner.
 - D. Maintain in force at all times during the term of any Contract, insurance policies as set forth in Exhibit D Insurance Requirements.
 - E. Replace any policies whose carrier's rating falls below A VII with policies that meet or better the required A VII rating no later than the renewal date of the policy.
 - F. Amend, supplement, or endorse existing insurance policies that do not meet the insurance requirements set forth in Exhibit D Insurance Requirements.

Contractor's failure to comply with the required insurance as set forth in Exhibit D Insurance Requirements is a breach of contract, which may result in one or more of the following: suspension of work, suspension or termination of contract, remuneration of procurement costs for obtaining a replacement contractor, and suspension from submitting future offers based on Contractor's default.

I, the undersigned, hereby certify that I have the authority on behalf of the entity I represent and to commit to all the requirements as set forth in Exhibit D Insurance Requirements.

SIGNATURE: _____

PRINT NAME: _____

TITLE: _____

DATE: _____

Jesse Bagley

Founder | Chief Executive Officer

05.15.19

Bid Bond

Premium Included

KNOW ALL MEN BY THESE PRESENTS, that we, PeopleSpace
as Principal, and Federal Insurance Company a corporation organized and
existing under the laws of the State of Indiana and whose principal office
is located in the City of Whitehouse Station as surety, are jointly and
severally bound unto the CITY OF BREA of Orange County California in the sum of
Five percent of amount bid DOLLARS
5% of amount bid, lawful money of the United States of America to be paid to the said CITY OF BREA,
for which payment well and truly to be made, we bind ourselves, our heirs, successors, executors,
administrators and assigns, jointly and severally, by these presents.

THE CONDITION OF THIS OBLIGATION is such that whereas the Principal has submitted the
accompanying bid dated May 15 2019 or the CITY OF BREA Orange County California.

NOW, THEREFORE, if the Principal shall not withdraw said bid within **ninety (90)** days after the opening of
same, and shall within **fifteen (15)** days after the agreement has been presented to him for execution enter
into a written contract with the City in accordance with the bid as accepted, and if the Principal shall give the
required bond with good and sufficient sureties, or sureties for the faithful performance and proper fulfillment
of such contract and for the protection of laborers and material providers, or in the event of the withdrawal of
said bid within the periods specified, or the failure to enter into said contract and give said bond within the
time specified if the Principal shall within sixty (60) days after request by the City, pay the City the difference
between the amount specified in said bid and the amount for which the City may procure the required work
and/or supplies if the latter amount be in excess of the former, then the above obligation shall be void and of
no effect, otherwise to remain in full force and virtue.

IN WITNESS WHEREOF the above-bounded parties have executed this instrument under their several
seals this 14th day of May, 2019, the name and corporate seal of each
corporate party being affixed hereto and these presents duly signed by its undersigned representative
pursuant to authority of its governing body.

Two Witnesses (if individual) _____
ATTEST (if corporation) _____
Corporate Seal
ATTEST Aaron Griffin
Witness _____
Title _____
PeopleSpace
PRINCIPAL
By _____
Title _____
Federal Insurance Company
SURETY
By Sandra M. Nowak
Sandra M. Nowak
Title Attorney-in-Fact

Corporate Seal

01/01/18

Acknowledgement of Surety for Bid Bond-Public Works

A notary public or other officer completing this certificate verifies only the identity of the
individual who signed the document to which this certificate is attached, and not the
truthfulness, accuracy, or validity of that document.

State of Illinois
(the State of the place of business)

County of Cook
(the County of the place of business)

On May 14, 2019 before me personally appeared
(month day and year)

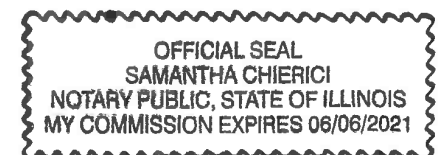
Sandra M. Nowak, Attorney-in-Fact
name of the person and title of officer

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s)
is/are subscribed to the within instrument and acknowledged to me that he/she/they
executed the same in his/her/their authorized capacity(ies), and that by his/her/their
signature(s) on the instrument the person(s), or the entity upon behalf of which the
person(s) acted, executed the instrument.

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

WITNESS my hand and official seal

Signed: Samantha Chierici
(signature of Notary Public)
Printed Name: Samantha Chierici
(name of the person signing this form)
Date: May 14, 2019
(date signed)



Required Response Template
PeopleSpace

Instructions:

Prospective Offerors must provide the information requested below and include it in their Offer. Provide your responses under each of the number points. Do not omit or renumber any sections. Refer to attached documents sparingly and only as necessary; and ensure that any documents referred to are numbered according to the outline below.

I. Company Information: Name, Contacts, History, Scope of Services

Please provide the following information about your company:

- A. Your company's full legal name, address, phone, fax, email, website.
Interior Office Solutions, Inc. dba PeopleSpace
17800 Mitchell North, Irvine, CA 92614
(P) 949.724.9444 (F) 949.724.9449
<https://peoplespace.com/>
- B. Prior company names (if any) and years in business; mergers, buyouts, etc.
Interior Office Solutions, Inc. (IOS) was founded in 2000
IOS rebranded under the name PeopleSpace in 2019
- C. Organizational structure (i.e. corp., LLC, sole proprietorship, etc.).
PeopleSpace is a privately owned CA C Corporation
- D. Names and titles of the principal owner(s).
Jesse Bagley, Founder + Chief Executive Officer
Brian Airth, Founder + Chief Business Development Officer
Haworth, Inc.
- E. Person(s) authorized to make commitments for your company.
Jesse Bagley, Founder + Chief Executive Officer
Brian Airth, Founder + Chief Business Development Officer
Nate Brooks, Chief Financial Officer
- F. Company history, experience, years in business for current company name.
PeopleSpace is a privately-owned corporation formed in 2000 by Jesse Bagley and Brian Airth under the name Interior Office Solutions, Inc. (IOS). IOS has been doing business for the last 19 years with clients of all sizes and kinds from corporate to health to entertainment and government.

Today you can find us from Sunny Southern California to the Emerald City with four showrooms and two warehouses, PeopleSpace has the largest presence of any contract furniture dealership on the west coast.

Orange County Headquarters | 17800 Mitchell North, Irvine
Los Angeles Showroom | 444 South Flower Street, #200, DTLA
Southern California Warehouse | 10850 Valley View Street, Cypress
Seattle Showroom | 705 5th Avenue South #825, Seattle
Washington Warehouse | 7817 South 210 Street #B106, Kent
Portland Showroom | 811 SW 6th Avenue #400, Portland

As our company has grown and evolved, we have developed the following four divisions under the PeopleSpace umbrella: Slate (Custom Systems), ATSpace (Walls and Architecture), Twist Fab (Custom Architectural Elements Design & Fabrication) and Services (Installation) which includes the unique, industry-leading Quality Assurance team.

IOS rebranded under the name PeopleSpace in 2019.

- G. Annual company revenues for the last three fiscal years.

We are financially strong. Haworth, Inc., a privately held company with revenues of \$2 billion plus is a partner in IOS/PeopleSpace. Our revenue for the past three years is listed below. Nearly \$20 million of sales booked in 2018 slipped into 2019 due to construction delays, thus we will see about \$110 million of sales in 2019.

YEAR	SALES REVENUE
2016	\$66,923,210
2017	\$87,808,724
2018	\$75,145,503

- H. Tax ID number.
33-0894213
- I. The complete scope of services offered by your company.
We are a one stop shop to complete any project from design and collaboration to complete installation. Please see our PeopleSpace Resources section for more information.
- J. The number of clients (including governmental) served in past and present.
The overall number of PeopleSpace clients is 10,000
- K. Special qualifications, training, credentials, recognition, or awards.
Role Specific and Manufacturer Training for all PeopleSpace team members and Designer NCIDQ Certifications. Showroom certifications include WELL Building Certification (Los Angeles and Portland Showrooms) and LEED-CI certification (Orange County Showroom). IOS won the 2016 Calibre Award in the Learn & Serve category with Zev Yaroslavsky Family Support Center Project. IOS/PeopleSpace is a Haworth Best in Class dealer designated for the 5 years in a row and a Top 5 global Haworth dealer. In addition, we have company KUDOS, Employee of the Quarter and a culture committee internally.
- L. Contracts terminated for cause, pending litigation or legal issues.
PeopleSpace has not had any contracts terminated for cause, pending litigation or legal issues.

II. Resources: Staffing, Facilities, Equipment

Provide the following information relative to required services:

- A. Names and titles of key management personnel.
Jesse Bagley | Founder + Chief Executive Officers
Brian Airth | Founder + Chief Business Development Officer
Adam Ferry | Managing Director
Daniel Delaney | Chief Customer Officer
Pamela Escobedo | Managing Director of Operations
Gynjer Peck | Director of Design
Aaron Thompson | Director of Services
Pamela King | Director of Project Coordinators
Abby Wiley | Director of Strategic Accounts

- B. Team to be assigned for these services.
Jesse Bagley | Founder + Chief Executive Officers
Brian Airth | Founder + Chief Business Development Officer
Brian Sigler | Business Development Manager
Priscilla Strickland | Project Designer
Felicia Leinonen | Project Manager
Aaron Thompson | Director of Services
Alma Romero | Sales Coordinator
Cindy Kim | Designer + Account Manager SAT
Kyle Olson-Kearl | Project Coordinator
- C. Qualifications of specific individuals who will work on the project.
Please refer to the PeopleSpace Team for their roles and experience
- D. Amount of time and involvement of key personnel who will be involved in respective portions of the project.
Please see the following main PeopleSpace Team for their hours involved on your project:
Brian Sigler | Business Development Manager: 200 hours
Priscilla Strickland | Project Designer: 120 hours
Felicia Leinonen | Project Manager: 75 hours
Aaron Thompson | Director of Services: 80
- E. Resumes of all team members; provide only names and titles only; attach current resumes to proposal.
Please refer to the PeopleSpace Team for their roles and experience
- F. Current number of employees: full-time and part-time employees.
PeopleSpace has 153 employees over all locations: 152 full-time + 1 part-time
There are 55 employees in the Orange county Headquarters location
There are 20 employees in the Southern California Warehouse location
- G. Annual turnover rate of staff.
PeopleSpace annual turnover rate of staff is less than 13%
- H. Names of any subcontractor's you propose to use for our contract.
Provide only names here; fill in the details on City-provided Subcontractors List.
PeopleSpace does not plan on using any subcontractors for this project as we have an in-house installation and project management team
- I. Facilities that would be utilized to perform the required work.
Orange County Headquarters | 17800 Mitchell North, Irvine, California
Southern California Warehouse | 10850 Valley View Street, Cypress, California
- J. Equipment that would be utilized to perform the required work.
PeopleSpace Services utilizes standard hand tools and cordless drills for installation, 4-wheel flat dollies and 4-wheel panel carts with non-marring, urethane wheels for delivery and a circular saw should the need to scribe a worksurface arises.
- In addition to the physical equipment used to install your project, we have invested in cutting edge technology-based tools that make our collaborative work with our clients more effective and efficient. Tools such as NetSuite, CET Designer, Bluescape, Smartsheet, DocuSign, PlanGrid and Snap Tracker. Your PeopleSpace project team is equipped with the laptops, iPad and smart phones to stay up to date and ahead of the game. Please refer to the PeopleSpace Resources to review how we use these tools to complete your project.

III. Required Services: Meeting or Bettering these Requirements

Provide the following information relative to required services:

- A. Ability to perform specific tasks as outlined in the RFP.
- PeopleSpace integrates best practices, tools and innovations in a proven process that enhances your experience from start to finish.
- DISCOVER**
During the initial phase, PeopleSpace spends as much time as necessary to ask questions, listen, research, and truly learn about the client, the project(s), and discover where our extensive knowledge and expertise will help the client solve critical business issues.
- SOLVE**
Based on what we learn in STEP 1, PeopleSpace proposes furniture and architectural solutions that best align with the needs and preferences of the client and design team. Deliverables in this phase can include 3D drawings and/or renderings of typical workstations and private offices, space plans or plan view furniture layouts, fabric and finish palettes, budgetary pricing summaries, and project timelines. This phase involves several meetings and revisions before a finalized package is prepared.
- SOURCE**
PeopleSpace delivers a finalized package for final review, client approval, and sign-off. Upon receipt of signed drawings, a PO and/or signed proposal, and a deposit check, IOS procures all specified products, and track the production and shipment of them to our warehouse or the jobsite. Tracking updates are provided showing the order date(s), product ship date(s), and delivery date(s), as well as a detailed project installation schedule.
- IMPLEMENT**
Designated PeopleSpace project managers work in tandem with our Haworth Certified installation crews to ensure your project is installed on time and complete. Your PM attends all necessary construction meetings and works closely with all trades involved to ensure a smooth, seamless installation. We have a high success rate when it comes to on time delivery and installation because we are proactively when it comes to working with your schedule, our manufacturers, installers and your team.
- COMPLETE**
PeopleSpace's white-glove" service takes our projects to the next level. Our unique, industry-leading Quality Assurance process ensures that furniture and other products are flawlessly delivered. QA specialists lead an extremely thorough punch-walk and provide a detailed list of each item, big or small, that needs attention. Everything on the punch-list is fixed, fine-tuned, or replaced within three weeks of the punch-walk. Our QA specialist takes pride in ensuring that the job is 100% complete and that you are 100% satisfied.
- EVOLVE**
Our client relationships are built upon a successful initial project and continue by uncovering areas where we provide service and add value. As our clients grow and evolve, PeopleSpace is there as a trusted and valued partner, consistently bringing leading-edge industry knowledge and expertise. Our goal is building long-term relationships with our clients, and continuously solve problems, ultimately making your organizations more successful.
- At every stage, from initial discovery to final installation and beyond, we listen and respond proactively and effectively. Please refer to the PeopleSpace Resources section for detailed information about our Proven Process.

- B. Reasonableness of your fee to do the work.
By piggybacking on the established County of Orange contract, we can ensure that our rates and product solutions have already been evaluated and awarded at the appropriate level of value. While other products may be less expensive, our solutions will provide quality products guaranteed to last and evolve with their needs at a very competitive price point.
- C. Current resources to meet or better all task and timeline requirements herein.
We have the resources, relationships, scale, process and expertise essential to successfully fulfill your project. Our resources include four showrooms, 2 warehouses, four internal divisions (Slate, AT Space, Twist Fab and Services), the financial backing, innovative technology, and most importantly the right people to complete any project regardless of size and scope.
- D. Additional resources that might be needed to meet or better all task and timeline requirements of this request.
Your project will be handled by the Orange County showroom and Installation will be completed through our Southern California Warehouse. Should we need additional resources, we have 3 other showrooms and another warehouse to pull from to ensure all task and timeline requirements are fulfilled.
- E. How quickly could you provide additional, extra trained staff if requested by City for additional work beyond the original scope of services?

As mentioned above, we can pull from other locations to help fulfill your project. And the best part is there would be no down time or training required to bring in additional staff.
- F. How quickly can you begin providing services if awarded the contract?
PeopleSpace can begin work immediately once awarded the City of Brea RFP #2019042602 contract.

IV. Demonstrated and Technical Experience

Please describe your company's:

- A. Demonstrated record of success on work previously performed.
Our clients are as happy with us as they are with their new spaces. From big to small, corporate to healthcare, higher education to government and everything in between, we have you covered. Please refer to the PeopleSpace References for specific examples of these happy clients.
- B. Specific method and techniques to be employed on the project or problem.
In addition to our Proven Process, we have invested in cutting edge technology-based tools that make our collaborative work with our clients more effective and efficient. Tools such as NetSuite, CET Designer, Bluescape, Smartsheet, DocuSign, PlanGrid and Snap Tracker. Please refer to the PeopleSpace Resources to review how we use these tools to complete your project.

The bottom line is that we save you valuable time and money with the innovative technology we bring to the table. And utilizing these tools at every step allows us to focus on your project and provide you with the best customer service.

V. Work Plan:

Taking all circumstances, current conditions, and required preparations into consideration, describe in detail, your proposed work plan for delivering the services required by this RFP, including, but not limited to;

- A. How you will schedule professional and staff to ensure milestones and deadlines are met?
We tailor our team to support your timeline, scope and complexity. We manage our staff through NetSuite, the cloud based unified business management suite that we use for every aspect of our business. NetSuite allows us to view every project and the resources we have out on every project at any given time.

And we can offer you a client specific NetSuite® portal that will enable you to access all furniture orders in real time. It gives you full transparency to valuable data, including open proposals, sales orders, ship and delivery dates, installation schedules, project close-out dates, and invoicing. We can even create custom reports for your projects' specific needs.
- B. Provide required response time to the urgent service requests.
PeopleSpace pledges to provide the very highest levels of service, professionalism, and integrity on every project. We are committed to providing 24-hour response time to negotiate a resolution on any urgent service requests.
- C. How you will make up for work-hours lost (and resulting backlog that may occur) due to various unforeseen situations that may prohibit work on a specific day.

We have the resources and scale to successfully fulfill your project regardless of any unforeseen situations that may prohibit work. Because we have 4 showrooms and 2 warehouse facilities we are able to shift resources as needed. Here is a break down of our PeopleSpace Team in Irvine vs. all other showrooms

TITLE	IRVINE	ALL OTHER	TOTAL
ACCOUNT MANAGERS	12	16	28
BDM	2	12	14
DESIGNER	11	12	23
PM	2	3	5
INSTALL	9	9	18

- D. Provide any other relevant information that you believe would benefit City for the requested services.
Please refer to our complete PeopleSpace bid response to view all of our Resources, Proven Process and Project Team to ensure a successful project completion.

We have

Submitted by:

SIGNATURE:

PRINT NAME:

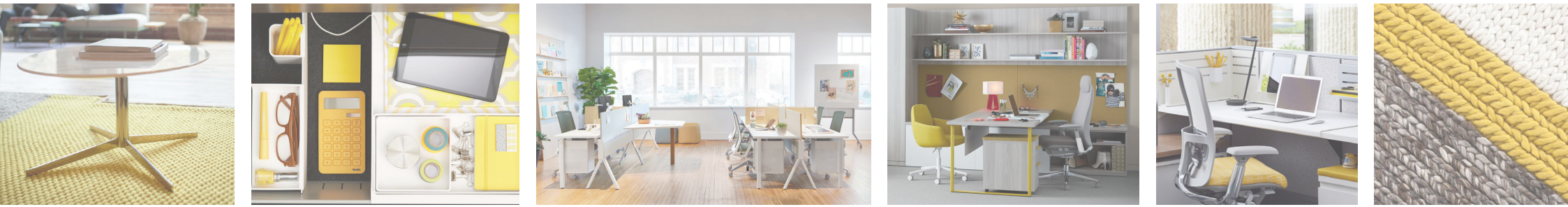
TITLE:

DATE:

Jesse Bagley

Founder + Chief Executive Officer

05.15.19



CITY OF BREA | PeopleSpace Response

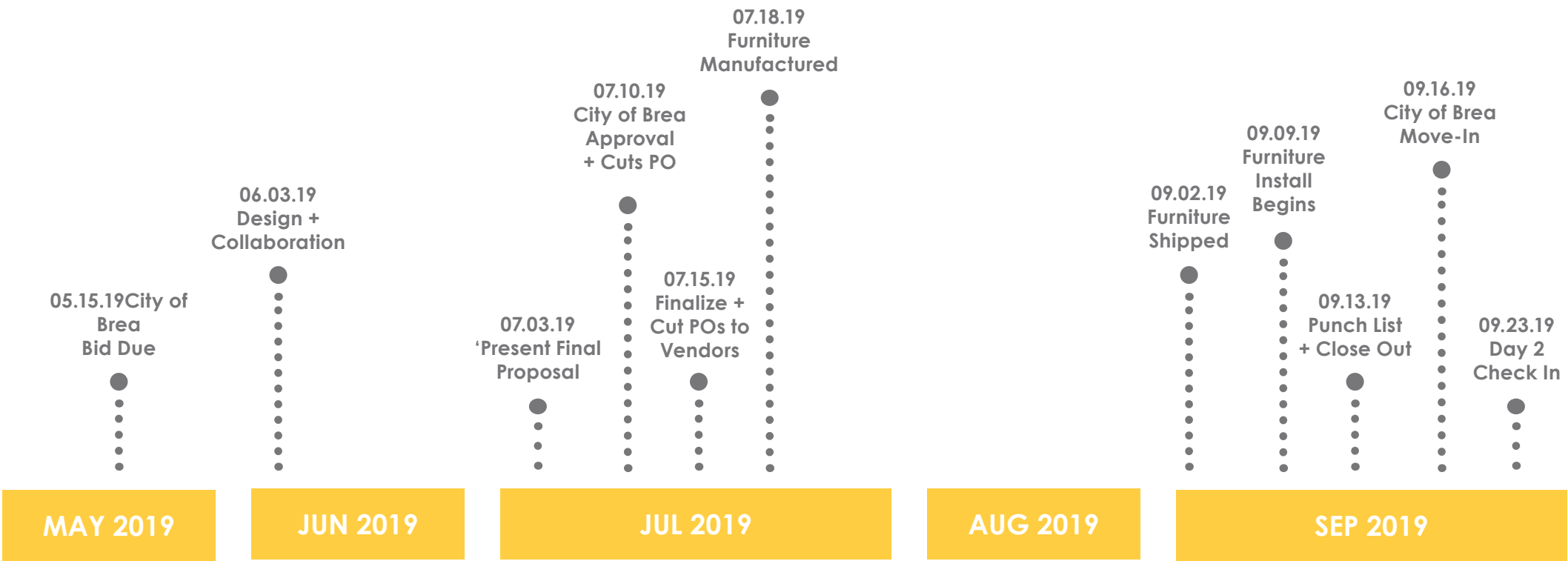
Your project's objectives are understood. We can design an adaptable space that is both functional and attractive. Creating an integrated environment that is innovative, flexible and agile to keep up with the City of Brea as it progresses and grows. All while allowing the City of Brea departments and the Brea community to be their best; increasing their well-being, engagement and effectiveness. And as City of Brea evolves, we will continue to be here for you as your trusted and valued partner.



On schedule and on budget is as important as how amazing the end result will look. No one is happy when a project goes off track, especially us. We strive to provide project transparency. We update you every step of the way. We adjust resources and teams according to any schedule changes that may arise.

The below schedule is based on The City of Brea
3rd Floor Redesign & Furniture Replacement Award Date of June 2019

This schedule is to be perceived as an outline until the order is placed. We will commit to a working schedule once your project key dates have been established and design has been narrowed down/determined.



Lead times are completely dependent upon the manufacturer, finish and specification. Haworth lead times are currently 4-6 weeks to manufacture and 1-2 weeks to ship. Ancillary lead times can vary from 1-2 weeks and up to 14-16 weeks depending on the manufacturer.

PeopleSpace pledges to provide the very highest levels of service, professionalism, and integrity on every project. Our proven process ensures our ability to be proactive and communicate throughout the project as challenges arise. We take pride in ensuring that your project is 100% complete and that you are 100% satisfied.

Our unique, industry-leading Quality Assurance division ensures that furniture and other products are flawlessly delivered and installed.

Quality Assurance (QA)

We have an entire division dedicated to ensuring your project runs smoothly. Part of the QA's function is to run the complete punch list process, and handle any warranty issues should they arise.

PeopleSpace T&C's

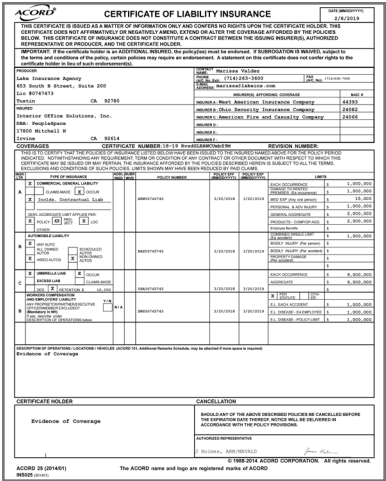
Please review our Terms & Conditions, includes our warranty.



Please click on the image above to view PeopleSpace's Terms & Conditions

PeopleSpace COI

Please review our General Certificate of Liability Insurance. We can accommodate any additional requirements based on your specific project needs.



Please click on the image above to view the PeopleSpace General COI

Haworth Warranty

Haworth backs their products with a comprehensive warranty plan. This includes making a good faith effort to maintain product compatibility within their various product lines, allowing integration of different product generations.



Please click on the image above to view Haworth's Warranty





CITY OF BREA | PeopleSpace Team

Your project will have a complete team composed of a unique blend of leadership, strategic account managers, workplace consultants, designers, project managers and coordinators that are hand-picked for your projects' particular needs. Each member of your team has the skill set and experience to execute their part of the process. Your team will be led by **Brian Sigler**. Together, they will find the best solution to make your project a success.



Brian Sigler has over 23 years of experience in the office furnishing industry. He is your primary contact from start to the completion of your project, and can cover your scope of services from top to bottom.

Brian's roles in your project include:

- Single point of contact to provide continuous communication with your project team throughout your project
- Discover your project needs, including project scope, timeline, budget and aesthetics
- Collaborate with the project designer to create design solutions and select finishes based on your project goals
- Present all furniture solutions, finishes and proposal to you and your team for final approval prior to placing order
- Coordination of the procurement and installation of all furniture including order entry, shipment timelines, product inspection, and punch list logistics
- Ongoing collaboration with the project manager, designer and installation team to ensure a successful project
- Review any service or training requirements after installation is complete and the punch list is empty

HOURS INVOLVED ON YOUR PROJECT:

200 hours



EXPERIENCE

City of La Habra
Roy Ramsland | Planning Manager
562.383.4100 | ramsland@lahabraca.gov



San Diego State University | SUNDT
Jamie Frye | VP, Preconstruction Mgr
619.321.4805 | jfrye@sundt.com



BRIAN SIGLER
Business Development Manager



PRISCILLA STRICKLAND
Project Designer

Priscilla Strickland will bring your new furniture and space to life. She has over 12 years of experience and a great knowledge of products, materials, codes and design trends to bring to the table. She provides support to your project lead, project manager and installers throughout the life of your project.

Priscilla's roles in your project include:

- Collaborate with client to discover client needs analysis
- Create typicals for workstations, private offices, conference rooms, and pertinent areas
- Provide value engineering and upgrade solutions
- Assist with establishing a project budget
- Participate in product evaluations and selections
- Develop space plans utilizing typicals and product solutions
- Assist in the selection of fabric and finishes to coordinate with building finishes
- Create renderings, boards and presentation materials needed to secure final approval for order entry
- Provide team with documentation and floor plans required for construction and installation drawings

HOURS INVOLVED ON YOUR PROJECT:

120 hours



EXPERIENCE

City of La Habra
Roy Ramsland | Planning Manager
562.383.4100 | ramsland@lahabraca.gov



San Diego State University | SUNDT
Jamie Frye | VP, Preconstruction Mgr
619.321.4805 | jfrye@sundt.com

Felicia Leinonen has 20+years of project management experience. She will engage with you and diligently monitor project timelines. She will ensure the successful installation of your project.

FELICIA’S ROLE IN YOUR PROJECT INCLUDE:

- Verify all final critical dimensions prior to ordering the product
- Attend any client and/or construction meetings with your team
- Oversee all logistics pertaining to trucking, receiving, site access, and staging product
- Inspect all deliveries and assist with any freight damage claims.
- Coordinate with the installation company to tailor the installation crew to support the timeline, scope, and complexity of your project
- Provide any supplementary support to crews during the installation
- Attend site visits to inspect premises to determine loss/ damage, punch list items and quality assurance
- Quality control and resolution of punch list items upon completion of the project

HOURS INVOLVED ON YOUR PROJECT:

75 hours



EXPERIENCE

County of San Bernardino | HSS
Allen Simmons | Director of Human Services
simmons@hss.sbcounty.gov | 909.388.0367



Los Angeles Firemen’s Relief Association
Kevin Thome | Facilities/Ops Supervisor
kthome@lafra.org | 323.259.5214



FELICIA LEINONEN
Project Manager



AARON THOMPSON
Director of Services

Aaron Thompson has over 25 years experience under his tool belt. With a background in scheduling, warehousing, project management and installation, he has all the tools he needs to problem solve in the field and communicate effectively for a successful installation.

AARON’S ROLES IN YOUR PROJECT INCLUDE:

- Supervise all aspects of the installation process including receiving, staging and directing on site crew to maximize efficiency of staff
- Manage workload to ensure your project is on schedule
- Relay all pertinent field information to your Project Lead and Project Manager
- Adhere to the end of day and end of project site cleaning
- Work with Quality Assurance to complete all punch list items
- Coordinate any removal of materials that will be recycled to the greatest extent possible
- Oversee overall jobsite performance

HOURS INVOLVED ON YOUR PROJECT:

80 hours



EXPERIENCE

Los Angeles Lakers
Lisa Estrada | VP Facilities & Building Ops
310.426.6005 | lestrada@la-lakers.com



Northwestern Mutual
Chau Le | Chief Operating Officer
213.243.7042 | chau.le@nm.com

You can feel confident knowing that your team has the support staff it needs to fulfill your project. From our Founders down to every one of our Coordinators, they are working hard behind the scenes to make your project look effortlessly perfect.





CLIENT | City of La Habra



CLIENT | SDSU South Campus Plaza

Our clients are as happy with us as they are with their new spaces. From big to small, corporate to healthcare, higher education to government and everything in between, we have you covered. But don't just take our word for it, call us out. Better yet, call some of our clients and ask them.



City of La Habra

110 E La Habra Boulevard
La Habra, CA 90633

Contact

Roy Ramsland
Planning Manager
562.383.4100
rramsland@lahabraca.gov

Project Size

\$700,000

Project Completion

2017

Project Scope

New Civic Center including City Hall and Community Center. Project design and installation for 3 floors of private offices, workstations, conference rooms and stadium seating



Zagg + Mophie

15495 Sand Canyon Ave
4th Floor
Irvine, CA 92618

Contact

Tarah Draper
HR Facilities
949.502.0833
tarah.draper@mophie.com

Project Size

\$700,000

Project Completion

2018

Project Scope

Mophie Corporate Headquarters. Project design and installation of 100 workstations, private offices, lounge and lobbies



San Diego State University

5500 Campanile Road
San Diego, CA 92182

Contact

Jamie Frye
VP, Preconstruction Mgr
619.321.4805
jfrye@sundt.com

Project Size

\$2,700,000

Project Completion

2017

Project Scope

South Campus Plaza includes 659 freshman dorms, 25 living quarters, 15 conference rooms, 1 training room, private offices, 2 common floors, lobbies and entertainment



Meggitt

14600 Myford Road
Irvine, CA 92606

Contact

Michael Gooch
VP Facilities
949.493.8181
michael.gooch@meggitt.com

Project Size

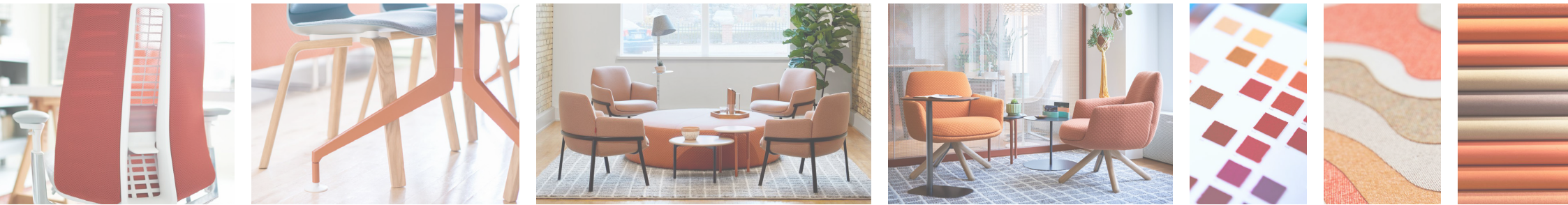
\$900,000

Project Completion

2014

Project Scope

Sensors Division. Project design and installation of 200 workstations, private offices, conference rooms and common areas



CITY OF BREA | PeopleSpace Resources

At PeopleSpace our purpose is to provide a place for people to **THRIVE**. A place for our own team to thrive, and to build spaces for our valued business partners' people to thrive. We cultivate places and spaces where team members are engaged, inspired, motivated and healthy. Our focused purpose has led us to partner with Haworth, an iconic family manufacturer based on family values.



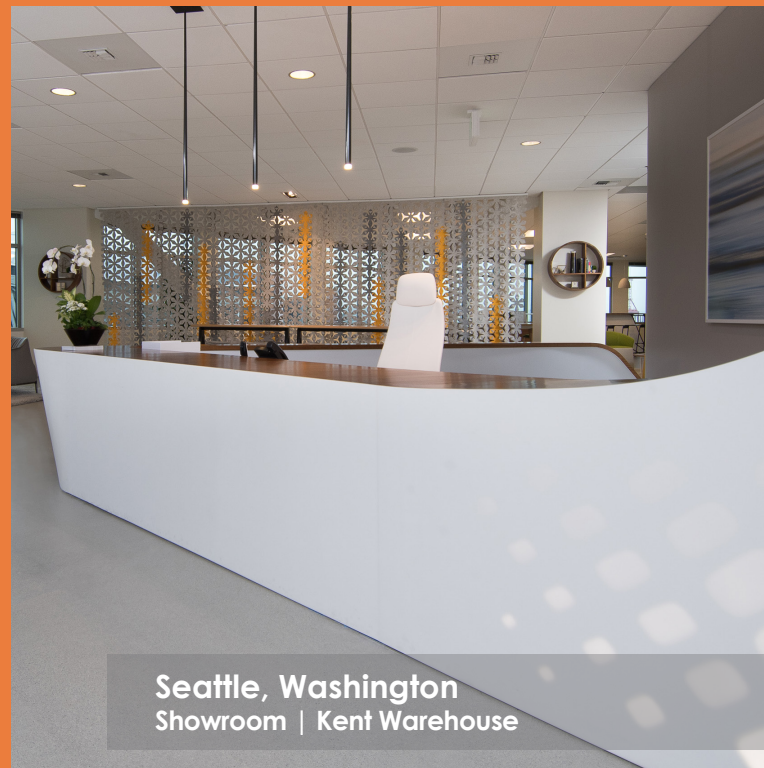
Orange County, California
HQ + LEED Showroom | Cypress Warehouse



Los Angeles, California
WELL Showroom



Portland, Oregon
WELL Showroom



Seattle, Washington
Showroom | Kent Warehouse

PeopleSpace is a privately owned corporation formed in 2000 by Jesse Bagley and Brian Airth under the name Interior Office Solutions, Inc. (IOS). Even as a small, bootstrapped operation, they knew they wanted to build something different...a place for people to thrive.

Today you can find us from Sunny Southern California to the Emerald City with four showrooms and two warehouses, PeopleSpace has the largest presence of any contract furniture dealership on the west coast.

Orange County Headquarters
17800 Mitchell North, Irvine

Los Angeles Showroom
444 South Flower Street, #200, DTLA

Southern California Warehouse
10850 Valley View Street, Cypress

Seattle Showroom
705 5th Avenue South #825, Seattle

Washington Warehouse
7817 South 210 Street #B106, Kent

Portland Showroom
811 SW 6th Avenue #400, Portland

Workspaces Where People Thrive

We create workspaces where people and companies can thrive and be their best. Our successful projects for global innovators on the West Coast are powered by the latest workspace trends

and research. The Result - employee engagement, well-being, retention, acquisition, productivity and cultural transformation.

Well-Being

We know a holistic, person-centered approach supports performance, happiness, retention, recruiting and productivity. PeopleSpace has access to Haworth's industry leading research into the impact of space on human well-being, which includes cognitive support and psychological comfort.

Cultural Transformation

Culture influences and space can be used to leverage or change culture. PeopleSpace applies years of experience coupled with Haworth's research-based methodologies and products to help you profile your cultural ecosystem and plan your space accordingly

One Stop Shop

We have the resources, relationships, scale, process and expertise essential to successfully fulfill your project. Our resources include four internal divisions (Slate, AT Space, Twist Fab and Services), the financial backing, innovative technology, and most importantly the right people to complete any project regardless of size and scope.



Innovation to Inspire + Implement

We have invested in cutting edge technology-based tools that make our collaborative work with our clients more effective and efficient.

NetSuite®

NetSuite® is the #1 cloud based unified business management suite and we're on it. NetSuite® enables us to streamline our business process and accelerate business performance.

We can offer you a client specific NetSuite® portal that will enable you to access all furniture orders in real time. It gives you full transparency to valuable data, including open proposals, sales orders, ship and delivery dates, installation schedules, project close-out dates, and invoicing. We can even create custom reports for your projects specific needs.

CET Designer

CET Designer is an all-in-one software solution for space planning and configuration of products so that we can bring your space to life. We can provide you with Photorealistic renderings, 3D PDF's, fly-through videos, and for longer lead times, Augmented Reality/Virtual Reality. We can even make changes on the fly and try ideas together with Live Design. CET Designer automatically



tracks and specifies everything in the background so when your design is done, so is your specification and product list. And with rules-based objects there's no mistakes when it comes time to order.

Bluescape®

Bluescape® is a powerful, secure visual collaboration software tool. The Bluescape® virtual workspace lets us seamlessly share content allowing us to meet, design, and develop ideas in real time, securely sharing regardless of where you are located.

Smartsheet

Smartsheet is a powerful platform where we can plan, capture, manage, automate, and report on projects. And it ties into Tying into NetSuite® so our work process is automated (no double entering). Smartsheet empowers our teams to collaborate with speed and accountability so we can make better decisions, faster.

DocuSign®

DocuSign® modernizes our system of agreement with electronic signatures. By using DocuSign® for contracts, purchase orders, and design approvals, we have securely automated the entire agreement processes. And you can sign from anywhere so it's convenient.

PlanGrid

PlanGrid enhances our Project Management productivity so that our project teams can work more efficiently than ever before. Everyone can stay-up-to date having real time access to site measurements, construction drawings, furniture installation drawings, furniture cutsheets, all construction variables and all Punch Walk documentation whether in the office or in the field.

SnapTracker™

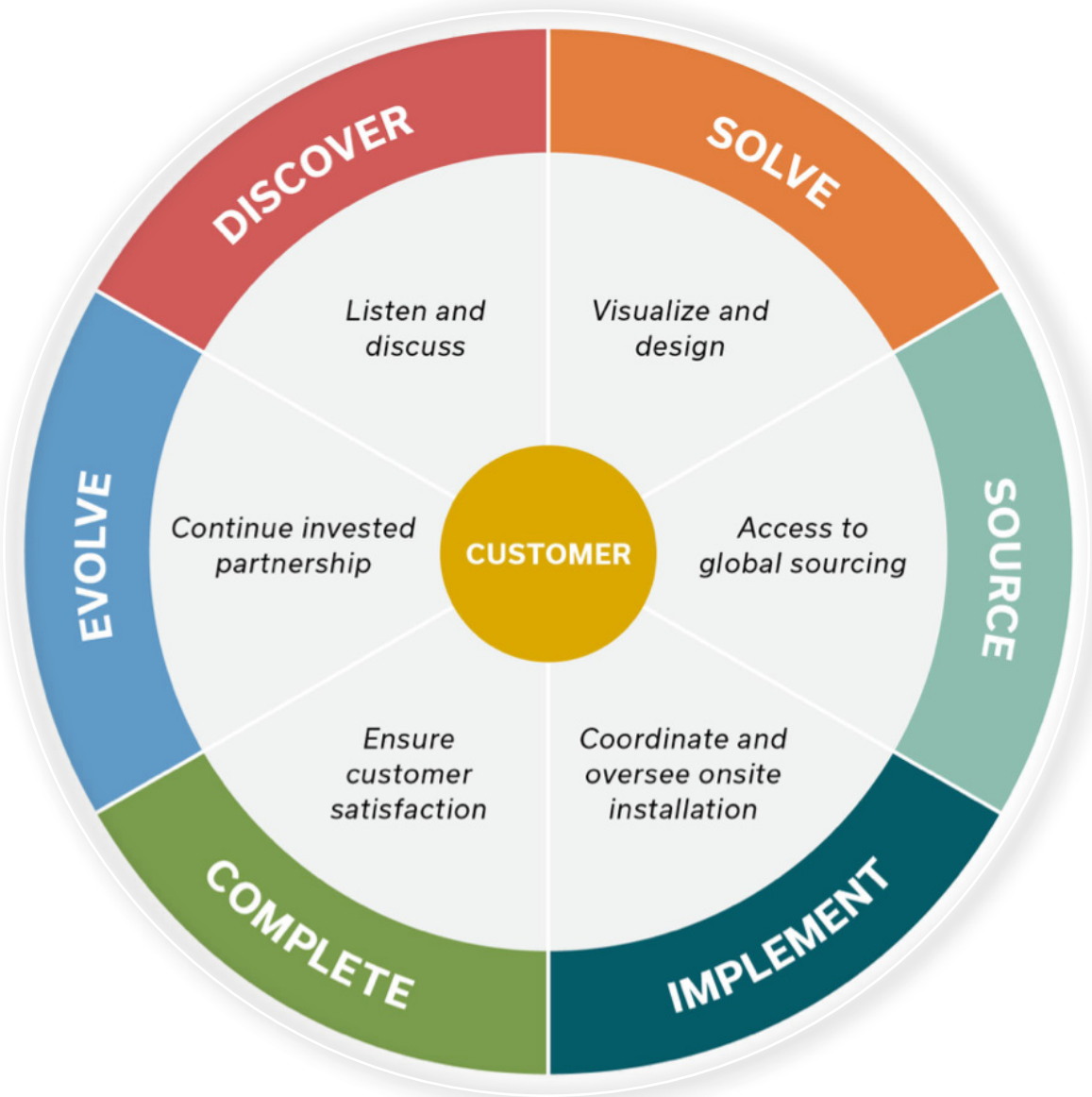
SnapTracker™ is an end-to-end furniture lifecycle management system that also ties directly into our NetSuite® System. SnapTracker™ acts as our online "services desk" by facilitating and tracking every step of any service order giving us real time data and customizable reports on all furniture assets being stored in our warehouses, providing powerful insight into your furniture investments.

The bottom line is that we save you valuable time and money with the innovative technology we bring to the table. And utilizing these tools at every step allows us to focus on your project and provide you with the best customer service.

It's a best-in-class experience from start to finish. PeopleSpace integrates best practices, tools and innovations from IOS and Haworth in a proven process that enhances your experience from start to finish. Our model addresses industry issues such as the increased complexity around space planning and procurement. At every stage, from initial discovery to final installation and beyond, we listen and respond proactively and effectively.

Proven Process

Together we can create one vision: Inspiring spaces where people thrive.
We've done it this way a long time - we'll lead you through our process and drive success for your organization.



DISCOVER

- Business Drivers
- Culture and Workstyle Goals through our Proprietary Workplace Strategy Tools
- Design Intent and Preferences
- Budget and Timeline

SOLVE

- Utilize Visualization Tools:
 - Customer Experience Center (AR/VR)
 - Live Design (Bluescape + Canvas)
 - Build Your Own Space (AI database)
 - Customer Portal (ER/CRM)
- Determine:
 - Layout/Floorplans
 - Power/Data
- Curate:
 - Furnishings/Finishes

SOURCE

- Develop Project Tracker
- Finalize/Approve:
 - Drawings/Specs
 - Purchase Orders
 - Delivery/Install Schedule

IMPLEMENT

- Site Verification
- Construction Meetings
- Product Receipt/ Inspection
- Onsite Project Management
- Installation

COMPLETE

- Quality Assurance Specialist
- Pre-punch Inspection
- Punch Tracker
- Final Punch Walk
- Punch Items Complete within Four Weeks

EVOLVE

- Day 2 Use/Care Program
- Workspace Check-in
- Care/Maintenance Packages
- Ongoing Maintenance
- Customer Check-in
- Continual learning and knowledge Sharing

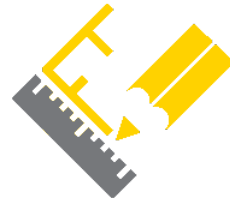
Our seasoned team works closely together to ensure a successful project execution. We pay attention to every last detail, providing an end-to-end service starting with concept and ending with a true white-glove service.



DISCOVER

During the initial phase, we spend as much time as necessary to ask questions, listen, research, and truly learn about you, your project(s), and discover where our extensive knowledge and expertise will help you solve critical business issues. Topics such as organizational culture, brand, employee engagement, attraction, retention, health, safety, evolving work styles, and ROI are just some of the areas where we add value. It's all about collaboration.

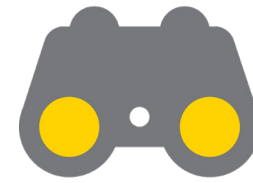
- Once the Client awards the project, the collaboration process begins with an initial meeting between the Client, their Project Team, the Business Development Manager (BDM)/Strategic Sales Team Manager (SAT) to discover the clients specific needs including:
 - Project Scope
 - Timeline
 - Budget
 - Specific Business Needs
 - Design Intent + Preferences
 - Aesthetics
 - Culture + Workstyles



SOLVE

Based on what we learn in the Discover phase, we propose furniture and architectural solutions that best align with the needs and preferences of you and your design team. Deliverables in this phase can include 3D drawings and/or renderings of typical workstations and private offices, space plans or planview furniture layouts, fabric and finish palettes, budgetary pricing summaries, and project timelines. This phase involves several meetings and revisions before a finalized package is prepared.

- Project Designer (PD) creates preliminary drawings and specifications for budgetary pricing based on the Discover Phase
- BDM/SAT works with the PD to create Preliminary Budget Pricing, including labor quote
- PD creates Ancillary Specifications
- Subsequent meetings between the Client, their Project Team, the BDM/SAT and the PD to review preliminary drawings, specifications, budgets and finishes
- PD performs any post meeting drawings and/or specifications revisions
- PD creates Final Proposal Package including the overall floor plan layout, 3D typicals with finish call-outs and finish schedule for final client approval
- Once the Client approves the Final Proposal Package, PD finalizes the drawings and creates final specifications
- PD submits Final Package for Plan Check and revises any items needed



SOURCE

We deliver a finalized package for final review, client approval, and sign-off. Upon receipt of signed drawings, a PO and/or signed proposal, and deposit check, PeopleSpace procures all specified products, and tracks the production and shipment of them to the warehouse or the jobsite. Tracking updates are provided showing the order date(s), product ship date(s), and delivery date(s), as well as a detailed project installation schedule.

- PD provides the Final Package with the signed plan-view and typical drawings with finish call-outs, approved Proposal/PO issued by Client, signed PeopleSpace T&C's and 50% deposit (if applicable) to the Project Coordinator (PC)
- PC books order by cutting purchase orders and requests product arrival dates
- Once the PC receives Order Acknowledgments from all vendors with Estimated Ship Dates, PC verifies order accuracy and informs the BDM/SAT and the Project Manager (PM) of arrival dates
- BDM/SAT and PM communicate the project schedule with the Client, On Site Contact and Installation Team
- Schedules are updated and available to the Client at any time
- If product ships directly to the client, client has 72 hours to notify PeopleSpace of any damage or missing items for assistance with the claims process





IMPLEMENT

Designated PeopleSpace Project Managers work in tandem with our Haworth Certified installation crews to ensure your project is installed on time and complete. Your PM attends all necessary construction meetings and works closely with all trades involved to ensure a smooth, seamless installation. We have a high success rate when it comes to on-time delivery and installation because we are proactive when it comes to working with your schedule, our manufacturers, installers and your team.

- Project Manager (PM) verifies site dimensions, and power /data drops
- Project Designer (PD) creates preliminary installation drawings for the PM, Installation Team and Quality Assurance (QA) Team
- PD reviews preliminary installation drawings with the PM and Installation Team
- PD finalizes Installation Plan and provides to the PC two weeks prior to install
- PC provides an Installation Package that includes the PO, labor quote, installation drawings, and product delivery tickets to the PM and Install Team
- PM schedules a pre-installation site visit with the Client, On Site Contact and Install team if appropriate
- PM/Install Team completes any background checks and building requirements
- PM and PC schedule all vendor deliveries with the Warehouse Coordinator (WC)
- WC receives products against the vendors PO receipt, verifies and inspects for any damage

- PM and QA team submit remedies for any missing or damaged items
- PM and BDM/SAT notifies the Client of any schedule changes/adjustments
- PM and Install Team meet to confirm the installation schedule and review all project details and installation instructions for large or complex projects
- The job site is readied and protected for delivery and installation of products
- The product is delivered to the job site
- Product is off loaded, unpacked and staged
- The job is installed based on provided plans
- All packing material is recycled/disposed of appropriately
- The job site is cleaned daily with a thorough cleaning of all furniture and the job site upon installation completion
- PM schedules a punch walk on the last day of installation with the QA team and Client



COMPLETE

IOS' "white-glove" service takes our projects to the next level. Our unique, industry-leading Quality Assurance process ensures that furniture and other products are flawlessly delivered. QA specialists lead an extremely thorough punch-walk and provide a detailed list of each item, big or small, that needs attention. Everything on the punch-list is fixed, fine-tuned, or replaced within three weeks of the punch-walk. Our QA specialist takes pride in ensuring that the job is 100% complete and that you are 100% satisfied.

- If there is missing or damaged product, the Quality Assurance (QA) Team engages with the manufacturer to order any replacement items
- QA Team leads a thorough punch walk with the PM, Install Lead and Client on the last day of installation.
- QA creates the punch list tracker report and distributes to the BDM/SAT who sends the punch list and schedule to the Client
- Client Approves punch list prior to any punch list work performed
- QA Team orders any punch list items
- QA Team coordinates the punch orders, delivery and installation with the PM, Installation Team, Client and On Site Contact
- The QA Service/Install team installs corrected items
- Client approves punch list completion
- QA Team coordinates any Warranty Issues as they arise



EVOLVE

Our client relationships are built on a successful initial project, and strengthens as we uncover areas where we provide service and add value. As our clients grow and evolve, PeopleSpace is a trusted and valued partner, consistently bringing leading-edge industry knowledge and expertise. Our goal is to build long-term relationships with you, and continuously solve problems, ultimately making your organizations more successful.

- Upon punch list completion, BDM/SAT provides Client a binder to include:
 - Drawings with Fabric and Finish Callouts
 - Final Proposal, BOM and/or SIF files
 - Manufacturer(s) Warranty
 - Fabric/Finish Cleaning Instructions
 - BDM/SAT Contact Information
- BDM/SAT reaches out to the Client for:
 - Day 2 Use/Care Program
 - Product Training Schedule
 - Maintenance Packages
 - Periodic Work Performance Check-Ins
 - On-going Knowledge Sharing





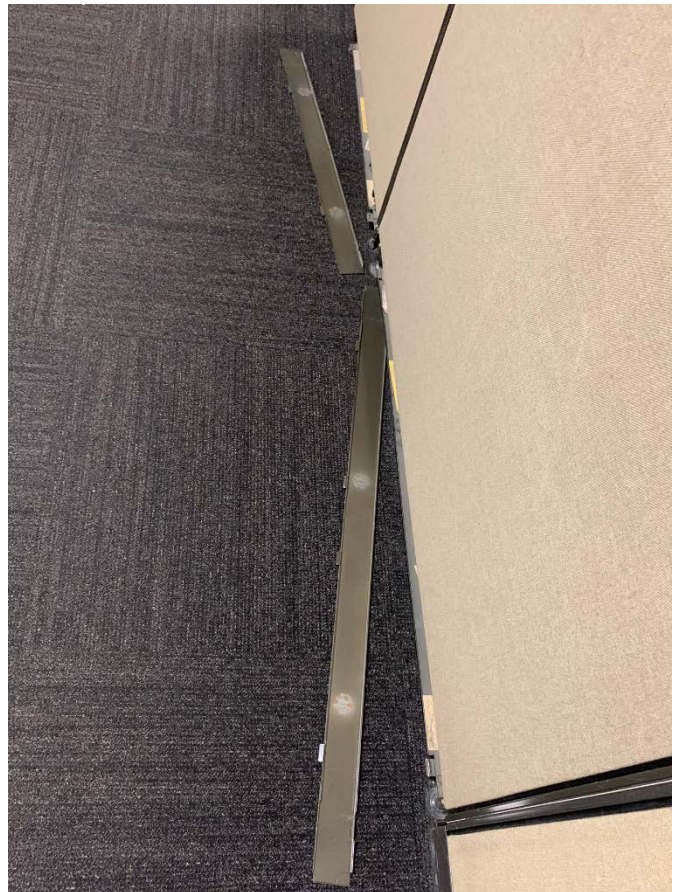
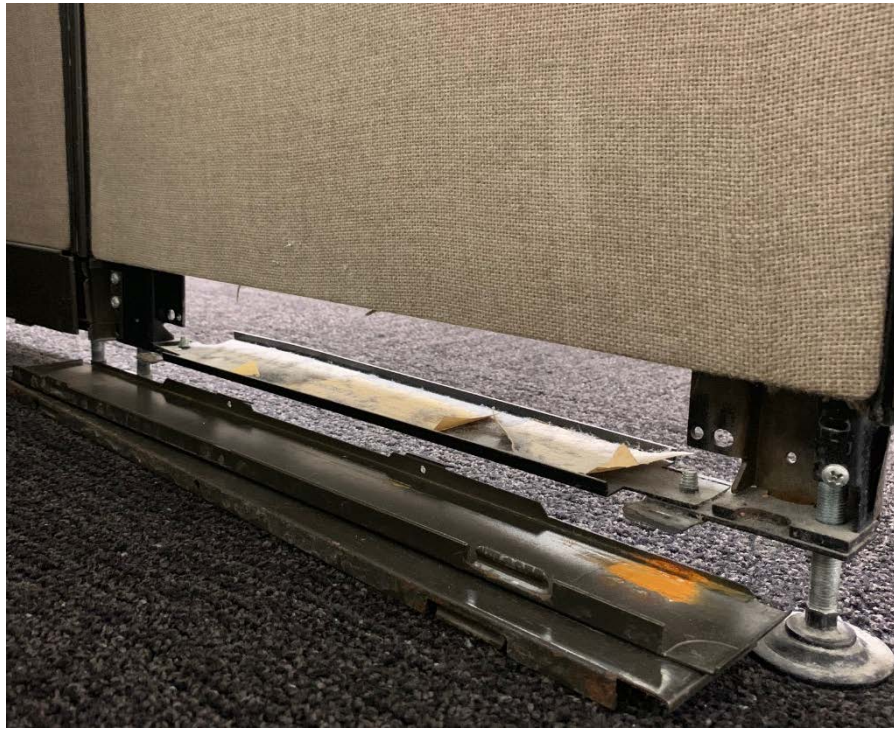
THANK YOU | Let's Collaborate

We are excited for the opportunity to create a space where you and your people can thrive.

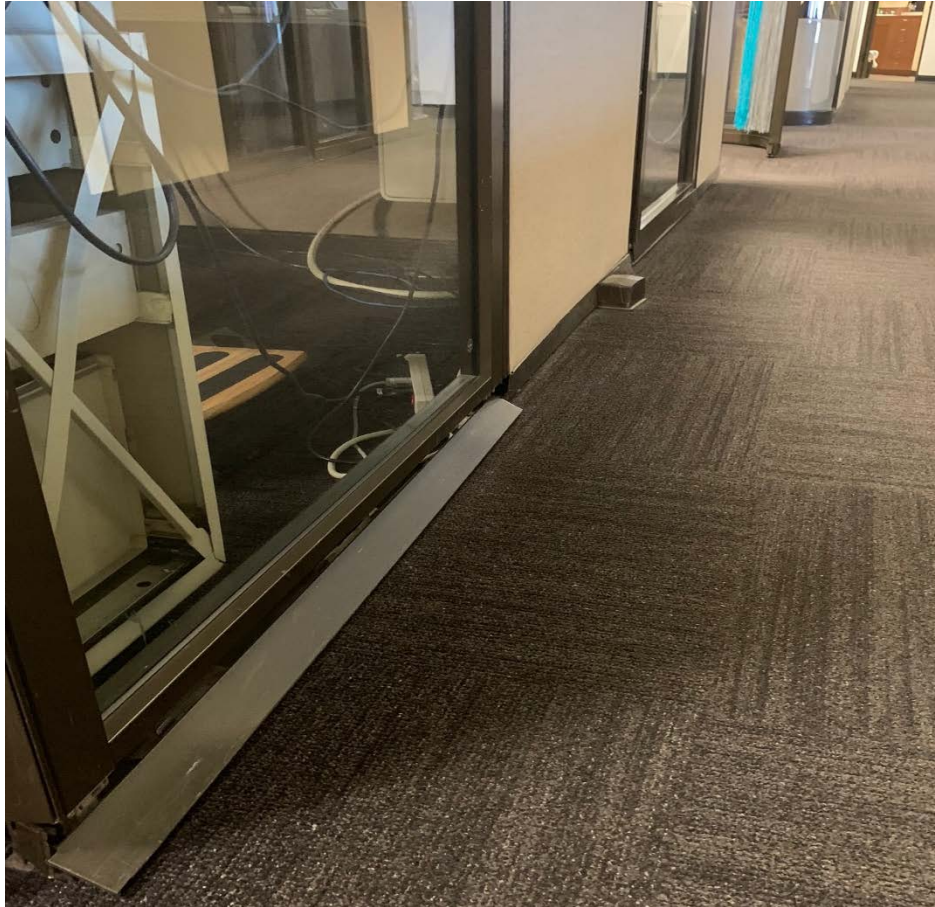


Brian Sigler
Business Development Manager
bsigler@peoplespace.com
949.610.3723

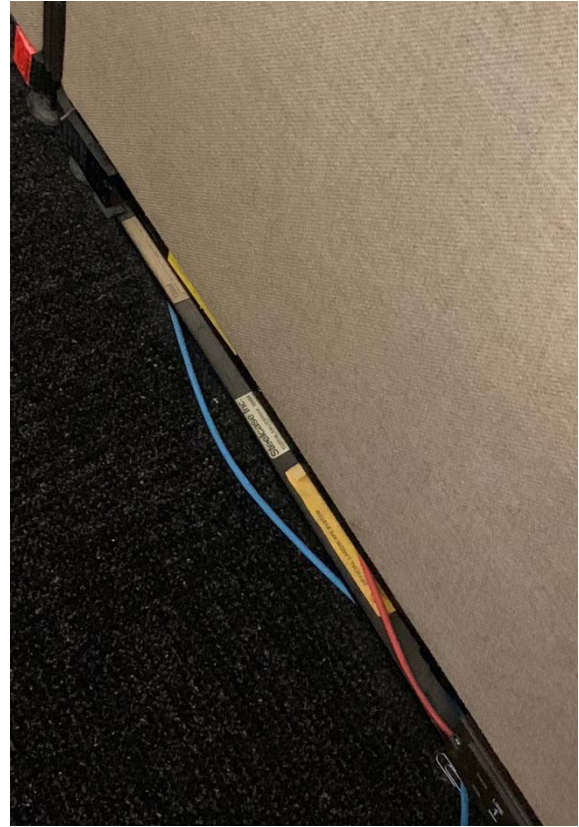
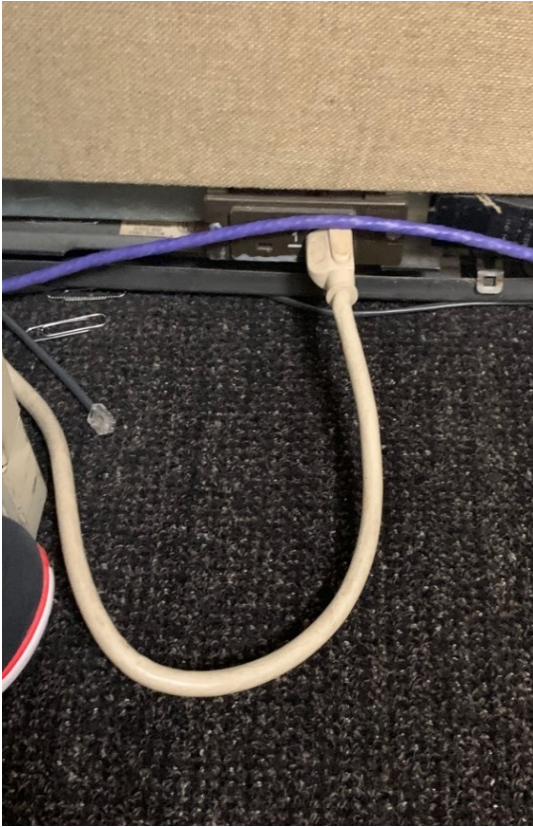
Broken Baseboards



Broken Baseboards



Electrical Wiring Challenges





Damaged Cubicle Fabric



3rd Floor Redesign & Furniture Purchase
EXHIBIT B – Configuration Challenges



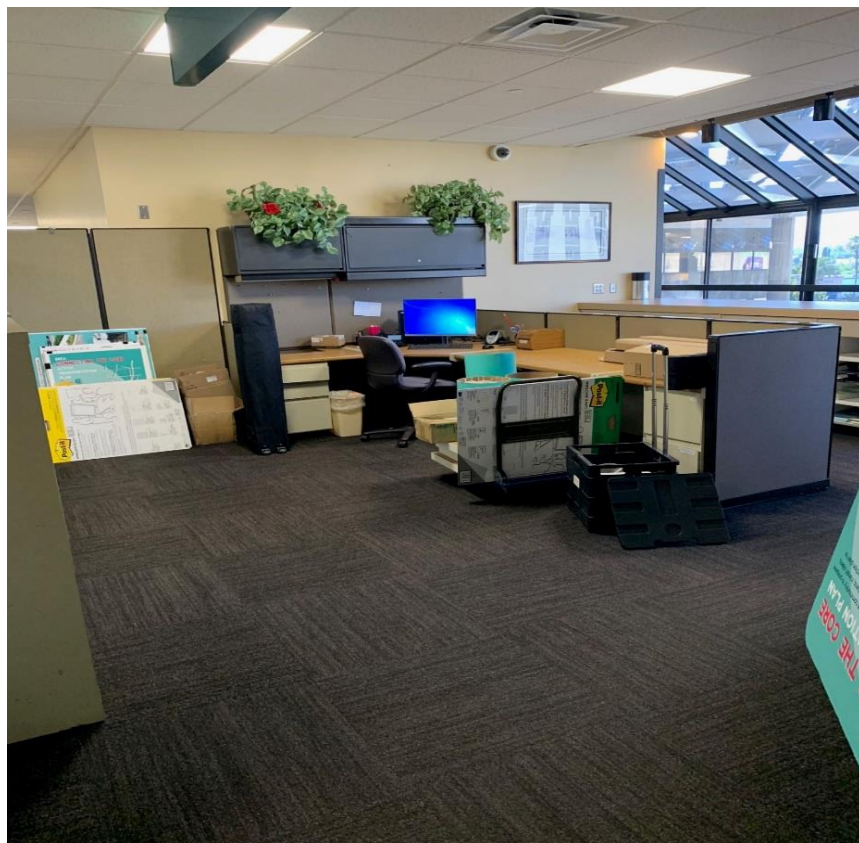
**Two employees working in one cubicle space (top),
while another cubicle sits vacant (bottom)**



3rd Floor Redesign & Furniture Purchase
EXHIBIT B – Configuration Challenges



**Two employees working in
one cubicle space (top),
while another cubicle sits vacant,
along with a lot of open space (bottom)**



3rd Floor Redesign & Furniture Purchase
EXHIBIT B – Configuration Challenges



**Two employees working in
one cubicle space (top),
while there is extra open
space around cubicles
(bottom)**



3rd Floor Redesign & Furniture Purchase
EXHIBIT B – Configuration Challenges



Some cubicles have mismatched furniture, as the City no longer has original workstations to furnish vacant areas (left)

There are various sizes of office space for employees working the same Administrative Professional classification series (top and bottom)



3rd Floor Redesign & Furniture Purchase
EXHIBIT B – Configuration Challenges



The red line in this image indicates the small amount of space between an employee's desk and cubicle wall (top)

This image portrays how some cubicle hallways are very narrow, making it difficult when two employees walk past each other (bottom)



3rd Floor Redesign & Furniture Purchase
EXHIBIT B – Configuration Challenges



Some cubicle work stations are small (top), while a large open area exists for printers (bottom)



Existing cubicles for Mid-Level Managers in need of enclosed office spaces





City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members
FROM: Bill Gallardo, City Manager
DATE: 07/16/2019
SUBJECT: Pre-Employment Background Investigation Services

RECOMMENDATION

1. Approve the Agreement with RCS Investigations & Consulting LLC to provide the Police Department with pre-employment background investigation services in the amount not-to-exceed \$75,000 per year; and
2. Authorize the City Manager to issue up to four one-year extensions exclusive of any cost increases.

BACKGROUND/DISCUSSION

The Brea Police Department has contracted with RCS Investigations & Consulting LLC (RCS) for pre-employment background investigation services since 2011. During the term of this contract, RCS has conducted numerous background investigations for both sworn and non-sworn candidates. Their work product is both thorough and timely. RCS reports provide much-needed information to aid the police department in properly screening highly qualified candidates.

During the entire eight-year term of the existing contract, RCS has charged \$1,650 for a sworn background investigation and \$1,500 for a non-sworn background investigation. In certain circumstances where RCS has learned of information that leads to the disqualification of the applicant early in the investigation, they have only charged the police department a pro-rated portion of that amount resulting in cost savings. For the first time in eight years, RCS has proposed a modest price increase. Under the terms of a new contract, their pricing structure would be \$1,750 for a sworn background investigation (an increase of \$100 or 6%) and \$1,550 for a non-sworn background investigation (an increase of \$50 or 3%).

Based on a long track record of quality work, timely reports, familiarity with our organization and needs, and the proposed modest price increase, the police department recommends approving the new contract with RCS for pre-employment background investigation services. Staff requests that City Council authorize the City Manager to exercise the renewal terms as long as the consultant's performance continues to meet Brea's requirements and there are no price increases.

COMMISSION/COMMITTEE RECOMMENDATION

The Finance Committee reviewed staff's recommendation at their July 9, 2019 meeting and it was recommended for City Council approval.

FISCAL IMPACT/SUMMARY

The not-to-exceed amount is based on anticipated needs in FY 2019-20 for the necessary quantity of background investigations to meet hiring demands. The FY 2019-20 budget has sufficient funding available in the Police Department's Professional Services account (110-21-2111-4249).

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: John Burks, Police Chief

Attachments

Agreement

**PROFESSIONAL SERVICES AGREEMENT
for Pre Employment Background Investigations**

THIS AGREEMENT ("Agreement") is effective on the date on which this Agreement is executed by the City of Brea, ("Effective Date"), and is between **RCS Investigations and Consulting LLC**, ("CONTRACTOR") and the CITY OF BREa, a California municipal corporation ("CITY"). CONTRACTOR and CITY are sometimes referred to herein collectively as the "Parties" and singularly as "Party". The Parties agree as follows:

I. Agreement

- A. This Agreement, together with the following exhibits are incorporated herein by reference, and supersedes all prior agreements and understandings:
 - Exhibit A – Scope of Services
 - Exhibit B – Compensation
 - Exhibit C – General Provisions
 - Exhibit D – Indemnity and Insurance Requirements
- B. This Agreement may be modified by written amendment executed by all parties.

II. Scope of Services Summary

CONTRACTOR shall, during the Term of the Agreement, provide **Pre Employment Background Investigations of Sworn and Non-Sworn Police Employees** as further set forth in Exhibit A, all to CITY's reasonable satisfaction (collectively, the "Services").

III. Term of the Agreement

- A. CONTRACTOR shall commence performance of Services on **the date indicated in the notice to proceed issued by the City Project Manager**.
- B. AGREEMENT shall remain in full force and effect **for one (1) year** unless sooner terminated as set forth in the Termination subsection of Exhibit C ("Term").
- C. AGREEMENT may **be extended for four (4) additional years (each a "Renewal Term"), commencing upon the expiration of the preceding Term. CITY and CONTRACTOR may agree to extend this Agreement in writing, executed before the end of the Term or Renewal Term, as applicable.**

IV. Compensation Summary

- A. CITY shall pay CONTRACTOR for satisfactorily and completely rendered Services according to prices and in the manner set forth in Exhibit B. Parties agree that full and complete payment for all Services shall not exceed **\$75,000.00 per year** ("Contract Amount"). The CITY shall have no obligation to pay any amount in excess of the foregoing amounts, unless agreed to in writing by the CITY.
- B. CONTRACTOR shall not render any services in excess of the Services described in Exhibit A ("Additional Services") without CITY's prior written approval. Any work performed without CITY's prior written approval shall be deemed to have been performed as part of the Services and included within the not-to-exceed Contract Amount.

V. Insurance Requirements Summary

- A. All insurance shall comply with the specific requirements set forth in Exhibit D.
- B. Exhibit D shall govern in the event of any conflict with the following coverages.
 - 1. **Commercial General Liability (CGL)**
Limits shall be no less than \$1,000,000 per occurrence.
 - 2. **Automobile Liability Insurance (ALI) (any auto)**
Limits shall be no less than \$1,000,000 per occurrence.
 - 3. **Workers' Compensation**
State of California statutory limits
Employer's Liability Insurance
Limits shall be no less than \$1,000,000 per accident for bodily injury or disease.
In lieu of the above, a signed Self-Employment Affidavit Letter or a signed Declaration that Contractor is aware of the provisions of Section 3700 of the California Labor Code.
 - 4. **Professional Liability Insurance (PL)**
Limits shall be no less than \$1,000,000 per per claim.

VI. Notices and Designated Representatives

All notices made pursuant to this Agreement shall be in writing and deemed effectively given: (i) upon receipt, when delivered personally; (ii) one business day after deposit with an overnight courier service; or (iii) two business days after having been sent by registered or certified mail, whether or not a signed receipt is received, provided a proof of delivery is obtained. All communications shall be sent to:

CITY – Project Manager:
Adam Hawley
Captain
1 Civic Center Circle
Brea, CA 92821
(714) 990-7748 phone
ADAMH@CityofBrea.net

CITY – City Clerk (if over \$25,000):
Lillian Harris-Neal, MMC
City Clerk
1 Civic Center Circle
Brea, CA 92821
(714) 990-7757 phone
LillianHN@CityofBrea.net

CONTRACTOR:
RCS Investigations and Consulting LLC
Randy Sorley
Partner
P.O. Box 29798
Anaheim, CA 92809-9798
(714) 779-2300
Randy@RCSinvestigations.com

(SIGNATURES ON FOLLOWING PAGE)

IN WITNESS WHEREOF, The parties hereto have executed this Agreement as of the day and year first set forth above. The undersigned Parties represent and warrant that they are authorized to bind their principles to the terms of this agreement.

CONTRACTOR

Business Name: RCS Investigations and Consulting LLC

Federal ID# TAX ID # 20-5065414

License Nos Contractor License #:
(only for Public Works) DIR Registration #:

Business Type ☐ Individual/Sole Proprietor ☐ Partnership ☒ Limited Liability Company
(Contractor select one) ☐ Corporation (requires two signatures) ☐ Other (specify below)

Printed Name: Randy Sorley

Title: Partner

Signature: 

Date: 06/05/2019

Contractor 2nd Signature (if corporation)

Printed Name: _____

Title: _____

Signature: _____

Date: _____

CITY OF BREA

City of Brea

a California municipal corporation

Printed Name: Christine Marick

Title: Mayor

Signature: _____

Date: _____

ATTEST (if over \$25,000.00)

Printed Name: Lillian Harris-Neal

Title: City Clerk

Signature: _____

Date: _____

**EXHIBIT A
SCOPE OF SERVICES**

I. Time of Performance

- A. **Commencement and Completion of Work.** The Services to be performed pursuant to this Agreement shall commence upon receipt of written notice to proceed from the City, but no later than **fourteen (14)** calendar days from the Effective Date. Failure to commence work in a timely manner and/or diligently pursue work to completion may be deemed to be a breach, resulting in termination of this Agreement.
- B. **Schedule.** After commencement of performance pursuant to paragraph A, above, the Services must be completed ***after receipt of CITY's request from the Department's Professional Standards Division within six (6) weeks or on mutually agreed-upon times for special exceptions.***
- C. **Excusable Delays.** Neither party shall be responsible for delays or lack of performance resulting from acts beyond the reasonable control of the party or parties. Such acts shall include, but not be limited to, acts of God, fire, strikes, material shortages, compliance with laws or regulations enacted after the Effective Date, riots, acts of war, or any other conditions beyond the reasonable control of a party.

II. Additional Services

- A. Additional Services are those services related to the scope of services of CONTRACTOR set forth in this Exhibit A but not anticipated at the time of execution of this Agreement. Additional Services shall be provided only when an Addendum to this Agreement authorizing the Additional Services is approved by CITY in accordance with CITY's purchasing procedures. CITY reserves the right to perform any work that would otherwise constitute Additional Services with its own staff or to retain other contractors to perform the Additional Services.

III. City Provisions

City to provide credit reports and fingerprints for all candidates.

IV. Ownership of Work Product

- A. Unless otherwise agreed upon in writing, all reports, documents, or other original written material, including any original images, photographs, video files, digital files, and/or or other media created or developed for the CITY by CONTRACTOR in the performance of this Agreement (collectively, "Work Product") shall be and remain the property of CITY without restriction or limitation upon its use or dissemination by CITY. All Work Product shall be considered to be "works made for hire", and all Work Product and any and all intellectual property rights arising from creation thereof, including, but not limited to, all copyrights and other proprietary rights, shall be and remain the property of CITY without restriction or limitation upon their use, duplication or dissemination by CITY. CONTRACTOR shall not obtain or attempt to obtain copyright protection as to any of the Work Product.
- B. CONTRACTOR hereby assigns to CITY all ownership and any and all intellectual property rights to the Work Product that are not otherwise vested in the CITY pursuant to the foregoing paragraph.

- C. CONTRACTOR warrants and represents that it has secured all necessary licenses, consents or approvals to use any instrumentality, thing or component as to which any intellectual property right exists, including computer software, used in the rendering of the Services and the production of all Work Product produced under this Agreement, and that CITY has full legal title to and the right to reproduce the Work Product. CONTRACTOR shall defend, indemnify and hold CITY, and its elected officials, officers, employees, servants, attorneys, designated volunteers, and agents serving as independent contractors in the role of city officials, harmless from any loss, claim or liability in any way related to a claim that CITY's use of any of the Work Product is violating federal, state or local laws, or any contractual provisions, or any laws relating to trade names, licenses, franchises, copyrights, patents or other means of protecting intellectual property rights and/or interests in product or inventions. CONTRACTOR shall bear all costs arising from the use of patented, copyrighted, trade secret or trademarked documents, materials, equipment, devices or processes in connection with its provision of the Services and Work Product produced under this Agreement. In the event the use of any of the Work Product or other deliverables hereunder by CITY is held to constitute an infringement and the use of any of the same is enjoined, CONTRACTOR, at its expense, shall: (a) secure for CITY the right to continue using the Work Product and other deliverables by suspension of any injunction, or by procuring a license or licenses for CITY; or (b) modify the Work Product and other deliverables so that they become non-infringing while remaining in compliance with the requirements of this Agreement. This covenant shall survive the termination of this Agreement.

V. Scope of Work

- A. CONTRACTOR shall furnish everything necessary to provide the Services.
- B. The Services include and the CITY requires CONTRACTOR to:
1. Provide investigative services in a professional manner in compliance with all applicable federal, state and local laws as well as in a workmanlike manner according to the standards and ethics in the industry as established by the California Secretary of State, Department of Consumer Affairs, Bureau of Investigative Services and the Commission on Police Officers Standards and Training.
 2. Complete Preemployment Background Investigations for sworn and civilian police department employees per the Schedule.
 3. Send and collect all reference letters for each background investigation.
 4. Provide a comprehensive, confidential, ethical work product.
 5. Participate in meetings and engage in other requested services as needed without any additional cost to the City.
 6. Provide as-requested updates on the progress of the investigation.
 7. Provide a confidential investigation.
 8. Provide a detailed written report upon conclusion of the investigation.
 9. Maintain private investigators licenses with the State of California and current training and updates through POST and the California Background Investigators Association.

EXHIBIT B
COMPENSATION

I. Total Compensation

- A. CONTRACTOR agrees to accept the specified compensation as set forth in this Agreement as full payment for satisfactorily performing all work, including furnishing all labor and materials required to fully and satisfactorily complete the Services to CITY's reasonable satisfaction. To the maximum extent permitted by law, CONTRACTOR assumes all risks related to its performance of the Services including risks of unforeseen difficulties or conditions which may arise or be encountered in the performance of the Services. CONTRACTOR shall only be compensated as set forth herein for work satisfactorily performed in accordance with the Scope of Work.
- B. **Contract Amount.** Payment shall not exceed the total, all-inclusive amount of ***\$75,000.00 per year for the Term of the Agreement.***
- C. **CITY shall have no obligation to pay any sum in excess of the Fixed Prices and/or Total Contract Amount unless authorized by in writing by the CITY.**

II. Fees and Expenses

- A. **Billable Rates.** CONTRACTOR shall be paid for the performance of Services on a time-and-material basis in accordance with Attachment 1 to Exhibit B.
- B. **Reimbursable Expenses.** *Only for travel outside Southern California as pre-approved by Project Manager.*

III. Manner of Payment and Accounting Requirements

- A. Taxes
 - 1. CONTRACTOR shall pay, when and as due, any and all taxes incurred as a result of CONTRACTOR's compensation hereunder, including estimated taxes, and shall provide CITY with proof of the payment upon request.
 - 2. CONTRACTOR hereby agrees to indemnify CITY for any claims, losses, costs, fees, liabilities, damages or injuries suffered by CITY arising out of CONTRACTOR's breach of this Section.
- B. Payment Terms
 - 1. CONTRACTOR shall submit invoices in arrears, after Services have been received. CITY will make payment in net 30 days after receipt of an undisputed invoice in a format acceptable to CITY. Invoices are subject to routine processing requirements. The responsibility for providing an acceptable invoice to CITY for payment rests with CONTRACTOR. Incomplete or incorrect invoices are not acceptable and will be returned to CONTRACTOR for correction.
 - 2. Billing shall cover Services not previously invoiced. CONTRACTOR shall reimburse CITY for any monies paid to the Contractor for services not provided, or when services do not meet the contract requirements.
 - 3. Payments made by the CITY shall not preclude the right of the CITY from thereafter disputing any items involved or billed under this contract and shall not be construed as acceptance of any part of the goods or services.

C. Invoicing Instructions

1. CONTRACTOR will provide an invoice on the CONTRACTOR'S letterhead. Each invoice will have a unique number and must include:

- a) Contractor's name and address
- b) Contractor's remittance address, if different from above
- c) Contractor's Taxpayer ID Number
- d) Name of City Agency/Department
- e) Delivery/service address
- f) Contract number
- g) Purchase Order (PO) number
- h) Date of invoice
- i) Description of Services/Goods
- j) Sales tax, if applicable
- k) Freight/delivery charges, if applicable
- l) Total

2. Invoices and support documentation are to be forwarded to:

- a) City of Brea
- b) Accounts Payable
- c) 1 Civic Center Circle
- d) Brea CA 92821

3. City does not accept electronic invoices.

D. Accounting Records of CONTRACTOR

During performance of this Agreement and for a period of three (3) years after termination or expiration of this Agreement, CONTRACTOR shall maintain all accounting and financial records related to this Agreement, including, but not limited to, records of CONTRACTOR's costs for all Services and Additional Services performed under this Agreement and records of CONTRACTOR's reimbursable expenses, if any, in accordance with generally accepted accounting practices, and shall keep and make the records available for inspection and audit by representatives of the CITY upon reasonable written notice.

End of Exhibit B

Attachment 1 to Exhibit B
Billable Rates

Proposed Rates for Year 1

Item	Description	Qty*	Rate**	Total
01	Police Officer AND Police Dispatcher	30	\$1,750.00	\$52,500
02	Non-Sworn Employee	12	\$1,550.00	\$18,600
A	Subtotal (add above lines)			\$71,100
B	Meals and lodging			Included
C	Travel (within Southern California)***			Included
D	Other (specify)			Included
E	Total Not-to-Exceed Price (add A through D)			\$71,100

* Quantities are estimated annual amounts.

** Rates for renewal years 2 through 5 may be adjusted as mutually agreed-upon by the Parties.

*** Travel outside of Southern California will be billed at cost only if City pre-approves.

End of Attachment 1

**EXHIBIT C
GENERAL PROVISIONS**

I. Standard Requirements

- A. **Assignment and Subcontracting.** To assignment of this Agreement or of any part or obligation of performance hereunder shall be made, nor shall any required performance be subcontracted, either in whole or in part, by CONTRACTOR without the prior written consent of CITY.
- B. **Compliance with Law.** CONTRACTOR shall forthwith undertake and complete the Services in accordance with Exhibit "A" attached to this Agreement and all in accordance with Federal, State and CITY statutes, regulations, ordinances and guidelines all to the reasonable satisfaction of CITY.
- C. **Confidentiality.** Any and all information and data provided to CONTRACTOR pursuant to this Agreement shall be forever maintained as confidential by CONTRACTOR, to the maximum extent permitted by law.
- D. **Standard of Care.** CONTRACTOR shall provide exceptional Standard of Care while fulfilling the terms of this Agreement, is performing as a representative of CITY. 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 the CITY or CONTRACTOR, for the investigation and response to complaints.
- E. **Hires.** 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.
- F. **Independent Contractor.** CONTRACTOR is retained by CITY only to the extent set forth in this Agreement, and the CONTRACTOR's relationship to the CITY is that of an independent contractor. CONTRACTOR shall be free to dispose of all portions of CONTRACTOR's time and activities which CONTRACTOR is not obligated to devote to the CITY in such a manner and to such persons, firms, or corporations as the CONTRACTOR sees fit except as expressly provided in this Agreement. Neither the CITY nor any of its agents shall have control over the conduct of the CONTRACTOR or any of the CONTRACTOR's employees, except as set forth in this Agreement. CONTRACTOR shall not have the status of an employee under this Agreement, or be entitled to participate in any insurance, medical care, vacation, sick leave or other benefits provided for CITY's officers or employees. CONTRACTOR shall have no power to incur any debt, obligation, or liability on behalf of CITY or otherwise act on behalf of the CITY as an agent. CONTRACTOR shall not, at any time, or in any manner, represent that it or any of its agents or employees are in any manner agents or employees of the CITY. CONTRACTOR agrees to pay all required taxes on amounts paid to CONTRACTOR under this Agreement, and to indemnify and

hold CITY harmless from any and all taxes, assessments, penalties, and interest asserted against CITY by reason of the independent contractor relationship created by this Agreement. CONTRACTOR shall fully comply with the workers' compensation law regarding CONTRACTOR and CONTRACTOR's employees. CONTRACTOR further agrees to indemnify and hold CITY harmless from any failure of CONTRACTOR to comply with applicable workers' compensation laws. CITY shall have the right to offset against the amount of any fees due to CONTRACTOR under this Agreement any amount due to CITY from CONTRACTOR as a result of CONTRACTOR's failure to promptly pay to CITY any reimbursement or indemnification arising under this Section.

- G. **Information and Assistance.** CITY will provide information and assistance as set forth in Exhibit "A" hereto; photographically reproducible copies of maps and other information, if available, which CONTRACTOR considers necessary in order to complete the Project. Such information as is generally available from CITY files applicable to the Project. Assistance, if necessary, in obtaining information from other governmental agencies and/or private parties. However, it shall be CONTRACTOR's responsibility to make all initial contact with respect to the gathering of such information.
- H. **Governing Law .**This Agreement shall be governed by and construed in accordance with the laws of the State of California. Venue for any legal action arising out this Agreement shall be the Superior Court of the County of Orange, California.
- I. **Entire Agreement.** 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 and binding. Any modification of this Agreement shall be effective only if it is in writing signed by all parties.
- J. **Precedence of Documents.** In the event of any inconsistency or conflict between the Agreement and any of the Exhibits or any other attachments, the Agreement, then this Exhibit C, then the remaining Exhibits and attachments shall govern.
- K. **Termination.** This Agreement may be terminated by CITY for any or no reason upon the giving of a written notice of termination to CONTRACTOR at least fifteen (15) days prior to the date of termination specified in said notice. In the event this Agreement is so terminated, and provided CONTRACTOR is not then in breach, CONTRACTOR shall be paid on a pro-rata basis with respect to the percentage of the Services satisfactorily completed or goods satisfactorily provided as of the date of termination. In no event, however, shall CONTRACTOR receive more than the Contract Amount. CONTRACTOR shall provide to CITY any and all Work Product including all documents, data, studies, surveys, drawings, maps, models, photographs and reports, whether in draft or final form, prepared by CONTRACTOR as of the date of termination. CONTRACTOR may not terminate this Agreement except for cause.

End of Exhibit C

EXHIBIT D
INDEMNITY AND INSURANCE REQUIREMENTS

I. Indemnity Requirements

- A. **Indemnity for Professional Services.** To the fullest extent permitted by law, the CONTRACTOR shall, at its sole cost and expense, protect, defend, hold harmless and indemnify City, its elected officials, officers, attorneys, agents, employees, designated volunteers, successors, assigns and those CITY agents serving as independent contractors in the role of CITY officials (collectively "Indemnitees" in this Section), from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens, and losses of any nature whatsoever, including fees of accountants, attorneys and other professionals, and all costs associated therewith (collectively "Claims"), whether actual, alleged or threatened, arising out of, pertaining to, or relating to, in whole or in part, the negligence, recklessness or willful misconduct of CONTRACTOR, and/or its officers, agents, servants, employees, subcontractors, contractors or their officers, agents, servants or employees (or any entity or individual for that CONTRACTOR shall bear the legal liability thereof) in the performance of professional services under this Agreement. CONTRACTOR shall defend the Indemnitees in any action or actions filed in connection with any Claims with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. CONTRACTOR shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.
- B. **Other Indemnities.** Other than in the performance of professional services, and to the fullest extent permitted by law, CONTRACTOR shall, at its sole cost and expense, protect, defend, hold harmless and indemnify the Indemnitees from and against any and all damages, costs, expenses, liabilities, claims, demands, causes of action, proceedings, judgments, penalties, liens and losses of any nature whatsoever, including fees of accountants, attorneys and other professionals, and all costs associated therewith, and the payment of all consequential damages (collectively "Damages"), in law or equity, whether actual, alleged or threatened, which arise out of, pertain to, or relate to the acts or omissions of CONTRACTOR, its officers, agents, servants, employees, subcontractors, materialmen, suppliers, or contractors, or their officers, agents, servants or employees (or any entity or individual that CONTRACTOR shall bear the legal liability thereof) in the performance of this Agreement, including the Indemnitees' active or passive negligence, except for Damages arising from the sole negligence or willful misconduct of the Indemnitees, as determined by final arbitration or court decision or by the agreement of the Parties. CONTRACTOR shall defend the Indemnitees in any action or actions filed in connection with any Damages with counsel of the Indemnitees' choice, and shall pay all costs and expenses, including all attorneys' fees and experts' costs actually incurred in connection with such defense. CONTRACTOR shall reimburse the Indemnitees for any and all legal expenses and costs incurred by the Indemnitees in connection therewith.
- C. These Indemnification provisions are independent of and shall not in any way be limited by the Insurance Requirements of this Agreement.

II. Insurance Requirements

A. General

1. City reserves the right to modify these requirements, including limits, based on the nature of the risk, prior experience, insurer, coverage, or other special circumstances. If the existing policies do not meet the Insurance Requirements set forth herein, Contractor agrees to amend, supplement or endorse the policies to do so.
2. Without limiting the Contractor's indemnity obligations hereunder, Contractor shall procure and maintain in full force and effect for the Term of this Agreement, the following policies of insurance.
3. For all insurance required by this Agreement, if a general aggregate limit applies, either the general aggregate limit shall apply separately to the Services or the general aggregate limit shall be twice the required occurrence limit.
4. If the Contractor maintains broader coverage and/or higher limits than the minimums required herein, City requires and shall be entitled to the broader coverage and/or higher limits maintained by the Contractor.

B. Coverages

1. Commercial General Liability (CGL)

- a) CGL affords coverage at least as broad as Insurance Services Office "occurrence" form CG 00 01, including products and completed operations, property damage, bodily injury, and personal & advertising injury.
- b) Limits shall be no less than \$1,000,000 per occurrence.

2. Products-Completed Operations (PCO)

Contractor shall procure and submit to City evidence of insurance for a period of at least ten (10) years from the time that all work under this Contract is completed.

3. Automobile Liability Insurance (ALI)

- a) ALI with coverage at least as broad as Insurance Services Office Form CA 0001 covering "Any Auto" (Symbol 1) for each accident for bodily injury and property damage.
- b) Limits shall be no less than \$1,000,000 per occurrence.
- c) If Contractor does not own any vehicles, Contractor may satisfy this requirement by providing the following:
 - (1) A personal automobile liability policy for the contractor's own vehicle, if Contractor is a one-person operation; and
 - (2) A non-owned & hired auto liability endorsement to the commercial general liability policy if the contractor may lease, hire, rent, borrow, or use vehicles of others (e.g., employee-owned vehicles).

4. Workers' Compensation (WC)

- a) Workers' Compensation as required by the State of California with statutory limits, and Employer's Liability Insurance.
- b) Limits shall be no less than \$1,000,000 per accident for bodily injury or disease.
- c) Self-Employment Affidavit or Declaration, signed under the penalty of perjury, if Contractor does not have any employees who will be performing work on behalf of City, Contractor must provide:
 - (1) A signed Self-Employment Affidavit Letter or a signed Declaration that Contractor is aware of the provisions of Section 3700 of the California Labor Code, which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and that Contractor will comply with such provisions before commencing performance of the work of this contract; and
 - (2) A certification that Contractor does not employ anyone in the course and scope of business operations.

5. Professional Liability Insurance (PL)

- a) Covered Professional Services shall specifically include all work to be performed under this contract and delete any exclusion that may potentially affect the work to be performed.
- b) Limits shall be no less than \$1,000,000 per claim; \$1,000,000 aggregate.

C. Endorsements

Insurance policies shall not be in compliance if they include any limiting provision or endorsement that has not been submitted to City for approval. The insurance policies shall contain or be endorsed to contain, the following provisions:

1. Commercial General Liability & Contractors Pollution Liability

a) Additional Insured

- (1) City, its elected officials, officers, employees, volunteers, boards, and representatives shall be additional insureds with regard to liability and defense of suits or claims arising out of the work or operations performed by or on behalf of the Contractor including materials, parts or equipment furnished in connection with such work or operations.
- (2) Additional Insured Endorsements shall not:
 - (a) Be limited to "Ongoing Operations"
 - (b) Exclude "Contractual Liability"
 - (c) Restrict coverage to the "Sole" liability of Contractor
 - (d) Exclude "Third-Party-Over Actions"
 - (e) Contain any other exclusion contrary to Contract

- (3) Additional Insured Endorsements shall be at least as broad as ISO Form(s) CG 20 10 11 85; or CG 2010 & CG 20 37.

b) Primary Insurance

This insurance shall be primary and any other insurance whether primary, excess, umbrella or contingent insurance, including deductible, or self-insurance available to the insureds added by endorsement shall be in excess of and shall not contribute with this insurance. Coverage shall be at least as broad as ISO CG 20 01 04 13.

2. Auto Liability

a) Additional Insured

City, its elected officials, officers, employees, volunteers, boards, agents and representatives) shall be additional insureds with regard to liability and defense of suits or claims arising out of the work or operations performed by or on behalf of the Contractor.

b) Primary Insurance

This insurance shall be primary and any other insurance whether primary, excess, umbrella or contingent insurance, including deductible, or self-insurance available to the insureds added by endorsement shall be in excess of and shall not contribute with this insurance.

3. Workers' Compensation

A waiver of subrogation stating that the insurer waives all rights of subrogation against the indemnified parties.

D. Insurance Obligations of Contractor

The Insurance obligations under this Agreement shall be: (1) all the Insurance coverage and/or limits carried by or available to Contractor; or (2) the minimum Insurance coverage requirements and/or limits shown in this agreement; whichever is greater. Any insurance proceeds in excess of or broader than the minimum required coverage and/or minimum required limits, which are applicable to a given loss, shall be available to City. No representation is made that the minimum Insurance requirements of this agreement are sufficient to cover the obligations of the Contractor under this agreement.

E. Notice of Cancellation

Required insurance policies shall not be cancelled or the coverage reduced until a thirty (30) day written notice of cancellation has been served upon City except ten (10) days shall be allowed for non-payment of premium.

F. Waiver of Subrogation

Required insurance coverages (except professional liability) shall not prohibit Contractor from waiving the right of subrogation prior to a loss. Contractor shall waive all rights of subrogation against the indemnified parties and policies shall contain or be endorsed to contain such a provision. This provision applies regardless of whether City has received a waiver of subrogation endorsement from the insurer.

G. Evidence of Insurance

All policies, endorsements, certificates, and/or binders shall be subject to approval by City as to form and content. These requirements are subject to amendment or waiver only if so approved in writing by City. City reserves the right to require complete, certified copies of all required insurance policies, including endorsements required by these specifications, at any time.

The certificates and endorsements for each insurance policy shall be signed by a person authorized by that insurer to bind coverage on its behalf. At least fifteen (15 days) prior to the expiration of any such policy, evidence of insurance showing that such insurance coverage has been renewed or extended shall be filed with City. If such coverage is cancelled or reduced, Contractor shall, within ten (10) days after receipt of written notice of such cancellation or reduction of coverage, file with City evidence of insurance showing that the required insurance has been reinstated or has been provided through another insurance company or companies.

H. Deductible or Self-Insured Retention

Any deductible or self-insured retention must be approved in writing by City and shall protect the indemnified parties in the same manner and to the same extent as they would have been protected had the policy or policies not contained a deductible or self-insured retention. City may require the Contractor to purchase coverage with a lower retention or provide proof of ability to pay losses and related investigations, claim administration and defense expenses within the retention.

I. Contractual Liability

The coverage provided shall apply to the obligations assumed by the Contractor under the indemnity provisions of this Contract.

J. Failure to Maintain Coverage

Contractor agrees to suspend and cease all operations hereunder during such period of time as the required insurance coverage is not in effect and evidence of insurance has not been furnished to City. City shall have the right to withhold any payment due until Contractor has fully complied with the insurance provisions of this Contract.

In the event that the Contractor's operations are suspended for failure to maintain required insurance coverage, the Contractor shall not be entitled to an extension of time for completion of the Work because of production lost during suspension.

K. Acceptability of Insurers

Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and authorized to do business in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law. Any other rating must be approved in writing by City.

L. Claims Made Policies

If coverage, including coverage for Construction Defect claims, is written on a claims-made basis, the retroactive date on such insurance and all subsequent insurance shall coincide or precede the effective date of the initial Contractor's Agreement with City and an extended reporting period shall be provided for a period of at least ☐ 2 years ☒ 3 years ☐ 5 years ☐ 10 years from termination or expiration of this Contract.

M. Insurance for Subcontractors

Contractor shall be responsible for causing Subcontractors to purchase the same types and limits of insurance in compliance with the terms of this Contract/Agreement, including adding City as an Additional Insured, providing Primary and Non-Contributory coverage and Waiver of Subrogation to the Subcontractor's policies. The Commercial General Liability Additional Insured Endorsement shall be on a form at least as broad as CG 20 38 04 13.

End of Exhibit D

City of Brea

COUNCIL COMMUNICATION

FROM: Bill Gallardo, City Manager

DATE: 07/16/2019

SUBJECT: June 21 & 28 and July 5 & 12, 2019 City Check Registers - Receive and file.

Attachments

06-21-19 City Check Register

06-28-19 City Check Register

07-05-19 City Check Register

07-12-19 City Check Register

City Check Register for: Jun 21, 2019

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
180909	AT&T LONG DISTANCE	06/21/2019	1737	475141471	807752441 6/4/2019	\$48.17
AT&T LONG DISTANCE					Total Check Amount:	\$48.17
180910	AT&T LONG DISTANCE	06/21/2019	1737	475141471	807752441 5/4/2019	\$37.32
AT&T LONG DISTANCE					Total Check Amount:	\$37.32
180911	CALIF FORENSIC PHLEBOTOMY INC.	06/21/2019	4488	110212131	BLOOD TESTS MAY 2019	\$1,819.00
CALIF FORENSIC PHLEBOTOMY INC.					Total Check Amount:	\$1,819.00
180912	CARNEY MEHR, A LEGAL CORP.	06/21/2019	28329	950000000	ILJAOC LGL SVCS APR19	\$1,522.20
		06/21/2019	28329	950000000	ILJAOC LGL SVCS MAY19	\$2,167.20
CARNEY MEHR, A LEGAL CORP.					Total Check Amount:	\$3,689.40
180913	CHLOE KIM STUDIOS LLC	06/21/2019	28590	110404541	FIRST PLACE:34TH MICA	\$750.00
CHLOE KIM STUDIOS LLC					Total Check Amount:	\$750.00
180914	THE COUNSELING TEAM INTERNATIONAL	06/21/2019	13933	110222221	PEER SUPPORT TRAINING	\$299.00
THE COUNSELING TEAM INTERNATIONAL					Total Check Amount:	\$299.00
180915	COUNTY OF ORANGE	06/21/2019	4799	110212122	OCATS/CLTS/SWTCHR MAY	\$1,104.51
COUNTY OF ORANGE					Total Check Amount:	\$1,104.51
180916	DEPARTMENT OF JUSTICE	06/21/2019	13406	110141481	FINGERPRNT APPS MAY19	\$1,370.00
DEPARTMENT OF JUSTICE					Total Check Amount:	\$1,370.00
180917	EMERGENCY SERVICES RESTORATION, INC	06/21/2019	19476	430515123	EMERG SEWAGE CLEANUP	\$275.00
		06/21/2019	19476	430515123	EMERG SEWER CLNUP:ELM	\$275.00
		06/21/2019	19476	430515123	NON-PO:EMERG CLN UP	(\$275.00)
EMERGENCY SERVICES RESTORATION, INC					Total Check Amount:	\$275.00
180918	ZARA MONET FEENEY	06/21/2019	28591	110404541	SOLO SHOW:34TH MICA	\$350.00
ZARA MONET FEENEY					Total Check Amount:	\$350.00
180919	G & G TROPHY CO.	06/21/2019	1709	110404223	YTH BASKETBALL SHIRTS	\$1,491.26
G & G TROPHY CO.					Total Check Amount:	\$1,491.26
180920	THE GAS COMPANY	06/21/2019	3749	420515131	GAS MAY/JUNE	\$15.29
THE GAS COMPANY					Total Check Amount:	\$15.29
180921	GOLDEN STATE CONSTRUCTORS	06/21/2019	28492	420515131	BUILD SWEEPR RACKWALL	\$9,065.00
		06/21/2019	28492	430515123	BUILD SWEEPR RACKWAL	\$9,065.00
GOLDEN STATE CONSTRUCTORS					Total Check Amount:	\$18,130.00
180922	INTELESYSONE, INC.	06/21/2019	28212	475141471	MITEL TELEPHONE/VM	\$313,005.36
INTELESYSONE, INC.					Total Check Amount:	\$313,005.36
180923	INTELLI-TECH	06/21/2019	8774	110212141	HP WORKSTATION	\$2,657.12
INTELLI-TECH					Total Check Amount:	\$2,657.12
180924	KAPLAN	06/21/2019	28546	110000000	DEVELOPER FEE REFUND	\$243.00
KAPLAN					Total Check Amount:	\$243.00
180925	RAMON LAMELAS	06/21/2019	28553	110000000	DEVELOPER FEE REFUND	\$98.00
RAMON LAMELAS					Total Check Amount:	\$98.00
180926	RICHARD LODDING	06/21/2019	28566	110000000	DEVELOPER FEE REFUND	\$168.00

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RICHARD LODDING					Total Check Amount:	\$168.00
180927	LOTUS LABELS	06/21/2019	28545	110000000	DEVELOPER FEE REFUND	\$107.00
LOTUS LABELS					Total Check Amount:	\$107.00
180928	MYRON MARSH	06/21/2019	28560	110000000	DEVELOPER FEE REFUND	\$121.00
MYRON MARSH					Total Check Amount:	\$121.00
180929	ADRIEL MARTINEZ	06/21/2019	28544	110000000	DEVELOPER FEE REFUND	\$247.00
ADRIEL MARTINEZ					Total Check Amount:	\$247.00
180930	TIM MCNAIR	06/21/2019	28565	110000000	DEVELOPER FEE REFUND	\$6.70
TIM MCNAIR					Total Check Amount:	\$6.70
180931	MELANIE MORROW	06/21/2019	28554	110000000	DEVELOPER FEE REFUND	\$156.00
MELANIE MORROW					Total Check Amount:	\$156.00
180932	KAYO MOSCRIP	06/21/2019	28580	110000000	DEVELOPER FEE REFUND	\$168.00
KAYO MOSCRIP					Total Check Amount:	\$168.00
180933	PATRICIA OLIVER	06/21/2019	28573	110000000	DEVELOPER FEE REFUND	\$113.50
PATRICIA OLIVER					Total Check Amount:	\$113.50
180934	ORANGE COUNTY STRIPING SERVICE	06/21/2019	10223	110515121	PAVEMENT STRIPING	\$4,767.07
		06/21/2019	10223	510707219	STRIPING ON LAMBERT	\$1,694.26
		ORANGE COUNTY STRIPING SERVICE				Total Check Amount:
180935	PACIFIC MH CONSTRUCTION, INC.	06/21/2019	26636	290323215	CDBG:80PASEO DE TONER	\$7,700.00
PACIFIC MH CONSTRUCTION, INC.					Total Check Amount:	\$7,700.00
180936	KEVIN PAN	06/21/2019	28540	110000000	DEVELOPER FEE REFUND	\$388.50
KEVIN PAN					Total Check Amount:	\$388.50
180937	PHOMIK PICASSO	06/21/2019	28550	110000000	DEVELOPER FEE REFUND	\$168.00
PHOMIK PICASSO					Total Check Amount:	\$168.00
180938	PLUMBING WHOLESALE OUTLET, INC.	06/21/2019	18392	110515144	JANITORIAL SUPPLIES	\$37.09
		06/21/2019	18392	360515145	JANITORIAL SUPPLIES	\$62.57
		PLUMBING WHOLESALE OUTLET, INC.				Total Check Amount:
180939	RHYTHMO INC.	06/21/2019	16080	110	BCC RENTAL DEP REFUND	\$1,000.00
RHYTHMO INC.					Total Check Amount:	\$1,000.00
180940	SHAUN RILEY	06/21/2019	28599	110	ADULT SPORTS REFUND	\$30.00
SHAUN RILEY					Total Check Amount:	\$30.00
180941	KEN ROBINSON	06/21/2019	28571	110000000	DEVELOPER FEE REFUND	\$99.00
KEN ROBINSON					Total Check Amount:	\$99.00
180942	RON'S MAINTENANCE, INC.	06/21/2019	28178	410515124	CATCH BASIN CLEANING	\$28,733.00
RON'S MAINTENANCE, INC.					Total Check Amount:	\$28,733.00
180943	RUBBERIZED CRACKFILLER SEALANT, INC	06/21/2019	28516	510707312	CRACKSEAL:SLURRY PROJ	\$36,420.00
RUBBERIZED CRACKFILLER SEALANT, INC					Total Check Amount:	\$36,420.00
180944	JAMES RUSENKRANZ	06/21/2019	28574	110000000	DEVELOPER FEE REFUND	\$74.00
JAMES RUSENKRANZ					Total Check Amount:	\$74.00

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180945	SADDLEBACK COLLEGE	06/21/2019	1097	174222222	TUITION:PM SCH SPR19	\$2,418.00
SADDLEBACK COLLEGE					Total Check Amount:	\$2,418.00
180946	SANCON ENGINEERING, INC.	06/21/2019	26947	510707617	RELINING SEWER MAINLN	\$114,305.00
SANCON ENGINEERING, INC.					Total Check Amount:	\$114,305.00
180947	SUSAN SAXE-CLIFFORD, PH.D.*	06/21/2019	22693	110141481	PSYCH EVALS:FF APPL	\$800.00
SUSAN SAXE-CLIFFORD, PH.D.*					Total Check Amount:	\$800.00
180948	SONG SIMON	06/21/2019	28557	110000000	DEVELOPER FEE REFUND	\$121.00
SONG SIMON					Total Check Amount:	\$121.00
180949	YIN SITU	06/21/2019	28556	110000000	DEVELOPER FEE REFUND	\$370.00
YIN SITU					Total Check Amount:	\$370.00
180950	JONATHAN SKILES	06/21/2019	28578	110000000	DEVELOPER FEE REFUND	\$124.00
JONATHAN SKILES					Total Check Amount:	\$124.00
180951	DONNA SOLORIO	06/21/2019	28579	110000000	DEVELOPER FEE REFUND	\$168.00
DONNA SOLORIO					Total Check Amount:	\$168.00
180952	SOUTH COAST AQMD	06/21/2019	10871	480515161	FAC#6714:RENEWAL FEES	\$2,775.04
		06/21/2019	10871	480515161	FAC6714:EMISSIONS FEE	\$136.40
SOUTH COAST AQMD					Total Check Amount:	\$2,911.44
180953	SOUTH COAST AQMD	06/21/2019	10871	480515161	FAC #174303:HOT SPOTS	\$132.98
SOUTH COAST AQMD					Total Check Amount:	\$132.98
180954	SOUTH COAST AQMD	06/21/2019	10871	480515161	FAC #177216:HOT SPOTS	\$132.98
SOUTH COAST AQMD					Total Check Amount:	\$132.98
180955	SPARKLETTS	06/21/2019	3001	110141441	5G WTR BOTTLES APR19	\$512.20
		06/21/2019	3001	110141441	WTR DISP RENTAL APR19	\$94.64
SPARKLETTS					Total Check Amount:	\$606.84
180956	SPARKLETTS	06/21/2019	3001	110111161	042719 COUNCL MTG WTR	\$20.76
SPARKLETTS					Total Check Amount:	\$20.76
180957	SPARKLETTS	06/21/2019	3001	110111161	052719 COUNCL MTG WTR	\$20.76
SPARKLETTS					Total Check Amount:	\$20.76
180958	STEVE STOGEFF	06/21/2019	28582	110000000	DEVELOPER FEE REFUND	\$30.00
STEVE STOGEFF					Total Check Amount:	\$30.00
180959	CHARLES STRICTZ	06/21/2019	28523	110000000	DEVELOPER FEE REFUND	\$71.44
CHARLES STRICTZ					Total Check Amount:	\$71.44
180960	MATTHEW SWEET	06/21/2019	28572	110000000	DEVELOPER FEE REFUND	\$74.00
MATTHEW SWEET					Total Check Amount:	\$74.00
180961	CAROLANN TASSIOS	06/21/2019	28551	110000000	DEVELOPER FEE REFUND	\$165.00
CAROLANN TASSIOS					Total Check Amount:	\$165.00
180962	FELIX TELADO	06/21/2019	28559	110000000	DEVELOPER FEE REFUND	\$121.00
FELIX TELADO					Total Check Amount:	\$121.00
180963	TIMBERLAND CT. TRUST	06/21/2019	28568	110000000	DEVELOPER FEE REFUND	\$118.00

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TIMBERLAND CT. TRUST						Total Check Amount: \$118.00
180964	JULIE TUHOBENE	06/21/2019	28581	110000000	DEVELOPER FEE REFUND	\$81.50
JULIE TUHOBENE						Total Check Amount: \$81.50
180965	UNIFIRST CORPORATION	06/21/2019	27988	110515121	UNIFORM SVCS MAY 2016	\$58.62
		06/21/2019	27988	110515125	UNIFORM SVCS MAY 2016	\$24.60
		06/21/2019	27988	110515141	UNIFORM SVCS MAY 2016	\$86.84
		06/21/2019	27988	110515143	UNIFORM SVCS MAY 2016	\$16.32
		06/21/2019	27988	110515144	UNIFORM SVCS MAY 2016	\$81.03
		06/21/2019	27988	360515145	UNIFORM SVCS MAY 2016	\$41.80
		06/21/2019	27988	420515131	UNIFORM SVCS MAY 2016	\$108.84
		06/21/2019	27988	430515123	UNIFORM SVCS MAY 2016	\$41.16
		06/21/2019	27988	440515126	UNIFORM SVCS MAY 2016	\$11.52
		06/21/2019	27988	480515161	UNIFORM SVCS MAY 2016	\$146.07
		06/21/2019	27988	490515151	UNIFORM SVCS MAY 2016	\$231.04
UNIFIRST CORPORATION						Total Check Amount: \$847.84
180966	VERIZON WIRELESS	06/21/2019	21122	420515131	9830962725 4/27-5/26	\$38.01
VERIZON WIRELESS						Total Check Amount: \$38.01
180967	VETERINARY PET INS. CO.	06/21/2019	20975	110	4436 PET INS MAY 2019	\$462.72
VETERINARY PET INS. CO.						Total Check Amount: \$462.72
180968	JASON WACH	06/21/2019	28555	110000000	DEVELOPER FEE REFUND	\$259.00
JASON WACH						Total Check Amount: \$259.00
180969	WHITE & SAMUELSON	06/21/2019	28543	110000000	DEVELOPER FEE REFUND	\$371.51
WHITE & SAMUELSON						Total Check Amount: \$371.51
180970	DR. ROBERT L. WILKINSON	06/21/2019	19024	110141481	DOT PHYSICALS MAY19	\$85.00
DR. ROBERT L. WILKINSON						Total Check Amount: \$85.00
180971	GEORGE WU	06/21/2019	28576	110000000	DEVELOPER FEE REFUND	\$352.70
GEORGE WU						Total Check Amount: \$352.70
180972	XEROX CORPORATION	06/21/2019	3349	110141441	ADDRESS/LABL SW APR19	\$108.00
		06/21/2019	3349	110141441	BLACK CPR/PRINTER APR	\$493.54
		06/21/2019	3349	110141441	HI PERF COLOR CPR APR	\$220.27
		06/21/2019	3349	110141441	HISPEED PRNTR/CPR APR	\$717.42
		06/21/2019	3349	110141441	PROD CLRCPR/PRNTR APR	\$2,067.94
		06/21/2019	3349	110141441	SOFTWARE MNT APR19	\$116.00
XEROX CORPORATION						Total Check Amount: \$3,723.17
180973	STEWART YANG	06/21/2019	28564	110000000	DEVELOPER FEE REFUND	\$74.00
STEWART YANG						Total Check Amount: \$74.00
180974	RAYMOND ZHONG	06/21/2019	28577	110000000	DEVELOPER FEE REFUND	\$92.00
RAYMOND ZHONG						Total Check Amount: \$92.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
Check Subtotal						\$556,741.77
V37932	ABBA TERMITE & PEST CONTROL	06/21/2019	15614	110515141	BEEHIVE REMOVAL	\$245.00
ABBA TERMITE & PEST CONTROL Total Check Amount:						\$245.00
V37933	ABF PRINTING	06/21/2019	26673	110404311	SWAG FOR HISTORY DAYS	\$588.10
ABF PRINTING Total Check Amount:						\$588.10
V37934	ADAMSON POLICE PRODUCTS	06/21/2019	4023	110212131	MAGAZINE POUCHES	\$73.19
ADAMSON POLICE PRODUCTS Total Check Amount:						\$73.19
V37935	AKAL CONSULTANTS	06/21/2019	19771	510707251	RETENTION:57/LAMBERT	\$11,640.00
		06/21/2019	19771	510707873	TRACKS S4 ATP REPORT	\$3,600.00
		06/21/2019	19771	510707873	TRCKS S2/S3 AT REPORT	\$3,000.00
AKAL CONSULTANTS Total Check Amount:						\$18,240.00
V37936	ALBERT GROVER & ASSOCIATES	06/21/2019	23588	510707709	BIRCH ST TSSP APR19	\$800.00
ALBERT GROVER & ASSOCIATES Total Check Amount:						\$800.00
V37937	ALTA LANGUAGE SERVICES, INC	06/21/2019	25953	110141481	BILINGUAL TESTING	\$100.00
ALTA LANGUAGE SERVICES, INC Total Check Amount:						\$100.00
V37938	AMERICAN LEGAL PUBLISHING CORP	06/21/2019	3794	110111161	CODE OF ORDNANCES UPD	\$557.26
AMERICAN LEGAL PUBLISHING CORP Total Check Amount:						\$557.26
V37939	BADGE FRAME, INC.	06/21/2019	24424	110	NAME PLATES	(\$0.29)
		06/21/2019	24424	110212131	NAME PLATES	\$62.50
BADGE FRAME, INC. Total Check Amount:						\$62.21
V37940	BEN'S ASPHALT, INC..	06/21/2019	1808	510707442	WTR UTIL ASPHALT RPR	\$6,629.48
BEN'S ASPHALT, INC.. Total Check Amount:						\$6,629.48
V37941	JANET BIRCH	06/21/2019	25982	110404521	SR CTR YOGA MAY 2019	\$75.00
JANET BIRCH Total Check Amount:						\$75.00
V37942	KATHY A BREAUX	06/21/2019	5320	110404214	MASTERPIECES CLASS	\$147.00
KATHY A BREAUX Total Check Amount:						\$147.00
V37943	OMAR BRIOSO	06/21/2019	15737	110212134	PARKING:MMBTH TRNG	\$214.50
OMAR BRIOSO Total Check Amount:						\$214.50
V37944	BYRNE SOFTWARE TECHNOLOGIES, INC.	06/21/2019	27471	110323241	ACCELA IMPL 5/11-5/17	\$110.00
BYRNE SOFTWARE TECHNOLOGIES, INC. Total Check Amount:						\$110.00
V37945	C. WELLS PIPELINE MATERIALS INC	06/21/2019	13055	420515131	PLUMBING SUPPLIES	\$2,611.87
C. WELLS PIPELINE MATERIALS INC Total Check Amount:						\$2,611.87
V37946	CANNINGS ACE HARDWARE	06/21/2019	15828	110515141	CLEANERS/NUTS	\$35.64
CANNINGS ACE HARDWARE Total Check Amount:						\$35.64
V37947	CANON SOLUTIONS AMERICA, INC	06/21/2019	15260	110141441	COPIER MNT MAY/JUN19	\$600.00
		06/21/2019	15260	110141441	COPIER USAGE APR/MAY	\$426.13
CANON SOLUTIONS AMERICA, INC Total Check Amount:						\$1,026.13
V37948	ANDREW CATOR	06/21/2019	6646	460141474	MAY 2019 MILEAGE	\$185.60

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ANDREW CATOR						Total Check Amount: \$185.60
V37949	CHANDLER ASSET MANAGEMENT, INC.	06/21/2019	4375	110000000	INV MGMT SVCS MAY19	\$18.43
		06/21/2019	4375	420141424	INV MGMT SVCS MAY19	\$228.94
		06/21/2019	4375	875000000	INV MGMT SVCS MAY19	\$46.37
		06/21/2019	4375	890000000	INV MGMT SVCS MAY19	\$31.80
		06/21/2019	4375	930000000	INV MGMT SVCS MAY19	\$5,125.11
CHANDLER ASSET MANAGEMENT, INC.						Total Check Amount: \$5,450.65
V37950	RYAN COOPER	06/21/2019	25532	110212111	TRAINING MILEAGE	\$50.63
RYAN COOPER						Total Check Amount: \$50.63
V37951	CORE & MAIN LP	06/21/2019	27049	420515131	RETURN:WTR MTR ENCDRS	(\$8,602.76)
		06/21/2019	27049	420515131	WATER METER ENCODERS	\$8,602.76
		06/21/2019	27049	420515131	WATER METERS	\$2,599.25
CORE & MAIN LP						Total Check Amount: \$2,599.25
V37952	CSG CONSULTANTS	06/21/2019	25540	110000000	APARTMNT BLDG PLN RVW	\$765.00
CSG CONSULTANTS						Total Check Amount: \$765.00
V37953	DAVID EVANS AND ASSOCIATES, INC.	06/21/2019	20981	510707922	AROVSTA PARK 3/31-5/4	\$472.50
DAVID EVANS AND ASSOCIATES, INC.						Total Check Amount: \$472.50
V37954	DENNIS GRUBB & ASSOCIATES, LLC.	06/21/2019	25568	110000000	PLAN CHECK FEES MAY19	\$470.00
DENNIS GRUBB & ASSOCIATES, LLC.						Total Check Amount: \$470.00
V37955	DOG DEALERS, INC	06/21/2019	3573	110404214	DOG OBEDIENCE TRNG	\$147.00
DOG DEALERS, INC						Total Check Amount: \$147.00
V37956	ECONOLITE SYSTEMS, INC.	06/21/2019	27147	110515121	E/O SIGNAL MNT DEC18	\$3,678.42
		06/21/2019	27147	110515121	E/O SIGNAL MNT JAN19	\$433.70
		06/21/2019	27147	110515121	E/O SIGNAL MNT MAY19	\$9,818.80
		06/21/2019	27147	110515121	MO. SIGNAL MNT MAY19	\$3,025.56
ECONOLITE SYSTEMS, INC.						Total Check Amount: \$16,956.48
V37957	EWING IRRIGATION PRODUCTS, INC.	06/21/2019	5807	110515141	IRRIGATION PARTS	\$112.83
		06/21/2019	5807	110515143	IRRIGATION PARTS	\$53.67
EWING IRRIGATION PRODUCTS, INC.						Total Check Amount: \$166.50
V37958	EXTERMINETICS OF SO CALIF INC	06/21/2019	3298	110515125	BCC PEST CONTROL JAN	\$150.00
		06/21/2019	3298	110515125	PEST CONTROL SVCS APR	\$324.00
		06/21/2019	3298	110515125	PEST CONTROL SVCS FEB	\$324.00
		06/21/2019	3298	110515125	PEST CONTROL SVCS JAN	\$324.00
		06/21/2019	3298	110515125	PEST CONTROL SVCS MAR	\$324.00
		06/21/2019	3298	110515141	PEST CONTROL SVCS APR	\$180.00
		06/21/2019	3298	110515141	PEST CONTROL SVCS FEB	\$180.00
		06/21/2019	3298	110515141	PEST CONTROL SVCS JAN	\$180.00
		06/21/2019	3298	110515141	PEST CONTROL SVCS MAR	\$180.00
		06/21/2019	3298	420515131	PEST CONTROL SVCS APR	\$100.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V37958	EXTERMINETICS OF SO CALIF INC	06/21/2019	3298	420515131	PEST CONTROL SVCS FEB	\$100.00
		06/21/2019	3298	420515131	PEST CONTROL SVCS JAN	\$100.00
		06/21/2019	3298	420515131	PEST CONTROL SVCS MAR	\$100.00
		06/21/2019	3298	490515151	BCC PEST CONTROL APR	\$60.00
		06/21/2019	3298	490515151	BCC PEST CONTROL FEB	\$60.00
		06/21/2019	3298	490515151	BCC PEST CONTROL JAN	\$60.00
		06/21/2019	3298	490515151	BCC PEST CONTROL MAR	\$60.00
		06/21/2019	3298	490515151	PEST CONTROL SVCS APR	\$1,150.00
		06/21/2019	3298	490515151	PEST CONTROL SVCS FEB	\$1,150.00
		06/21/2019	3298	490515151	PEST CONTROL SVCS JAN	\$1,150.00
		06/21/2019	3298	490515151	PEST CONTROL SVCS MAR	\$1,150.00
EXTERMINETICS OF SO CALIF INC					Total Check Amount:	\$7,406.00
V37959	FUSCOE ENGINEERING, INC.	06/21/2019	18052	110000000	WQMP PLAN CHECK APR19	\$513.00
FUSCOE ENGINEERING, INC.					Total Check Amount:	\$513.00
V37960	GALE SUPPLY COMPANY	06/21/2019	21090	110515125	JANITORIAL SUPPLIES	\$571.08
		06/21/2019	21090	110515141	JANITORIAL SUPPLIES	\$144.90
		06/21/2019	21090	110515144	JANITORIAL SUPPLIES	\$144.90
		06/21/2019	21090	110515148	JANITORIAL SUPPLIES	\$144.90
GALE SUPPLY COMPANY					Total Check Amount:	\$1,005.78
V37961	GRAINGER	06/21/2019	13634	110212131	BATTERIES	\$312.55
GRAINGER					Total Check Amount:	\$312.55
V37962	HACE INC.	06/21/2019	27807	510707944	SR CTR KTCHN REDESIGN	\$3,681.39
HACE INC.					Total Check Amount:	\$3,681.39
V37963	CHRISTOPHER HADDAD	06/21/2019	15668	110212111	TRAINING EXPENSES	\$61.51
CHRISTOPHER HADDAD					Total Check Amount:	\$61.51
V37964	HI SIGN	06/21/2019	4693	110212122	OFFICE DESK PLAQUE	\$37.71
HI SIGN					Total Check Amount:	\$37.71
V37965	THERESA HILL	06/21/2019	15610	110212111	TRAINING MILEAGE	\$12.93
THERESA HILL					Total Check Amount:	\$12.93
V37966	HITECH SOFTWARE INC	06/21/2019	19937	110515125	CAR COUNT SYS MNT JUN	\$920.00
HITECH SOFTWARE INC					Total Check Amount:	\$920.00
V37967	HOUSING PROGRAMS	06/21/2019	26542	280323215	HSG REHB SVCS MAR-MAY	\$600.00
		06/21/2019	26542	290323215	HSG REHB SVCS MAR-MAY	\$2,400.00
HOUSING PROGRAMS					Total Check Amount:	\$3,000.00
V37968	IMPERIAL SPRINKLER SUPPLY	06/21/2019	24260	110515141	DRAIN GRATE	\$105.15
		06/21/2019	24260	110515144	IRRIGATION PARTS	\$293.14
		06/21/2019	24260	360515145	IRRIGATION PARTS	\$214.34
IMPERIAL SPRINKLER SUPPLY					Total Check Amount:	\$612.63
V37969	INFRASTRUCTURE ENGINEERS	06/21/2019	22809	510707315	ALLEY REHAB SEP-APR19	\$1,337.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V37969	INFRASTRUCTURE ENGINEERS	06/21/2019	22809	510707316	ALLEY REHAB SEP-APR19	\$851.00
		06/21/2019	22809	510707317	ALLEY REHAB SEP-APR19	\$1,053.50
INFRASTRUCTURE ENGINEERS					Total Check Amount:	\$3,241.50
V37970	INK LINK INC	06/21/2019	22423	110323214	BEBREA.COM BANNER	\$675.59
		06/21/2019	22423	110404425	T. TOTS CORNER BANNER	\$159.47
INK LINK INC					Total Check Amount:	\$835.06
V37971	INTERWEST CONSULTING GROUP, INC.	06/21/2019	28473	510707218	CIP MGMT SVCS MAY19	\$300.00
		06/21/2019	28473	510707251	CIP MGMT SVCS MAY19	\$10,537.50
		06/21/2019	28473	510707278	CIP MGMT SVCS MAY19	\$1,012.50
		06/21/2019	28473	510707311	CIP MGMT SVCS MAY19	\$562.50
		06/21/2019	28473	510707453	CIP MGMT SVCS MAY19	\$525.00
		06/21/2019	28473	510707454	CIP MGMT SVCS MAY19	\$412.50
		06/21/2019	28473	510707457	CIP MGMT SVCS MAY19	\$112.50
		06/21/2019	28473	510707458	CIP MGMT SVCS MAY19	\$150.00
		06/21/2019	28473	510707459	CIP MGMT SVCS MAY19	\$450.00
		06/21/2019	28473	510707460	CIP MGMT SVCS MAY19	\$450.00
		06/21/2019	28473	510707464	CIP MGMT SVCS MAY19	\$1,087.50
		06/21/2019	28473	510707466	CIP MGMT SVCS MAY19	\$450.00
		06/21/2019	28473	510707467	CIP MGMT SVCS MAY19	\$112.50
		06/21/2019	28473	510707471	CIP MGMT SVCS MAY19	\$75.00
		06/21/2019	28473	510707627	CIP MGMT SVCS MAY19	\$262.50
		06/21/2019	28473	510707903	CIP MGMT SVCS MAY19	\$37.50
		06/21/2019	28473	510707923	CIP MGMT SVCS MAY19	\$412.50
INTERWEST CONSULTING GROUP, INC.					Total Check Amount:	\$16,950.00
V37972	JMDIAZ, INC.	06/21/2019	27113	110000000	ON-CALL ENGG SVCS MAY	\$4,290.00
		06/21/2019	27113	510707267	ON-CALL ENGG SVCS MAY	\$550.00
		06/21/2019	27113	510707311	ON-CALL ENGG SVCS MAY	\$550.00
		06/21/2019	27113	510707453	ON-CALL ENGG SVCS MAY	\$550.00
		06/21/2019	27113	510707464	ON-CALL ENGG SVCS MAY	\$550.00
JMDIAZ, INC.					Total Check Amount:	\$6,490.00
V37973	MAKE IT "PERSONAL"	06/21/2019	19203	110212122	MAILBOX PLATE	\$7.39
MAKE IT "PERSONAL"					Total Check Amount:	\$7.39
V37974	DAWN MENDELSON	06/21/2019	16701	110404541	MOSAIC BIRDBATH WKSHP	\$800.00
DAWN MENDELSON					Total Check Amount:	\$800.00
V37975	MARGARITO MENDEZ	06/21/2019	26196	110212134	ADVANCE-MMBTH TRNG	\$214.50
MARGARITO MENDEZ					Total Check Amount:	\$214.50
V37976	MSL ELECTRIC INC.	06/21/2019	15993	110515121	REMOVE DAMAGED LTPOLE	\$843.52
MSL ELECTRIC INC.					Total Check Amount:	\$843.52

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V37977	MYERS AND SONS	06/21/2019	21624	510707702	OVERHEAD STREET SIGNS	\$183.41
MYERS AND SONS					Total Check Amount:	\$183.41
V37978	GEOFFREY OLIN	06/21/2019	26807	420515131	D3 WTR OPER CERT RNWL	\$90.00
GEOFFREY OLIN					Total Check Amount:	\$90.00
V37980	ONWARD ENGINEERING	06/21/2019	22106	110000000	INSP SVCS APR 2019	\$14,861.60
		06/21/2019	22106	110515171	INSP SVCS APR 2019	\$4,314.00
		06/21/2019	22106	510707936	INSP SVCS APR 2019	\$44.50
ONWARD ENGINEERING					Total Check Amount:	\$19,220.10
V37981	ORANGE COUNTY SANITATION DIST.	06/21/2019	14689	110	RES SEWER FEES MAY19	\$1,649.00
		06/21/2019	14689	110000000	5% COLL:RES SF MAY19	(\$82.45)
ORANGE COUNTY SANITATION DIST.					Total Check Amount:	\$1,566.55
V37982	RCS INVESTIGATIONS & CONSULTING LLC	06/21/2019	22534	110212111	BACKGRND INVESTGATION	\$6,150.00
RCS INVESTIGATIONS & CONSULTING LLC					Total Check Amount:	\$6,150.00
V37983	SAFETY DRIVERS ED	06/21/2019	19906	110404145	DRIVERS' ED	\$117.00
SAFETY DRIVERS ED					Total Check Amount:	\$117.00
V37984	SHRED-IT USA	06/21/2019	7438	110111161	DOC SHRED APR/MAY19	\$12.00
		06/21/2019	7438	110111161	DOC SHRED MAR/APR19	\$8.00
		06/21/2019	7438	110212122	DOC SHRED APR/MAY19	\$216.00
		06/21/2019	7438	110212122	DOC SHRED MAR/APR19	\$168.00
		06/21/2019	7438	470141483	DOC SHRED APR/MAY19	\$12.00
		06/21/2019	7438	470141483	DOC SHRED MAR/APR19	\$8.00
SHRED-IT USA					Total Check Amount:	\$424.00
V37985	SMART & FINAL	06/21/2019	3269	110404224	DAY CAMP SUPPLIES	\$29.10
		06/21/2019	3269	110404420	SUPPLIES	\$55.00
		06/21/2019	3269	110404425	TINY TOTS SUPPLIES	\$8.25
		06/21/2019	3269	110404429	SUPPLIES	\$120.57
SMART & FINAL					Total Check Amount:	\$212.92
V37986	DONNA SMITH	06/21/2019	26136	110404145	CNTRY W. LINE DANCING	\$329.00
DONNA SMITH					Total Check Amount:	\$329.00
V37987	STATE INDUSTRIAL PRODUCTS	06/21/2019	8572	110515141	JANITORIAL SUPPLIES	\$294.79
		06/21/2019	8572	110515144	JANITORIAL SUPPLIES	\$294.79
		06/21/2019	8572	110515148	JANITORIAL SUPPLIES	\$294.80
		06/21/2019	8572	360515145	JANITORIAL SUPPLIES	\$294.79
STATE INDUSTRIAL PRODUCTS					Total Check Amount:	\$1,179.17
V37988	SUPERIOR ALARM SYSTEMS	06/21/2019	11074	475141471	FIRE SYSTEM SVC 5/31	\$565.00
SUPERIOR ALARM SYSTEMS					Total Check Amount:	\$565.00
V37989	TROPICAL PLAZA NURSERY, INC	06/21/2019	2062	346515112	IRRIGATION REPAIRS	\$370.21
		06/21/2019	2062	420515131	CITY RESERVOIRS MAY19	\$1,353.37

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TROPICAL PLAZA NURSERY, INC						Total Check Amount: \$1,723.58
V37990	TURBO DATA SYSTEMS, INC.	06/21/2019	1472	110212122	CITATION PROC MAY19	\$1,257.79
TURBO DATA SYSTEMS, INC.						Total Check Amount: \$1,257.79
V37991	UNDERGROUND SERVICE ALERT/SC	06/21/2019	4537	420515131	2018 DIGSAFEBOARD FEE	\$81.06
		06/21/2019	4537	420515131	UNDERGRND TCKTS MAY19	\$163.45
UNDERGROUND SERVICE ALERT/SC						Total Check Amount: \$244.51
V37992	UNITED ROTARY BRUSH CORPORATION	06/21/2019	16649	480515161	SWEEPER BROOM	\$117.85
UNITED ROTARY BRUSH CORPORATION						Total Check Amount: \$117.85
V37993	US BANK XX0338 CITY MGR	06/21/2019	24704	110111111	CALCARD CM 052219-BG	(\$794.94)
		06/21/2019	24704	110111111	CALCARD CM 052219-YA	\$886.92
		06/21/2019	24704	110111143	CALCARD CM 052219-BG	\$81.23
		06/21/2019	24704	110111143	CALCARD CM 052219-MD	\$45.37
		06/21/2019	24704	110111143	CALCARD CM 052219-YA	\$568.88
		06/21/2019	24704	110141481	CALCARD CM 052219-MD	\$100.00
		06/21/2019	24704	110141481	CALCARD CM 052219-YA	\$262.39
US BANK XX0338 CITY MGR						Total Check Amount: \$1,149.85
V37994	US BANK XX0312 HR	06/21/2019	24776	110	CAL CARDS HR 5/22	(\$4.57)
		06/21/2019	24776	110141481	CAL CARDS HR 5/22	\$63.54
		06/21/2019	24776	110404523	CAL CARDS HR 5/22	\$253.00
		06/21/2019	24776	470141483	CAL CARDS HR 5/22	\$421.55
US BANK XX0312 HR						Total Check Amount: \$733.52
V37997	US BANK XX0593 COMM SVC	06/21/2019	24777	110	TAXES:CC CS 052219	(\$56.57)
		06/21/2019	24777	110111111	CALCARD-CE-052219	\$58.64
		06/21/2019	24777	110323214	CALCARD-LT-052219	\$59.00
		06/21/2019	24777	110404154	CALCARD-TN-052219	\$42.43
		06/21/2019	24777	110404211	CALCARD-AC-052219	\$283.22
		06/21/2019	24777	110404215	CALCARD-AC-052219	\$68.56
		06/21/2019	24777	110404215	CALCARD-CC-052219	\$465.00
		06/21/2019	24777	110404215	CALCARD-DA-052219	\$2,193.63
		06/21/2019	24777	110404215	CALCARD-SS-052219	\$280.00
		06/21/2019	24777	110404217	CALCARD-VU-052219	\$402.30
		06/21/2019	24777	110404223	CALCARD-BH-052219	\$125.55
		06/21/2019	24777	110404223	CALCARD-GA-052219	\$129.35
		06/21/2019	24777	110404224	CALCARD-MM-052219	\$100.00
		06/21/2019	24777	110404224	CALCARD-SS-0522/19	\$200.72
		06/21/2019	24777	110404311	CALCARD-CE-052219	\$77.65
		06/21/2019	24777	110404311	CALCARD-JM-052219	\$23.03
		06/21/2019	24777	110404311	CALCARD-LT-052219	\$33.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V37997	US BANK XX0593 COMM SVC	06/21/2019	24777	110404311	CALCARD-RF-0522/19	\$200.90
		06/21/2019	24777	110404420	CALCARD-VU-0522/19	\$505.13
		06/21/2019	24777	110404421	CALCARD-KS-0522/19	\$12.00
		06/21/2019	24777	110404421	CALCARD-SM-0522/19	\$96.89
		06/21/2019	24777	110404425	CALCARD-SS-0522/19	\$540.94
		06/21/2019	24777	110404428	CALCARD-VU-0522/19	\$1,142.71
		06/21/2019	24777	110404429	CALCARD-VU-0522/19	\$42.01
		06/21/2019	24777	110404521	CALCARD-FL-0522/19	\$1,723.81
		06/21/2019	24777	110404521	CALCARD-NG-0522/19	\$53.19
		06/21/2019	24777	110404521	CALCARD-TT-0522/19	\$2,423.35
		06/21/2019	24777	110404523	CALCARD-CP-0522/19	\$2,383.25
		06/21/2019	24777	110404523	CALCARD-HB-0522/19	\$136.75
		06/21/2019	24777	110404523	CALCARD-VU-0522/19	\$19.52
		06/21/2019	24777	110404525	CALCARD-TT-0522/19	\$24.95
		06/21/2019	24777	110404541	CALCARD-AF-0522/19	\$366.09
		06/21/2019	24777	110404541	CALCARD-HB-0522/19	\$884.44
		06/21/2019	24777	110404542	CALCARD-EF-0522/19	\$503.74
		06/21/2019	24777	110404542	CALCARD-HG-0522/19	\$280.53
		06/21/2019	24777	110404542	CALCARD-KK-0522/19	\$344.50
		US BANK XX0593 COMM SVC				
V37998	US BANK XX0502 COMM & MKTG	06/21/2019	24778	110111143	CALCRDS C/MKTG 0522/19	\$58.03
		06/21/2019	24778	110111151	CALCRDS C/MKTG 0522/19	\$366.00
		06/21/2019	24778	110111152	CALCRDS C/MKTG 0522/19	\$622.90
		06/21/2019	24778	510707936	CALCRDS C/MKTG 0522/19	\$88.89
US BANK XX0502 COMM & MKTG					Total Check Amount:	\$1,135.82
V37999	US BANK XX0353 COMM DEV	06/21/2019	24779	110	CALCARD CD/PL/BS05/19	\$3.41
		06/21/2019	24779	110323212	CALCARD CD/PL/BS 05/19	\$210.13
		06/21/2019	24779	110323231	CALCARD CD/PL/BS 05/19	\$2,471.38
		06/21/2019	24779	110323241	CALCARD CD/PL/BS 05/19	\$401.38
		06/21/2019	24779	110323242	CALCARD CD/PL/BS 05/19	\$120.00
		06/21/2019	24779	110323243	CALCARD CD/PL/BS 05/19	\$49.97
US BANK XX0353 COMM DEV					Total Check Amount:	\$3,256.27
V38000	US BANK XX0270 ADMIN SVCS	06/21/2019	24781	110	CAL CARDS FIN 0522/19	(\$52.55)
		06/21/2019	24781	110111161	CC CITY CLERK 0522/19	\$1,128.33
		06/21/2019	24781	110141411	CAL CARDS FIN 0522/19	\$376.80
		06/21/2019	24781	110141431	CAL CARDS FIN 0522/19	\$220.31
		06/21/2019	24781	110141441	CAL CARDS FIN 0522/19	\$673.06
		06/21/2019	24781	110323241	CAL CARDS FIN 0522/19	\$25.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V38000	US BANK XX0270 ADMIN SVCS	06/21/2019	24781	110404311	CAL CARDS FIN 052219	\$317.32
		06/21/2019	24781	490515151	CAL CARDS FIN 052219	\$7,713.07
US BANK XX0270 ADMIN SVCS					Total Check Amount:	\$10,401.34
V38001	US BANK XX0650 FIRE	06/21/2019	24782	110	CAL CARDS FIRE 052219	(\$8.61)
		06/21/2019	24782	110111143	CAL CARDS FIRE 052219	\$161.56
		06/21/2019	24782	110222211	CAL CARDS FIRE 052219	\$1,992.89
		06/21/2019	24782	110222213	CAL CARDS FIRE 052219	\$306.82
		06/21/2019	24782	110222221	CAL CARDS FIRE 052219	\$1,094.19
		06/21/2019	24782	110222223	CAL CARDS FIRE 052219	\$538.89
		06/21/2019	24782	110222231	CAL CARDS FIRE 052219	\$1,130.92
		06/21/2019	24782	174222222	CAL CARDS FIRE 052219	\$231.78
US BANK XX0650 FIRE					Total Check Amount:	\$5,448.44
V38002	US BANK XX0346 IT	06/21/2019	24783	110	CAL CARDS IT 052219	\$13.61
		06/21/2019	24783	110212111	CAL CARDS IT 052219	\$159.90
		06/21/2019	24783	110323214	CAL CARDS IT 052219	\$79.95
		06/21/2019	24783	110404154	CAL CARDS IT 052219	\$79.95
		06/21/2019	24783	110404213	CAL CARDS IT 052219	\$38.82
		06/21/2019	24783	110515125	CAL CARDS IT 052219	\$190.74
		06/21/2019	24783	280323215	CAL CARDS IT 052219	\$14.95
		06/21/2019	24783	460	CAL CARDS IT 052219	\$1.59
		06/21/2019	24783	460141474	CAL CARDS IT 052219	\$2,267.34
		06/21/2019	24783	475141471	CAL CARDS IT 052219	\$790.38
US BANK XX0346 IT					Total Check Amount:	\$3,637.23
V38004	US BANK XX0221 PW	06/21/2019	24784	110	CAL CARDS PW 052219	(\$211.81)
		06/21/2019	24784	110515125	CAL CARDS PW 052219	\$3,825.64
		06/21/2019	24784	110515141	CAL CARDS PW 052219	\$286.36
		06/21/2019	24784	110515143	CAL CARDS PW 052219	\$552.18
		06/21/2019	24784	110515144	CAL CARDS PW 052219	\$266.55
		06/21/2019	24784	110515148	CAL CARDS PW 052219	\$30.96
		06/21/2019	24784	360515145	CAL CARDS PW 052219	\$329.58
		06/21/2019	24784	420515131	CAL CARDS PW 052219	\$1,699.59
		06/21/2019	24784	430515123	CAL CARDS PW 052219	\$113.01
		06/21/2019	24784	480	CAL CARDS PW 052219	(\$8.29)
		06/21/2019	24784	480515161	CAL CARDS PW 052219	\$796.69
		06/21/2019	24784	490	CAL CARDS PW 052219	(\$17.03)
		06/21/2019	24784	490515151	CAL CARDS PW 052219	\$2,470.91
US BANK XX0221 PW					Total Check Amount:	\$10,134.34
V38006	US BANK XX0544 POLICE	06/21/2019	24785	110	CALCARDS 052219-POLIC	(\$4.57)

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V38006	US BANK XX0544 POLICE	06/21/2019	24785	110212111	CAL CARDS PD 052219	\$4,791.89
		06/21/2019	24785	110212121	CAL CARDS PD 052219	\$2,820.68
		06/21/2019	24785	110212131	CAL CARDS PD 052219	\$3,807.56
		06/21/2019	24785	110212132	CAL CARDS PD 052219	\$3,076.40
		06/21/2019	24785	110212133	CAL CARDS PD 052219	\$1,694.31
		06/21/2019	24785	110212134	CAL CARDS PD 052219	\$2,905.41
		06/21/2019	24785	110212142	CAL CARDS PD 052219	\$325.00
		06/21/2019	24785	480515161	CAL CARDS PD 052219	\$1,434.04
US BANK XX0544 POLICE					Total Check Amount:	\$20,850.72
V38007	US BANK XX3401 PW- ADMIN	06/21/2019	24786	110	CALCRDS PW ADM 052219	(\$10.00)
		06/21/2019	24786	110515111	CALCRDS PW ADM 052219	\$843.41
		06/21/2019	24786	110515171	CALCRDS PW ADM 052219	\$418.01
		06/21/2019	24786	510707251	CALCRDS PW ADM 052219	\$67.93
US BANK XX3401 PW- ADMIN					Total Check Amount:	\$1,319.35
V38008	VIRTUAL PROJECT MANAGER	06/21/2019	23508	510707317	CIP SW BCKUP/ST MAY19	\$300.00
		06/21/2019	23508	510707922	CIP SW BCKUP/ST MAY19	\$100.00
		06/21/2019	23508	510707936	CIP SW BCKUP/ST MAY19	\$100.00
VIRTUAL PROJECT MANAGER					Total Check Amount:	\$500.00
V38009	WALTERS WHOLESALE ELECTRIC	06/21/2019	1667	110515121	ELECTRICAL BREAKER	\$66.02
		06/21/2019	1667	110515121	ELECTRICAL SUPPLIES	\$56.09
		06/21/2019	1667	110515125	LAMPS:GROUND LIGHTING	\$397.60
WALTERS WHOLESALE ELECTRIC					Total Check Amount:	\$519.71
V38010	WAXIE SANITARY SUPPLY	06/21/2019	3332	110515141	2-PLY STANDARD ROLLS	\$268.62
		06/21/2019	3332	110515144	2-PLY STANDARD ROLLS	\$268.62
		06/21/2019	3332	110515148	2-PLY STANDARD ROLLS	\$268.62
WAXIE SANITARY SUPPLY					Total Check Amount:	\$805.86
V38011	WEST COAST ARBORISTS, INC.	06/21/2019	1556	110515125	TREE TRIM/REM 4/16-30	\$6,707.83
		06/21/2019	1556	110515142	ARBORIST REPORT APR19	\$433.08
		06/21/2019	1556	110515142	TREE TRIM/REM 4/16-30	\$6,915.90
		06/21/2019	1556	110515142	TREE TRIM/REM 5/1-15	\$8,274.98
		06/21/2019	1556	341515112	TREE REMOVAL 5/1-5/15	\$385.28
		06/21/2019	1556	341515112	TREE TRIM/REM 4/16-30	\$288.72
		06/21/2019	1556	880515113	TREE TRIM/REM 4/16-30	\$433.08
WEST COAST ARBORISTS, INC.					Total Check Amount:	\$23,438.87
V38012	WILLDAN ENGINEERING	06/21/2019	12445	110515171	CITY TFC ENGG 4/26/19	\$13,427.18
		06/21/2019	12445	510515171	CITY TFC ENGG 4/26/19	\$1,912.82
WILLDAN ENGINEERING					Total Check Amount:	\$15,340.00
V38013	SARA WOODWARD	06/21/2019	26083	110212122	MAY 2019 MILEAGE	\$95.12

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
SARA WOODWARD						Total Check Amount: \$95.12
V38014	ZERO WASTE USA INC/MUTT MITT	06/21/2019	22125	110515144	DOG WASTE CAN LINERS	\$165.55
		06/21/2019	22125	110515148	DOG WASTE CAN LINERS	\$165.55
		06/21/2019	22125	343515112	DOG WASTE BAGS	\$486.96
		06/21/2019	22125	360515147	DOG WASTE CAN LINERS	\$165.55
ZERO WASTE USA INC/MUTT MITT						Total Check Amount: \$983.61
V38015	ZUMAR INDUSTRIES, INC.	06/21/2019	3802	510707703	BLOCK NUMBER STICKERS	\$467.42
		06/21/2019	3802	510707703	CAPS FOR ST NAME SGNS	\$386.76
		06/21/2019	3802	510707703	ST NAME SIGN HARDWARE	\$1,089.73
ZUMAR INDUSTRIES, INC.						Total Check Amount: \$1,943.91
Voucher Subtotal						\$256,969.51
TOTAL						\$813,711.28

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
180975	KYONG H. AHN	06/28/2019	28669	110000000	DEVELOPER FEE REFUND	\$272.50
KYONG H. AHN					Total Check Amount:	\$272.50
180976	RUDOLPH ALANIS	06/28/2019	28633	420000000	CLOSED WATER ACCOUNT	\$50.01
RUDOLPH ALANIS					Total Check Amount:	\$50.01
180977	RUDOLPH ALANIS	06/28/2019	28633	420000000	CLOSED WATER ACCOUNT	\$54.37
RUDOLPH ALANIS					Total Check Amount:	\$54.37
180978	ALBERTSONS	06/28/2019	19188	110000000	DEVELOPER FEE REFUND	\$316.50
ALBERTSONS					Total Check Amount:	\$316.50
180979	ANAHEIM REG MED CENTER AHMC	06/28/2019	21180	110212121	EMERG RM CHGS 6/14/19	\$850.00
ANAHEIM REG MED CENTER AHMC					Total Check Amount:	\$850.00
180980	ARMS UNLIMITED INC.	06/28/2019	26722	110212131	AMMO/WEAPON LIGHTS	\$7,390.00
		06/28/2019	26722	110212131	AMMUNITION	\$700.00
		06/28/2019	26722	110212131	WEAPON LIGHTS	\$4,550.00
ARMS UNLIMITED INC.					Total Check Amount:	\$12,640.00
180981	ALYSSA M. ARNEY	06/28/2019	28605	110404541	DIRECTORS CHOICE:MICA	\$100.00
ALYSSA M. ARNEY					Total Check Amount:	\$100.00
180982	AT&T	06/28/2019	22050	475141471	0727368400 6/11-7/10	\$1,302.40
AT&T					Total Check Amount:	\$1,302.40
180983	AT&T CALNET	06/28/2019	20391	360515145	9391060716 5/28/19	\$39.61
		06/28/2019	20391	420515131	9391011964 5/28/19	\$39.61
		06/28/2019	20391	420515131	9391011967 5/28/19	\$0.43
		06/28/2019	20391	420515131	9391011977 5/28/19	\$247.42
		06/28/2019	20391	475141471	9391011961 5/28/19	\$230.81
		06/28/2019	20391	475141471	9391011962 5/13/19	\$20.63
		06/28/2019	20391	475141471	9391011963 5/28/19	\$20.65
		06/28/2019	20391	475141471	9391011965 5/28/19	\$39.69
		06/28/2019	20391	475141471	9391011966 5/28/19	\$58.59
		06/28/2019	20391	475141471	9391011968 5/22/19	\$21.16
		06/28/2019	20391	475141471	9391011970 5/15/19	\$79.76
		06/28/2019	20391	475141471	9391011971 5/28/19	\$39.61
		06/28/2019	20391	475141471	9391011972 5/28/19	\$138.87
		06/28/2019	20391	475141471	9391011973 5/28/19	\$41.29
		06/28/2019	20391	475141471	9391011975 5/28/19	\$3,404.68
		06/28/2019	20391	475141471	9391011976 5/28/19	\$908.54
		06/28/2019	20391	475141471	9391011978 5/28/19	\$777.90
		06/28/2019	20391	475141471	9391011979 5/28/19	\$83.28
		06/28/2019	20391	475141471	9391023157 5/28/19	\$20.63
		06/28/2019	20391	475141471	9391023158 5/28/19	\$34.46

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180983	AT&T CALNET	06/28/2019	20391	475141471	9391023159 5/28/19	\$20.63
		06/28/2019	20391	475141471	9391052504 5/28/19	\$274.89
		06/28/2019	20391	475141471	9391052507 5/28/19	\$2,309.15
		06/28/2019	20391	475141471	9391057787 5/28/19	\$364.17
		06/28/2019	20391	475141471	9391063120 5/28/19	\$216.45
		06/28/2019	20391	475141471	9391063276 5/28/19	\$28.46
		06/28/2019	20391	475141471	9391063405 5/28/19	\$99.49
		06/28/2019	20391	475141471	9391064993 5/28/19	\$32.33
AT&T CALNET					Total Check Amount:	\$9,593.19
180984	ERNEST BALDERAS	06/28/2019	28665	110000000	DEVELOPER FEE REFUND	\$666.38
ERNEST BALDERAS					Total Check Amount:	\$666.38
180985	RAPHAEL BEHRAMAN	06/28/2019	28652	110000000	DEVELOPER FEE REFUND	\$151.50
RAPHAEL BEHRAMAN					Total Check Amount:	\$151.50
180986	BLACK & WHITE EMERGENCY VEHICLES	06/28/2019	24788	480515161	PSO 993 CHANGE-OVER	\$4,690.53
BLACK & WHITE EMERGENCY VEHICLES					Total Check Amount:	\$4,690.53
180987	BR LAMBERT LLC	06/28/2019	28649	110000000	DEVELOPER FEE REFUND	\$9.50
BR LAMBERT LLC					Total Check Amount:	\$9.50
180988	BRISTOL INDUSTRIES	06/28/2019	25690	110000000	DEVELOPER FEE REFUND	\$313.45
BRISTOL INDUSTRIES					Total Check Amount:	\$313.45
180989	VALERIE BRUNO	06/28/2019	28648	110000000	DEVELOPER FEE REFUND	\$95.69
VALERIE BRUNO					Total Check Amount:	\$95.69
180990	MICHAEL BUSTAMANTE	06/28/2019	28630	420000000	CLOSED WATER ACCOUNT	\$51.75
MICHAEL BUSTAMANTE					Total Check Amount:	\$51.75
180991	VERONICA CABALLERO	06/28/2019	21813	110	SUMMER DAYCAMP REFUND	\$165.00
VERONICA CABALLERO					Total Check Amount:	\$165.00
180992	CALIFORNIA NEWSPAPER PARTNERSHIP	06/28/2019	26287	110404421	AD:COUNTRY FAIR	\$865.02
		06/28/2019	26287	110404421	AD:PET EXPO	\$179.74
CALIFORNIA NEWSPAPER PARTNERSHIP					Total Check Amount:	\$1,044.76
180993	CELL DOC	06/28/2019	28562	110000000	DEVELOPER FEE REFUND	\$274.00
CELL DOC					Total Check Amount:	\$274.00
180994	CHARIS CHILDREN'S ART MUSIC THEATRE	06/28/2019	16171	110	THTR RENTAL DEP REFND	\$378.50
CHARIS CHILDREN'S ART MUSIC THEATRE					Total Check Amount:	\$378.50
180995	MICHELLE CHO	06/28/2019	28635	420000000	CLOSED WATER ACCOUNT	\$5.17
MICHELLE CHO					Total Check Amount:	\$5.17
180996	DAVID CHOU	06/28/2019	23554	110000000	DEVELOPER FEE REFUND	\$515.38
DAVID CHOU					Total Check Amount:	\$515.38
180997	CIVILTEC ENGINEERING INC.	06/28/2019	2581	510707453	WTR MN REPL THRU 3/1	\$3,061.75
		06/28/2019	2581	510707453	WTR MN REPL THRU 3/31	\$11,736.76

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180997	CIVILTEC ENGINEERING INC.	06/28/2019	2581	510707453	WTR MN REPL THRU 4/26	\$10,859.62
		06/28/2019	2581	510707457	WTR MN REPL THRU 3/1	\$3,025.50
		06/28/2019	2581	510707457	WTR MN REPL THRU 3/31	\$19,061.36
		06/28/2019	2581	510707457	WTR MN REPL THRU 4/26	\$2,807.50
		06/28/2019	2581	510707459	WTR MN REPL THRU 3/1	\$2,751.25
		06/28/2019	2581	510707459	WTR MN REPL THRU 3/31	\$19,328.99
		06/28/2019	2581	510707459	WTR MN REPL THRU 4/26	\$15,578.39
		06/28/2019	2581	510707460	WTR MN REPL THRU 3/1	\$3,794.00
		06/28/2019	2581	510707460	WTR MN REPL THRU 3/31	\$18,292.36
		06/28/2019	2581	510707460	WTR MN REPL THRU 4/26	\$15,223.02
CIVILTEC ENGINEERING INC.					Total Check Amount:	\$125,520.50
180998	WILLIAM COATS	06/28/2019	28575	110000000	DEVELOPER FEE REFUND	\$74.00
WILLIAM COATS					Total Check Amount:	\$74.00
180999	COMERICA BANK	06/28/2019	28645	110000000	DEVELOPER FEE REFUND	\$479.85
COMERICA BANK					Total Check Amount:	\$479.85
181000	DR CORBIN	06/28/2019	28654	110000000	DEVELOPER FEE REFUND	\$213.59
DR CORBIN					Total Check Amount:	\$213.59
181001	BONNIE CORWIN	06/28/2019	28558	110000000	DEVELOPER FEE REFUND	\$92.00
BONNIE CORWIN					Total Check Amount:	\$92.00
181002	THE COUNSELING TEAM INTERNATIONAL	06/28/2019	13933	110222221	EMPL SUPP SVCS MAY19	\$220.00
THE COUNSELING TEAM INTERNATIONAL					Total Check Amount:	\$220.00
181003	COUNTY OF ORANGE	06/28/2019	4799	110212122	MAY19 PRKNG CITATIONS	\$6,320.50
COUNTY OF ORANGE					Total Check Amount:	\$6,320.50
181004	COUNTY OF ORANGE	06/28/2019	4799	172212133	COMM CHGS BR0 APR-JUN	\$23,561.00
COUNTY OF ORANGE					Total Check Amount:	\$23,561.00
181005	COUNTY OF ORANGE	06/28/2019	4799	110212122	FINGERPRINT ID JUN19	\$1,783.00
COUNTY OF ORANGE					Total Check Amount:	\$1,783.00
181006	MARTIN AND TAUNA CRIPPEN	06/28/2019	28676	110000000	DEVELOPER FEE REFUND	\$76.67
MARTIN AND TAUNA CRIPPEN					Total Check Amount:	\$76.67
181007	CROCS LIGHTER	06/28/2019	28541	110000000	DEVELOPER FEE REFUND	\$21.29
CROCS LIGHTER					Total Check Amount:	\$21.29
181008	WAYNE CROSS	06/28/2019	28552	110000000	DEVELOPER FEE REFUND	\$190.00
WAYNE CROSS					Total Check Amount:	\$190.00
181009	HAIBO CUI	06/28/2019	28567	110000000	DEVELOPER FEE REFUND	\$190.00
HAIBO CUI					Total Check Amount:	\$190.00
181010	FERNANDO DE LA OSSA	06/28/2019	28690	420000000	CLOSED WATER ACCOUNT	\$19.34
FERNANDO DE LA OSSA					Total Check Amount:	\$19.34
181011	THUSHARA DESILVA	06/28/2019	28607	110	THTR RENTAL DEP REFND	\$207.75

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THUSHARA DESILVA						Total Check Amount: \$207.75
181012	SOUTHERN CALIFORNIA EDISON	06/28/2019	3343	110515121	ELECTRICITY MAY/JUN19	\$1,870.12
		06/28/2019	3343	110515148	ELECTRICITY MAY/JUN19	\$34.07
		06/28/2019	3343	490515151	ELECTRICITY MAY/JUN19	\$26,283.09
SOUTHERN CALIFORNIA EDISON						Total Check Amount: \$28,187.28
181013	ROY EK	06/28/2019	28539	110000000	DEVELOPER FEE REFUND	\$9.53
ROY EK						Total Check Amount: \$9.53
181014	DAMIAN ESTRADA	06/28/2019	28610	110	BCC ACCT BALNCE REFND	\$105.00
DAMIAN ESTRADA						Total Check Amount: \$105.00
181015	EVAN-WALL	06/28/2019	28547	110000000	DEVELOPER FEE REFUND	\$315.00
EVAN-WALL						Total Check Amount: \$315.00
181016	ELIZABETH MARIE FLYNN	06/28/2019	28604	110404541	DIRECTORS CHOICE:MICA	\$100.00
ELIZABETH MARIE FLYNN						Total Check Amount: \$100.00
181017	KENT FORDE	06/28/2019	28673	110000000	DEVELOPER FEE REFUND	\$440.90
KENT FORDE						Total Check Amount: \$440.90
181018	FRANCHISE TAX BOARD	06/28/2019	13287	110	CD916516281 062119 PR	\$145.43
FRANCHISE TAX BOARD						Total Check Amount: \$145.43
181019	FRANCHISE TAX BOARD/ST OF CALIF	06/28/2019	12043	110	625016303 062119 PR	\$1,416.80
FRANCHISE TAX BOARD/ST OF CALIF						Total Check Amount: \$1,416.80
181020	MARY FRANCIS	06/28/2019	28569	110000000	DEVELOPER FEE REFUND	\$190.00
MARY FRANCIS						Total Check Amount: \$190.00
181021	FRONTIER COMMUNICATIONS	06/28/2019	26183	420515131	562 1821083 6/7-7/6	\$62.36
FRONTIER COMMUNICATIONS						Total Check Amount: \$62.36
181022	JEI GARLITOS	06/28/2019	28684	110000000	DEVELOPER FEE REFUND	\$96.00
JEI GARLITOS						Total Check Amount: \$96.00
181023	THE GAS COMPANY	06/28/2019	3749	490515151	GAS MAY/JUNE 2019	\$3,283.12
THE GAS COMPANY						Total Check Amount: \$3,283.12
181024	GATEWAY URGENT CARE CENTER	06/28/2019	27352	110141481	MED EXAMS MAY/JUN19	\$2,700.00
GATEWAY URGENT CARE CENTER						Total Check Amount: \$2,700.00
181025	JENNIFER GERDON	06/28/2019	28622	420000000	CLOSED WATER ACCOUNT	\$62.74
JENNIFER GERDON						Total Check Amount: \$62.74
181026	FRANCISCO GONZALES	06/28/2019	28548	110000000	DEVELOPER FEE REFUND	\$168.00
FRANCISCO GONZALES						Total Check Amount: \$168.00
181027	DENNIS M GORHAM	06/28/2019	28601	110000000	CITATION REFUND	\$38.00
DENNIS M GORHAM						Total Check Amount: \$38.00
181028	SHANARA GRACE	06/28/2019	28606	110000000	PD REPORT REQ REFUND	\$3.00
SHANARA GRACE						Total Check Amount: \$3.00
181029	GIBAY GUTIERREZ	06/28/2019	21247	420000000	WATER ACCT OVERPAYMNT	\$3,913.38
GIBAY GUTIERREZ						Total Check Amount: \$3,913.38

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
181030	SUNNY HANSON	06/28/2019	28663	110000000	DEVELOPER FEE REFUND	\$418.12
SUNNY HANSON						Total Check Amount: \$418.12
181031	HF&H CONSULTANTS, LLC	06/28/2019	27542	440515122	SOLIDWASTE SVCS MAY19	\$1,551.75
HF&H CONSULTANTS, LLC						Total Check Amount: \$1,551.75
181032	HILLYARD INC.	06/28/2019	12184	490515151	FLOOR CLNING SUPPLIES	\$506.62
HILLYARD INC.						Total Check Amount: \$506.62
181033	DENNIS & MARY HOCK	06/28/2019	19437	110000000	DEVELOPER FEE REFUND	\$150.64
DENNIS & MARY HOCK						Total Check Amount: \$150.64
181034	DEANNE HOFF	06/28/2019	28603	110	BYT OLIVER REFUND	\$170.00
DEANNE HOFF						Total Check Amount: \$170.00
181035	WARREN HOLMES	06/28/2019	28688	420000000	CLOSED WATER ACCOUNT	\$65.95
WARREN HOLMES						Total Check Amount: \$65.95
181036	WAYNE HORNG	06/28/2019	28542	110000000	DEVELOPER FEE REFUND	\$168.00
WAYNE HORNG						Total Check Amount: \$168.00
181037	WILLIAM HSU	06/28/2019	28570	110000000	DEVELOPER FEE REFUND	\$205.50
WILLIAM HSU						Total Check Amount: \$205.50
181038	DAVID HUANG	06/28/2019	28549	110000000	DEVELOPER FEE REFUND	\$102.00
DAVID HUANG						Total Check Amount: \$102.00
181039	JANET INOCENTE	06/28/2019	28670	110000000	DEVELOPER FEE REFUND	\$46.50
JANET INOCENTE						Total Check Amount: \$46.50
181040	IPERS BREA	06/28/2019	28637	110000000	DEVELOPER FEE REFUND	\$199.38
IPERS BREA						Total Check Amount: \$199.38
181041	IPERS BREA BUSINESS PARK	06/28/2019	28682	110000000	DEVELOPER FEE REFUND	\$231.38
IPERS BREA BUSINESS PARK						Total Check Amount: \$231.38
181042	IRV SEAVER MOTORCYCLES	06/28/2019	18742	480515161	BMW MOTOR GASKETS	\$51.61
IRV SEAVER MOTORCYCLES						Total Check Amount: \$51.61
181043	JLJ (NEW) INVESTMENTS	06/28/2019	28650	110000000	DEVELOPER FEE REFUND	\$686.14
JLJ (NEW) INVESTMENTS						Total Check Amount: \$686.14
181044	GAIL JOHNSON	06/28/2019	28561	110000000	DEVELOPER FEE REFUND	\$164.00
GAIL JOHNSON						Total Check Amount: \$164.00
181045	JEFF JONES	06/28/2019	28655	110000000	DEVELOPER FEE REFUND	\$668.24
JEFF JONES						Total Check Amount: \$668.24
181046	TIMMY JOSEPH	06/28/2019	28563	110000000	DEVELOPER FEE REFUND	\$146.00
TIMMY JOSEPH						Total Check Amount: \$146.00
181047	GREG KARAPETIAN	06/28/2019	28618	420000000	CLOSED WATER ACCOUNT	\$28.02
GREG KARAPETIAN						Total Check Amount: \$28.02
181048	W. A. KERCHEVILLE	06/28/2019	28612	420000000	CLOSED WATER ACCOUNT	\$49.96
W. A. KERCHEVILLE						Total Check Amount: \$49.96
181049	KAVO KERR	06/28/2019	28644	110000000	DEVELOPER FEE REFUND	\$1,596.03

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KAVO KERR					Total Check Amount:	\$1,596.03
181050	KEVIN JEWELERS	06/28/2019	28639	110000000	DEVELOPER FEE REFUND	\$272.50
KEVIN JEWELERS					Total Check Amount:	\$272.50
181051	DANIEL KIM	06/28/2019	28616	420000000	CLOSED WATER ACCOUNT	\$59.62
DANIEL KIM					Total Check Amount:	\$59.62
181052	KENNETH KIM	06/28/2019	28668	110000000	DEVELOPER FEE REFUND	\$200.50
KENNETH KIM					Total Check Amount:	\$200.50
181053	MIN SU KIM	06/28/2019	28613	420000000	CLOSED WATER ACCOUNT	\$49.37
MIN SU KIM					Total Check Amount:	\$49.37
181054	MIN SU KIM	06/28/2019	28613	420000000	CLOSED WATER ACCOUNT	\$61.22
MIN SU KIM					Total Check Amount:	\$61.22
181055	MIN SU KIM	06/28/2019	28613	420000000	CLOSED WATER ACCOUNT	\$61.22
MIN SU KIM					Total Check Amount:	\$61.22
181056	ROBERT KNAPP	06/28/2019	28672	110000000	DEVELOPER FEE REFUND	\$93.67
ROBERT KNAPP					Total Check Amount:	\$93.67
181057	MARY S. KOLLER	06/28/2019	28683	110000000	DEVELOPER FEE REFUND	\$8.30
MARY S. KOLLER					Total Check Amount:	\$8.30
181058	KADE & GABRIELLE KUDRON	06/28/2019	28643	110000000	DEVELOPER FEE REFUND	\$188.25
KADE & GABRIELLE KUDRON					Total Check Amount:	\$188.25
181059	KURA REVOLVING SUSHI BAR	06/28/2019	28600	110	RECEIVABLE-REFUND	\$325.90
KURA REVOLVING SUSHI BAR					Total Check Amount:	\$325.90
181060	LACEY CUSTOM LINENS, INC.	06/28/2019	2772	110141441	FUEL SURCHARGE 5/30	\$20.00
		06/28/2019	2772	110141441	LINEN SERVICE 5/10/19	\$285.59
LACEY CUSTOM LINENS, INC.					Total Check Amount:	\$305.59
181061	LAKEMAN CHASSIS	06/28/2019	12885	480515161	STORAGE BOXES	\$657.27
LAKEMAN CHASSIS					Total Check Amount:	\$657.27
181062	TONY AND MARY LANGE	06/28/2019	28678	110000000	DEVELOPER FEE REFUND	\$38.99
TONY AND MARY LANGE					Total Check Amount:	\$38.99
181063	LIFE-ASSIST, INC.	06/28/2019	10530	174222222	PM MEDS FIRE STN #3	\$430.73
		06/28/2019	10530	174222222	PM SUPPLIES FIRESTN 1	\$869.20
LIFE-ASSIST, INC.					Total Check Amount:	\$1,299.93
181064	GANG LIU	06/28/2019	28628	420000000	CLOSED WATER ACCOUNT	\$67.73
GANG LIU					Total Check Amount:	\$67.73
181065	WEICHUNG LIU	06/28/2019	28689	420000000	CLOSED WATER ACCOUNT	\$33.09
WEICHUNG LIU					Total Check Amount:	\$33.09
181066	JASON LOCKER	06/28/2019	28661	110000000	DEVELOPER FEE REFUND	\$251.62
JASON LOCKER					Total Check Amount:	\$251.62
181067	DR LUKAC	06/28/2019	28653	110000000	DEVELOPER FEE REFUND	\$176.29
DR LUKAC					Total Check Amount:	\$176.29

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
181068	LEJO MAMMEN	06/28/2019	28664	110000000	DEVELOPER FEE REFUND	\$224.00
LEJO MAMMEN					Total Check Amount:	\$224.00
181069	BEHLEHEM MENGESHA	06/28/2019	28632	420000000	CLOSED WATER ACCOUNT	\$13.52
BEHLEHEM MENGESHA					Total Check Amount:	\$13.52
181070	BEHLEHEM MENGESHA	06/28/2019	28632	420000000	CLOSED WATER ACCOUNT	\$31.26
BEHLEHEM MENGESHA					Total Check Amount:	\$31.26
181071	MERCURY INSURANCE	06/28/2019	16489	110000000	DEVELOPER FEE REFUND	\$186.00
MERCURY INSURANCE					Total Check Amount:	\$186.00
181072	GARY MILLER	06/28/2019	28687	110000000	DEVELOPER FEE REFUND	\$5.51
GARY MILLER					Total Check Amount:	\$5.51
181073	CARMEN MONOCROUSSOS	06/28/2019	28660	110000000	DEVELOPER FEE REFUND	\$272.50
CARMEN MONOCROUSSOS					Total Check Amount:	\$272.50
181074	MY COMMUNITY GUIDE	06/28/2019	23827	110404421	COUNTRY FAIR AD	\$250.00
MY COMMUNITY GUIDE					Total Check Amount:	\$250.00
181075	CHARLES NAVARRO	06/28/2019	28679	110000000	DEVELOPER FEE REFUND	\$34.00
CHARLES NAVARRO					Total Check Amount:	\$34.00
181076	NDS, LLC	06/28/2019	25312	110141441	PRESORT MAILSVJ JUN19	\$298.22
NDS, LLC					Total Check Amount:	\$298.22
181077	NESBITT PARTNERS	06/28/2019	16446	110000000	DEVELOPER FEE REFUND	\$428.50
NESBITT PARTNERS					Total Check Amount:	\$428.50
181078	LINH-GIANG NGUYEN	06/28/2019	26849	110000000	DEVELOPER FEE REFUND	\$2.00
LINH-GIANG NGUYEN					Total Check Amount:	\$2.00
181079	GRACE NIWA	06/28/2019	28658	110000000	DEVELOPER FEE REFUND	\$62.26
GRACE NIWA					Total Check Amount:	\$62.26
181080	OFFICE DEPOT, INC	06/28/2019	4743	110141411	TONERS	\$602.54
		06/28/2019	4743	110141441	WHITE BOARD	\$19.86
		06/28/2019	4743	110212111	COFFEE	\$12.00
		06/28/2019	4743	110212111	OFFICE SUPPLIES	\$96.88
		06/28/2019	4743	110212111	TONERS	\$663.32
		06/28/2019	4743	110212121	OFFICE SUPPLIES	\$47.32
		06/28/2019	4743	110212121	P&E SUPPLIES	\$256.41
		06/28/2019	4743	110222211	OFFICE SUPPLIES	\$95.59
		06/28/2019	4743	110404311	OFFICE SUPPLIES	\$128.30
OFFICE DEPOT, INC					Total Check Amount:	\$1,922.22
181081	ORIGINAL WATERMEN, INC.	06/28/2019	26977	110404420	STAFF UNIFORMS	\$852.64
ORIGINAL WATERMEN, INC.					Total Check Amount:	\$852.64
181082	P.L. HAWN COMPANY, INC.	06/28/2019	10742	490515151	HVAC FILTERS	\$724.89
P.L. HAWN COMPANY, INC.					Total Check Amount:	\$724.89
181083	PACIFIC WESTERN BANK	06/28/2019	25852	110000000	DEVELOPER FEE REFUND	\$748.53

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
PACIFIC WESTERN BANK					Total Check Amount:	\$748.53
181084	HELEN PAK	06/28/2019	26240	110000000	DEVELOPER FEE REFUND	\$19.50
HELEN PAK					Total Check Amount:	\$19.50
181085	NANJARI PATEL	06/28/2019	28614	420000000	CLOSED WATER ACCOUNT	\$26.35
NANJARI PATEL					Total Check Amount:	\$26.35
181086	VITO PERITORE	06/28/2019	28624	420000000	CLOSED WATER ACCOUNT	\$77.13
VITO PERITORE					Total Check Amount:	\$77.13
181087	PAUL PIERCE	06/28/2019	28462	420000000	CLOSED WATER ACCOUNT	\$178.82
PAUL PIERCE					Total Check Amount:	\$178.82
181088	THE PIZZA PRESS	06/28/2019	28641	110000000	DEVELOPER FEE REFUND	\$18.93
THE PIZZA PRESS					Total Check Amount:	\$18.93
181089	DONALD POPE	06/28/2019	28646	110000000	DEVELOPER FEE REFUND	\$324.50
DONALD POPE					Total Check Amount:	\$324.50
181090	DANI POURSHAHBAZI	06/28/2019	28686	110000000	DEVELOPER FEE REFUND	\$143.74
DANI POURSHAHBAZI					Total Check Amount:	\$143.74
181091	PREMIUM SUITS	06/28/2019	28657	110000000	DEVELOPER FEE REFUND	\$578.74
PREMIUM SUITS					Total Check Amount:	\$578.74
181092	PRES COMPANIES	06/28/2019	28671	110000000	DEVELOPER FEE REFUND	\$24.33
PRES COMPANIES					Total Check Amount:	\$24.33
181093	NICK PRESTON	06/28/2019	28681	110000000	DEVELOPER FEE REFUND	\$392.38
NICK PRESTON					Total Check Amount:	\$392.38
181094	PROFORCE LAW ENFORCEMENT	06/28/2019	25486	110212131	TRAINING AMMUNITION	\$1,870.54
		06/28/2019	25486	110212134	MAGAZINE	\$241.40
PROFORCE LAW ENFORCEMENT					Total Check Amount:	\$2,111.94
181095	PUENTE HILLS FORD	06/28/2019	25742	480515161	1417 REPL ENGN/TR MTS	\$961.91
		06/28/2019	25742	480515161	1430 EJNGINE REPAIR	\$961.58
		06/28/2019	25742	480515161	1528 REPL MOTOR MOUNT	\$83.08
		06/28/2019	25742	480515161	CORE DEPOSIT REFUND	(\$87.60)
		06/28/2019	25742	480515161	CREDIT:HANDLE #66242	(\$37.94)
		06/28/2019	25742	480515161	CREDIT:SHIELD/HANDLE	(\$77.90)
		06/28/2019	25742	480515161	ENGN COOLING FAN ASSY	\$280.02
		06/28/2019	25742	480515161	HEATER HOSE ASSEMBLY	\$65.66
		06/28/2019	25742	480515161	HORN ASSEMBLY	\$42.10
		06/28/2019	25742	480515161	LAMP ASSEMBLY	\$481.15
		06/28/2019	25742	480515161	RELAY	\$246.70
		06/28/2019	25742	480515161	SEAT HNDL/COVER/SHLD	\$99.97
		06/28/2019	25742	480515161	SWITCH HSG/INT HANDLS	\$73.87
PUENTE HILLS FORD					Total Check Amount:	\$3,092.60
181096	RENNE SLOAN HOTLZMAN SAKAI, LLP	06/28/2019	27580	110141481	PROF SVCS MAY 2019	\$383.50

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RENNE SLOAN HOTLZMAN SAKAI, LLP					Total Check Amount:	\$383.50
181097	TARAN REYNOLDS	06/28/2019	28638	110000000	DEVELOPER FEE REFUND	\$121.00
TARAN REYNOLDS					Total Check Amount:	\$121.00
181098	JAVIER RIVERA	06/28/2019	23741	110000000	DEVELOPER FEE REFUND	\$134.05
JAVIER RIVERA					Total Check Amount:	\$134.05
181099	NORMA B RODRIGUEZ	06/28/2019	28656	110000000	DEVELOPER FEE REFUND	\$172.76
NORMA B RODRIGUEZ					Total Check Amount:	\$172.76
181100	MICHAEL & VALERIE RUSSELL	06/28/2019	28680	110000000	DEVELOPER FEE REFUND	\$248.00
MICHAEL & VALERIE RUSSELL					Total Check Amount:	\$248.00
181101	SANCON ENGINEERING, INC.	06/28/2019	26947	510707617	PH2 SWR MN LN RELINE	\$61,718.00
SANCON ENGINEERING, INC.					Total Check Amount:	\$61,718.00
181102	SUSAN SAXE-CLIFFORD, PH.D.*	06/28/2019	22693	110141481	PSYCH EVAL JUNE 2019	\$800.00
SUSAN SAXE-CLIFFORD, PH.D.*					Total Check Amount:	\$800.00
181103	PATRICK SCHEIDER	06/28/2019	28659	110000000	DEVELOPER FEE REFUND	\$337.38
PATRICK SCHEIDER					Total Check Amount:	\$337.38
181104	SEELEY BROTHERS	06/28/2019	28675	110000000	DEVELOPER FEE REFUND	\$274.00
SEELEY BROTHERS					Total Check Amount:	\$274.00
181105	ROGERS SHEEKS	06/28/2019	28640	110000000	DEVELOPER FEE REFUND	\$1,272.06
ROGERS SHEEKS					Total Check Amount:	\$1,272.06
181106	HERMANN SITT	06/28/2019	28667	110000000	DEVELOPER FEE REFUND	\$272.50
HERMANN SITT					Total Check Amount:	\$272.50
181107	JACK SMITH	06/28/2019	27908	110404311	OLNDMSM COTTAGE UPGRD	\$46.02
JACK SMITH					Total Check Amount:	\$46.02
181108	LYDIA AND/OR BILL SMITH	06/28/2019	28623	420000000	CLOSED WATER ACCOUNT	\$12.97
LYDIA AND/OR BILL SMITH					Total Check Amount:	\$12.97
181109	VELJANOVSKA SNEZANA	06/28/2019	28647	110000000	DEVELOPER FEE REFUND	\$336.50
VELJANOVSKA SNEZANA					Total Check Amount:	\$336.50
181110	SO. CALIFORNIA FLEET SVCS. INC	06/28/2019	27570	480515161	SIREN SPEAKER	\$328.73
SO. CALIFORNIA FLEET SVCS. INC					Total Check Amount:	\$328.73
181111	SPARKLETTS	06/28/2019	3001	110141441	5G WTR BOTTLES MAY19	\$444.60
		06/28/2019	3001	110141441	WTR DISP RENTAL MAY19	\$94.64
SPARKLETTS					Total Check Amount:	\$539.24
181112	LISA STOTELMYRE	06/28/2019	21977	110000000	DEVELOPER FEE REFUND	\$43.34
LISA STOTELMYRE					Total Check Amount:	\$43.34
181113	ANDREA SWINHART	06/28/2019	28666	110000000	DEVELOPER FEE REFUND	\$189.00
ANDREA SWINHART					Total Check Amount:	\$189.00
181114	T&T MARKETING CONCEPTS CORP	06/28/2019	28620	420000000	CLOSED WATER ACCOUNT	\$73.39
T&T MARKETING CONCEPTS CORP					Total Check Amount:	\$73.39
181115	T&T MARKETING CONCEPTS CORP	06/28/2019	28620	420000000	CLOSED WATER ACCOUNT	\$49.96

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T&T MARKETING CONCEPTS CORP					Total Check Amount:	\$49.96
181116	SEAN THOMANN	06/28/2019	28662	110000000	DEVELOPER FEE REFUND	\$251.62
SEAN THOMANN					Total Check Amount:	\$251.62
181117	AINI TJAUW	06/28/2019	28608	110	SUMMER DAYCAMP REFUND	\$680.00
AINI TJAUW					Total Check Amount:	\$680.00
181118	MICHAEL & SHAWNA TRIMMELL	06/28/2019	28685	110000000	DEVELOPER FEE REFUND	\$110.38
MICHAEL & SHAWNA TRIMMELL					Total Check Amount:	\$110.38
181119	CHRISTIE TSUYUKI	06/28/2019	28602	110	BCC ACCT BAL REFUND	\$34.00
CHRISTIE TSUYUKI					Total Check Amount:	\$34.00
181120	UNITED PARCEL SERVICE	06/28/2019	3174	110141441	SHIPPING CHGS MAY/JUN	\$110.38
UNITED PARCEL SERVICE					Total Check Amount:	\$110.38
181121	RICK URIBE	06/28/2019	28651	110000000	DEVELOPER FEE REFUND	\$383.25
RICK URIBE					Total Check Amount:	\$383.25
181122	USC FOUNDATION	06/28/2019	10128	420515131	MEMB RENEWAL 2019/20	\$573.10
USC FOUNDATION					Total Check Amount:	\$573.10
181123	VANS	06/28/2019	28674	110000000	DEVELOPER FEE REFUND	\$775.02
VANS					Total Check Amount:	\$775.02
181124	TONY & MELISSA VASQUEZ	06/28/2019	28642	110000000	DEVELOPER FEE REFUND	\$233.27
TONY & MELISSA VASQUEZ					Total Check Amount:	\$233.27
181125	VELOCITEL, INC.	06/28/2019	16056	110000000	DEVELOPER FEE REFUND	\$574.74
VELOCITEL, INC.					Total Check Amount:	\$574.74
181126	VERIZON CONNECT NWF, INC.	06/28/2019	25293	480515161	PW GPS FEES MAY 2019	\$893.00
VERIZON CONNECT NWF, INC.					Total Check Amount:	\$893.00
181127	VERIZON WIRELESS	06/28/2019	14779	110000000	DEVELOPER FEE REFUND	\$303.16
VERIZON WIRELESS					Total Check Amount:	\$303.16
181129	VERIZON WIRELESS	06/28/2019	21122	110	9828666431 3/23-4/22	\$25.42
		06/28/2019	21122	110111111	9828666431 3/23-4/22	\$53.50
		06/28/2019	21122	110111143	9828666431 3/23-4/22	\$137.02
		06/28/2019	21122	110111151	9828666431 3/23-4/22	\$81.58
		06/28/2019	21122	110111161	9828666431 3/23-4/22	\$53.50
		06/28/2019	21122	110141411	9828666431 3/23-4/22	\$30.02
		06/28/2019	21122	110141424	9828666431 3/23-4/22	\$53.50
		06/28/2019	21122	110141441	9828666431 3/23-4/22	\$53.50
		06/28/2019	21122	110141481	9828666431 3/23-4/22	\$53.50
		06/28/2019	21122	110212121	9828666431 3/23-4/22	\$3,898.94
		06/28/2019	21122	110222223	9828666431 3/23-4/22	\$1,063.90
		06/28/2019	21122	110323212	9828666431 3/23-4/22	\$53.50
		06/28/2019	21122	110323231	9828666431 3/23-4/22	\$53.50

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
181129	VERIZON WIRELESS	06/28/2019	21122	110323241	9828666431 3/23-4/22	\$53.50
		06/28/2019	21122	110323242	9828666431 3/23-4/22	\$53.50
		06/28/2019	21122	110323243	9828666431 3/23-4/22	\$53.50
		06/28/2019	21122	110404311	9828666431 3/23-4/22	\$465.02
		06/28/2019	21122	110404525	9828666431 3/23-4/22	\$107.00
		06/28/2019	21122	110515171	9828666431 3/23-4/22	\$215.07
		06/28/2019	21122	174222222	9828666431 3/23-4/22	\$585.64
		06/28/2019	21122	410515124	9828666431 3/23-4/22	\$30.02
		06/28/2019	21122	420515131	9828666431 3/23-4/22	\$959.45
		06/28/2019	21122	430515123	9828666431 3/23-4/22	\$755.66
		06/28/2019	21122	460141474	9828666431 3/23-4/22	\$321.00
		06/28/2019	21122	475141471	9828666431 3/23-4/22	\$658.66
VERIZON WIRELESS					Total Check Amount:	\$9,869.40
181130	VERIZON WIRELESS	06/28/2019	21122	110212121	9831374095 5/4-6/3	\$53.99
VERIZON WIRELESS					Total Check Amount:	\$53.99
181131	CONNIE VUONG	06/28/2019	28611	110	BCC ACCT BALNCE REFND	\$232.00
CONNIE VUONG					Total Check Amount:	\$232.00
181132	DENNIS AND FARAH WALL	06/28/2019	28677	110000000	DEVELOPER FEE REFUND	\$186.78
DENNIS AND FARAH WALL					Total Check Amount:	\$186.78
181133	SIQI WANG AND/OR MINHUI CHEN	06/28/2019	28615	420000000	CLOSED WATER ACCOUNT	\$56.03
SIQI WANG AND/OR MINHUI CHEN					Total Check Amount:	\$56.03
181134	SIQI WANG AND/OR MINHUI CHEN	06/28/2019	28615	420000000	CLOSED WATER ACCOUNT	\$55.18
SIQI WANG AND/OR MINHUI CHEN					Total Check Amount:	\$55.18
181135	DONALD & DEBRA WARD	06/28/2019	12864	110000000	DEVELOPER FEE REFUND	\$144.98
DONALD & DEBRA WARD					Total Check Amount:	\$144.98
181136	MITCH WARDMAN	06/28/2019	28625	420000000	CLOSED WATER ACCOUNT	\$52.61
MITCH WARDMAN					Total Check Amount:	\$52.61
181137	KENT WATTS	06/28/2019	25598	110000000	DEVELOPER FEE REFUND	\$187.30
KENT WATTS					Total Check Amount:	\$187.30
181138	WESTLAKE MARKETING WORKS	06/28/2019	26841	110404541	WTRCOLOR WKSH 6/8/19	\$1,068.75
WESTLAKE MARKETING WORKS					Total Check Amount:	\$1,068.75
181139	PATRICIA WESTON	06/28/2019	28617	420000000	CLOSED WATER ACCOUNT	\$109.31
PATRICIA WESTON					Total Check Amount:	\$109.31
181140	WESTRUX	06/28/2019	25302	480515161	BATTERIES	\$421.97
		06/28/2019	25302	480515161	CREDIT TO 03P28310	(\$119.74)
WESTRUX					Total Check Amount:	\$302.23
181141	ANNE WILLIAMS	06/28/2019	28631	420000000	CLOSED WATER ACCOUNT	\$36.49
ANNE WILLIAMS					Total Check Amount:	\$36.49
181142	WINDSOR CAPITAL GROUP	06/28/2019	20315	110000000	DEVELOPER FEE REFUND	\$500.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
WINDSOR CAPITAL GROUP					Total Check Amount:	\$500.00
181143	VIVIAN WOO	06/28/2019	28609	110	BCC ACCT BALNCE REFND	\$15.69
VIVIAN WOO					Total Check Amount:	\$15.69
181144	XEROX CORPORATION	06/28/2019	3349	110141441	ADDRESS/LABL SW MAY19	\$108.00
		06/28/2019	3349	110141441	BLACK CPR/PRINTER MAY	\$493.54
		06/28/2019	3349	110141441	HI PERF COLOR CPR MAY	\$220.27
		06/28/2019	3349	110141441	HISPEED PRNTR/CPR MAY	\$717.42
		06/28/2019	3349	110141441	PROD CLRCPR/PRNTR MAY	\$2,052.28
		06/28/2019	3349	110141441	SOFTWARE MNT MAY19	\$116.00
XEROX CORPORATION					Total Check Amount:	\$3,707.51
181145	JOHN AND/OR LISA ZAVITSANOS	06/28/2019	28037	110000000	DEVELOPER FEE REFUND	\$222.88
JOHN AND/OR LISA ZAVITSANOS					Total Check Amount:	\$222.88
181146	LU ZHAN	06/28/2019	28627	420000000	CLOSED WATER ACCOUNT	\$209.04
LU ZHAN					Total Check Amount:	\$209.04
Check Subtotal						\$347,433.01
V38016	ADAMSON POLICE PRODUCTS	06/28/2019	4023	110212131	VEST	\$587.24
		06/28/2019	4023	110212134	DEF TEC SUPPLIES	\$951.01
ADAMSON POLICE PRODUCTS					Total Check Amount:	\$1,538.25
V38017	ADMINISTRATIVE & PROF	06/28/2019	3344	110	DED:4010 APEA MEMBR	\$564.00
ADMINISTRATIVE & PROF					Total Check Amount:	\$564.00
V38018	THE ADVANTAGE GROUP	06/28/2019	24539	110	DED:808B FSA DEPCAR	\$2,967.32
		06/28/2019	24539	110	DED:808C FSA UR MED	\$5,398.97
		06/28/2019	24539	110141481	FLEX ACCT FEES MAY19	\$374.00
THE ADVANTAGE GROUP					Total Check Amount:	\$8,740.29
V38019	ALL CITY MANAGEMENT SERVICES INC	06/28/2019	6604	110212132	CROSSNG GRDS 5/19-6/1	\$2,961.00
		06/28/2019	6604	110212132	CROSSNG GRDS 5/5-5/18	\$3,290.00
ALL CITY MANAGEMENT SERVICES INC					Total Check Amount:	\$6,251.00
V38020	B & S GRAPHICS INC.	06/28/2019	24357	480515161	VEHICLE DECALS	\$63.03
B & S GRAPHICS INC.					Total Check Amount:	\$63.03
V38021	BAB STEERING HYDRAULICS INC.	06/28/2019	18365	480515161	1830 LADDR SUPPRT RPR	\$797.13
BAB STEERING HYDRAULICS INC.					Total Check Amount:	\$797.13
V38022	BADGE FRAME, INC.	06/28/2019	24424	110	NAME PLATE	(\$0.11)
		06/28/2019	24424	110212131	NAME PLATE	\$23.71
BADGE FRAME, INC.					Total Check Amount:	\$23.60
V38023	BEST LAWN MOWER SERVICE	06/28/2019	16230	480515161	HEDGE TRIMMER PARTS	\$148.11
		06/28/2019	16230	480515161	MOWER TIRES	\$216.48
		06/28/2019	16230	480515161	RIDE-ON MOWER REPAIR	\$238.07
		06/28/2019	16230	480515161	WATER PUMP WT40XK3	\$2,260.22

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
BEST LAWN MOWER SERVICE					Total Check Amount:	\$2,862.88
V38024	BPSEA MEMORIAL FOUNDATION	06/28/2019	14990	110	DED:4050 MEMORIAL	\$222.00
BPSEA MEMORIAL FOUNDATION					Total Check Amount:	\$222.00
V38025	BREA CITY EMPLOYEES ASSOCIATION	06/28/2019	3236	110	DED:4005 BCEA MEMBR	\$590.00
BREA CITY EMPLOYEES ASSOCIATION					Total Check Amount:	\$590.00
V38026	BREA DISPOSAL, INC	06/28/2019	3330	440515122	MAY 2019 RES TONNAGE	\$67,198.52
BREA DISPOSAL, INC					Total Check Amount:	\$67,198.52
V38027	BREA FIREFIGHTERS ASSOCIATION	06/28/2019	3237	110	DED:4016 ASSOC MEMB	\$8,230.50
BREA FIREFIGHTERS ASSOCIATION					Total Check Amount:	\$8,230.50
V38028	BREA POLICE ASSOCIATION	06/28/2019	3769	110	DED:4030 BPA REG	\$3,400.00
		06/28/2019	3769	110212111	REIMB:FAMILY PICNIC	\$500.00
BREA POLICE ASSOCIATION					Total Check Amount:	\$3,900.00
V38029	BREA POLICE ATHLETIC LEAGUE	06/28/2019	1068	110	DED:5010 B.P.A.L.	\$120.00
BREA POLICE ATHLETIC LEAGUE					Total Check Amount:	\$120.00
V38030	BREA POLICE MANAGEMENT ASSOCIATION	06/28/2019	21189	110	DED:4019 LDF MEMBRS	\$13.00
		06/28/2019	21189	110	DED:4020 PMA MEMBRS	\$130.00
BREA POLICE MANAGEMENT ASSOCIATION					Total Check Amount:	\$143.00
V38031	BREA TOWING	06/28/2019	16399	110212121	TOWING 1904-2098 4/29	\$185.00
BREA TOWING					Total Check Amount:	\$185.00
V38032	BROWN MOTOR WORKS, INC	06/28/2019	19934	480515161	BMW BRAKES/OIL/TIRES	\$1,643.50
		06/28/2019	19934	480515161	ENGINE VALVE COVER/BOLTS	\$132.31
BROWN MOTOR WORKS, INC					Total Check Amount:	\$1,775.81
V38033	SHANNON BUCKELS	06/28/2019	12046	110212111	TRAINING MILEAGE	\$10.21
SHANNON BUCKELS					Total Check Amount:	\$10.21
V38034	CANNINGS ACE HARDWARE	06/28/2019	15828	480515161	SHOP SUPPLIES	\$22.71
CANNINGS ACE HARDWARE					Total Check Amount:	\$22.71
V38035	COMLOCK SECURITY-GROUP	06/28/2019	13625	490515151	LOCKS & KEYS	\$423.25
COMLOCK SECURITY-GROUP					Total Check Amount:	\$423.25
V38036	CORELOGIC	06/28/2019	25542	280323215	REAL EST LISTNG MAY19	\$185.00
CORELOGIC					Total Check Amount:	\$185.00
V38037	DE LAGE LANDEN FINANCIAL SERVICES	06/28/2019	23311	110141441	DISPATCH 5/15-6/14	\$238.50
		06/28/2019	23311	110141441	FIRE STN #1 5/15-6/14	\$88.13
		06/28/2019	23311	110141441	FIRE STN #2 5/15-6/14	\$255.06
		06/28/2019	23311	110141441	FIRE STN #4 5/15-6/14	\$88.13
		06/28/2019	23311	110141441	FS3 COPY MACH LSE JUN	\$161.20
		06/28/2019	23311	110141441	SR CTR 5/15-6/14	\$238.51
DE LAGE LANDEN FINANCIAL SERVICES					Total Check Amount:	\$1,069.53
V38038	DF POLYGRAPH	06/28/2019	22010	110141481	POLYGRAPH EXAM 6/10	\$175.00
DF POLYGRAPH					Total Check Amount:	\$175.00

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V38039	DISPLAY APPEAL	06/28/2019	2287	480515161	VEHICLE DECALS	\$114.22
DISPLAY APPEAL					Total Check Amount:	\$114.22
V38040	DUALGRAPHICS	06/28/2019	14494	110111111	GOLD FOIL FOLDERS	\$1,256.59
DUALGRAPHICS					Total Check Amount:	\$1,256.59
V38041	ENTENMANN ROVIN COMPANY	06/28/2019	3457	110212111	BADGES	\$716.59
ENTENMANN ROVIN COMPANY					Total Check Amount:	\$716.59
V38042	ENTERPRISE FM TRUST	06/28/2019	15895	110212121	CH TAHOE LEASE JUN19	\$697.97
ENTERPRISE FM TRUST					Total Check Amount:	\$697.97
V38043	EQUIPMENT DIRECT INC	06/28/2019	4522	480515161	GLOVES/FIRST AID KITS	\$70.31
EQUIPMENT DIRECT INC					Total Check Amount:	\$70.31
V38044	FACTORY MOTOR PARTS COMPANY	06/28/2019	3504	480515161	CORE CRED:#102-072638	(\$112.00)
		06/28/2019	3504	480515161	WIPER BLADES	\$131.89
FACTORY MOTOR PARTS COMPANY					Total Check Amount:	\$19.89
V38045	FIREFIGHTERS SAFETY CENTER	06/28/2019	18485	110222221	BOOTS	\$257.52
FIREFIGHTERS SAFETY CENTER					Total Check Amount:	\$257.52
V38046	FLEET SERVICES	06/28/2019	5658	480515161	AIR GOVENOR	\$76.19
		06/28/2019	5658	480515161	AIR VALVE	\$281.46
FLEET SERVICES					Total Check Amount:	\$357.65
V38047	GEORGE HILLS COMPANY	06/28/2019	27340	470141483	CLAIMS MGMT FEE 6/30	\$515.00
GEORGE HILLS COMPANY					Total Check Amount:	\$515.00
V38048	DON GOLDEN	06/28/2019	10729	110000000	INSP SVCS 6/6-6/19/19	\$9,313.42
		06/28/2019	10729	110323242	INSP SVCS 6/6-6/19/19	\$176.63
DON GOLDEN					Total Check Amount:	\$9,490.05
V38049	GRAINGER	06/28/2019	13634	480515161	CROSSBED TOOL BOX	\$331.74
GRAINGER					Total Check Amount:	\$331.74
V38050	INFOSEND, INC.	06/28/2019	19016	110212111	INSERT:PICKPOCKETS	\$54.83
		06/28/2019	19016	110222211	INSERT:FD/PW OPEN HSE	\$27.41
		06/28/2019	19016	110404420	INSERT:SUMMER SWIM	\$109.65
		06/28/2019	19016	110515111	INSERT:FD/PW OPEN HSE	\$27.41
		06/28/2019	19016	420141421	WATER:APR19 POSTAGE	\$4,238.18
		06/28/2019	19016	420141421	WATER:APR19 PRNT/MAIL	\$1,514.67
INFOSEND, INC.					Total Check Amount:	\$5,972.15
V38051	INK LINK INC	06/28/2019	22423	110404421	CTRYFAIR DATE PATCHES	\$345.88
INK LINK INC					Total Check Amount:	\$345.88
V38052	IPARQ	06/28/2019	21583	110323241	PERMIT FEES MAY 2019	\$320.74
IPARQ					Total Check Amount:	\$320.74
V38053	JACKSON'S AUTO SUPPLY	06/28/2019	1143	420515131	AUTO PARTS	\$29.60
		06/28/2019	1143	480515161	AUTO PARTS	\$3,130.04
JACKSON'S AUTO SUPPLY					Total Check Amount:	\$3,159.64

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V38054	KEENAN & ASSOCIATES	06/28/2019	22439	470141483	2019 WORKERS' COMP #7	\$9,274.50
KEENAN & ASSOCIATES					Total Check Amount:	\$9,274.50
V38055	KELLY PAPER	06/28/2019	7039	110141441	PAPER	\$160.77
KELLY PAPER					Total Check Amount:	\$160.77
V38056	KWIK KLEEN	06/28/2019	23771	480515161	PARTS WASHER SERVICE	\$150.00
KWIK KLEEN					Total Check Amount:	\$150.00
V38057	LEHR	06/28/2019	26035	480515161	955 INST SECURE IDLE	\$1,253.75
		06/28/2019	26035	480515161	957 REPL PUSH BUMPER	\$1,696.05
		06/28/2019	26035	480515161	962 SECURE IDLE	\$803.75
		06/28/2019	26035	480515161	967 SEC IDLE/PUSHBMPR	\$2,234.70
		06/28/2019	26035	480515161	FIRE EXTNGSHR BRACKET	\$163.78
		06/28/2019	26035	480515161	MEGA THIN AMBER LEDS	\$165.68
		06/28/2019	26035	480515161	STRIP EQPT FROM #961	\$760.00
LEHR					Total Check Amount:	\$7,077.71
V38058	LINCOLN AQUATICS	06/28/2019	17902	110404422	BULK CHLORINE	\$526.04
		06/28/2019	17902	490515151	PLASTIC TUBING	\$66.35
LINCOLN AQUATICS					Total Check Amount:	\$592.39
V38059	LONG BEACH BMW	06/28/2019	18120	480515161	1128TAIL LIGHT REPAIR	\$127.09
LONG BEACH BMW					Total Check Amount:	\$127.09
V38060	LOS ANGELES TRUCK CENTERS, LLC	06/28/2019	7300	480515161	AIR DRYER	\$581.84
		06/28/2019	7300	480515161	BLOWER MOTOR/HARNESS	\$173.56
		06/28/2019	7300	480515161	SWITCH/RELAY	\$309.83
LOS ANGELES TRUCK CENTERS, LLC					Total Check Amount:	\$1,065.23
V38061	JOSEPH MAYO	06/28/2019	11306	110212111	TRAINING EXPENSES	\$55.32
JOSEPH MAYO					Total Check Amount:	\$55.32
V38062	MUNICIPAL WATER DISTRICT	06/28/2019	3784	420515131	WATER DELIVERY MAY19	\$15,997.65
MUNICIPAL WATER DISTRICT					Total Check Amount:	\$15,997.65
V38063	NICKEY PETROLEUM CO., INC.	06/28/2019	6667	480515161	VEHICLE MOTOR OILS	\$3,056.76
NICKEY PETROLEUM CO., INC.					Total Check Amount:	\$3,056.76
V38064	NINYO & MOORE	06/28/2019	22134	510707873	TRACKS S4 ENV CONSULT	\$647.00
NINYO & MOORE					Total Check Amount:	\$647.00
V38065	ORANGE COUNTY UNITED WAY	06/28/2019	3451	110	DED:5005 UNITED WAY	\$12.40
ORANGE COUNTY UNITED WAY					Total Check Amount:	\$12.40
V38066	ORVAC ELECTRONICS	06/28/2019	3614	480515161	SLIT LOOP	\$197.60
ORVAC ELECTRONICS					Total Check Amount:	\$197.60
V38067	OZUNA ELECTRIC CO.INC.	06/28/2019	18504	420515131	TELEMETRY	\$2,975.05
OZUNA ELECTRIC CO.INC.					Total Check Amount:	\$2,975.05
V38068	EDGAR PADILLA	06/28/2019	12386	110212111	TRAINING EXPENSES	\$55.32
EDGAR PADILLA					Total Check Amount:	\$55.32

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V38069	PRINT & FINISHING SOLUTIONS	06/28/2019	21135	110141441	SUPPLIES	\$150.28
		06/28/2019	21135	110404420	SUPPLIES	\$269.29
PRINT & FINISHING SOLUTIONS					Total Check Amount:	\$419.57
V38070	RAY-LITE INDUSTRIES, INC.	06/28/2019	19800	490515152	LED LIGHTING	\$3,531.51
RAY-LITE INDUSTRIES, INC.					Total Check Amount:	\$3,531.51
V38071	REHABWEST, INC.	06/28/2019	22325	470141483	PROF SVCS MAY 2019	\$581.00
REHABWEST, INC.					Total Check Amount:	\$581.00
V38072	RICHARDS, WATSON & GERSHON	06/28/2019	8978	110111112	0001 GEN LGL SVCS APR	\$11,654.08
		06/28/2019	8978	110111112	0111 CANNABIS REG APR	\$40.00
		06/28/2019	8978	110111112	0174 K-BOSM CH APR19	\$4,313.14
		06/28/2019	8978	110111112	9999 GEN LGL SVCS APR	\$24,964.00
		06/28/2019	8978	110111112	RDA LGL SVCS APR19	\$2,000.00
		06/28/2019	8978	510707251	0145 S7/LAMBERT APR19	\$1,535.00
		06/28/2019	8978	510707251	171 OLEN POINTE APR19	\$7,188.00
		06/28/2019	8978	510707251	172 KING Y CHAI APR19	\$15,042.50
		06/28/2019	8978	630323219	RDA LGL SVCS APR19	\$630.00
RICHARDS, WATSON & GERSHON					Total Check Amount:	\$67,366.72
V38073	RPW SERVICES, INC.	06/28/2019	3791	110515143	SPRAY PLANTS FOR BUGS	\$1,950.00
RPW SERVICES, INC.					Total Check Amount:	\$1,950.00
V38074	MARY M. SAMBRANO	06/28/2019	28001	110404521	ZUMBA GOLD APR/MAY19	\$150.00
MARY M. SAMBRANO					Total Check Amount:	\$150.00
V38075	SITMATIC	06/28/2019	24416	110212111	PD CHAIRS (3)	\$1,742.33
SITMATIC					Total Check Amount:	\$1,742.33
V38076	SPICERS PAPER, INC.	06/28/2019	18883	110141441	PAPER	\$2,585.66
SPICERS PAPER, INC.					Total Check Amount:	\$2,585.66
V38077	THOMSON REUTERS - WEST	06/28/2019	22020	110212121	WEST INFO CHGS MAY19	\$379.46
THOMSON REUTERS - WEST					Total Check Amount:	\$379.46
V38078	THYSSENKRUPP ELEVATOR	06/28/2019	10308	110515125	DT PS2 ELEV REPAIR	\$971.70
THYSSENKRUPP ELEVATOR					Total Check Amount:	\$971.70
V38079	UNITED ROTARY BRUSH CORPORATION	06/28/2019	16649	480515161	SWPR BROOM+POLY BRUSH	\$192.95
UNITED ROTARY BRUSH CORPORATION					Total Check Amount:	\$192.95
V38080	VISTA PAINT CORPORATION	06/28/2019	4573	110515125	DT PS2 PAINT PROJECT	\$1,390.44
		06/28/2019	4573	110515125	RETURN:#201987643200	(\$416.78)
VISTA PAINT CORPORATION					Total Check Amount:	\$973.66
V38081	MATTHEW WENDLING	06/28/2019	27564	110212111	TRAINING MILEAGE	\$113.10
MATTHEW WENDLING					Total Check Amount:	\$113.10
V38082	CHRISTINE WHITE	06/28/2019	18977	110222211	APR-JUN 2019 MILEAGE	\$145.00
CHRISTINE WHITE					Total Check Amount:	\$145.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V38083	WILLDAN ENGINEERING	06/28/2019	12445	110000000	PLNCHK SVCS THRU 4/26	\$2,458.50
		06/28/2019	12445	110515171	PLNCHK SVCS THRU 4/26	\$1,341.00
		06/28/2019	12445	510707453	PLNCHK SVCS THRU 4/26	\$149.00
WILLDAN ENGINEERING					Total Check Amount:	\$3,948.50
V38084	CHRISTOPHER WINGER	06/28/2019	26711	110212111	TRAINING EXPENSES	\$46.04
CHRISTOPHER WINGER					Total Check Amount:	\$46.04
V38085	STACY LEE WONG	06/28/2019	28091	110404541	MACRAME WORKSHOP	\$192.00
STACY LEE WONG					Total Check Amount:	\$192.00
Voucher Subtotal						\$255,450.64

TOTAL \$602,883.65

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
181147	DANIELLE ANUNCIACION	07/05/2019	28693	110	BCC RENTAL DEP REFUND	\$1,000.00
DANIELLE ANUNCIACION					Total Check Amount:	\$1,000.00
181148	AT&T	07/05/2019	22390	475141471	7149110022 6/14/19	\$232.70
AT&T					Total Check Amount:	\$232.70
181149	BREA CENTRAL MANAGEMENT	07/05/2019	28691	420000000	CLOSED WATER ACCOUNT	\$326.34
BREA CENTRAL MANAGEMENT					Total Check Amount:	\$326.34
181150	BREA LIONS SCOUT CENTER FOUNDATION	07/05/2019	14911	110404421	7/4/19 CF SCT CTR RR	\$275.00
BREA LIONS SCOUT CENTER FOUNDATION					Total Check Amount:	\$275.00
181151	BREA POLICE EXPLORERS	07/05/2019	17145	110212111	REIMB JUNE 2019	\$483.46
BREA POLICE EXPLORERS					Total Check Amount:	\$483.46
181152	BRETT MURDOCK, ATTORNEY-AT-LAW	07/05/2019	18363	110000000	OFFCER WTNESS FEE REF	\$550.00
BRETT MURDOCK, ATTORNEY-AT-LAW					Total Check Amount:	\$550.00
181153	BUBBLE ROLLERS	07/05/2019	23387	110404421	7/4/19 BUBBLE ROLLERS	\$1,700.00
BUBBLE ROLLERS					Total Check Amount:	\$1,700.00
181154	BUBBLE ROLLERS	07/05/2019	23387	110404421	7/4/19 CF SUBRGTN WVR	\$125.00
BUBBLE ROLLERS					Total Check Amount:	\$125.00
181155	CALIFORNIA BUILDING OFFICIALS	07/05/2019	26696	110323241	FY 2018/19 OVERPAYMNT	(\$160.00)
		07/05/2019	26696	110323241	FY 2019/20 MEMBERSHIP	\$215.00
CALIFORNIA BUILDING OFFICIALS					Total Check Amount:	\$55.00
181156	CALPIPE SECURITY BOLLARDS	07/05/2019	21104	110515125	DOWNTOWN BALLARDS	\$1,095.41
CALPIPE SECURITY BOLLARDS					Total Check Amount:	\$1,095.41
181157	CHANG CHO	07/05/2019	28698	420000000	CLOSED WATER ACCOUNT	\$72.00
CHANG CHO					Total Check Amount:	\$72.00
181158	CINTAS	07/05/2019	24347	110404211	BCC FIRST AID	\$111.52
CINTAS					Total Check Amount:	\$111.52
181159	CITY OF BREA - WATER DEPT	07/05/2019	2039	341515112	WATER MAY/JUNE19	\$379.09
		07/05/2019	2039	343515112	WATER MAY/JUNE19	\$918.64
		07/05/2019	2039	345515112	WATER MAY/JUNE19	\$1,320.31
		07/05/2019	2039	346515112	WATER MAY/JUNE19	\$2,355.30
		07/05/2019	2039	347515112	WATER MAY/JUNE19	\$539.92
		07/05/2019	2039	880515113	WATER MAY/JUNE19	\$25.11
CITY OF BREA - WATER DEPT					Total Check Amount:	\$5,538.37
181160	CITY OF BREA - WATER DEPT	07/05/2019	2039	341515112	WATER APR/MAY19	\$545.49
		07/05/2019	2039	343515112	WATER APR/MAY19	\$1,449.04
		07/05/2019	2039	347515112	WATER APR/MAY19	\$472.32
CITY OF BREA - WATER DEPT					Total Check Amount:	\$2,466.85
181161	CITY OF HUNTINGTON BEACH	07/05/2019	19317	110404428	ADVNTURE PLYGRND 7/25	\$368.00
CITY OF HUNTINGTON BEACH					Total Check Amount:	\$368.00

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
181162	COUNTY OF ORANGE	07/05/2019	4799	110212122	OCATS/CLTS/SWTCHR JUN	\$1,104.51
COUNTY OF ORANGE					Total Check Amount:	\$1,104.51
181163	COUNTY OF ORANGE	07/05/2019	4799	110212131	PREBOOKNG/INVTY FORMS	\$189.64
COUNTY OF ORANGE					Total Check Amount:	\$189.64
181164	CREATE A PARTY RENTALS	07/05/2019	7113	110404421	7/4/19 TABLES/CHAIRS	\$1,371.33
CREATE A PARTY RENTALS					Total Check Amount:	\$1,371.33
181165	SELAH DARDEN	07/05/2019	26586	110404421	7/4/19 CF PERFORMER	\$400.00
SELAH DARDEN					Total Check Amount:	\$400.00
181166	SOUTHERN CALIFORNIA EDISON	07/05/2019	3343	110515121	ELECTRICITY MAY/JUN19	\$4,229.70
		07/05/2019	3343	110515148	ELECTRICITY MAY/JUN19	\$43.76
SOUTHERN CALIFORNIA EDISON					Total Check Amount:	\$4,273.46
181167	ENCHANTED CHARACTERS	07/05/2019	28626	110404421	7/4/19CF ENTERTAINERS	\$1,920.00
ENCHANTED CHARACTERS					Total Check Amount:	\$1,920.00
181168	FIX AUTO BREA	07/05/2019	28368	480515161	957 ACCIDENT REPAIR	\$2,505.48
FIX AUTO BREA					Total Check Amount:	\$2,505.48
181169	FRONTIER COMMUNICATIONS	07/05/2019	26183	475141471	5621820146 6/16-7/15	\$44.73
FRONTIER COMMUNICATIONS					Total Check Amount:	\$44.73
181170	THE GAS COMPANY	07/05/2019	3749	490515151	GAS MAY/JUNE19	\$92.45
THE GAS COMPANY					Total Check Amount:	\$92.45
181171	ICMA MEMBERSHIP RENEWALS	07/05/2019	3015	110111143	FY 2019/20 MEMBERSHIP	\$1,400.00
ICMA MEMBERSHIP RENEWALS					Total Check Amount:	\$1,400.00
181172	INTELLI-TECH	07/05/2019	8774	475141471	FORTINET FG+FC 24/7	\$9,051.00
INTELLI-TECH					Total Check Amount:	\$9,051.00
181173	INTERACT EVENTS	07/05/2019	26742	110404421	7/4/19 CF RIDES (BAL)	\$2,322.73
INTERACT EVENTS					Total Check Amount:	\$2,322.73
181174	KREEPY KREATURES REPTILE SHOWS	07/05/2019	26913	110404421	7/4/19CF REPTILE SHOW	\$720.00
KREEPY KREATURES REPTILE SHOWS					Total Check Amount:	\$720.00
181175	LAW OFFICES OF JONES & MAYER	07/05/2019	12144	110111112	LEGAL:CODE ENF MAY19	\$1,480.85
LAW OFFICES OF JONES & MAYER					Total Check Amount:	\$1,480.85
181176	LIFT ENRICHMENT, INC	07/05/2019	28363	110404145	FOOD NETWRK FAVORITES	\$1,971.00
LIFT ENRICHMENT, INC					Total Check Amount:	\$1,971.00
181177	LIRECO	07/05/2019	23326	110141422	1920 DBA FILNG SUBSCR	\$720.00
LIRECO					Total Check Amount:	\$720.00
181178	MARS EVENTS	07/05/2019	28507	110404421	7/4/19 CF BALLOON ART	\$375.00
MARS EVENTS					Total Check Amount:	\$375.00
181179	KAMIANA AND/OR ZACHARY MOODY	07/05/2019	28697	420000000	CLOSED WATER ACCOUNT	\$27.07
KAMIANA AND/OR ZACHARY MOODY					Total Check Amount:	\$27.07
181180	MORNINGSTAR INSURANCE BROKERS, INC.	07/05/2019	18078	110404421	7/4/19 CF INSURANCE	\$250.00
MORNINGSTAR INSURANCE BROKERS, INC.					Total Check Amount:	\$250.00

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181181	MY COMMUNITY GUIDE	07/05/2019	23827	110404421	AD:2019 COUNTRY FAIR	\$250.00
MY COMMUNITY GUIDE					Total Check Amount:	\$250.00
181182	OCFCA	07/05/2019	1168	110222231	2019/20 MEMB (3)	\$120.00
OCFCA					Total Check Amount:	\$120.00
181183	OFFICE DEPOT, INC	07/05/2019	4743	110212122	OFFICE SUPPLIES	\$371.39
OFFICE DEPOT, INC					Total Check Amount:	\$371.39
181184	ORANGE COUNTY PUBLIC SAFETY	07/05/2019	28334	110404421	7/4/19 CF SECURITY	\$397.82
ORANGE COUNTY PUBLIC SAFETY					Total Check Amount:	\$397.82
181185	PACIFIC MH CONSTRUCTION, INC.	07/05/2019	26636	290323215	CDBG:80PASEO DE TONER	\$1,900.00
PACIFIC MH CONSTRUCTION, INC.					Total Check Amount:	\$1,900.00
181186	PATRICK NIELSEN PASCUAL	07/05/2019	28696	110404541	ARTIST:34TH MICA	\$150.00
PATRICK NIELSEN PASCUAL					Total Check Amount:	\$150.00
181187	PLUMBING WHOLESALE OUTLET, INC.	07/05/2019	18392	490515151	PVC FITTINGS	\$172.26
		07/05/2019	18392	490515151	PVC PARTS	\$20.00
PLUMBING WHOLESALE OUTLET, INC.					Total Check Amount:	\$192.26
181188	PRAXAIR DISTRIBUTION INC	07/05/2019	8644	480515161	CABLE CONNECTORS	\$44.60
PRAXAIR DISTRIBUTION INC					Total Check Amount:	\$44.60
181189	PRINGLES DRAPERIES & BLINDS	07/05/2019	9082	490515151	REPAIR BLINDS	\$48.49
PRINGLES DRAPERIES & BLINDS					Total Check Amount:	\$48.49
181190	ANTHONY RIVERA	07/05/2019	15974	110404421	7/4RAINING HORSESHOES	\$600.00
ANTHONY RIVERA					Total Check Amount:	\$600.00
181191	SCAG	07/05/2019	1341	110141413	FY 2019/20 MEMB DUES	\$4,755.00
SCAG					Total Check Amount:	\$4,755.00
181192	ANNE AND/OR JEFFERY SHAFFER	07/05/2019	28699	420000000	CLOSED WATER ACCOUNT	\$84.39
ANNE AND/OR JEFFERY SHAFFER					Total Check Amount:	\$84.39
181193	SYMPHONIC WINDS OF THE PACIFIC	07/05/2019	28434	110404542	7/10 CONCERT/CH PARK	\$500.00
SYMPHONIC WINDS OF THE PACIFIC					Total Check Amount:	\$500.00
181194	U.S. POSTAL SERVICE	07/05/2019	3284	110111151	BREA LINE JUL-SEPT19	\$3,108.59
U.S. POSTAL SERVICE					Total Check Amount:	\$3,108.59
181195	URBAN GRAFFITI ENTERPRISES INC.	07/05/2019	4352	110515121	GRAFFTI REMOVAL MAY19	\$2,000.00
URBAN GRAFFITI ENTERPRISES INC.					Total Check Amount:	\$2,000.00
Check Subtotal						\$59,141.44
V38086	ABBA TERMITE & PEST CONTROL	07/05/2019	15614	430515123	BEES REMOVAL	\$245.00
ABBA TERMITE & PEST CONTROL					Total Check Amount:	\$245.00
V38087	ADAMSON POLICE PRODUCTS	07/05/2019	4023	110212134	VOICE PROJECTION UNIT	\$1,163.70
ADAMSON POLICE PRODUCTS					Total Check Amount:	\$1,163.70
V38088	ADLERHORST INT'L INC	07/05/2019	2223	110212131	ON-SITE TRNG JUN19	\$192.50
ADLERHORST INT'L INC					Total Check Amount:	\$192.50
V38089	ALL CITY MANAGEMENT SERVICES INC	07/05/2019	6604	110212132	CRSNGG GRDS 6/2-6/15	\$2,961.00

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ALL CITY MANAGEMENT SERVICES INC					Total Check Amount:	\$2,961.00
V38090	ALLSTAR FIRE EQUIPMENT	07/05/2019	8353	110222221	BOOTS	\$442.79
		07/05/2019	8353	110222221	SHIELDS	\$231.09
ALLSTAR FIRE EQUIPMENT					Total Check Amount:	\$673.88
V38091	AZTECA SYSTEMS LLC	07/05/2019	24556	110515111	CITYWORKS SW MNT 1920	\$11,000.00
AZTECA SYSTEMS LLC					Total Check Amount:	\$11,000.00
V38092	BEN'S ASPHALT, INC..	07/05/2019	1808	510707903	ORANGE ST RECONSTRCTN	\$55,953.22
BEN'S ASPHALT, INC..					Total Check Amount:	\$55,953.22
V38093	BEST LAWN MOWER SERVICE	07/05/2019	16230	480515161	STIHL BLADES	\$346.38
BEST LAWN MOWER SERVICE					Total Check Amount:	\$346.38
V38094	HEATHER BOWLING	07/05/2019	24933	110404541	JAN-JUN 2019 MILEAGE	\$104.72
HEATHER BOWLING					Total Check Amount:	\$104.72
V38095	BREA/ORANGE COUNTY PLUMBING	07/05/2019	3781	110515125	CLEARED DT RR DRAIN	\$286.62
		07/05/2019	3781	490515151	CLEARED PD RR DRAIN	\$128.00
		07/05/2019	3781	490515151	REPL BCC KTCHN FAUCTS	\$755.58
		07/05/2019	3781	490515151	SEISMIC GAS VALVES	\$9,468.36
		07/05/2019	3781	490515151	SHOWER VALVE REPAIRS	\$955.19
BREA/ORANGE COUNTY PLUMBING					Total Check Amount:	\$11,593.75
V38096	OMAR BRIOSO	07/05/2019	15737	110212111	TRAINING MILEAGE	\$50.63
OMAR BRIOSO					Total Check Amount:	\$50.63
V38097	BUTLER CHEMICALS, INC.	07/05/2019	6515	490515151	SR CTR DW SVC JUN19	\$167.01
BUTLER CHEMICALS, INC.					Total Check Amount:	\$167.01
V38098	BYRNE SOFTWARE TECHNOLOGIES, INC.	07/05/2019	27471	110323241	ACCELA IMPL 5/18-5/24	\$165.00
		07/05/2019	27471	110323241	ACCELA IMPL 5/25-5/31	\$165.00
BYRNE SOFTWARE TECHNOLOGIES, INC.					Total Check Amount:	\$330.00
V38099	C. WELLS PIPELINE MATERIALS INC	07/05/2019	13055	420515131	PLUMBING SUPPLIES	\$513.88
C. WELLS PIPELINE MATERIALS INC					Total Check Amount:	\$513.88
V38100	CABINET MAGIC, INC.	07/05/2019	19581	110404521	SR CTR CABINETS	\$11,090.00
CABINET MAGIC, INC.					Total Check Amount:	\$11,090.00
V38101	CALIFORNIA RETROFIT, INC	07/05/2019	4447	490515151	RECYCLE FLOOR LAMPS	\$618.91
CALIFORNIA RETROFIT, INC					Total Check Amount:	\$618.91
V38102	CANON FINANCIAL SERVICES, INC.	07/05/2019	20648	110141441	13-COPIER LEASE JUL19	\$3,480.64
CANON FINANCIAL SERVICES, INC.					Total Check Amount:	\$3,480.64
V38103	CORE & MAIN LP	07/05/2019	27049	420515131	WATER METER+ENCODERS	\$2,133.95
		07/05/2019	27049	420515131	WATER METERS	\$7,797.75
CORE & MAIN LP					Total Check Amount:	\$9,931.70
V38104	DELTA DENTAL PLAN OF CALIFORNIA	07/05/2019	3411	110	05-04253 DENTAL JUL19	\$17,276.17
DELTA DENTAL PLAN OF CALIFORNIA					Total Check Amount:	\$17,276.17
V38105	DISPLAY APPEAL	07/05/2019	2287	110212131	'OUT OF SERVICE' SGNS	\$103.44

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V38105	DISPLAY APPEAL	07/05/2019	2287	110212132	NAME PLATES	\$12.93
DISPLAY APPEAL					Total Check Amount:	\$116.37
V38106	DUALGRAPHICS	07/05/2019	14494	110404542	19/20 BROCHURE:CURTIS	\$2,560.69
DUALGRAPHICS					Total Check Amount:	\$2,560.69
V38107	ENTENMANN ROVIN COMPANY	07/05/2019	3457	110212111	BADGE	\$124.44
		07/05/2019	3457	110212111	BADGES	\$726.10
ENTENMANN ROVIN COMPANY					Total Check Amount:	\$850.54
V38108	EQUIPMENT DIRECT INC	07/05/2019	4522	480515161	JACKETS/GLOVES	\$266.52
EQUIPMENT DIRECT INC					Total Check Amount:	\$266.52
V38109	FACTORY MOTOR PARTS COMPANY	07/05/2019	3504	480515161	CREDIT:12-3128755	(\$50.07)
		07/05/2019	3504	480515161	PRIUS WHEEL SENSOR	\$123.65
FACTORY MOTOR PARTS COMPANY					Total Check Amount:	\$73.58
V38110	FUN WITH HORSES	07/05/2019	15171	110404145	SUMMER RIDING CAMP	\$250.00
FUN WITH HORSES					Total Check Amount:	\$250.00
V38111	CHRISTOPHER GARRIGUE	07/05/2019	26826	110404421	7/4/19 CF SOUND	\$1,200.00
CHRISTOPHER GARRIGUE					Total Check Amount:	\$1,200.00
V38112	GLASBY MAINTENANCE SUPPLY CO	07/05/2019	6802	110515125	EZ REACHER	\$33.73
GLASBY MAINTENANCE SUPPLY CO					Total Check Amount:	\$33.73
V38113	GRAINGER	07/05/2019	13634	490515151	HOSE CART	\$145.57
GRAINGER					Total Check Amount:	\$145.57
V38114	GRFCO, INC.	07/05/2019	26921	510707621	CONTRACT:FINAL PAYMNT	\$48,341.75
GRFCO, INC.					Total Check Amount:	\$48,341.75
V38115	HALO BRANDED SOLUTIONS	07/05/2019	22408	110111151	I LOVE BREA PENS	\$555.04
HALO BRANDED SOLUTIONS					Total Check Amount:	\$555.04
V38116	HCI SYSTEMS INC	07/05/2019	25112	110515125	FIRE ALARM REPAIRS	\$715.00
		07/05/2019	25112	490515151	FS #2 OS&Y SWITCH RPR	\$1,049.00
HCI SYSTEMS INC					Total Check Amount:	\$1,764.00
V38117	HI SIGN	07/05/2019	4693	490515151	MOUNT BANNERS	\$595.86
HI SIGN					Total Check Amount:	\$595.86
V38118	JOSHUA HORN	07/05/2019	27741	110212111	TRAINING MILEAGE	\$176.32
JOSHUA HORN					Total Check Amount:	\$176.32
V38119	JAMES LEE HOWE	07/05/2019	5953	110404145	JUNIOR GOLF CLASSES	\$340.00
JAMES LEE HOWE					Total Check Amount:	\$340.00
V38120	INFOSEND, INC.	07/05/2019	19016	110404215	INSERT:FITNESS SPECIA	\$54.82
		07/05/2019	19016	110404223	INSERT:ENDLESS SUMMER	\$109.64
		07/05/2019	19016	420141421	WATER:MAY19 POSTAGE	\$4,260.93
		07/05/2019	19016	420141421	WATER:MAY19 PRNT/MAIL	\$1,517.01
		07/05/2019	19016	440141421	INSRT:REFUSE RATE ADJ	\$54.82
INFOSEND, INC.					Total Check Amount:	\$5,997.22

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V38121	JAMISON ENGINEERING CONTRACTORS,INC	07/05/2019	15812	430515123	MO.LIFT STN MNT MAY19	\$2,130.00
JAMISON ENGINEERING CONTRACTORS,INC					Total Check Amount:	\$2,130.00
V38122	JAX AUTO	07/05/2019	20187	480515161	#1007 SMOG TEST/CERT	\$49.95
JAX AUTO					Total Check Amount:	\$49.95
V38123	KELLY PAPER	07/05/2019	7039	110404541	MICA CATALOG PAPER	\$61.16
KELLY PAPER					Total Check Amount:	\$61.16
V38124	L.N. CURTIS & SONS	07/05/2019	1053	110222221	ENGINE EQUIPMENT	\$174.98
L.N. CURTIS & SONS					Total Check Amount:	\$174.98
V38125	LINCOLN AQUATICS	07/05/2019	17902	110404422	BULK CHLORINE	\$1,062.18
		07/05/2019	17902	490515151	PLASTER REPAIR	\$1,400.00
LINCOLN AQUATICS					Total Check Amount:	\$2,462.18
V38126	MAD SCIENCE	07/05/2019	5399	110404214	NASA SPACE EXPLORERS	\$800.00
MAD SCIENCE					Total Check Amount:	\$800.00
V38127	MAKE IT "PERSONAL"	07/05/2019	19203	110212131	NAME TAG-MAILBOX	\$6.39
MAKE IT "PERSONAL"					Total Check Amount:	\$6.39
V38128	ANDREA MCGRANAHAN	07/05/2019	26046	110404215	TRI TRAINING:MASTERS	\$92.00
ANDREA MCGRANAHAN					Total Check Amount:	\$92.00
V38129	MINER, LTD	07/05/2019	27173	490515151	PIONEER HALL DOOR RPR	\$1,338.37
MINER, LTD					Total Check Amount:	\$1,338.37
V38130	MYERS AND SONS	07/05/2019	21624	110515125	DT "NO PARKING" SIGN	\$969.75
		07/05/2019	21624	480515161	1008 ARROW BOARD RPR	\$2,242.61
MYERS AND SONS					Total Check Amount:	\$3,212.36
V38131	ANTHONY NGUYEN	07/05/2019	25978	110212111	TRAINING EXPENSES	\$761.00
ANTHONY NGUYEN					Total Check Amount:	\$761.00
V38132	NICKEY PETROLEUM CO., INC.	07/05/2019	6667	480515161	MOTOR OIL	\$708.18
NICKEY PETROLEUM CO., INC.					Total Check Amount:	\$708.18
V38133	OZUNA ELECTRIC CO.INC.	07/05/2019	18504	110515121	INST WIRE:PIONR/LMBRT	\$1,785.00
		07/05/2019	18504	110515121	PHOTO CELL:CH PARK	\$1,295.00
		07/05/2019	18504	110515121	REPL DAMAGED WIRE	\$2,810.00
		07/05/2019	18504	110515121	REROUTE WIRE:LAMBERT	\$1,850.00
OZUNA ELECTRIC CO.INC.					Total Check Amount:	\$7,740.00
V38134	PARACLETE FIRE AND SAFETY, INC.	07/05/2019	17760	110515125	FIRE BOX @ DT PS3	\$371.74
PARACLETE FIRE AND SAFETY, INC.					Total Check Amount:	\$371.74
V38135	PETROLEUM MARKETING EQUIPMENT	07/05/2019	9282	480515161	UNLEADED NOZZLE	\$295.32
PETROLEUM MARKETING EQUIPMENT					Total Check Amount:	\$295.32
V38136	PLACEWORKS, INC.	07/05/2019	26720	110000000	CARWASH NOISE STUDY	\$1,115.00
PLACEWORKS, INC.					Total Check Amount:	\$1,115.00
V38137	PLUMBERS DEPOT INC.	07/05/2019	14542	430515123	CCTV CAMERA REPAIR	\$1,021.43
PLUMBERS DEPOT INC.					Total Check Amount:	\$1,021.43

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V38138	RICHARDS, WATSON & GERSHON	07/05/2019	8978	110000000	0116 REIMB WORK APR19	\$1,045.00
RICHARDS, WATSON & GERSHON					Total Check Amount:	\$1,045.00
V38139	SHRED-IT USA	07/05/2019	7438	110111161	DOC SHRED MAY/JUN19	\$8.00
		07/05/2019	7438	110212122	DOC SHRED MAY/JUN19	\$144.00
		07/05/2019	7438	470141483	DOC SHRED MAY/JUN19	\$8.00
SHRED-IT USA					Total Check Amount:	\$160.00
V38140	SMART & FINAL	07/05/2019	3269	110404425	CRFTCLUB COOKNG SUPPL	\$240.43
SMART & FINAL					Total Check Amount:	\$240.43
V38141	DONNA SMITH	07/05/2019	26136	110404145	EASTCOAST SWING CLASS	\$47.00
DONNA SMITH					Total Check Amount:	\$47.00
V38142	SOUTH COAST EMERGENCY VEHICLE SVC	07/05/2019	18619	480515161	ENGINE BELTS	\$240.41
		07/05/2019	18619	480515161	LEFT WINDOW REGULATOR	\$246.79
		07/05/2019	18619	480515161	PULLEY/IDLR/NUTS&BLTS	\$646.63
		07/05/2019	18619	480515161	SEAT CUSHION	\$879.86
		07/05/2019	18619	480515161	SEAT DE-AERATION	\$377.41
		07/05/2019	18619	480515161	WATER DRAIN VALVE	\$546.30
SOUTH COAST EMERGENCY VEHICLE SVC					Total Check Amount:	\$2,937.40
V38143	SPECTRUM GAS PRODUCTS, INC.	07/05/2019	16060	174222222	OXYGEN	\$68.00
SPECTRUM GAS PRODUCTS, INC.					Total Check Amount:	\$68.00
V38144	SPICERS PAPER, INC.	07/05/2019	18883	110141441	PAPER	\$2,455.17
SPICERS PAPER, INC.					Total Check Amount:	\$2,455.17
V38145	STAPLES TECHNOLOGY SOLUTIONS	07/05/2019	22888	110323212	TONER	\$101.92
STAPLES TECHNOLOGY SOLUTIONS					Total Check Amount:	\$101.92
V38146	SUPERION, LLC	07/05/2019	26879	110141431	COGNOS BI:TRAINING	\$360.00
		07/05/2019	26879	110141431	COGNOS MIGRATION	\$128.00
		07/05/2019	26879	110141431	COGNOS MIGRATION:TECH	\$360.00
		07/05/2019	26879	110141431	FUNDED DEV/CONVERSION	\$4,400.00
		07/05/2019	26879	110141431	PLUS FIN PROJ MGMT	\$256.00
		07/05/2019	26879	110141431	PLUS:ALL OTH INSTALL	\$560.00
		07/05/2019	26879	110141431	PROJ MGMT:FUNDED DEV	\$480.00
		07/05/2019	26879	110141431	REMOTE GOLIVE SUPPORT	\$512.00
		07/05/2019	26879	110141431	UTILITY BILLING DEV	\$3,840.00
		07/05/2019	26879	420141421	UTIL BILLING INSTALL	\$280.00
		07/05/2019	26879	420141421	UTIL BILLNG PROJ MGMT	\$1,280.00
		07/05/2019	26879	420141421	UTIL BILLNG TECH SVCS	\$3,200.00
SUPERION, LLC					Total Check Amount:	\$15,656.00
V38147	TECHNICOLOR PRINTING	07/05/2019	24354	110404215	FTNESS DRAWSTRNG BAGS	\$1,077.50
		07/05/2019	24354	110404420	SING/DANCE/ACT SHIRTS	\$606.69

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V38147	TECHNICOLOR PRINTING	07/05/2019	24354	110404428	DAYCAMP STAFF VISORS	\$142.55
TECHNICOLOR PRINTING						Total Check Amount: \$1,826.74
V38148	TENNIS ANYONE ACADEMY	07/05/2019	12688	110404145	JR/PEEWEE TENNIS ACAD	\$975.50
TENNIS ANYONE ACADEMY						Total Check Amount: \$975.50
V38149	THYSSENKRUPP ELEVATOR	07/05/2019	10308	110515125	FIRE SYSTEM TESTING	\$161.95
THYSSENKRUPP ELEVATOR						Total Check Amount: \$161.95
V38150	TRINITY SOUND COMPANY	07/05/2019	11364	110404521	SCREEN RENTAL/INSTALL	\$2,054.58
TRINITY SOUND COMPANY						Total Check Amount: \$2,054.58
V38151	UNITED ROTARY BRUSH CORPORATION	07/05/2019	16649	480515161	SWEEPER BROOMS (3)	\$353.54
UNITED ROTARY BRUSH CORPORATION						Total Check Amount: \$353.54
V38152	VENDINI	07/05/2019	24179	110404542	TICKET FEES MAY 2019	\$267.65
VENDINI						Total Check Amount: \$267.65
V38153	CHRISTINE WHITE	07/05/2019	18977	110222211	REIMB:NOTARY BOND FEE	\$34.00
CHRISTINE WHITE						Total Check Amount: \$34.00
V38154	YORBA LINDA FEED STORE	07/05/2019	7282	110404421	HAY/SEATING:CTRY FAIR	\$616.33
YORBA LINDA FEED STORE						Total Check Amount: \$616.33
V38155	ZOLL MEDICAL CORPORATION	07/05/2019	23538	174222222	PM SUPPLIES FS2	\$383.05
ZOLL MEDICAL CORPORATION						Total Check Amount: \$383.05
V38156	ZUMAR INDUSTRIES, INC.	07/05/2019	3802	110212111	SIGN:CHIEF CONKLIN	\$80.82
ZUMAR INDUSTRIES, INC.						Total Check Amount: \$80.82
Voucher Subtotal						\$242,765.42
TOTAL						\$301,906.86

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Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
181196	THE ALLEY CATS MUSIC, INC	07/12/2019	12680	110404542	7/17 CONCERT/CH PARK	\$1,200.00
THE ALLEY CATS MUSIC, INC					Total Check Amount:	\$1,200.00
181197	ARMS UNLIMITED INC.	07/12/2019	26722	110	AMMUNITION	(\$155.00)
		07/12/2019	26722	110	MAGAZINE/LED LIGHT	(\$371.22)
		07/12/2019	26722	110	MRO MOUNTS	(\$86.80)
		07/12/2019	26722	110	MRO WITH MOUNT (12)	(\$734.70)
		07/12/2019	26722	110	RIFLE/SHOTGUN SLINGS	(\$130.20)
		07/12/2019	26722	110212131	AMMUNITION	\$2,155.00
		07/12/2019	26722	110212131	MAGAZINE/LED LIGHT	\$5,161.22
		07/12/2019	26722	110212131	MRO MOUNTS	\$1,206.80
		07/12/2019	26722	110212131	MRO WITH MOUNT (12)	\$10,214.70
		07/12/2019	26722	110212131	RIFLE/SHOTGUN SLINGS	\$1,810.20
ARMS UNLIMITED INC.					Total Check Amount:	\$19,070.00
181199	BUSINESS CARD	07/12/2019	18749	110	BSCARD CS II 062319	(\$142.88)
		07/12/2019	18749	110	BSCARD PD 062319	(\$68.97)
		07/12/2019	18749	110141481	BSCARD HR 062319	\$449.00
		07/12/2019	18749	110141481	BSCARD PD 062319	\$72.43
		07/12/2019	18749	110212111	BSCARD PD 062319	\$1,102.29
		07/12/2019	18749	110212131	BSCARD PD 062319	\$118.91
		07/12/2019	18749	110222211	BSCARD FIRE 062319	\$72.75
		07/12/2019	18749	110222223	BSCARD FIRE 062319	\$58.78
		07/12/2019	18749	110404154	BSCARD CS II 062319	\$720.00
		07/12/2019	18749	110404211	BSCARD CS II 062319	\$4,495.00
		07/12/2019	18749	110404224	BSCARD CS II 062319	\$1,984.01
		07/12/2019	18749	110404420	BSCARD CS II 062319	\$450.00
		07/12/2019	18749	110404425	BSCARD CS 062319	\$119.47
		07/12/2019	18749	110404428	BSCARD CS 062319	\$556.72
		07/12/2019	18749	110404541	BSCARD CS II 062319	\$1,949.11
		07/12/2019	18749	420515131	BSCARD WATER 062319	\$229.21
		07/12/2019	18749	950000000	ILJAOC BSCARD JM 0619	\$86.96
		07/12/2019	18749	950000000	ILJAOC BSCARD MJ 0619	\$92.88
BUSINESS CARD					Total Check Amount:	\$12,345.67
181200	CALIF FORENSIC PHLEBOTOMY INC.	07/12/2019	4488	110212131	BLOOD TESTS JUN 2019	\$1,391.00
CALIF FORENSIC PHLEBOTOMY INC.					Total Check Amount:	\$1,391.00
181201	SARAH CARBAJAL	07/12/2019	28362	110404215	YOGA JUN19 BECKMAN	\$100.00
SARAH CARBAJAL					Total Check Amount:	\$100.00
181202	ANDREA J. CARNEY	07/12/2019	28704	110000000	CITATION REFUND	\$51.00
ANDREA J. CARNEY					Total Check Amount:	\$51.00

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181203	BETTY J. COULTER	07/12/2019	28703	110000000	CITATION REFUND	\$41.00
BETTY J. COULTER						Total Check Amount: \$41.00
181204	COUNTY OF ORANGE	07/12/2019	4799	110212131	ANIMAL CARE JAN-MAR19	\$48,682.13
COUNTY OF ORANGE						Total Check Amount: \$48,682.13
181205	COUNTY OF ORANGE	07/12/2019	4799	110212131	ANIMAL SHELTR APR-JUN	\$10,669.90
COUNTY OF ORANGE						Total Check Amount: \$10,669.90
181206	DELTA DENTAL INSURANCE COMPANY	07/12/2019	26074	110	05-R103125 DENTAL JUL	\$2,034.17
DELTA DENTAL INSURANCE COMPANY						Total Check Amount: \$2,034.17
181207	DOUG MARTIN CONTRACTING INC	07/12/2019	4512	510707312	2019 SLURRY PROJECT	\$109,173.40
DOUG MARTIN CONTRACTING INC						Total Check Amount: \$109,173.40
181208	SOUTHERN CALIFORNIA EDISON	07/12/2019	3343	110515121	ELECTRICITY	\$12,120.41
		07/12/2019	3343	110515141	ELECTRICITY	\$1,656.77
		07/12/2019	3343	110515143	ELECTRICITY	\$470.65
		07/12/2019	3343	110515144	ELECTRICITY	\$1,305.02
		07/12/2019	3343	341515112	ELECTRICITY	\$74.52
		07/12/2019	3343	343515112	ELECTRICITY	\$108.66
		07/12/2019	3343	345515112	ELECTRICITY	\$41.70
		07/12/2019	3343	346515112	ELECTRICITY	\$126.76
		07/12/2019	3343	360515145	ELECTRICITY	\$502.12
		07/12/2019	3343	420515131	ELECTRICITY	\$2,883.67
		07/12/2019	3343	430515123	ELECTRICITY	\$16.69
		07/12/2019	3343	490515151	ELECTRICITY	\$1,689.18
		07/12/2019	3343	880515113	ELECTRICITY	\$10.50
SOUTHERN CALIFORNIA EDISON						Total Check Amount: \$21,006.65
181209	EISEL ENTERPRISES INC.	07/12/2019	2782	420515131	VALVE LIDS	\$3,680.74
EISEL ENTERPRISES INC.						Total Check Amount: \$3,680.74
181210	ERIC W. GRUVER PHD	07/12/2019	7856	110141481	PRE-EMPL EVALUATION	\$425.00
ERIC W. GRUVER PHD						Total Check Amount: \$425.00
181211	FRANCHISE TAX BOARD	07/12/2019	13287	110	CD916818049 070519 PR	\$152.82
FRANCHISE TAX BOARD						Total Check Amount: \$152.82
181212	FRANCHISE TAX BOARD/ST OF CALIF	07/12/2019	12043	110	625016303 070519 PR	\$1,525.85
FRANCHISE TAX BOARD/ST OF CALIF						Total Check Amount: \$1,525.85
181213	GATEWAY URGENT CARE CENTER	07/12/2019	27352	110141481	MED EXAMS JUNE 2019	\$735.00
GATEWAY URGENT CARE CENTER						Total Check Amount: \$735.00
181214	LIFE-ASSIST, INC.	07/12/2019	10530	174222222	PM SUPPLIES - FS1	\$47.68
		07/12/2019	10530	174222222	PM SUPPLIES - FS3	\$176.04
LIFE-ASSIST, INC.						Total Check Amount: \$223.72
181215	M. ARTHUR GENSLER, JR. & ASSOCIATES	07/12/2019	28450	110000000	PROF SVCS THRU 6/1/19	\$1,260.00
M. ARTHUR GENSLER, JR. & ASSOCIATES						Total Check Amount: \$1,260.00

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181216	MEDPOST URGENT CARE - BREA	07/12/2019	27547	110141481	CREDIT 11/1/2018	(\$10.00)
		07/12/2019	27547	110141481	HR MED SVCS MAY 2019	\$840.00
MEDPOST URGENT CARE - BREA					Total Check Amount:	\$830.00
181217	ORANGE COUNTY WINWATER WORKS	07/12/2019	28030	420515131	GASKETS	\$377.13
ORANGE COUNTY WINWATER WORKS					Total Check Amount:	\$377.13
181218	OFFICE DEPOT, INC	07/12/2019	4743	110212111	OFFICE SUPPLIES	\$134.13
		07/12/2019	4743	110212111	SCANNER	\$237.04
		07/12/2019	4743	110212111	TONERS	\$423.51
		07/12/2019	4743	110404311	OFFICE SUPPLIES	\$108.12
OFFICE DEPOT, INC					Total Check Amount:	\$902.80
181219	PETTY CASH CUSTODIAN	07/12/2019	15658	110	PCF REPL 6/27/2019	\$106.64
PETTY CASH CUSTODIAN					Total Check Amount:	\$106.64
181220	PETTY CASH CUSTODIAN	07/12/2019	15768	110	PCF REPL 7/1/2019	\$77.85
PETTY CASH CUSTODIAN					Total Check Amount:	\$77.85
181221	PLUMBING WHOLESALE OUTLET, INC.	07/12/2019	18392	110515125	DOWNTOWN RR GASKETS	\$36.37
PLUMBING WHOLESALE OUTLET, INC.					Total Check Amount:	\$36.37
181222	PROFORCE LAW ENFORCEMENT	07/12/2019	25486	110212131	MAGAZINE HOLDER	\$131.89
PROFORCE LAW ENFORCEMENT					Total Check Amount:	\$131.89
181223	SANTA ANA COLLEGE	07/12/2019	10358	110222221	WELLNESS CLASS FALL19	\$4,056.00
SANTA ANA COLLEGE					Total Check Amount:	\$4,056.00
181224	SESAC	07/12/2019	22950	110404311	19/20 MUSIC LICENSE	\$875.00
SESAC					Total Check Amount:	\$875.00
181225	SOCIAL SOLUTIONS GLOBAL, INC.	07/12/2019	26322	110404523	FY19/20 BRC DATABASE	\$1,746.94
SOCIAL SOLUTIONS GLOBAL, INC.					Total Check Amount:	\$1,746.94
181226	SPARKLETTS	07/12/2019	3001	490515151	CCC FOUNTN WTR JUN19	\$19.99
SPARKLETTS					Total Check Amount:	\$19.99
181227	THE STANDARD INSURANCE COMPANY	07/12/2019	15689	110	643015 LIFE INS JULY	\$3,913.05
THE STANDARD INSURANCE COMPANY					Total Check Amount:	\$3,913.05
181228	THE STANDARD INSURANCE COMPANY	07/12/2019	27270	110	643015 OPT INS JUL19	\$2,283.50
THE STANDARD INSURANCE COMPANY					Total Check Amount:	\$2,283.50
181229	TRAILS4ALL	07/12/2019	17142	410515132	INNER-COASTAL CLEANUP	\$1,500.00
TRAILS4ALL					Total Check Amount:	\$1,500.00
181230	TURNOUT MAINTENANCE COMPANY, LLC	07/12/2019	19898	110222221	TURNOUTS	\$233.78
TURNOUT MAINTENANCE COMPANY, LLC					Total Check Amount:	\$233.78
181231	UNIFIRST CORPORATION	07/12/2019	27988	110515121	UNIFORM SVCS JUN 2019	\$54.72
		07/12/2019	27988	110515125	UNIFORM SVCS JUN 2019	\$24.60
		07/12/2019	27988	110515141	UNIFORM SVCS JUN 2019	\$86.84
		07/12/2019	27988	110515143	UNIFORM SVCS JUN 2019	\$16.32
		07/12/2019	27988	110515144	UNIFORM SVCS JUN 2019	\$53.12

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181231	UNIFIRST CORPORATION	07/12/2019	27988	360515145	UNIFORM SVCS JUN 2019	\$41.80
		07/12/2019	27988	420515131	UNIFORM SVCS JUN 2019	\$108.84
		07/12/2019	27988	430515123	UNIFORM SVCS JUN 2019	\$41.16
		07/12/2019	27988	440515126	UNIFORM SVCS JUN 2019	\$11.52
		07/12/2019	27988	480515161	UNIFORM SVCS JUN 2019	\$166.66
		07/12/2019	27988	490515151	UNIFORM SVCS JUN 2019	\$231.04
UNIFIRST CORPORATION					Total Check Amount:	\$836.62
Check Subtotal						\$251,695.61
V38157	ABF PRINTING	07/12/2019	26673	110323214	JUTE POUCHES/STRAWS	\$454.06
ABF PRINTING					Total Check Amount:	\$454.06
V38158	ADMINISTRATIVE & PROF	07/12/2019	3344	110	DED:4010 APEA MEMBR	\$576.00
ADMINISTRATIVE & PROF					Total Check Amount:	\$576.00
V38159	THE ADVANTAGE GROUP	07/12/2019	24539	110	DED:808B FSA DEPCAR	\$2,967.32
		07/12/2019	24539	110	DED:808C FSA UR MED	\$5,398.97
THE ADVANTAGE GROUP					Total Check Amount:	\$8,366.29
V38160	AFLAC-ACCOUNT #EZA73	07/12/2019	22923	110	ACC/CANCER INS MAY19	\$5,189.88
AFLAC-ACCOUNT #EZA73					Total Check Amount:	\$5,189.88
V38161	JUDY ALLEN	07/12/2019	20447	110404215	CLASS INSTR BCC JUN19	\$125.00
JUDY ALLEN					Total Check Amount:	\$125.00
V38162	ALLSTAR FIRE EQUIPMENT	07/12/2019	8353	110222221	HELMETS (4)	\$1,211.42
ALLSTAR FIRE EQUIPMENT					Total Check Amount:	\$1,211.42
V38163	BADGE FRAME, INC.	07/12/2019	24424	110212131	ENGRAVED NAME PLATES	\$49.34
BADGE FRAME, INC.					Total Check Amount:	\$49.34
V38164	CORRINE BARRIOS GAMINO	07/12/2019	28084	110404215	YOGA JUN19 BCC	\$240.00
CORRINE BARRIOS GAMINO					Total Check Amount:	\$240.00
V38165	JEANETTE BELL	07/12/2019	28476	110404215	SILVR SNKRS JUN19 BCC	\$100.00
JEANETTE BELL					Total Check Amount:	\$100.00
V38166	CHRISTINE BOATNER	07/12/2019	18460	110404215	BECKMAN ADMIN JUN19	\$408.00
		07/12/2019	18460	110404215	BECKMAN FITNESS JUN19	\$104.00
		07/12/2019	18460	110404215	CLASS INSTR BCC JUN19	\$325.00
CHRISTINE BOATNER					Total Check Amount:	\$837.00
V38167	BPSEA MEMORIAL FOUNDATION	07/12/2019	14990	110	DED:4050 MEMORIAL	\$222.00
BPSEA MEMORIAL FOUNDATION					Total Check Amount:	\$222.00
V38168	BREA CITY EMPLOYEES ASSOCIATION	07/12/2019	3236	110	DED:4005 BCEA MEMBR	\$590.00
BREA CITY EMPLOYEES ASSOCIATION					Total Check Amount:	\$590.00
V38169	BREA DISPOSAL, INC	07/12/2019	3330	440515122	REFUSE COLLECTN JUN19	\$151,770.84
BREA DISPOSAL, INC					Total Check Amount:	\$151,770.84
V38170	BREA FIREFIGHTERS ASSOCIATION	07/12/2019	3237	110	DED:4016 ASSOC MEMB	\$8,230.50

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BREA FIREFIGHTERS ASSOCIATION					Total Check Amount:	\$8,230.50
V38171	BREA POLICE ASSOCIATION	07/12/2019	3769	110	DED:4030 BPA REG	\$3,450.00
BREA POLICE ASSOCIATION					Total Check Amount:	\$3,450.00
V38172	BREA POLICE ATHLETIC LEAGUE	07/12/2019	1068	110	DED:5010 B.P.A.L.	\$120.00
BREA POLICE ATHLETIC LEAGUE					Total Check Amount:	\$120.00
V38173	BREA POLICE MANAGEMENT ASSOCIATION	07/12/2019	21189	110	DED:4019 LDF MEMBRS	\$13.00
		07/12/2019	21189	110	DED:4020 PMA MEMBRS	\$130.00
BREA POLICE MANAGEMENT ASSOCIATION					Total Check Amount:	\$143.00
V38174	C. WELLS PIPELINE MATERIALS INC	07/12/2019	13055	420515131	PLUMBING SUPPLIES	\$4,108.54
C. WELLS PIPELINE MATERIALS INC					Total Check Amount:	\$4,108.54
V38175	CALIFORNIA HEALTH & SAFETY INC.	07/12/2019	15491	110222221	SCBA REPAIRS	\$1,370.47
CALIFORNIA HEALTH & SAFETY INC.					Total Check Amount:	\$1,370.47
V38176	CANON SOLUTIONS AMERICA, INC	07/12/2019	15260	110141441	COPIER MNT JULY 2019	\$600.00
		07/12/2019	15260	110141441	COPIER USAGE MAY/JUN	\$434.74
CANON SOLUTIONS AMERICA, INC					Total Check Amount:	\$1,034.74
V38177	ARLINDA CANTU	07/12/2019	26312	110404215	BEDKMAN FITNESS JUN19	\$100.00
		07/12/2019	26312	110404215	PSNL TRAINR BCC JUN19	\$683.22
		07/12/2019	26312	110404215	SILVR SNKRS JUN19 BCC	\$100.00
ARLINDA CANTU					Total Check Amount:	\$883.22
V38178	CAROLLO ENGINEERS, INC.	07/12/2019	26313	420515131	FEASBLTY STUDY MAY19	\$2,492.10
CAROLLO ENGINEERS, INC.					Total Check Amount:	\$2,492.10
V38179	CHANDLER ASSET MANAGEMENT, INC.	07/12/2019	4375	110000000	INV MGMT CITY JUNE 2019	\$18.55
		07/12/2019	4375	420141424	INV MGMT CITY JUNE 2019	\$230.32
		07/12/2019	4375	875000000	INV MGMT CITY JUNE 2019	\$46.68
		07/12/2019	4375	890000000	INV MGMT CITY JUNE 2019	\$32.00
		07/12/2019	4375	930000000	INV MGMT CITY JUNE 2019	\$5,158.15
CHANDLER ASSET MANAGEMENT, INC.					Total Check Amount:	\$5,485.70
V38180	CIGNA BEHAVIORAL HEALTH, INC.	07/12/2019	26628	110141481	EAP SERVICES-JULY2019	\$1,144.81
CIGNA BEHAVIORAL HEALTH, INC.					Total Check Amount:	\$1,144.81
V38181	CLINICAL LABORATORY OF	07/12/2019	3390	420515131	WATER SAMPLING MAY19	\$1,062.00
CLINICAL LABORATORY OF					Total Check Amount:	\$1,062.00
V38182	COLONIAL LIFE PROCESSING CENTER	07/12/2019	26071	110	E4504064 CRIT ILL JUN	\$263.84
		07/12/2019	26071	110	E4504064 ST DISAB JUN	\$1,486.40
COLONIAL LIFE PROCESSING CENTER					Total Check Amount:	\$1,750.24
V38183	COMLOCK SECURITY-GROUP	07/12/2019	13625	490515151	LOCKS & KEYS	\$197.61
COMLOCK SECURITY-GROUP					Total Check Amount:	\$197.61
V38184	CORE & MAIN LP	07/12/2019	27049	420515131	WATER METER ENCODERS	\$18,586.95
		07/12/2019	27049	420515131	WATER METER/ENCODERS	\$4,093.58
		07/12/2019	27049	420515131	WATER METERS	\$5,198.50

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CORE & MAIN LP					Total Check Amount:	\$27,879.03
V38185	JOEL DACANAY	07/12/2019	28068	110404215	MSG THERAPST BCC JUN	\$50.00
JOEL DACANAY					Total Check Amount:	\$50.00
V38186	DENNIS GRUBB & ASSOCIATES, LLC.	07/12/2019	25568	110000000	PLAN CHECK FEES JUN19	\$1,762.50
DENNIS GRUBB & ASSOCIATES, LLC.					Total Check Amount:	\$1,762.50
V38187	DOTY BROTHERS EQUIPMENT CO.	07/12/2019	26695	420515131	VAULT PLUMBING REPAIR	\$3,293.06
DOTY BROTHERS EQUIPMENT CO.					Total Check Amount:	\$3,293.06
V38188	MICHAEL DURALDE	07/12/2019	25228	110404215	BEG GUIDE:FITNESS JUN	\$303.00
		07/12/2019	25228	110404215	BREA MOVEMENT JUN19	\$939.60
		07/12/2019	25228	110404215	PSNL TRAINR BCC JUN19	\$343.71
		07/12/2019	25228	110404215	SILVR SNKRS JUN19 BCC	\$84.00
MICHAEL DURALDE					Total Check Amount:	\$1,670.31
V38189	MYRA DUVALL	07/12/2019	18083	110404215	YOGA JUN19 BCC	\$225.00
MYRA DUVALL					Total Check Amount:	\$225.00
V38190	ENTENMANN ROVIN COMPANY	07/12/2019	3457	110212111	RETIRED CHIEF BADGE	\$77.57
ENTENMANN ROVIN COMPANY					Total Check Amount:	\$77.57
V38191	EQUIPMENT DIRECT INC	07/12/2019	4522	430515123	SAFETY HARD HATS	\$89.54
EQUIPMENT DIRECT INC					Total Check Amount:	\$89.54
V38192	FIDELITY SECURITY LIFE INSURANCE	07/12/2019	23035	110	9827288 VISION JUN19	\$2,621.81
		07/12/2019	23035	110	9827288 VSN RETRO MAY	\$24.59
FIDELITY SECURITY LIFE INSURANCE					Total Check Amount:	\$2,646.40
V38193	FUSCOE ENGINEERING, INC.	07/12/2019	18052	110000000	WQMP PLAN CHECK MAY19	\$659.00
		07/12/2019	18052	410515132	NPDES TECH SVCS MAY19	\$5,370.75
FUSCOE ENGINEERING, INC.					Total Check Amount:	\$6,029.75
V38194	MELISSA GIFFORD	07/12/2019	10645	110404215	CLASS INSTR BCC JUN19	\$150.00
MELISSA GIFFORD					Total Check Amount:	\$150.00
V38195	DON GOLDEN	07/12/2019	10729	110000000	INSP SVCS 6/20-7/3/19	\$9,072.61
		07/12/2019	10729	110323242	INSP SVCS 6/20-7/3/19	\$80.29
DON GOLDEN					Total Check Amount:	\$9,152.90
V38196	MARITZA GONZALEZ	07/12/2019	28459	110404215	ZUMBA JUN19 BCC	\$150.00
MARITZA GONZALEZ					Total Check Amount:	\$150.00
V38197	GRAINGER	07/12/2019	13634	420515131	CREDIT:INV#9210402195	(\$230.16)
		07/12/2019	13634	420515131	TIE DOWNS	\$438.98
GRAINGER					Total Check Amount:	\$208.82
V38198	HALO BRANDED SOLUTIONS	07/12/2019	22408	110111151	"I LOVE BREA" BUTTONS	\$682.33
HALO BRANDED SOLUTIONS					Total Check Amount:	\$682.33
V38199	ADAM HAWLEY	07/12/2019	5028	110212111	TRAINING 7/28-8/2	\$154.00
ADAM HAWLEY					Total Check Amount:	\$154.00
V38200	HDL SOFTWARE, LLC	07/12/2019	10601	475141471	19/20BUS LIC SOFTWARE	\$4,177.99

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HDL SOFTWARE, LLC					Total Check Amount:	\$4,177.99
V38201	LUIS FERNANDO HERNANDEZ	07/12/2019	28069	110404215	MSG THERAPST BCC JUN	\$40.00
LUIS FERNANDO HERNANDEZ					Total Check Amount:	\$40.00
V38202	MONA HERNANDEZ	07/12/2019	23114	110404215	MSG THERAPST BCC JUN	\$472.00
MONA HERNANDEZ					Total Check Amount:	\$472.00
V38203	HUNTINGTON COURT REPORTS&TRANSCRIP.	07/12/2019	18131	110212122	TRANSCRIPTION SVCS	\$261.20
HUNTINGTON COURT REPORTS&TRANSCRIP.					Total Check Amount:	\$261.20
V38204	PAMELA JOHNSTON	07/12/2019	28025	110404215	XUMBA JUN19 BCC	\$175.00
PAMELA JOHNSTON					Total Check Amount:	\$175.00
V38205	KAREN KIESS	07/12/2019	21414	110404215	CLASS INSTR BCC JUN19	\$250.00
KAREN KIESS					Total Check Amount:	\$250.00
V38206	MARSHALL KING	07/12/2019	20807	110404215	PSNL TRAINR JUN09 BCC	\$199.10
MARSHALL KING					Total Check Amount:	\$199.10
V38207	DOLLY LAI	07/12/2019	18084	110404215	YOGA JUN19 BCC	\$60.00
DOLLY LAI					Total Check Amount:	\$60.00
V38208	RENEE F. LAVACOT	07/12/2019	6754	110404215	ZUMBA JUN19 BCC	\$300.00
RENEE F. LAVACOT					Total Check Amount:	\$300.00
V38209	BERRY LIANG	07/12/2019	25640	110404215	BECKMAN ADMIN JUN19	\$476.00
		07/12/2019	25640	110404215	BECKMAN FTNS/BOOTCAMP	\$120.00
		07/12/2019	25640	110404215	CLASS INSTR JUN19 BCC	\$207.00
		07/12/2019	25640	110404215	PSNL TRAINR BCC JUN19	\$588.70
BERRY LIANG					Total Check Amount:	\$1,391.70
V38210	TANYA LOSCUTOFF	07/12/2019	22092	110404215	CLASS INSTR BCC JUN19	\$104.00
		07/12/2019	22092	110404215	POWER TRNG CLUB JUN19	\$286.80
		07/12/2019	22092	110404215	PSNL TRAINR BCC JUN19	\$574.29
TANYA LOSCUTOFF					Total Check Amount:	\$965.09
V38211	STACY MABRY	07/12/2019	7026	110404215	LOW IMPACT JUN19 BCC	\$54.00
STACY MABRY					Total Check Amount:	\$54.00
V38212	SUSAN MARTIN	07/12/2019	23655	110404523	COUNSELING SUPV MAY19	\$2,450.00
SUSAN MARTIN					Total Check Amount:	\$2,450.00
V38213	KRIS MARUMOTO	07/12/2019	17803	110404215	YOGA JUN19 BCC	\$300.00
		07/12/2019	17803	110404215	YOGA JUN19 BECKMAN	\$75.00
KRIS MARUMOTO					Total Check Amount:	\$375.00
V38214	ANDREA MCGRANAHAN	07/12/2019	26046	110404215	BECKMAN FITNESS JUN19	\$130.00
		07/12/2019	26046	110404215	CLASS INSTR BCC JUN19	\$864.00
		07/12/2019	26046	110404215	PSNL TRAINR BCC JUN19	\$29.70
ANDREA MCGRANAHAN					Total Check Amount:	\$1,023.70
V38215	NOAH MCGRANAHAN	07/12/2019	27906	110404215	BECKMAN FITNESS JUN19	\$120.00

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NOAH MCGRANAHAN						Total Check Amount:
						\$120.00
V38216	CESAR MENDOZA	07/12/2019	28460	110404215	ZUMBA JUN19 BCC	\$25.00
CESAR MENDOZA						Total Check Amount:
						\$25.00
V38217	JENNIFER MONZON-SCROFINI	07/12/2019	20158	110404215	CLASS INSTR BCC JUN19	\$78.00
JENNIFER MONZON-SCROFINI						Total Check Amount:
						\$78.00
V38218	NATASHA MOORE	07/12/2019	10711	110404215	BODY PUMP JUN19 BCC	\$175.00
NATASHA MOORE						Total Check Amount:
						\$175.00
V38219	NOCRA	07/12/2019	27783	110404424	ASSIGNOR FEES SPR2019	\$120.00
NOCRA						Total Check Amount:
						\$120.00
V38220	OPENGOV, INC.	07/12/2019	25588	110141411	MGMT REPORTING-19/20	\$9,000.00
OPENGOV, INC.						Total Check Amount:
						\$9,000.00
V38221	ORANGE COUNTY UNITED WAY	07/12/2019	3451	110	DED:5005 UNITED WAY	\$12.40
ORANGE COUNTY UNITED WAY						Total Check Amount:
						\$12.40
V38222	OZUNA ELECTRIC CO.INC.	07/12/2019	18504	420515131	SENSOR REPAIR	\$880.00
		07/12/2019	18504	420515131	TELEMETRY	\$2,575.05
OZUNA ELECTRIC CO.INC.						Total Check Amount:
						\$3,455.05
V38223	PACIFIC COAST ENTERTAINMENT	07/12/2019	21588	110404542	REPL THEATRE LIGHTING	\$4,656.98
PACIFIC COAST ENTERTAINMENT						Total Check Amount:
						\$4,656.98
V38224	PIERRE PASA	07/12/2019	11096	110404215	CARDIO KICK JUN19 BCC	\$248.00
PIERRE PASA						Total Check Amount:
						\$248.00
V38225	HERMAN PERDOMO JR,	07/12/2019	20265	110404215	BODY PUMP JUN19 BCC	\$175.00
HERMAN PERDOMO JR,						Total Check Amount:
						\$175.00
V38226	IRACEMA PERDOMO	07/12/2019	14135	110404215	CLASS INSTR BCC JUN19	\$250.00
		07/12/2019	14135	110404215	CYCLE JUN19 BECKMAN	\$25.00
IRACEMA PERDOMO						Total Check Amount:
						\$275.00
V38227	BRIANA PERLSON	07/12/2019	28024	110404215	YOGA JUN19 BCC	\$23.00
BRIANA PERLSON						Total Check Amount:
						\$23.00
V38228	PLACEWORKS, INC.	07/12/2019	26720	110000000	PROFESSNL SVC MAY19	\$6,916.88
PLACEWORKS, INC.						Total Check Amount:
						\$6,916.88
V38229	KAYLA RABJOHNS	07/12/2019	28472	110404215	CLASS INSTR BCC JUN19	\$138.00
KAYLA RABJOHNS						Total Check Amount:
						\$138.00
V38230	RAY-LITE INDUSTRIES, INC.	07/12/2019	19800	490515152	LED LIGHTING	\$3,178.36
RAY-LITE INDUSTRIES, INC.						Total Check Amount:
						\$3,178.36
V38231	RUBILENA ROJAS	07/12/2019	27996	110404215	BECKMAN BOOTCAMP JUN	\$78.00
RUBILENA ROJAS						Total Check Amount:
						\$78.00
V38232	NATALIA ANN ROSENFELD	07/12/2019	28279	110404215	POUND CLASS JUN19 BCC	\$92.00
NATALIA ANN ROSENFELD						Total Check Amount:
						\$92.00
V38233	RUSSELL SIGLER INC.	07/12/2019	21638	490515151	HVAC BELTS	\$16.87
		07/12/2019	21638	490515151	HVAC FILTERS	\$95.81

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V38233	RUSSELL SIGLER INC.	07/12/2019	21638	490515151	REFILL NITROGEN TANK	\$15.12
RUSSELL SIGLER INC.					Total Check Amount:	\$127.80
V38234	JOSHUA SAZDANOFF	07/12/2019	21272	110404215	PSNL TRAINR BCC JUN19	\$82.50
JOSHUA SAZDANOFF					Total Check Amount:	\$82.50
V38235	LAURENE SCHULZE	07/12/2019	18034	110404215	YOGA JUN19 BCC	\$46.00
LAURENE SCHULZE					Total Check Amount:	\$46.00
V38236	ISMAEL O SILVA	07/12/2019	24370	110404215	ZUMBA JUN19 BCC	\$300.00
ISMAEL O SILVA					Total Check Amount:	\$300.00
V38237	STAGELIGHT FAMILY PRODUCTIONS	07/12/2019	7825	110404542	BYT OLIVER 2019 #3	\$16,093.13
STAGELIGHT FAMILY PRODUCTIONS					Total Check Amount:	\$16,093.13
V38238	DOUGLAS STEVENSON	07/12/2019	5586	110141481	JAN-JUN 2019 MILEAGE	\$66.12
DOUGLAS STEVENSON					Total Check Amount:	\$66.12
V38239	SUNSET SIGNS AND PRINTING, INC.	07/12/2019	27244	110212131	NAME PLATE SIGNS	\$107.75
SUNSET SIGNS AND PRINTING, INC.					Total Check Amount:	\$107.75
V38240	EMI TANAKA	07/12/2019	28116	110404215	PILATES JUN19 BECKMAN	\$100.00
EMI TANAKA					Total Check Amount:	\$100.00
V38241	TECHNICOLOR PRINTING	07/12/2019	24354	110404428	DAYCAMP STAFF SHIRTS	\$256.98
TECHNICOLOR PRINTING					Total Check Amount:	\$256.98
V38242	TERRY'S TESTING, INC.	07/12/2019	9217	420515131	BACKFLOW TESTING	\$35.00
TERRY'S TESTING, INC.					Total Check Amount:	\$35.00
V38243	TRENCH SHORING COMPANY	07/12/2019	16935	420515131	EYE BOLT	\$161.63
TRENCH SHORING COMPANY					Total Check Amount:	\$161.63
V38244	TROPICAL PLAZA NURSERY, INC	07/12/2019	2062	110515141	PRKS/MSM LNDSCP JUN19	\$2,529.61
		07/12/2019	2062	110515143	CITY LANDSCAPE JUN19	\$12,483.10
		07/12/2019	2062	110515143	TREE REMOVALS	\$120.00
		07/12/2019	2062	110515148	TRCKS S2 LNDSCP JUN19	\$899.44
		07/12/2019	2062	110515148	TRCKS S3 LNDSCP JUN19	\$2,428.03
		07/12/2019	2062	110515148	TRCKS S4 LNDSCP JUN19	\$1,985.50
		07/12/2019	2062	341515112	MD#1 LANDSCAPE JUN16	\$1,166.91
		07/12/2019	2062	343515112	MD#3 LANDSCAPE JUN19	\$1,979.91
		07/12/2019	2062	345515112	MD#5 LANDSCAPE JUL19	\$2,377.29
		07/12/2019	2062	346515112	MD#6 LANDSCAPE JUN19	\$6,432.23
		07/12/2019	2062	347515112	MD#7 LANDSCAPE JUN19	\$1,047.53
		07/12/2019	2062	361515148	TRCKS S5 LNDSCP JUN19	\$19.26
		07/12/2019	2062	420515131	CITY RESERVOIRS JUN19	\$1,353.37
		07/12/2019	2062	880515113	GATEWAY CTR MNT JUN19	\$1,204.66
TROPICAL PLAZA NURSERY, INC					Total Check Amount:	\$36,026.84
V38245	LETICIA TRUJILLO	07/12/2019	22054	110404215	CLASS INSTR BCC JUN19	\$72.00
LETICIA TRUJILLO					Total Check Amount:	\$72.00

City Check Register for: Jul 12, 2019

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
V38246	EDEN TURNER	07/12/2019	21951	110404215	BODY PUMP JUN19 BCC	\$100.00
EDEN TURNER						Total Check Amount: \$100.00
V38247	US METRO GROUP, INC.	07/12/2019	24814	110515125	JANSVCS:TASTE OF BREA	\$2,043.75
US METRO GROUP, INC.						Total Check Amount: \$2,043.75
V38248	JUANA VENTURA	07/12/2019	17752	110404215	CYCLE JUN19 BCC	\$125.00
		07/12/2019	17752	110404215	CYCLE JUN19 BECKMAN	\$182.00
JUANA VENTURA						Total Check Amount: \$307.00
V38249	LINDA WATSON	07/12/2019	11871	110404215	YOGA JUN19 BCC	\$240.00
LINDA WATSON						Total Check Amount: \$240.00
V38250	KAREN WELCH	07/12/2019	27434	110404215	CLASS INSTR BCC JUN19	\$240.00
KAREN WELCH						Total Check Amount: \$240.00
V38251	SARA WOODWARD	07/12/2019	26083	110212122	JUNE 2019 MILEAGE	\$95.12
SARA WOODWARD						Total Check Amount: \$95.12
V38252	ELEANOR YBARRA	07/12/2019	27904	110404215	CLASS INSTR BCC JUN19	\$250.00
ELEANOR YBARRA						Total Check Amount: \$250.00
V38253	ZOLL DATA MANAGEMENT	07/12/2019	21490	475141471	FIRE RMS QTR MAINT	\$1,587.50
ZOLL DATA MANAGEMENT						Total Check Amount: \$1,587.50
Voucher Subtotal						\$354,726.54
TOTAL						\$606,422.15

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 07/16/2019

SUBJECT: Monthly Report of Investments for the City of Brea for Period Ending May 31, 2019

RECOMMENDATION

Receive and file.

BACKGROUND/DISCUSSION

The Monthly Report of Investments is in accordance with Government Code Section 53607 and contains information on the investment activities for the month of May. Cash for day-to-day activities is deposited in the demand and interest-bearing checking accounts. The Local Agency Investment Fund (LAIF) is used for short term investment and functions like a savings account.

The City's managed investment portfolio is for longer-term investments which are managed through Chandler Asset Management. Together, the short and long-term investment accounts represent the City's investment portfolio. Attachment A includes a Portfolio Summary, Holdings Report, Book Value Report and Compliance with Investment Policy Statement prepared by Chandler Asset Management for the invested funds. The book value is the cost, plus or minus amortization/accretion.

As of May 31, 2019, the total market value of the managed investment portfolio, including accrued interest, was \$74,736,200.42 as compared to \$74,116,987.07 at April 30, 2019. The weighted average investment yield for May 2019 was 2.23%, which was slightly higher than the prior month. The City's Local Agency Investment Fund (LAIF) had a total market value, including accrued interest of \$24,577,782.37 at May 31, 2019. This brings the total value of the City's investment portfolio as of May 31, 2019 to \$99,313,982.79 as compared to \$98,643,842.31 at April 30, 2019.

Restricted cash and investments are held in the post-employment benefits trust account administered by PARS (PARS account) and managed by HighMark Capital and the City's various bond reserve accounts which are managed by Chandler Asset Management.

Attachment A includes a monthly statement from US Bank for the PARS account as well as a portfolio report from Chandler Asset Management for each bond reserve account that is invested. As of May 31, 2019, the market value of the PARS account, including short-term cash and accrued interest was \$7,441,699.85 as compared to \$7,733,595.90 from the prior month. All other restricted cash investments (bond reserve accounts), including short-term cash and accrued interest was \$5,183,658.10 in comparison to \$5,144,579.12 from the prior month.

All City investments are GASB rated No. 1, where the custodian (The Bank of New York Mellon Trust Company, N.A.) acts as an agent of the City, and is not a counter party to the investment

transaction, and all securities are held in the name of the City of Brea. The custodial account at Bank of New York and account records with Chandler Asset Management have been reconciled to par value for the month. The City of Brea has sufficient cash flow to meet its expected expenditures for the next six months.

FISCAL IMPACT/SUMMARY

During the month of May, the total value of the City's investment portfolio increased by \$670,140.48. This is primarily due to the receipt of sales tax and property taxes during the month. The City's PARS account decreased by \$291,896.05 and the City's bond reserve accounts increased by \$39,078.98 primarily due to market rate adjustments.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager
Prepared by: Alicia Brenner, Senior Fiscal Analyst
Concurrence: Cindy Russell, Administrative Services Director

Attachments

Attachment A

City of Brea
Cash and Investment Information
May 31, 2019

		Cost Value	Market Value*
Demand and Interest-Bearing Checking Accounts	Citizen's Bank	\$ 5,665,939.03	\$ 5,665,939.03
Local Agency Investment Fund	LAIF	\$ 24,474,522.75	\$ 24,577,782.37
Managed Investment Portfolio - CHANDLER	Chandler	\$ 73,944,323.30	\$ 74,736,200.42
PARS Post-Employment Benefits Trust**	US Bank	\$ 7,169,380.15	\$ 7,441,699.85
<u>Fiscal Agent Cash & Investments**</u>			
2005 Olinda Ranch Public Improvements Bonds (CFD 1997-1)	Chandler/BNY	\$ 463,436.30	\$ 467,831.22
2009 Water Revenue Bonds	Chandler/BNY	\$ 2,118,282.20	\$ 2,101,636.51
2010 Water Revenue Bonds	Chandler/BNY	\$ 1,492,597.39	\$ 1,485,402.36
2010 Lease Revenue Bonds	Chandler/BNY	\$ 270,657.34	\$ 268,903.29
2014 Downtown Brea Public Improvements CFD Bonds	Chandler/BNY	\$ 166,747.65	\$ 166,747.65
2014 Water Revenue Bonds	Chandler/BNY	\$ 315.60	\$ 315.60
2017 Brea Plaza Public Improvements CFD Bonds (CFD 2008-2)	Chandler/BNY	\$ 673,076.62	\$ 692,821.47
Sub-total - Fiscal Agent Cash & Investments		\$ 5,185,113.10	\$ 5,183,658.10
Report Grand Total		\$ 116,439,278.33	\$ 117,605,279.77

* Includes accrued interest on invested funds

** Reserve Fund

City of Brea
Cash and Investment Information
 May 31, 2019

Fiscal Agent Cash & Investments Detail		Cost Value	Market Value
10103	2005 Olinda Ranch Public Improvements Bonds (CFD 1997-1) - CHANDLER	\$ 459,546.54	\$ 463,941.46
	Short-Term Treasury Funds - BNY	\$ 3,889.76	\$ 3,889.76
	Sub-total	\$ 463,436.30	\$ 467,831.22
10073	2009 Water Revenue Bonds - CHANDLER	\$ 1,973,112.33	\$ 1,956,466.64
	Short-Term Treasury Funds - BNY	\$ 145,169.87	\$ 145,169.87
		\$ 2,118,282.20	\$ 2,101,636.51
10128	2010 Water Revenue Bonds - CHANDLER	\$ 1,389,579.73	\$ 1,382,384.70
	Short-Term Treasury Funds - BNY	\$ 103,017.66	\$ 103,017.66
	Sub-total	\$ 1,492,597.39	\$ 1,485,402.36
10129	2010 Lease Revenue Bonds - CHANDLER	\$ 270,576.45	\$ 268,822.40
	Short-Term Treasury Funds - BNY	\$ 80.89	\$ 80.89
	Sub-total	\$ 270,657.34	\$ 268,903.29
	2014 Downtown Brea Public Improvements CFD Bonds - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 166,747.65	\$ 166,747.65
	Sub-total	\$ 166,747.65	\$ 166,747.65
	2014 Water Revenue Bonds - CHANDLER	\$ -	\$ -
	Short-Term Treasury Funds - BNY	\$ 315.60	\$ 315.60
	Sub-total	\$ 315.60	\$ 315.60
10600	2017 Brea Plaza Public Improvements CFD Bonds (CFD 2008-2) - CHANDLER	\$ 656,684.77	\$ 676,429.62
	Short-Term Treasury Funds - BNY	\$ 16,391.85	\$ 16,391.85
	Sub-total	\$ 673,076.62	\$ 692,821.47
Report Grand Total		\$ 5,185,113.10	\$ 5,183,658.10

Portfolio Summary

As of May 31, 2019



PORTFOLIO CHARACTERISTICS

Average Modified Duration	0.00
Average Coupon	2.45%
Average Purchase YTM	2.45%
Average Market YTM	2.45%
Average S&P/Moody Rating	NR/NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

ACCOUNT SUMMARY

	Beg. Values as of 4/30/19	End Values as of 5/31/19
Market Value	24,474,523	24,474,523
Accrued Interest	52,332	103,260
Total Market Value	24,526,855	24,577,782
Income Earned	69,577	50,927
Cont/WD		0
Par	24,474,523	24,474,523
Book Value	24,474,523	24,474,523
Cost Value	24,474,523	24,474,523

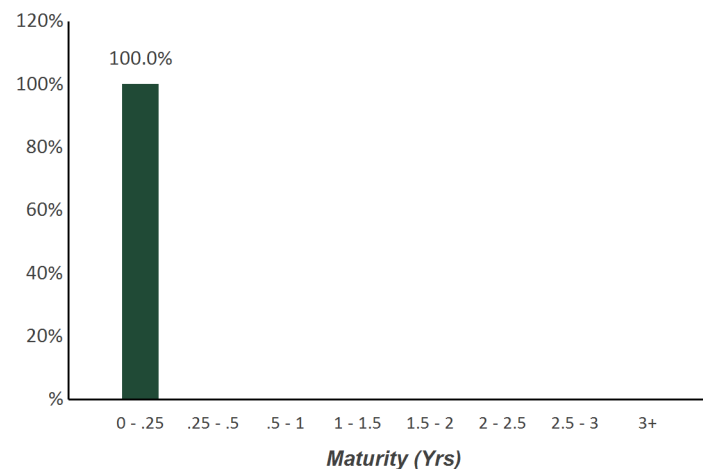
TOP ISSUERS

Local Agency Investment Fund	100.0%
Total	100.0%

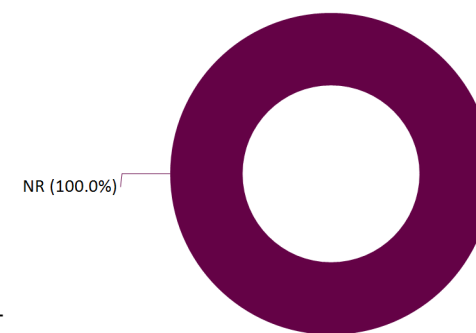
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	2/28/2012
City of Brea Laif	0.21%	0.67%	1.09%	2.40%	1.84%	1.44%	1.00%	N/A	N/A

Holdings Report

As of May 31, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	24,474,522.75	Various 2.45%	24,474,522.75 24,474,522.75	1.00 2.45%	24,474,522.75 103,259.62	100.00% 0.00	NR / NR NR	0.00 0.00
Total LAIF		24,474,522.75	2.45%	24,474,522.75	2.45%	24,474,522.75 103,259.62	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO				24,474,522.75 24,474,522.75	2.45%	24,474,522.75 103,259.62	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						24,577,782.37			

Portfolio Summary

As of May 31, 2019



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.27
Average Coupon	2.15%
Average Purchase YTM	2.23%
Average Market YTM	2.20%
Average S&P/Moody Rating	AA/Aa1
Average Final Maturity	2.50 yrs
Average Life	2.38 yrs

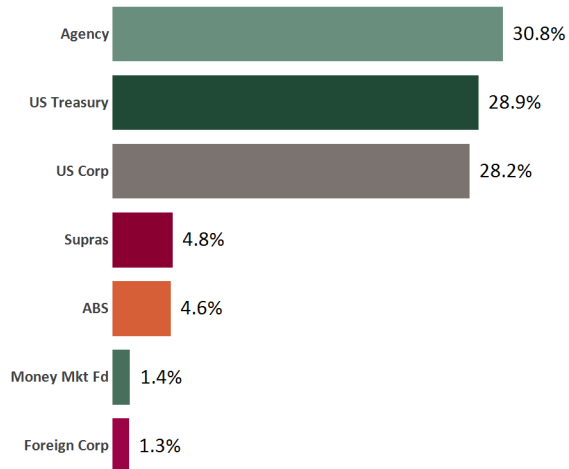
ACCOUNT SUMMARY

	Beg. Values as of 4/30/19	End Values as of 5/31/19
Market Value	73,798,983	74,367,742
Accrued Interest	318,004	368,459
Total Market Value	74,116,987	74,736,200
Income Earned	107,281	140,476
Cont/WD		0
Par	74,066,989	74,147,984
Book Value	73,955,564	74,045,400
Cost Value	73,858,082	73,944,323

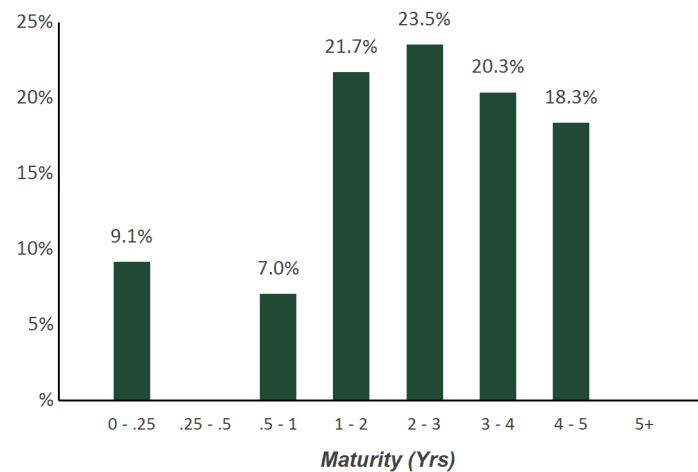
TOP ISSUERS

Government of United States	28.9%
Federal National Mortgage Assoc	13.9%
Federal Home Loan Bank	11.3%
Federal Home Loan Mortgage Corp	5.6%
Inter-American Dev Bank	4.2%
Bank of New York	1.5%
American Express ABS	1.4%
Fidelity Institutional Treasury	1.4%
Total	68.2%

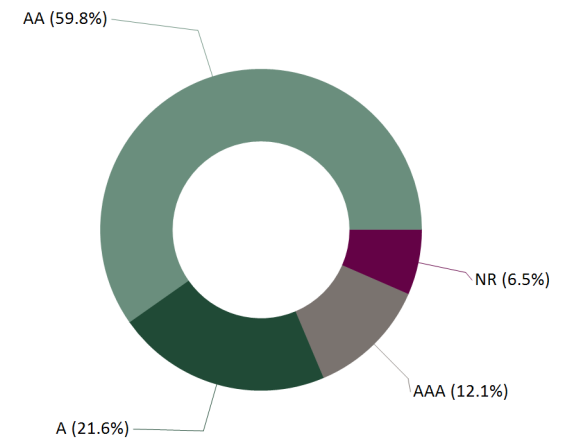
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	Annualized								
	1M	3M	YTD	1YR	2YRS	3YRS	5YRS	10YRS	4/30/1996
City of Brea	0.84%	1.76%	2.40%	4.15%	1.99%	1.63%	1.59%	1.93%	3.84%
ICE BAML 1-5 Yr US Treasury/Agency Index*	0.99%	2.01%	2.38%	4.19%	1.83%	1.42%	1.39%	1.63%	3.48%
ICE BAML 1-5 Yr US Issuers Corp/Govt Rtd AAA-A Idx	0.96%	2.00%	2.49%	4.27%	1.91%	1.53%	1.49%	1.87%	N/A

*ICE BAML 1-Yr US Treasury Bill Index to 9/30/01,

Statement of Compliance

As of May 31, 2019

ATTACHMENT A



City of Brea

Assets managed by Chandler Asset Management are in full compliance with state law and with the Client's investment policy

Category	Standard	Comment
Treasury Issues	No limitations	Complies
US Agencies	25% per issuer	Complies
Supranationals	"AA" rated by a NRSRO; 15% maximum; 5% max per issuer	Complies
Municipal Securities	5% max issuer	Complies
Banker's Acceptances	40% maximum; 5% max issuer; 180 days max maturity	Complies
Commercial Paper	A-1/P-1 by S&P and Moody's; 25% maximum; 5% max per issuer; 270 days max maturity	Complies
Certificates of Deposit(CDs)/ Time Deposits (TDs)	5% max issuer; FDIC Insured and/or Collateralized	Complies
Negotiable CDs	30% maximum; 5% max per issuer	Complies
Medium Term Notes	"A" rated or better by a NRSRO; 30% maximum; 5% max per issuer	Complies
Pass Through Securities, Asset-Backed Securities (ABS), CMOs	"AA" or higher by a NRSRO; "A" rated issuer by a NRSRO; 20% maximum (combined), 10% maximum (ABS); 5% max per issuer; CMOs must pass FFIEC test	Complies
Money Market Funds	Highest rating by two NRSROs; 20% maximum; 5% max per fund	Complies
LAIF	40%;<60%, with OCIP	Complies
OCIP	40%;<60%, with LAIF	Complies
Repurchase Agreements	5% max issuer; 1 year max maturity	Complies
Range notes	Prohibited	Complies
Interest-only strips	Prohibited	Complies
Zero interest accruals	Prohibited	Complies
Agency Callable notes	5% maximum	Complies
Max Per Issuer	5% per issuer for all non government issuers and agencies	Complies
Maximum Maturity	5 years	Complies

Reconciliation Summary

As of May 31, 2019



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$73,955,563.69
<u>Acquisition</u>		
+ Security Purchases	\$9,646,077.10	
+ Money Market Fund Purchases	\$7,222,736.12	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$16,868,813.22
<u>Dispositions</u>		
- Security Sales	\$204,817.55	
- Money Market Fund Sales	\$9,462,352.79	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$6,991,373.81	
- Calls	\$0.00	
- Principal Paydowns	\$124,388.34	
Total Dispositions		\$16,782,932.49
<u>Amortization/Accretion</u>		
+/- Net Accretion	\$4,141.45	
		\$4,141.45
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	(\$185.70)	
		(\$185.70)
ENDING BOOK VALUE		\$74,045,400.17

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$3,268,939.18
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$204,817.55	
Accrued Interest Received	\$903.71	
Interest Received	\$86,844.11	
Dividend Received	\$11,503.67	
Principal on Maturities	\$6,991,373.81	
Interest on Maturities	\$8,626.19	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$124,388.34	
Total Acquisitions	\$7,428,457.38	
<u>Dispositions</u>		
Withdrawals	\$0.00	
Security Purchase	\$9,646,077.10	
Accrued Interest Paid	\$21,996.95	
Total Dispositions	\$9,668,074.05	
ENDING BOOK VALUE		\$1,029,322.51

Holdings Report

As of May 31, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
ABS									
89238BAB8	Toyota Auto Receivables Owner 2018-A A2A 2.1% Due 10/15/2020	289,510.65	01/23/2018 2.12%	289,481.07 289,495.62	99.89 2.60%	289,196.18 270.21	0.39% (299.44)	Aaa / AAA NR	1.38 0.22
654747AD6	Nissan Auto Receivables 2017-A A3 1.74% Due 8/16/2021	371,963.29	12/27/2017 2.10%	369,594.93 370,521.91	99.61 2.46%	370,512.62 269.67	0.50% (9.29)	Aaa / NR AAA	2.21 0.54
43811BAC8	Honda Auto Receivables 2017-2 A3 1.68% Due 8/16/2021	345,229.34	04/27/2018 2.62%	339,862.10 341,631.86	99.52 2.46%	343,579.79 257.77	0.46% 1,947.93	Aaa / AAA NR	2.21 0.62
47788BAD6	John Deere Owner Trust 2017-B A3 1.82% Due 10/15/2021	113,958.23	07/11/2017 1.83%	113,949.88 113,953.56	99.57 2.51%	113,472.75 92.18	0.15% (480.81)	Aaa / NR AAA	2.38 0.62
47788CAC6	John Deere Owner Trust 2016-B A4 2.66% Due 4/18/2022	185,000.00	02/21/2018 2.68%	184,986.70 184,990.73	100.23 2.68%	185,423.46 218.71	0.25% 432.73	Aaa / NR AAA	2.88 0.20
43815HAC1	Honda Auto Receivables Owner 2018-3 A3 2.95% Due 8/22/2022	495,000.00	08/21/2018 2.98%	494,932.09 494,945.02	101.17 2.19%	500,807.83 405.63	0.67% 5,862.81	Aaa / NR AAA	3.23 1.50
02587AAJ3	American Express Credit 2017-1 1.93% Due 9/15/2022	1,050,000.00	Various 2.61%	1,039,535.16 1,041,677.77	99.62 2.49%	1,046,042.53 900.67	1.40% 4,364.76	Aaa / NR AAA	3.30 0.68
47788EAC2	John Deere Owner Trust 2018-B A3 3.08% Due 11/15/2022	575,000.00	07/18/2018 3.10%	574,956.42 574,965.03	101.22 2.28%	581,996.60 787.11	0.78% 7,031.57	Aaa / NR AAA	3.46 1.48
Total ABS		3,425,661.51	2.63%	3,407,298.35 3,412,181.50	2.42%	3,431,031.76 3,201.95	4.60% 18,850.26	Aaa / AAA AAA	2.88 0.85
AGENCY									
3135G0A78	FNMA Note 1.625% Due 1/21/2020	1,000,000.00	Various 1.46%	1,008,032.32 1,001,041.96	99.57 2.31%	995,667.00 5,868.05	1.34% (5,374.96)	Aaa / AA+ AAA	0.64 0.63
3137EADR7	FHLMC Note 1.375% Due 5/1/2020	1,250,000.00	05/28/2015 1.52%	1,241,437.50 1,248,405.54	99.18 2.28%	1,239,797.50 1,432.29	1.66% (8,608.04)	Aaa / AA+ AAA	0.92 0.90
3135G0D75	FNMA Note 1.5% Due 6/22/2020	1,030,000.00	Various 1.57%	1,026,700.60 1,029,275.85	99.21 2.26%	1,021,811.50 6,823.75	1.38% (7,464.35)	Aaa / AA+ AAA	1.06 1.04
3137EAEK1	FHLMC Note 1.875% Due 11/17/2020	450,000.00	11/21/2017 1.96%	448,833.97 449,428.21	99.76 2.04%	448,933.05 328.13	0.60% (495.16)	Aaa / AA+ AAA	1.47 1.43
3135G0F73	FNMA Note 1.5% Due 11/30/2020	1,225,000.00	12/16/2015 1.90%	1,201,847.50 1,217,990.29	99.17 2.07%	1,214,810.45 51.04	1.63% (3,179.84)	Aaa / AA+ AAA	1.50 1.47

Holdings Report

As of May 31, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	1,070,000.00	02/17/2016 1.46%	1,065,677.20 1,068,514.11	98.89 2.04%	1,058,131.56 4,209.41	1.42% (10,382.55)	Aaa / AA+ AAA	1.72 1.68
3135G0J20	FNMA Note 1.375% Due 2/26/2021	1,275,000.00	Various 1.46%	1,269,953.70 1,273,190.79	98.91 2.02%	1,261,068.08 4,626.30	1.69% (12,122.71)	Aaa / AA+ AAA	1.75 1.70
3135G0K69	FNMA Note 1.25% Due 5/6/2021	400,000.00	05/27/2016 1.48%	395,724.00 398,326.16	98.64 1.97%	394,546.80 347.22	0.53% (3,779.36)	Aaa / AA+ AAA	1.93 1.89
3135G0U35	FNMA Note 2.75% Due 6/22/2021	500,000.00	06/28/2018 2.70%	500,740.00 500,511.00	101.47 2.02%	507,336.00 6,072.92	0.69% 6,825.00	Aaa / AA+ AAA	2.06 1.97
3130A8QS5	FHLB Note 1.125% Due 7/14/2021	1,285,000.00	10/04/2016 1.33%	1,273,126.60 1,279,724.45	98.29 1.95%	1,263,034.21 5,501.41	1.70% (16,690.24)	Aaa / AA+ AAA	2.12 2.07
3137EAEC9	FHLMC Note 1.125% Due 8/12/2021	1,250,000.00	08/30/2016 1.33%	1,237,737.50 1,244,550.75	98.14 2.00%	1,226,703.75 4,257.81	1.65% (17,847.00)	Aaa / AA+ AAA	2.20 2.15
3135G0N82	FNMA Note 1.25% Due 8/17/2021	1,285,000.00	Various 1.29%	1,282,305.71 1,283,777.24	98.44 1.97%	1,264,975.85 4,640.28	1.70% (18,801.39)	Aaa / AA+ AAA	2.22 2.16
3130AF5B9	FHLB Note 3% Due 10/12/2021	1,350,000.00	11/29/2018 2.91%	1,353,402.00 1,352,807.38	102.36 1.97%	1,381,920.75 5,512.50	1.86% 29,113.37	Aaa / AA+ NR	2.37 2.27
3135G0S38	FNMA Note 2% Due 1/5/2022	1,350,000.00	04/25/2017 1.92%	1,354,927.50 1,352,728.24	100.10 1.96%	1,351,381.05 10,950.00	1.82% (1,347.19)	Aaa / AA+ AAA	2.60 2.50
3135G0T45	FNMA Note 1.875% Due 4/5/2022	1,315,000.00	06/19/2017 1.88%	1,314,801.44 1,314,882.11	99.78 1.96%	1,312,054.40 3,835.42	1.76% (2,827.71)	Aaa / AA+ AAA	2.85 2.75
3130A3KM5	FHLB Note 2.5% Due 12/9/2022	775,000.00	08/28/2018 2.83%	764,808.75 766,608.36	101.70 2.00%	788,210.65 9,256.94	1.07% 21,602.29	Aaa / AA+ NR	3.53 3.32
3135G0T94	FNMA Note 2.375% Due 1/19/2023	1,000,000.00	03/14/2018 2.73%	984,140.00 988,100.52	101.35 1.99%	1,013,452.00 8,708.33	1.37% 25,351.48	Aaa / AA+ AAA	3.64 3.44
3137EAEN5	FHLMC Note 2.75% Due 6/19/2023	1,200,000.00	07/20/2018 2.86%	1,193,976.00 1,195,028.18	102.92 2.00%	1,235,032.80 14,850.00	1.67% 40,004.62	Aaa / AA+ AAA	4.05 3.78
313383YJ4	FHLB Note 3.375% Due 9/8/2023	1,200,000.00	10/29/2018 3.08%	1,215,756.00 1,213,863.15	105.55 2.01%	1,266,654.00 9,337.50	1.71% 52,790.85	Aaa / AA+ NR	4.28 3.95
3130A0F70	FHLB Note 3.375% Due 12/8/2023	1,075,000.00	Various 2.74%	1,106,057.50 1,103,655.49	106.00 1.98%	1,139,489.25 17,435.16	1.55% 35,833.76	Aaa / AA+ AAA	4.53 4.14

Holdings Report

As of May 31, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3130AB3H7	FHLB Note 2.375% Due 3/8/2024	1,500,000.00	04/29/2019 2.37%	1,500,105.00 1,500,103.11	101.49 2.04%	1,522,413.00 8,213.54	2.05% 22,309.89	Aaa / AA+ NR	4.78 4.47
Total Agency		22,785,000.00	2.03%	22,740,090.79 22,782,512.89	2.04%	22,907,423.65 132,258.00	30.83% 124,910.76	Aaa / AA+ AAA	2.59 2.46
FOREIGN CORPORATE									
89114QCB2	Toronto Dominion Bank Note 3.25% Due 3/11/2024	950,000.00	Various 2.94%	963,259.00 962,883.82	102.65 2.66%	975,136.05 6,861.11	1.31% 12,252.23	Aa3 / A AA-	4.78 4.38
Total Foreign Corporate		950,000.00	2.94%	963,259.00 962,883.82	2.66%	975,136.05 6,861.11	1.31% 12,252.23	Aa3 / A AA-	4.78 4.38
MONEY MARKET FUND FI									
316175884	Fidelity Institutional Money Market Fund 696	1,029,322.51	Various 2.00%	1,029,322.51 1,029,322.51	1.00 2.00%	1,029,322.51 0.00	1.38% 0.00	Aaa / AAA NR	0.00 0.00
Total Money Market Fund FI		1,029,322.51	2.00%	1,029,322.51 1,029,322.51	2.00%	1,029,322.51 0.00	1.38% 0.00	Aaa / AAA NR	0.00 0.00
SUPRANATIONAL									
4581X0CX4	Inter-American Dev Bank Note 1.625% Due 5/12/2020	1,065,000.00	04/05/2017 1.70%	1,062,475.95 1,064,224.40	99.38 2.29%	1,058,369.31 913.39	1.42% (5,855.09)	Aaa / AAA AAA	0.95 0.93
45950KCM0	International Finance Corp Note 2.25% Due 1/25/2021	410,000.00	01/18/2018 2.35%	408,794.60 409,335.71	100.30 2.06%	411,241.48 3,228.75	0.55% 1,905.77	Aaa / AAA NR	1.66 1.60
4581X0CW6	Inter-American Dev Bank Note 2.125% Due 1/18/2022	1,275,000.00	01/10/2017 2.15%	1,273,431.75 1,274,173.79	100.36 1.98%	1,279,620.60 10,009.64	1.73% 5,446.81	Aaa / NR AAA	2.64 2.53

Holdings Report

As of May 31, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
SUPRANATIONAL									
4581X0CZ9	Inter-American Dev Bank Note 1.75% Due 9/14/2022	800,000.00	Various 2.40%	777,732.00 783,973.96	99.25 1.99%	794,024.80 2,994.44	1.07% 10,050.84	NR / NR AAA	3.29 3.16
Total Supranational		3,550,000.00	2.09%	3,522,434.30 3,531,707.86	2.08%	3,543,256.19 17,146.22	4.76% 11,548.33	Aaa / AAA AAA	2.17 2.09
US CORPORATE									
40434CAC9	HSBC USA Inc Note 2.25% Due 6/23/2019	800,000.00	06/20/2017 1.99%	804,088.00 800,123.20	99.98 2.62%	799,805.60 7,900.00	1.08% (317.60)	A2 / A AA-	0.06 0.06
94974BGF1	Wells Fargo Corp Note 2.15% Due 1/30/2020	735,000.00	01/26/2015 2.17%	734,204.40 734,893.95	99.78 2.49%	733,349.93 5,311.40	0.99% (1,544.02)	A2 / A- A+	0.67 0.65
22160KAG0	Costco Wholesale Corp Note 1.75% Due 2/15/2020	465,000.00	02/05/2015 1.77%	464,511.75 464,930.67	99.53 2.42%	462,817.76 2,396.04	0.62% (2,112.91)	Aa3 / A+ NR	0.71 0.69
747525AD5	Qualcomm Inc Note 2.25% Due 5/20/2020	750,000.00	06/11/2015 2.49%	741,693.75 748,366.44	99.68 2.58%	747,620.26 515.62	1.00% (746.18)	A2 / A- NR	0.97 0.95
437076BQ4	Home Depot Note 1.8% Due 6/5/2020	330,000.00	05/24/2017 1.82%	329,808.60 329,935.39	99.30 2.50%	327,704.85 2,904.00	0.44% (2,230.54)	A2 / A A	1.02 0.99
594918BG8	Microsoft Callable Note Cont. 10/03/20 2% Due 11/3/2020	325,000.00	10/29/2015 2.02%	324,740.00 324,925.86	99.73 2.19%	324,138.10 505.56	0.43% (787.76)	Aaa / AAA AA+	1.43 1.39
00440EAT4	Chubb INA Holdings Inc Callable Note Cont 10/3/2020 2.3% Due 11/3/2020	800,000.00	02/06/2017 2.16%	803,768.00 801,386.13	99.93 2.34%	799,460.80 1,431.11	1.07% (1,925.33)	A3 / A A	1.43 1.39
78012KKU0	Royal Bank of Canada Note 2.5% Due 1/19/2021	700,000.00	01/24/2018 2.64%	697,130.00 698,424.00	100.29 2.32%	702,029.30 6,416.67	0.95% 3,605.30	Aa2 / AA- AA	1.64 1.58
30231GAV4	Exxon Mobil Corp Callable Note Cont 2/1/2021 2.222% Due 3/1/2021	875,000.00	Various 1.97%	884,992.10 878,654.81	99.93 2.26%	874,346.37 4,860.63	1.18% (4,308.44)	Aaa / AA+ NR	1.75 1.70
24422ESL4	John Deere Capital Corp Note 2.8% Due 3/4/2021	315,000.00	05/24/2017 2.12%	322,663.95 318,580.97	100.62 2.43%	316,964.03 2,131.50	0.43% (1,616.94)	A2 / A A	1.76 1.70
369550BE7	General Dynamics Corp Note 3% Due 5/11/2021	410,000.00	05/08/2018 3.24%	407,150.50 408,154.06	101.24 2.34%	415,081.54 683.33	0.56% 6,927.48	A2 / A+ NR	1.95 1.88

Holdings Report

As of May 31, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
857477AV5	State Street Bank Note 1.95% Due 5/19/2021	940,000.00	Various 2.32%	932,971.20	99.23	932,742.26	1.25%	A1 / A AA-	1.97
				933,382.76	2.35%	611.00	(640.50)		1.92
594918BP8	Microsoft Callable Note Cont 7/8/21 1.55% Due 8/8/2021	590,000.00	Various 1.57%	589,298.90	98.54	581,381.87	0.78%	Aaa / AAA AA+	2.19
				589,693.22	2.24%	2,870.52	(8,311.35)		2.12
68389XBK0	Oracle Corp Callable Note Cont 8/01/21 1.9% Due 9/15/2021	804,000.00	11/29/2016 2.40%	785,998.44	98.73	793,784.38	1.07%	A1 / AA- A	2.30
				795,380.26	2.47%	3,224.93	(1,595.88)		2.21
89236TDP7	Toyota Motor Credit Corp Note 2.6% Due 1/11/2022	750,000.00	Various 3.16%	736,272.75	100.31	752,316.75	1.02%	Aa3 / AA- A+	2.62
				739,701.27	2.48%	7,583.33	12,615.48		2.49
91159HHP8	US Bancorp Callable Cont 12/23/2021 2.625% Due 1/24/2022	390,000.00	01/19/2017 2.66%	389,329.20	100.48	391,855.62	0.53%	A1 / A+ AA-	2.65
				389,644.40	2.43%	3,611.56	2,211.22		2.44
674599CK9	Occidental Petroleum Callable Note Cont 3/15/2022 2.6% Due 4/15/2022	700,000.00	06/18/2018 3.27%	683,298.00	99.16	694,110.20	0.93%	A3 / A A	2.88
				687,440.57	2.90%	2,325.56	6,669.63		2.74
69353RFE3	PNC Bank Callable Note Cont 6/28/2022 2.45% Due 7/28/2022	890,000.00	07/25/2017 2.45%	889,919.90	100.20	891,802.25	1.20%	A2 / A A+	3.16
				889,949.42	2.38%	7,450.04	1,852.83		2.92
44932HAC7	IBM Credit Corp Note 2.2% Due 9/8/2022	950,000.00	Various 2.65%	932,933.50	98.63	936,990.70	1.26%	A1 / A A	3.28
				936,691.64	2.64%	4,818.62	299.06		3.12
48128BAB7	JP Morgan Chase & Co Callable Note 1X 1/15/2022 2.972% Due 1/15/2023	925,000.00	Various 3.11%	919,202.75	100.65	931,045.80	1.26%	A2 / A- AA-	3.63
				920,782.49	2.71%	10,385.49	10,263.31		3.06
808513AT2	Charles Schwab Corp Callable Note Cont 12/25/2022 2.65% Due 1/25/2023	750,000.00	05/20/2019 2.73%	748,027.50	100.30	752,217.75	1.02%	A2 / A A	3.66
				748,042.18	2.56%	6,956.25	4,175.57		3.36
24422ETG4	John Deere Capital Corp Note 2.8% Due 3/6/2023	650,000.00	Various 3.23%	637,699.50	100.85	655,513.30	0.88%	A2 / A A	3.77
				640,240.91	2.56%	4,297.22	15,272.39		3.53
06406RAG2	Bank of NY Mellon Corp Note 3.5% Due 4/28/2023	800,000.00	05/16/2019 2.78%	821,248.00	103.24	825,934.40	1.11%	A1 / A AA-	3.91
				821,070.81	2.62%	2,566.67	4,863.59		3.63
037833AK6	Apple Inc Note 2.4% Due 5/3/2023	900,000.00	Various 3.18%	871,569.25	99.80	898,166.70	1.20%	Aa1 / AA+ NR	3.93
				874,451.67	2.45%	1,680.00	23,715.03		3.71
097023BQ7	Boeing Co Callable Note Cont 4/15/2023 1.875% Due 6/15/2023	500,000.00	02/13/2019 2.98%	477,785.00	96.86	484,314.00	0.65%	A2 / A A	4.04
				479,274.43	2.70%	4,322.92	5,039.57		3.82

Holdings Report

As of May 31, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US CORPORATE									
931142EK5	Wal-Mart Stores Callable Note Cont 5/26/2023 3.4% Due 6/26/2023	904,000.00	04/26/2019 2.68%	928,769.60 928,236.56	103.89 2.37%	939,123.11 13,233.56	1.27% 10,886.55	Aa2 / AA AA	4.07 3.67
02665WCJ8	American Honda Finance Note 3.45% Due 7/14/2023	225,000.00	07/11/2018 3.49%	224,610.75 224,679.04	103.80 2.47%	233,541.68 2,954.06	0.32% 8,862.64	A2 / A NR	4.12 3.79
69371RP59	Paccar Financial Corp Note 3.4% Due 8/9/2023	760,000.00	Various 3.28%	763,588.40 763,595.91	102.99 2.64%	782,711.84 8,039.12	1.06% 19,115.93	A1 / A+ NR	4.19 3.85
06406RAJ6	Bank of NY Mellon Corp Note 3.45% Due 8/11/2023	250,000.00	05/16/2019 2.79%	256,575.00 256,523.90	103.10 2.66%	257,738.75 2,635.42	0.35% 1,214.85	A1 / A AA-	4.20 3.86
02665WCQ2	American Honda Finance Note 3.625% Due 10/10/2023	750,000.00	Various 3.38%	757,259.00 757,263.89	104.34 2.56%	782,574.00 3,851.56	1.05% 25,310.11	A2 / A NR	4.36 4.01
06051GHF9	Bank of America Corp Callable Note 1X 3/5/2023 3.55% Due 3/5/2024	900,000.00	Various 3.38%	905,512.00 905,282.67	102.19 2.93%	919,749.60 7,632.50	1.24% 14,466.93	A2 / A- A+	4.77 3.48
Total US Corporate		20,833,000.00	2.66%	20,766,619.69 20,789,703.48	2.52%	20,940,933.50 136,106.19	28.20% 151,230.02	A1 / A+ A+	2.76 2.53
US TREASURY									
912796VG1	US Treasury Bill 2.285% Due 6/18/2019	5,000,000.00	05/30/2019 2.32%	4,993,968.82 4,993,968.82	99.88 2.32%	4,993,968.82 634.86	6.68% 0.00	P-1 / A-1+ F-1+	0.05 0.05
912828L32	US Treasury Note 1.375% Due 8/31/2020	1,250,000.00	09/29/2015 1.37%	1,250,394.81 1,250,100.41	99.07 2.13%	1,238,378.75 4,343.58	1.66% (11,721.66)	Aaa / AA+ AAA	1.25 1.23
912828L99	US Treasury Note 1.375% Due 10/31/2020	800,000.00	11/23/2015 1.71%	787,471.43 796,400.56	99.04 2.07%	792,281.60 956.52	1.06% (4,118.96)	Aaa / AA+ AAA	1.42 1.39
912828N89	US Treasury Note 1.375% Due 1/31/2021	1,300,000.00	03/09/2016 1.40%	1,298,734.82 1,299,568.13	98.94 2.02%	1,286,238.20 5,974.79	1.73% (13,329.93)	Aaa / AA+ AAA	1.67 1.63
912828B90	US Treasury Note 2% Due 2/28/2021	1,250,000.00	04/26/2016 1.40%	1,285,111.61 1,262,677.54	99.99 2.01%	1,249,853.75 6,317.93	1.68% (12,823.79)	Aaa / AA+ AAA	1.75 1.70
912828Q37	US Treasury Note 1.25% Due 3/31/2021	800,000.00	12/13/2016 1.81%	781,471.43 792,094.63	98.68 1.98%	789,468.80 1,693.99	1.06% (2,625.83)	Aaa / AA+ AAA	1.84 1.80
912828T34	US Treasury Note 1.125% Due 9/30/2021	1,300,000.00	11/09/2016 1.48%	1,278,016.07 1,289,506.83	98.24 1.90%	1,277,148.60 2,477.46	1.71% (12,358.23)	Aaa / AA+ AAA	2.34 2.28

Holdings Report

As of May 31, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828F96	US Treasury Note 2% Due 10/31/2021	1,025,000.00	01/27/2017 1.94%	1,027,686.05 1,026,367.02	100.18 1.92%	1,026,801.95 1,782.61	1.38% 434.93	Aaa / AA+ AAA	2.42 2.34
912828J43	US Treasury Note 1.75% Due 2/28/2022	1,360,000.00	03/13/2017 2.14%	1,335,407.68 1,346,379.85	99.54 1.92%	1,353,784.80 6,014.67	1.82% 7,404.95	Aaa / AA+ AAA	2.75 2.66
912828XG0	US Treasury Note 2.125% Due 6/30/2022	1,100,000.00	08/15/2017 1.82%	1,115,601.34 1,109,871.49	100.66 1.90%	1,107,218.20 9,814.92	1.49% (2,653.29)	Aaa / AA+ AAA	3.08 2.95
912828L24	US Treasury Note 1.875% Due 8/31/2022	1,000,000.00	09/26/2017 1.87%	1,000,433.04 1,000,285.72	99.89 1.91%	998,906.00 4,738.45	1.34% (1,379.72)	Aaa / AA+ AAA	3.25 3.12
912828L57	US Treasury Note 1.75% Due 9/30/2022	1,240,000.00	10/17/2017 1.99%	1,226,243.75 1,230,740.40	99.49 1.91%	1,233,703.28 3,675.96	1.66% 2,962.88	Aaa / AA+ AAA	3.34 3.21
912828N30	US Treasury Note 2.125% Due 12/31/2022	1,150,000.00	01/25/2018 2.46%	1,132,121.09 1,136,998.06	100.74 1.91%	1,158,490.45 10,261.05	1.56% 21,492.39	Aaa / AA+ AAA	3.59 3.41
912828T91	US Treasury Note 1.625% Due 10/31/2023	1,500,000.00	05/29/2019 2.05%	1,472,988.28 1,473,021.73	98.67 1.94%	1,480,020.00 2,119.57	1.98% 6,998.27	Aaa / AA+ AAA	4.42 4.23
912828B66	US Treasury Note 2.75% Due 2/15/2024	1,500,000.00	04/29/2019 2.31%	1,529,648.44 1,529,106.92	103.63 1.94%	1,554,375.00 12,078.73	2.10% 25,268.08	Aaa / AA+ AAA	4.72 4.38
Total US Treasury		21,575,000.00	1.96%	21,515,298.66 21,537,088.11	2.04%	21,540,638.20 72,885.09	28.92% 3,550.09	Aaa / AA+ AAA	2.17 2.08
TOTAL PORTFOLIO		74,147,984.02	2.23%	73,944,323.30 74,045,400.17	2.20%	74,367,741.86 368,458.56	100.00% 322,341.69	Aa1 / AA AAA	2.50 2.27
TOTAL MARKET VALUE PLUS ACCRUED						74,736,200.42			

Book Value Report

As of May 31, 2019



MIG	Book Value	12 Months or Less	13 to 24 Months	25 to 60 Months	Total Holdings
ABS	\$3,412,181.50	\$1,940,071.97	\$1,472,109.53	\$0.00	\$3,412,181.50
Agency	\$22,782,512.89	\$2,249,447.50	\$5,436,725.41	\$15,096,339.98	\$22,782,512.89
Foreign Corporate	\$962,883.82	\$0.00	\$0.00	\$962,883.82	\$962,883.82
Money Market Fund FI	\$1,029,322.51	\$1,029,322.51	\$0.00	\$0.00	\$1,029,322.51
Supranational	\$3,531,707.86	\$1,064,224.40	\$409,335.71	\$2,058,147.75	\$3,531,707.86
US Corporate	\$20,789,703.48	\$2,748,314.26	\$4,693,443.98	\$13,347,945.24	\$20,789,703.48
US Treasury	\$21,537,088.11	\$4,993,968.82	\$5,400,841.27	\$11,142,278.02	\$21,537,088.11
TOTAL	\$74,045,400.17	\$14,025,349.46	\$17,412,455.90	\$42,607,594.81	\$74,045,400.17

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ATTACHMENT A



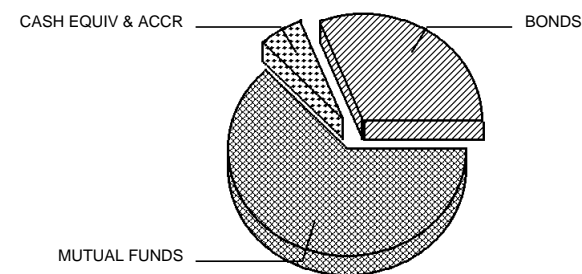
PARS/CITY OF BREA 115P
ACCOUNT 6746050800

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Period from May 1, 2019 to May 31, 2019

ASSET SUMMARY

ASSETS	05/31/2019 MARKET	05/31/2019 BOOK VALUE	% OF MARKET
Cash And Equivalents	440,902.89	440,902.89	5.93
Corporate Issues	2,296,543.25	2,378,323.25	30.86
Mutual Funds-Equity	4,450,474.17	4,122,889.31	59.80
Mutual Funds-Fixed Income	229,846.68	227,264.70	3.09
Total Assets	7,417,766.99	7,169,380.15	99.68
Accrued Income	23,932.86	23,932.86	0.32
Grand Total	7,441,699.85	7,193,313.01	100.00

Estimated Annual Income 165,088.08



ASSET SUMMARY MESSAGES

Estimated Annual Income is an estimate provided for informational purposes only and should not be relied on for making investment, trading, or tax decisions. The estimates may not represent the actual value earned by your investments and they provide no guarantee of what your investments may earn in the future.

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PARS/CITY OF BREA 115P
ACCOUNT 6746050800

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Period from May 1, 2019 to May 31, 2019

ASSET DETAIL

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Cash And Equivalents						
Money Markets						
First Am Govt Ob Fd Cl Z 31846V567 Asset Minor Code 1	440,334.820	440,334.82 1.0000	440,334.82	.00 .00	707.41	2.26
Total Money Markets	440,334.820	440,334.82	440,334.82	.00 .00	707.41	2.25
Cash						
Cash		568.07	568.07			
Total Cash	.000	568.07	568.07	.00 .00	.00	0.00
Total Cash And Equivalents	440,334.820	440,902.89	440,902.89	.00 .00	707.41	2.25
Corporate Issues						
Apple Inc 2.850% 2/23/23 Standard & Poors Rating: AA+ Moody's Rating: Aa1 037833BU3 Asset Minor Code 28	150,000.000	151,987.50 101.3250	158,403.00	- 6,415.50 1,021.50	1,163.75	2.81
Bank Ny Mellon Mtn 5.450% 5/15/19 Standard & Poors Rating: N/R Moody's Rating: WR 06406HBM0 Asset Minor Code 28	.000	.00 100.0000	.00	.00 22,846.00	.00	0.00

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PARS/CITY OF BREA 115P
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ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Becton Dickinson 2.675% 12/15/19 Standard & Poors Rating: BBB Moody's Rating: Ba1 075887BE8 Asset Minor Code 28	100,000.000	99,953.00 99.9530	99,718.00	235.00 175.00	1,233.47	2.68
Cisco Systems Inc 2.900% 3/04/21 Standard & Poors Rating: AA- Moody's Rating: A1 17275RAP7 Asset Minor Code 28	200,000.000	201,494.00 100.7470	207,884.00	- 6,390.00 160.00	1,401.67	2.88
Gen Elec Cap Corp Mtn 6.000% 8/07/19 Standard & Poors Rating: BBB+ Moody's Rating: Baa1 36962G4D3 Asset Minor Code 28	175,000.000	175,906.50 100.5180	200,947.25	- 25,040.75 - 504.00	3,325.00	5.97
Gen Elec Cap Corp Mtn 5.500% 1/08/20 Standard & Poors Rating: BBB+ Moody's Rating: Baa1 36962G4J0 Asset Minor Code 28	200,000.000	203,056.00 101.5280	228,930.00	- 25,874.00 - 408.00	4,369.44	5.42
Intercontinental 3.750% 12/01/25 Standard & Poors Rating: A Moody's Rating: A2 45866FAD6 Asset Minor Code 28	100,000.000	105,383.00 105.3830	104,231.00	1,152.00 1,029.00	1,875.00	3.56
Jp Morgan Chase Co 2.700% 5/18/23 Standard & Poors Rating: A- Moody's Rating: A2 46625HRL6 Asset Minor Code 28	75,000.000	74,768.25 99.6910	74,970.75	- 202.50 465.75	73.13	2.71
Kimberly Clark Corp 2.750% 2/15/26 Standard & Poors Rating: A Moody's Rating: A2 494368BU6 Asset Minor Code 28	100,000.000	99,915.00 99.9150	103,111.00	- 3,196.00 1,724.00	809.72	2.75

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ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Medtronic Inc 3.125% 3/15/22 Standard & Poors Rating: A Moody's Rating: A3 585055AX4 Asset Minor Code 28	200,000.000	203,552.00 101.7760	208,046.00	- 4,494.00 880.00	1,319.44	3.07
Mondelez Int 4.000% 2/01/24 Standard & Poors Rating: BBB Moody's Rating: Baa1 609207AB1 Asset Minor Code 28	100,000.000	105,272.00 105.2720	109,303.00	- 4,031.00 1,775.00	1,333.33	3.80
Nike Inc 2.375% 11/01/26 Standard & Poors Rating: AA- Moody's Rating: A1 654106AF0 Asset Minor Code 28	100,000.000	98,102.00 98.1020	94,613.00	3,489.00 1,514.00	197.92	2.42
Pepsico Inc 2.750% 4/30/25 Standard & Poors Rating: A+ Moody's Rating: A1 713448CT3 Asset Minor Code 28	75,000.000	75,902.25 101.2030	73,932.75	1,969.50 877.50	177.60	2.72
Stryker Corp 3.375% 11/01/25 Standard & Poors Rating: A Moody's Rating: Baa1 863667AH4 Asset Minor Code 28	100,000.000	103,694.00 103.6940	100,401.00	3,293.00 2,108.00	281.25	3.25
Suntrust Banks Inc 2.700% 1/27/22 Standard & Poors Rating: BBB+ Moody's Rating: Baa1 867914BM4 Asset Minor Code 28	75,000.000	75,213.75 100.2850	75,130.50	83.25 519.00	697.50	2.69
Verizon 5.150% 9/15/23 Standard & Poors Rating: BBB+ Moody's Rating: Baa1 92343VBR4 Asset Minor Code 28	200,000.000	220,870.00 110.4350	230,048.00	- 9,178.00 2,002.00	2,174.44	4.66

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ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Visa Inc 2.200% 12/14/20 Standard & Poors Rating: AA- Moody's Rating: Aa3 92826CAB8 Asset Minor Code 28	200,000.000	199,638.00 99.8190	204,764.00	- 5,126.00 626.00	2,041.11	2.20
Wells Fargo Mtn 3.300% 9/09/24 Standard & Poors Rating: A- Moody's Rating: A2 94974BGA2 Asset Minor Code 28	100,000.000	101,836.00 101.8360	103,890.00	- 2,054.00 797.00	751.67	3.24
Total Corporate Issues	2,250,000.000	2,296,543.25	2,378,323.25	- 81,780.00 37,607.75	23,225.44	3.52

Mutual Funds

Mutual Funds-Equity

Columbia Contrarian Core Fund 19766M709 Asset Minor Code 98	15,466.050	377,990.26 24.4400	336,575.29	41,414.97 - 26,756.27	.00	1.33
Dfa Large Cap Intl Port. 233203868 Asset Minor Code 98	10,899.573	233,468.85 21.4200	226,837.36	6,631.49 - 13,951.46	.00	3.07
Dodge & Cox International Stock Fund 256206103 Asset Minor Code 98	4,249.236	165,720.20 39.0000	155,750.43	9,969.77 - 13,640.05	.00	2.77
Dodge & Cox Stock Fund 256219106 Asset Minor Code 98	3,160.808	562,307.74 177.9000	559,669.84	2,637.90 - 44,915.08	.00	1.68
Harbor Capital Appreciaton CI R 411512528 Asset Minor Code 98	3,257.320	226,774.62 69.6200	195,929.23	30,845.39 - 19,576.49	.00	0.30

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ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Hartford Schroders Emerging Markets 41665H797 Asset Minor Code 98	19,595.737	286,489.67 14.6200	237,509.31	48,980.36 - 20,967.44	.00	1.31
Ishares Russell Mid Cap Etf 464287499 Asset Minor Code 94	6,894.000	362,141.82 52.5300	302,787.65	59,354.17 - 23,646.42	.00	1.77
Mfs International Growth R6 552746356 Asset Minor Code 98	5,326.178	174,751.90 32.8100	142,907.58	31,844.32 - 8,681.67	.00	1.23
Price T Rowe Growth Stk Fd Inc 741479406 Asset Minor Code 98	3,549.675	229,592.98 64.6800	192,762.56	36,830.42 - 15,476.58	.00	0.32
Undiscovered Mgrs Behavioral Value 904504479 Asset Minor Code 98	6,838.970	393,514.33 57.5400	419,553.83	- 26,039.50 - 43,564.24	.00	1.56
Vanguard Growth & Income Adm Shs#593 921913208 Asset Minor Code 98	12,962.088	970,730.77 74.8900	903,334.13	67,396.64 - 69,087.93	.00	1.74
Vanguard Real Estate Etf 922908553 Asset Minor Code 94	1,380.000	119,908.20 86.8900	111,759.99	8,148.21 165.60	.00	3.96
Victory Rs Small Cap Growth Fund 92647Q363 Asset Minor Code 98	4,451.492	347,082.83 77.9700	337,512.11	9,570.72 - 12,375.15	.00	0.00
Total Mutual Funds-Equity	98,031.127	4,450,474.17	4,122,889.31	327,584.86 - 312,473.18	.00	1.52
Mutual Funds-Fixed Income						
Vanguard Short Term Invnt Grade #539 922031836 Asset Minor Code 99	21,581.848	229,846.68 10.6500	227,264.70	2,581.98 1,152.20	.01	2.90

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ATTACHMENT A



PARS/CITY OF BREA 115P
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ASSET DETAIL (continued)

DESCRIPTION	SHARES/ FACE AMOUNT	MARKET PRICE/UNIT	BOOK VALUE	UNREALIZED GAIN (LOSS) SINCE INCEPTION/ CURRENT PERIOD	ENDING ACCRUAL	YIELD ON MARKET
Total Mutual Funds-Fixed Income	21,581.848	229,846.68	227,264.70	2,581.98 1,152.20	.01	2.90
Total Mutual Funds	119,612.975	4,680,320.85	4,350,154.01	330,166.84 - 311,320.98	.01	1.58
Total Assets	2,809,947.795	7,417,766.99	7,169,380.15	248,386.84 - 273,713.23	23,932.86	2.22
Accrued Income	.000	23,932.86	23,932.86			
Grand Total	2,809,947.795	7,441,699.85	7,193,313.01			

ASSET DETAIL MESSAGES

Time of trade execution and trading party (if not disclosed) will be provided upon request.

Publicly traded assets are valued in accordance with market quotations or valuation methodologies from financial industry services believed by us to be reliable. Assets that are not publicly traded may be reflected at values from other external sources. Assets for which a current value is not available may be reflected at a previous value or as not valued, at par value, or at a nominal value. Values shown do not necessarily reflect prices at which assets could be bought or sold. Values are updated based on internal policy and may be updated less frequently than statement generation.

For further information, please contact your account manager or relationship manager.

Yield on Market and Accrued Income are estimates provided for informational purposes only and should not be relied on for making investment, trading, or tax decisions. The estimates may not represent the actual value earned by your investments and they provide no guarantee of what your investments may earn in the future.

Portfolio Summary

As of May 31, 2019



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.39
Average Coupon	1.94%
Average Purchase YTM	1.95%
Average Market YTM	2.03%
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.50 yrs
Average Life	2.50 yrs

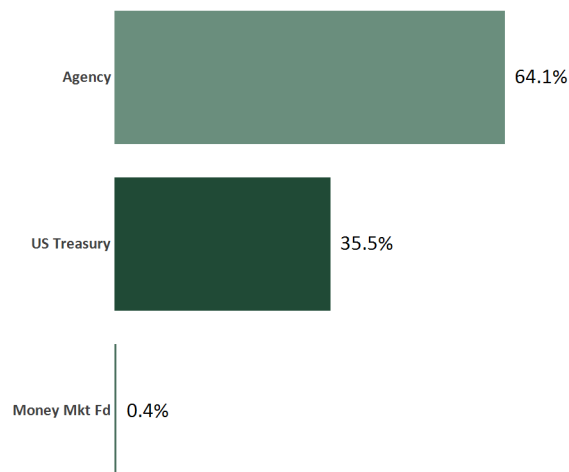
ACCOUNT SUMMARY

	Beg. Values as of 4/30/19	End Values as of 5/31/19
Market Value	457,204	461,455
Accrued Interest	2,371	2,486
Total Market Value	459,575	463,941
Income Earned	742	748
Cont/WD		0
Par	459,091	459,721
Book Value	459,343	459,976
Cost Value	458,917	459,547

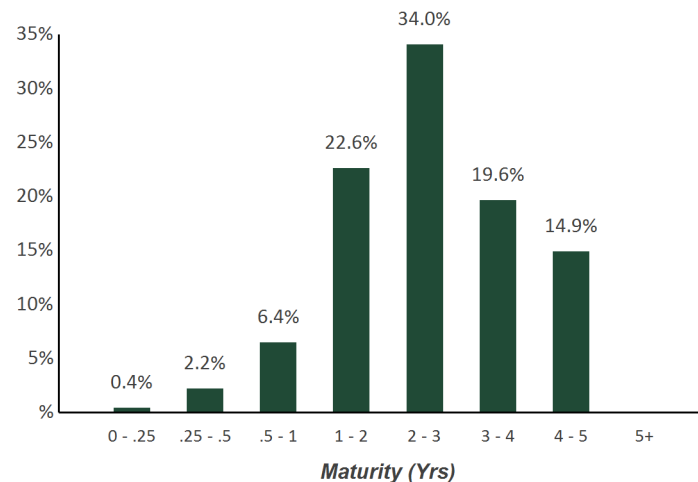
TOP ISSUERS

Government of United States	35.5%
Federal National Mortgage Assoc	31.0%
Federal Home Loan Bank	24.3%
Federal Home Loan Mortgage Corp	8.9%
Invesco Treasury Portfolio MMF	0.4%
Total	100.0%

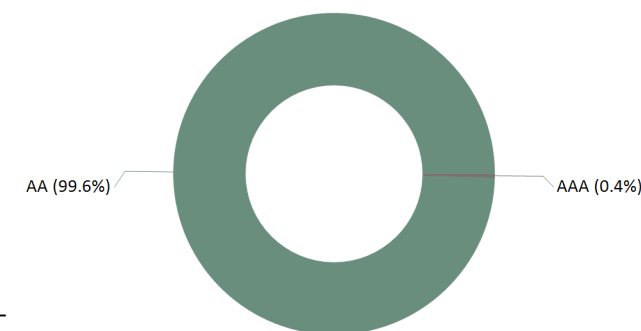
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	11/30/2009
Brea 05 CFD 97-1 Spec Tax Reserve Fund	0.95%	1.98%	2.38%	4.23%	1.76%	1.40%	1.64%	N/A	2.09%
ICE BAML 3-Month US Treasury Bill Index	0.23%	0.64%	1.02%	2.26%	1.77%	1.32%	0.83%	N/A	0.48%



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$459,343.48
<u>Acquisition</u>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$629.29	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$629.29
<u>Dispositions</u>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$0.00
<u>Amortization/Accretion</u>		
+/- Net Accretion	\$3.65	
		\$3.65
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
ENDING BOOK VALUE		\$459,976.42

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$1,091.47
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$628.13	
Dividend Received	\$1.16	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$629.29	
<u>Dispositions</u>		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
ENDING BOOK VALUE		\$1,720.76



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
AGENCY									
3137EADM8	FHLMC Note 1.25% Due 10/2/2019	10,000.00	03/25/2015 1.40%	9,933.90 9,995.08	99.64 2.33%	9,963.81 20.49	2.15% (31.27)	Aaa / AA+ AAA	0.34 0.33
313383HU8	FHLB Note 1.75% Due 6/12/2020	40,000.00	06/26/2015 1.87%	39,779.20 39,954.01	99.53 2.22%	39,810.08 328.61	8.65% (143.93)	Aaa / AA+ NR	1.04 1.01
3130A7CV5	FHLB Note 1.375% Due 2/18/2021	35,000.00	03/11/2016 1.64%	34,566.00 34,848.75	98.89 2.04%	34,611.78 137.69	7.49% (236.97)	Aaa / AA+ AAA	1.72 1.68
3135G0Q89	FNMA Note 1.375% Due 10/7/2021	43,000.00	10/27/2016 1.50%	42,738.13 42,875.38	98.63 1.98%	42,409.18 88.69	9.16% (466.20)	Aaa / AA+ AAA	2.36 2.29
3135G0S38	FNMA Note 2% Due 1/5/2022	40,000.00	04/24/2017 1.92%	40,142.40 40,078.80	100.10 1.96%	40,040.92 324.44	8.70% (37.88)	Aaa / AA+ AAA	2.60 2.50
3135G0T78	FNMA Note 2% Due 10/5/2022	30,000.00	01/09/2018 2.36%	29,518.50 29,659.69	100.14 1.96%	30,040.56 93.33	6.50% 380.87	Aaa / AA+ AAA	3.35 3.21
3135G0T94	FNMA Note 2.375% Due 1/19/2023	30,000.00	06/13/2018 2.91%	29,319.90 29,462.40	101.35 1.99%	30,403.56 261.25	6.61% 941.16	Aaa / AA+ AAA	3.64 3.44
3137EAEN5	FHLMC Note 2.75% Due 6/19/2023	30,000.00	09/14/2018 2.97%	29,707.20 29,750.55	102.92 2.00%	30,875.82 371.25	6.74% 1,125.27	Aaa / AA+ AAA	4.05 3.78
3130A0F70	FHLB Note 3.375% Due 12/8/2023	35,000.00	02/21/2019 2.62%	36,182.30 36,115.42	106.00 1.98%	37,099.65 567.66	8.12% 984.23	Aaa / AA+ AAA	4.53 4.14
Total Agency		293,000.00	2.14%	291,887.53 292,740.08	2.03%	295,255.36 2,193.41	64.11% 2,515.28	Aaa / AA+ AAA	2.76 2.61
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	1,720.76	Various 1.99%	1,720.76 1,720.76	1.00 1.99%	1,720.76 0.00	0.37% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		1,720.76	1.99%	1,720.76 1,720.76	1.99%	1,720.76 0.00	0.37% 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828UV0	US Treasury Note 1.125% Due 3/31/2020	30,000.00	05/07/2015 1.57%	29,379.01 29,894.48	99.05 2.29%	29,714.07 57.17	6.42% (180.41)	Aaa / AA+ AAA	0.84 0.82
912828WC0	US Treasury Note 1.75% Due 10/31/2020	30,000.00	11/04/2015 1.63%	30,166.51 30,047.34	99.55 2.07%	29,865.24 45.65	6.45% (182.10)	Aaa / AA+ AAA	1.42 1.39



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828WN6	US Treasury Note 2% Due 5/31/2021	30,000.00	07/11/2016 1.01%	31,406.35 30,575.47	100.07 1.96%	30,022.26 1.64	6.47% (553.21)	Aaa / AA+ AAA	2.00 1.95
912828G53	US Treasury Note 1.875% Due 11/30/2021	35,000.00	01/18/2017 1.89%	34,974.14 34,986.71	99.88 1.93%	34,956.25 1.79	7.54% (30.46)	Aaa / AA+ AAA	2.50 2.43
912828J43	US Treasury Note 1.75% Due 2/28/2022	10,000.00	04/24/2017 1.84%	9,960.58 9,977.65	99.54 1.92%	9,954.30 44.23	2.16% (23.35)	Aaa / AA+ AAA	2.75 2.66
912828L24	US Treasury Note 1.875% Due 8/31/2022	30,000.00	09/18/2017 1.84%	30,051.66 30,033.93	99.89 1.91%	29,967.18 142.15	6.49% (66.75)	Aaa / AA+ AAA	3.25 3.12
Total US Treasury		165,000.00	1.61%	165,938.25 165,515.58	2.02%	164,479.30 292.63	35.52% (1,036.28)	Aaa / AA+ AAA	2.07 2.00
TOTAL PORTFOLIO		459,720.76	1.95%	459,546.54 459,976.42	2.03%	461,455.42 2,486.04	100.00% 1,479.00	Aaa / AA+ AAA	2.50 2.39
TOTAL MARKET VALUE PLUS ACCRUED						463,941.46			



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.10
Average Coupon	1.86%
Average Purchase YTM	1.59%
Average Market YTM	2.04%
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.18 yrs
Average Life	2.18 yrs

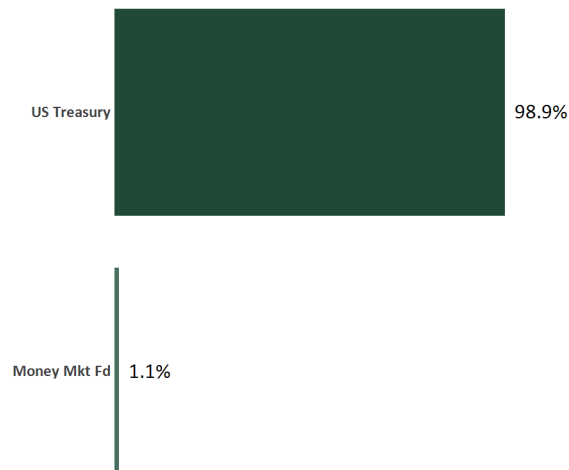
ACCOUNT SUMMARY

	Beg. Values as of 4/30/19	End Values as of 5/31/19
Market Value	1,934,121	1,949,164
Accrued Interest	6,239	7,302
Total Market Value	1,940,361	1,956,467
Income Earned	2,549	2,632
Cont/WD		0
Par	1,949,095	1,951,097
Book Value	1,954,134	1,955,704
Cost Value	1,971,111	1,973,112

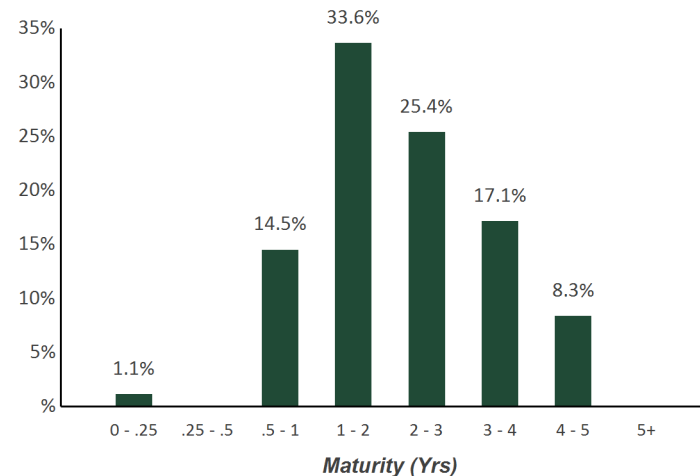
TOP ISSUERS

Government of United States	98.9%
Invesco Treasury Portfolio MMF	1.1%
Total	100.0%

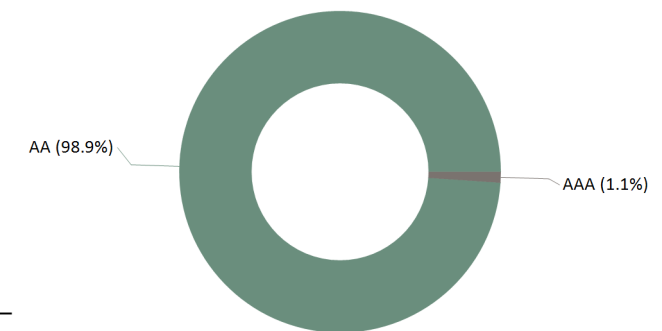
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	6/30/2009
Brea 2009 Water Revenue Bond Reserve Fund	0.83%	1.78%	2.15%	3.85%	1.54%	1.13%	1.49%	N/A	2.31%
ICE BAML 3-Month US Treasury Bill Index	0.23%	0.64%	1.02%	2.26%	1.77%	1.32%	0.83%	N/A	0.47%



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$1,954,134.17
<u>Acquisition</u>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$2,001.72	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$2,001.72
<u>Dispositions</u>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$0.00
<u>Amortization/Accretion</u>		
+/- Net Accretion	(\$432.16)	
		(\$432.16)
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
ENDING BOOK VALUE		\$1,955,703.73

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$19,094.91
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$1,975.00	
Dividend Received	\$26.72	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$2,001.72	
<u>Dispositions</u>		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
ENDING BOOK VALUE		\$21,096.63



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	21,096.63	Various 1.99%	21,096.63 21,096.63	1.00 1.99%	21,096.63 0.00	1.08% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		21,096.63	1.99%	21,096.63 21,096.63	1.99%	21,096.63 0.00	1.08% 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828G61	US Treasury Note 1.5% Due 11/30/2019	50,000.00	08/24/2016 0.92%	50,933.76 50,142.57	99.57 2.37%	49,785.15 2.05	2.54% (357.42)	Aaa / AA+ AAA	0.50 0.49
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	135,000.00	Various 1.60%	132,834.83 134,659.56	99.20 2.33%	133,924.19 426.46	6.87% (735.37)	Aaa / AA+ AAA	0.75 0.74
912828UV0	US Treasury Note 1.125% Due 3/31/2020	100,000.00	05/07/2015 1.57%	97,930.02 99,648.25	99.05 2.29%	99,046.90 190.57	5.07% (601.35)	Aaa / AA+ AAA	0.84 0.82
912828XM7	US Treasury Note 1.625% Due 7/31/2020	165,000.00	08/24/2016 1.03%	168,796.84 166,126.36	99.36 2.19%	163,936.58 896.22	8.43% (2,189.78)	Aaa / AA+ AAA	1.17 1.14
912828WC0	US Treasury Note 1.75% Due 10/31/2020	160,000.00	Various 1.46%	161,991.55 160,641.75	99.55 2.07%	159,281.28 243.48	8.15% (1,360.47)	Aaa / AA+ AAA	1.42 1.39
912828A83	US Treasury Note 2.375% Due 12/31/2020	165,000.00	08/24/2016 1.08%	174,062.66 168,302.25	100.51 2.04%	165,844.31 1,645.44	8.56% (2,457.94)	Aaa / AA+ AAA	1.59 1.53
912828B90	US Treasury Note 2% Due 2/28/2021	165,000.00	08/24/2016 1.10%	171,516.76 167,522.87	99.99 2.01%	164,980.70 833.97	8.48% (2,542.17)	Aaa / AA+ AAA	1.75 1.70
912828WN6	US Treasury Note 2% Due 5/31/2021	160,000.00	Various 1.04%	167,290.77 162,995.71	100.07 1.96%	160,118.72 8.74	8.18% (2,876.99)	Aaa / AA+ AAA	2.00 1.95
912828F21	US Treasury Note 2.125% Due 9/30/2021	170,000.00	10/27/2016 1.38%	175,983.77 172,835.47	100.44 1.93%	170,743.75 611.95	8.76% (2,091.72)	Aaa / AA+ AAA	2.34 2.26
912828J43	US Treasury Note 1.75% Due 2/28/2022	165,000.00	04/24/2017 1.84%	164,349.58 164,631.22	99.54 1.92%	164,245.95 729.72	8.43% (385.27)	Aaa / AA+ AAA	2.75 2.66
912828L24	US Treasury Note 1.875% Due 8/31/2022	165,000.00	09/18/2017 1.84%	165,284.15 165,186.66	99.89 1.91%	164,819.49 781.84	8.46% (367.17)	Aaa / AA+ AAA	3.25 3.12
9128284D9	US Treasury Note 2.5% Due 3/31/2023	165,000.00	06/13/2018 2.84%	162,518.55 163,017.39	102.14 1.92%	168,538.43 698.77	8.65% 5,521.04	Aaa / AA+ AAA	3.84 3.63



Account #10073

As of May 31, 2019

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828T91	US Treasury Note	165,000.00	02/21/2019	158,522.46	98.67	162,802.20	8.33%	Aaa / AA+	4.42
	1.625% Due 10/31/2023		2.52%	158,897.04	1.94%	233.15	3,905.16	AAA	4.23
				1,952,015.70		1,928,067.65	98.92%	Aaa / AA+	2.21
Total US Treasury		1,930,000.00	1.58%	1,934,607.10	2.04%	7,302.36	(6,539.45)	AAA	2.13
				1,973,112.33		1,949,164.28	100.00%	Aaa / AA+	2.18
TOTAL PORTFOLIO		1,951,096.63	1.59%	1,955,703.73	2.04%	7,302.36	(6,539.45)	AAA	2.10
TOTAL MARKET VALUE PLUS ACCRUED						1,956,466.64			

Portfolio Summary

As of May 31, 2019



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.28
Average Coupon	1.89%
Average Purchase YTM	1.67%
Average Market YTM	2.01%
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.37 yrs
Average Life	2.37 yrs

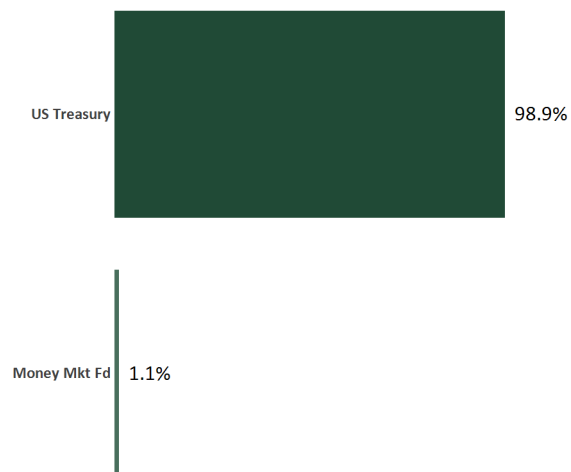
ACCOUNT SUMMARY

	Beg. Values as of 4/30/19	End Values as of 5/31/19
Market Value	1,365,305	1,376,469
Accrued Interest	4,741	5,915
Total Market Value	1,370,045	1,382,385
Income Earned	1,891	1,954
Cont/WD		0
Par	1,375,640	1,376,671
Book Value	1,377,797	1,378,576
Cost Value	1,388,549	1,389,580

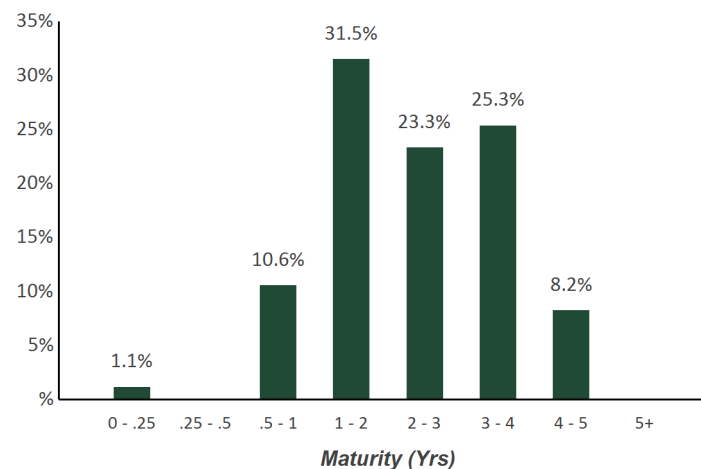
TOP ISSUERS

Government of United States	98.9%
Invesco Treasury Portfolio MMF	1.1%
Total	100.0%

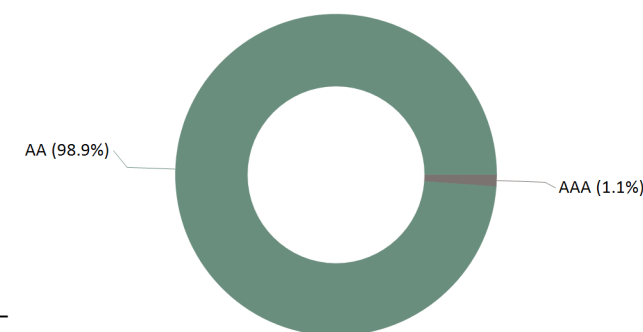
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	5/31/2010
Brea Water Revenue Bonds, Series B, Reserve Account	0.90%	1.90%	2.27%	4.01%	1.59%	1.17%	1.51%	N/A	1.99%
ICE BAML 3-Month US Treasury Bill Index	0.23%	0.64%	1.02%	2.26%	1.77%	1.32%	0.83%	N/A	0.50%

Reconciliation Summary

As of May 31, 2019



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$1,377,796.55
<u>Acquisition</u>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$1,031.17	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$1,031.17
<u>Dispositions</u>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$0.00
<u>Amortization/Accretion</u>		
+/- Net Accretion	(\$252.22)	
		(\$252.22)
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
ENDING BOOK VALUE		\$1,378,575.50

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$14,639.56
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$1,010.00	
Dividend Received	\$21.17	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$1,031.17	
<u>Dispositions</u>		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
ENDING BOOK VALUE		\$15,670.73

Holdings Report

As of May 31, 2019

ATTACHMENT A



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	15,670.73	Various 1.99%	15,670.73 15,670.73	1.00 1.99%	15,670.73 0.00	1.13% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		15,670.73	1.99%	15,670.73 15,670.73	1.99%	15,670.73 0.00	1.13% 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	32,000.00	Various 1.40%	31,753.72 31,964.64	99.20 2.33%	31,745.00 101.08	2.30% (219.64)	Aaa / AA+ AAA	0.75 0.74
912828UV0	US Treasury Note 1.125% Due 3/31/2020	115,000.00	Various 1.47%	113,111.52 114,685.13	99.05 2.29%	113,903.95 219.16	8.26% (781.18)	Aaa / AA+ AAA	0.84 0.82
912828XM7	US Treasury Note 1.625% Due 7/31/2020	115,000.00	08/24/2016 1.03%	117,646.28 115,785.04	99.36 2.19%	114,258.83 624.64	8.31% (1,526.21)	Aaa / AA+ AAA	1.17 1.14
912828WC0	US Treasury Note 1.75% Due 10/31/2020	88,000.00	11/04/2015 1.63%	88,488.42 88,138.86	99.55 2.07%	87,604.70 133.91	6.35% (534.16)	Aaa / AA+ AAA	1.42 1.39
912828A83	US Treasury Note 2.375% Due 12/31/2020	115,000.00	08/24/2016 1.08%	121,316.40 117,301.57	100.51 2.04%	115,588.46 1,146.82	8.44% (1,713.11)	Aaa / AA+ AAA	1.59 1.53
912828B90	US Treasury Note 2% Due 2/28/2021	115,000.00	08/24/2016 1.10%	119,541.99 116,758.37	99.99 2.01%	114,986.55 581.25	8.36% (1,771.82)	Aaa / AA+ AAA	1.75 1.70
912828WN6	US Treasury Note 2% Due 5/31/2021	101,000.00	Various 1.03%	105,664.79 102,912.93	100.07 1.96%	101,074.94 5.52	7.31% (1,837.99)	Aaa / AA+ AAA	2.00 1.95
912828F21	US Treasury Note 2.125% Due 9/30/2021	110,000.00	10/27/2016 1.38%	113,871.85 111,834.71	100.44 1.93%	110,481.25 395.97	8.02% (1,353.46)	Aaa / AA+ AAA	2.34 2.26
912828J43	US Treasury Note 1.75% Due 2/28/2022	110,000.00	04/24/2017 1.84%	109,566.38 109,754.14	99.54 1.92%	109,497.30 486.48	7.96% (256.84)	Aaa / AA+ AAA	2.75 2.66
912828L24	US Treasury Note 1.875% Due 8/31/2022	115,000.00	09/18/2017 1.84%	115,198.04 115,130.09	99.89 1.91%	114,874.19 544.92	8.35% (255.90)	Aaa / AA+ AAA	3.25 3.12
912828N30	US Treasury Note 2.125% Due 12/31/2022	115,000.00	01/09/2018 2.31%	113,993.75 114,274.68	100.74 1.91%	115,849.05 1,026.10	8.45% 1,574.37	Aaa / AA+ AAA	3.59 3.41
912828D9	US Treasury Note 2.5% Due 3/31/2023	115,000.00	06/13/2018 2.84%	113,270.51 113,618.19	102.14 1.92%	117,466.18 487.02	8.53% 3,847.99	Aaa / AA+ AAA	3.84 3.63

Holdings Report
As of May 31, 2019

CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828T91	US Treasury Note	115,000.00	02/21/2019	110,485.35	98.67	113,468.20	8.22%	Aaa / AA+	4.42
	1.625% Due 10/31/2023		2.52%	110,746.42	1.94%	162.50	2,721.78	AAA	4.23
Total US Treasury		1,361,000.00	1.67%	1,373,909.00 1,362,904.77	2.01%	1,360,798.60 5,915.37	98.87% (2,106.17)	Aaa / AA+ AAA	2.40 2.31
TOTAL PORTFOLIO		1,376,670.73	1.67%	1,389,579.73 1,378,575.50	2.01%	1,376,469.33 5,915.37	100.00% (2,106.17)	Aaa / AA+ AAA	2.37 2.28
TOTAL MARKET VALUE PLUS ACCRUED						1,382,384.70			



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.28
Average Coupon	1.91%
Average Purchase YTM	1.65%
Average Market YTM	2.01%
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.37 yrs
Average Life	2.37 yrs

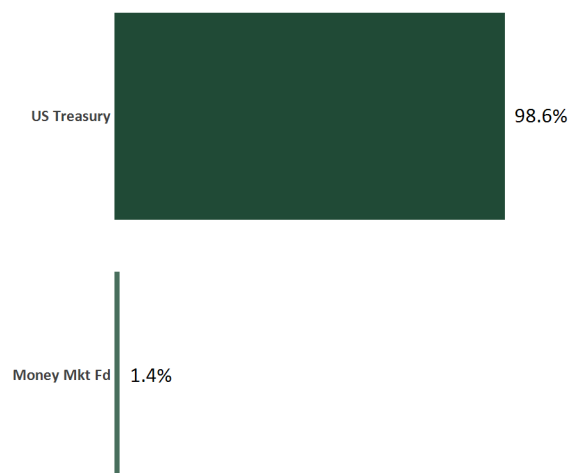
ACCOUNT SUMMARY

	Beg. Values as of 4/30/19	End Values as of 5/31/19
Market Value	265,514	267,685
Accrued Interest	910	1,138
Total Market Value	266,424	268,822
Income Earned	364	376
Cont/WD		0
Par	267,470	267,675
Book Value	268,112	268,261
Cost Value	270,371	270,576

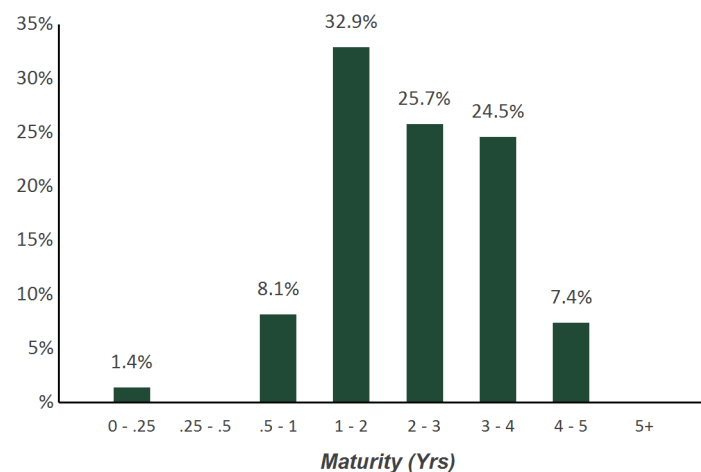
TOP ISSUERS

Government of United States	98.6%
Invesco Treasury Portfolio MMF	1.4%
Total	100.0%

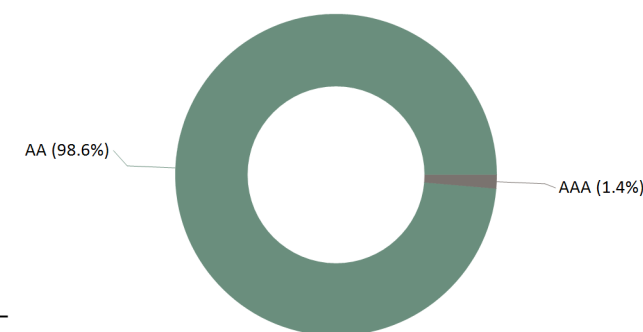
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	5/31/2010
Brea Lease Revenue Bonds, Reserve Account	0.90%	1.90%	2.27%	4.01%	1.58%	1.16%	1.52%	N/A	2.00%
ICE BAML 3-Month US Treasury Bill Index	0.23%	0.64%	1.02%	2.26%	1.77%	1.32%	0.83%	N/A	0.50%



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$268,112.47
<u>Acquisition</u>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$205.08	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$205.08
<u>Dispositions</u>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$0.00
<u>Amortization/Accretion</u>		
+/- Net Accretion	(\$56.13)	
		(\$56.13)
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
ENDING BOOK VALUE		\$268,261.42

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$3,469.52
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$200.00	
Dividend Received	\$5.08	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$205.08	
<u>Dispositions</u>		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
ENDING BOOK VALUE		\$3,674.60



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	3,674.60	Various 1.99%	3,674.60 3,674.60	1.00 1.99%	3,674.60 0.00	1.37% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		3,674.60	1.99%	3,674.60 3,674.60	1.99%	3,674.60 0.00	1.37% 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828UQ1	US Treasury Note 1.25% Due 2/29/2020	5,000.00	Various 1.59%	4,922.14 4,987.79	99.20 2.33%	4,960.16 15.80	1.85% (27.63)	Aaa / AA+ AAA	0.75 0.74
912828UV0	US Treasury Note 1.125% Due 3/31/2020	17,000.00	05/07/2015 1.57%	16,648.10 16,940.20	99.05 2.29%	16,837.97 32.40	6.28% (102.23)	Aaa / AA+ AAA	0.84 0.82
912828XM7	US Treasury Note 1.625% Due 7/31/2020	22,000.00	08/24/2016 1.03%	22,506.25 22,150.18	99.36 2.19%	21,858.21 119.50	8.18% (291.97)	Aaa / AA+ AAA	1.17 1.14
912828WC0	US Treasury Note 1.75% Due 10/31/2020	22,000.00	Various 1.45%	22,276.59 22,089.21	99.55 2.07%	21,901.18 33.48	8.16% (188.03)	Aaa / AA+ AAA	1.42 1.39
912828A83	US Treasury Note 2.375% Due 12/31/2020	22,000.00	08/24/2016 1.08%	23,208.35 22,440.30	100.51 2.04%	22,112.57 219.39	8.31% (327.73)	Aaa / AA+ AAA	1.59 1.53
912828B90	US Treasury Note 2% Due 2/28/2021	22,000.00	08/24/2016 1.10%	22,868.90 22,336.38	99.99 2.01%	21,997.43 111.20	8.22% (338.95)	Aaa / AA+ AAA	1.75 1.70
912828WN6	US Treasury Note 2% Due 5/31/2021	20,000.00	07/11/2016 1.01%	20,937.57 20,383.65	100.07 1.96%	20,014.84 1.09	7.45% (368.81)	Aaa / AA+ AAA	2.00 1.95
912828F21	US Treasury Note 2.125% Due 9/30/2021	25,000.00	10/27/2016 1.38%	25,879.97 25,416.98	100.44 1.93%	25,109.38 89.99	9.37% (307.60)	Aaa / AA+ AAA	2.34 2.26
912828J43	US Treasury Note 1.75% Due 2/28/2022	24,000.00	04/24/2017 1.84%	23,905.39 23,946.36	99.54 1.92%	23,890.32 106.14	8.93% (56.04)	Aaa / AA+ AAA	2.75 2.66
912828L24	US Treasury Note 1.875% Due 8/31/2022	23,000.00	09/18/2017 1.84%	23,039.61 23,026.02	99.89 1.91%	22,974.84 108.98	8.59% (51.18)	Aaa / AA+ AAA	3.25 3.12
912828N30	US Treasury Note 2.125% Due 12/31/2022	20,000.00	01/09/2018 2.31%	19,825.00 19,873.86	100.74 1.91%	20,147.66 178.45	7.56% 273.80	Aaa / AA+ AAA	3.59 3.41
9128284D9	US Treasury Note 2.5% Due 3/31/2023	22,000.00	06/13/2018 2.84%	21,669.14 21,735.65	102.14 1.92%	22,471.79 93.17	8.39% 736.14	Aaa / AA+ AAA	3.84 3.63

Holdings Report

As of May 31, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
US TREASURY									
912828T91	US Treasury Note 1.625% Due 10/31/2023	20,000.00	02/21/2019 2.52%	19,214.84 19,260.24	98.67 1.94%	19,733.60 28.26	7.35% 473.36	Aaa / AA+ AAA	4.42 4.23
Total US Treasury		264,000.00	1.65%	266,901.85 264,586.82	2.01%	264,009.95 1,137.85	98.63% (576.87)	Aaa / AA+ AAA	2.40 2.31
TOTAL PORTFOLIO		267,674.60	1.65%	270,576.45 268,261.42	2.01%	267,684.55 1,137.85	100.00% (576.87)	Aaa / AA+ AAA	2.37 2.28
TOTAL MARKET VALUE PLUS ACCRUED						268,822.40			

Portfolio Summary

As of May 31, 2019



PORTFOLIO CHARACTERISTICS

Average Modified Duration	2.30
Average Coupon	1.96%
Average Purchase YTM	2.69%
Average Market YTM	2.00%
Average S&P/Moody Rating	AA+/Aaa
Average Final Maturity	2.40 yrs
Average Life	2.40 yrs

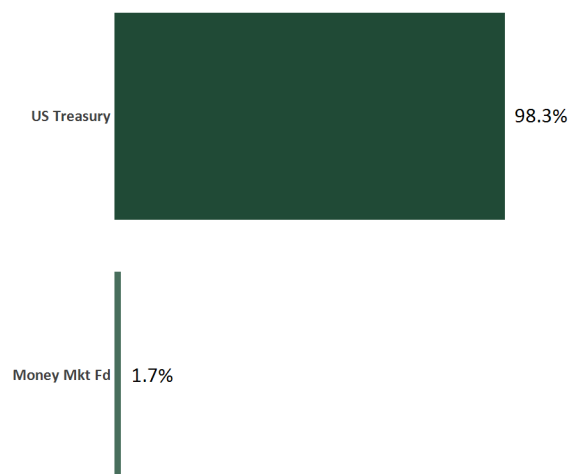
ACCOUNT SUMMARY

	Beg. Values as of 4/30/19	End Values as of 5/31/19
Market Value	668,198	673,254
Accrued Interest	2,081	3,176
Total Market Value	670,279	676,430
Income Earned	1,494	1,518
Cont/WD		0
Par	671,498	671,522
Book Value	660,757	661,179
Cost Value	656,661	656,685

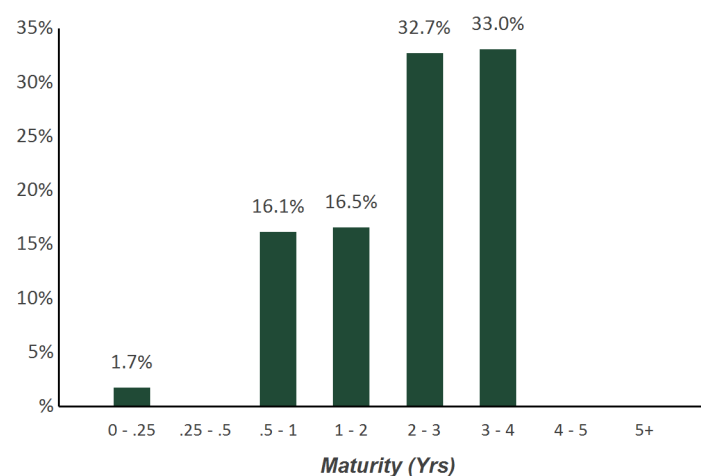
TOP ISSUERS

Government of United States	98.3%
Invesco Treasury Portfolio MMF	1.7%
Total	100.0%

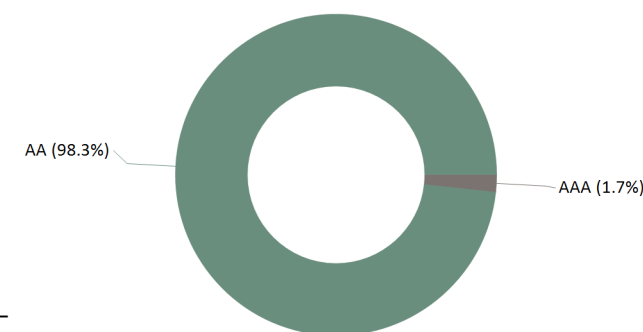
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



PERFORMANCE REVIEW

TOTAL RATE OF RETURN	1M	3M	YTD	1YR	Annualized				
					2YRS	3YRS	5YRS	10YRS	6/30/2018
Brea CFD 2008 2 17 Reserve Fund	0.92%	1.91%	2.27%	N/A	N/A	N/A	N/A	N/A	N/A
ICE BAML 3-5 Yr US Treasury/Agency Index	1.45%	2.78%	3.14%	N/A	N/A	N/A	N/A	N/A	N/A



BOOK VALUE RECONCILIATION		
BEGINNING BOOK VALUE		\$660,757.15
<u>Acquisition</u>		
+ Security Purchases	\$0.00	
+ Money Market Fund Purchases	\$23.68	
+ Money Market Contributions	\$0.00	
+ Security Contributions	\$0.00	
+ Security Transfers	\$0.00	
Total Acquisitions		\$23.68
<u>Dispositions</u>		
- Security Sales	\$0.00	
- Money Market Fund Sales	\$0.00	
- MMF Withdrawals	\$0.00	
- Security Withdrawals	\$0.00	
- Security Transfers	\$0.00	
- Other Dispositions	\$0.00	
- Maturities	\$0.00	
- Calls	\$0.00	
- Principal Paydowns	\$0.00	
Total Dispositions		\$0.00
<u>Amortization/Accretion</u>		
+/- Net Accretion	\$398.54	
		\$398.54
<u>Gain/Loss on Dispositions</u>		
+/- Realized Gain/Loss	\$0.00	
		\$0.00
ENDING BOOK VALUE		\$661,179.37

CASH TRANSACTION SUMMARY		
BEGINNING BALANCE		\$11,498.20
<u>Acquisition</u>		
Contributions	\$0.00	
Security Sale Proceeds	\$0.00	
Accrued Interest Received	\$0.00	
Interest Received	\$0.00	
Dividend Received	\$23.68	
Principal on Maturities	\$0.00	
Interest on Maturities	\$0.00	
Calls/Redemption (Principal)	\$0.00	
Interest from Calls/Redemption	\$0.00	
Principal Paydown	\$0.00	
Total Acquisitions	\$23.68	
<u>Dispositions</u>		
Withdrawals	\$0.00	
Security Purchase	\$0.00	
Accrued Interest Paid	\$0.00	
Total Dispositions	\$0.00	
ENDING BOOK VALUE		\$11,521.88

Holdings Report

As of May 31, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
MONEY MARKET FUND FI									
825252109	Invesco Treasury MMFD Private Class	11,521.88	Various 1.99%	11,521.88 11,521.88	1.00 1.99%	11,521.88 0.00	1.70% 0.00	Aaa / AAA AAA	0.00 0.00
Total Money Market Fund FI		11,521.88	1.99%	11,521.88 11,521.88	1.99%	11,521.88 0.00	1.70% 0.00	Aaa / AAA AAA	0.00 0.00
US TREASURY									
912828UV0	US Treasury Note 1.125% Due 3/31/2020	110,000.00	06/13/2018 2.57%	107,232.81 108,717.64	99.05 2.29%	108,951.59 209.63	16.14% 233.95	Aaa / AA+ AAA	0.84 0.82
912828A83	US Treasury Note 2.375% Due 12/31/2020	110,000.00	06/28/2018 2.58%	109,467.19 109,663.21	100.51 2.04%	110,562.87 1,096.96	16.51% 899.66	Aaa / AA+ AAA	1.59 1.53
912828F21	US Treasury Note 2.125% Due 9/30/2021	110,000.00	06/28/2018 2.64%	108,242.58 108,740.69	100.44 1.93%	110,481.25 395.97	16.39% 1,740.56	Aaa / AA+ AAA	2.34 2.26
912828J43	US Treasury Note 1.75% Due 2/28/2022	110,000.00	06/13/2018 2.79%	105,986.72 107,029.28	99.54 1.92%	109,497.30 486.48	16.26% 2,468.02	Aaa / AA+ AAA	2.75 2.66
912828L24	US Treasury Note 1.875% Due 8/31/2022	110,000.00	06/13/2018 2.82%	105,887.89 106,828.41	99.89 1.91%	109,879.66 521.23	16.32% 3,051.25	Aaa / AA+ AAA	3.25 3.12
9128284D9	US Treasury Note 2.5% Due 3/31/2023	110,000.00	06/13/2018 2.84%	108,345.70 108,678.26	102.14 1.92%	112,358.95 465.85	16.68% 3,680.69	Aaa / AA+ AAA	3.84 3.63
Total US Treasury		660,000.00	2.70%	645,162.89 649,657.49	2.00%	661,731.62 3,176.12	98.30% 12,074.13	Aaa / AA+ AAA	2.44 2.34
TOTAL PORTFOLIO		671,521.88	2.69%	656,684.77 661,179.37	2.00%	673,253.50 3,176.12	100.00% 12,074.13	Aaa / AA+ AAA	2.40 2.30
TOTAL MARKET VALUE PLUS ACCRUED						676,429.62			

City of Brea

COUNCIL COMMUNICATION

FROM: Bill Gallardo, City Manager

DATE: 07/16/2019

SUBJECT: June 28, 2019 Successor Agency Check Register - Receive and file.

Attachments

06-28-19 Successor Agency Check Register

Successor Agency Check Register for: Jun 28, 2019

Check #	Vendor Name	Check Date	Vendor #	Budget Unit	Description	Amount
2731	BANDERA ESTATES	06/28/2019	3121	511626224	SENIOR SUBSIDY JULY19	\$762.00
BANDERA ESTATES					Total Check Amount:	\$762.00
2732	BROOKDALE - BREA	06/28/2019	4623	511626224	SENIOR SUBSIDY JULY19	\$254.00
BROOKDALE - BREA					Total Check Amount:	\$254.00
2733	CITY OF BREA	06/28/2019	1003	511	REFUND REIMB COSTS	(\$24.94)
	CITY OF BREA	06/28/2019	1003	511	REIMB COSTS 18/19 MAY	\$6,582.77
CITY OF BREA					Total Check Amount:	\$6,557.83
2734	HERITAGE PLAZA APARTMENTS	06/28/2019	1917	511626224	SENIOR SUBSIDY JULY19	\$254.00
HERITAGE PLAZA APARTMENTS					Total Check Amount:	\$254.00
2735	HOLLYDALE MOBILE ESTATES	06/28/2019	4250	511626224	SENIOR SUBSIDY JULY19	\$254.00
HOLLYDALE MOBILE ESTATES					Total Check Amount:	\$254.00
2736	HOLLYDALE MOBILE ESTATES	06/28/2019	4577	511626224	SENIOR SUBSIDY JULY19	\$254.00
HOLLYDALE MOBILE ESTATES					Total Check Amount:	\$254.00
2737	LAKE PARK BREA	06/28/2019	2433	511626224	SENIOR SUBSIDY JULY19	\$1,270.00
LAKE PARK BREA					Total Check Amount:	\$1,270.00
2738	ORANGE VILLA SENIOR APARTMENTS	06/28/2019	2132	511626224	SENIOR SUBSIDY JULY19	\$254.00
ORANGE VILLA SENIOR APARTMENTS					Total Check Amount:	\$254.00
2739	VINTAGE CANYON SENIOR APARTMENTS	06/28/2019	4081	511626224	SENIOR SUBSIDY JULY19	\$1,016.00
VINTAGE CANYON SENIOR APARTMENTS					Total Check Amount:	\$1,016.00

Overall - Total \$10,875.83

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 07/16/2019

SUBJECT: Monthly Report of Investments for the Successor Agency to the Brea Redevelopment Agency for Period Ending May 31, 2019

RECOMMENDATION

Receive and file.

BACKGROUND/DISCUSSION

The Monthly Report of Investments is in accordance with Government Code Section 53607 and contains information on the investment activities for the month of May 2019. Funds received by the Successor Agency are typically spent within three to six months; therefore are not invested long-term. The Successor Agency's Local Agency Investment Fund (LAIF) is used for short-term investments and functions like a savings account until funds are required to meet expenditures needs. Attachment A includes a Portfolio Summary and Holdings Report prepared by Chandler Asset Management for the funds invested on behalf of the Successor Agency. As of May 31, 2019, the market value, including accrued interest on the Successor Agency's Local Agency Investment Fund (LAIF), was \$1,883,393.69 in comparison to \$1,879,490.66 at April 30, 2019. The Successor Agency to the Brea Redevelopment Agency has sufficient cash flow to meet its expected expenditures for the next six months.

The Successor Agency also has restricted (fiscal agent) cash and investment accounts related to its various bond reserve accounts which are managed by Chandler Asset Management. Attachment A includes a portfolio report from Chandler Asset Management for each bond reserve account that is invested. As of May 31, 2019, the market value of these funds, including short-term cash and accrued interest was \$12,760,769.91 as compared to \$12,739,490.30 as of April 30, 2019.

FISCAL IMPACT/SUMMARY

During the month of May, the total value of the Successor Agency to the Brea Redevelopment Agency's investment portfolio increased by \$3,903.03 and the total value of the restricted cash and investments increased by \$21,279.61. The increase is primarily due to market rate adjustments during the month.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager
Prepared by: Alicia Brenner, Senior Fiscal Analyst
Concurrence: Cindy Russell, Administrative Services Director

Attachments

Attachment A

Successor Agency to the Brea Redevelopment Agency
Cash and Investment Information
May 31, 2019

			Cost Value	Market Value*
Demand and Interest-Bearing Checking Accounts				
	Citizen's Bank		\$ 243,343.33	\$ 243,343.33
Local Agency Investment Fund				
	LAIF		\$ 1,875,725.69	\$ 1,883,393.69
<u>Fiscal Agent Cash & Investments</u>				
2004	Brea Public Financing Authority Lease Revenue Bond	Chandler/BNY	\$ 345,306.73	\$ 345,306.73
2010	Brea Public Financing Authority Lease Revenue Bond	Chandler/BNY	\$ 1,012,830.22	\$ 1,012,830.22
2013	Tax Allocation Bonds	Chandler/BNY	\$ 9,135,028.44	\$ 9,135,028.44
2016	Tax Allocation Refunding Bonds, Series A & B	Chandler/BNY	\$ 1,210,569.36	\$ 1,210,569.36
2017	Tax Allocation Refunding Bonds, Series A & B	Chandler/BNY	\$ 1,057,035.16	\$ 1,057,035.16
Sub-total - Fiscal Agent Cash & Investments			\$ 12,760,769.91	\$ 12,760,769.91
Grand Total			\$ 14,879,838.93	\$ 14,887,506.93

* Includes accrued interest on invested funds

Successor Agency to the Brea Redevelopment Agency
Cash and Investment Information
May 31, 2019

Fiscal Agent Cash & Investments Detail	Cost Value	Market Value
2004 Brea Public Financing Authority Lease Revenue Bond - CHANDLER	\$ -	\$ -
Short-Term Treasury Funds - BNY	\$ 345,306.73	\$ 345,306.73
Sub-total	\$ 345,306.73	\$ 345,306.73
2010 Brea Public Financing Authority Lease Revenue Bond - CHANDLER	\$ -	\$ -
Short-Term Treasury Funds - BNY	\$ 1,012,830.22	\$ 1,012,830.22
Sub-total	\$ 1,012,830.22	\$ 1,012,830.22
2013 Tax Allocation Bonds - CHANDLER	\$ -	\$ -
Short-Term Treasury Funds - BNY	\$ 9,135,028.44	\$ 9,135,028.44
Sub-total	\$ 9,135,028.44	\$ 9,135,028.44
2016 Tax Allocation Refunding Bonds, Series A & B - CHANDLER	\$ -	\$ -
Short-Term Treasury Funds - BNY	\$ 1,210,569.36	\$ 1,210,569.36
Sub-total	\$ 1,210,569.36	\$ 1,210,569.36
2017 Tax Allocation Refunding Bonds, Series A & B - CHANDLER	\$ -	\$ -
Short-Term Treasury Funds - BNY	\$ 1,057,035.16	\$ 1,057,035.16
Sub-total	\$ 1,057,035.16	\$ 1,057,035.16
Report Grand Total	\$ 12,760,769.91	\$ 12,760,769.91

PORTFOLIO CHARACTERISTICS

Average Modified Duration	0.00
Average Coupon	2.45%
Average Purchase YTM	2.45%
Average Market YTM	2.45%
Average S&P/Moody Rating	NR/NR
Average Final Maturity	0.00 yrs
Average Life	0.00 yrs

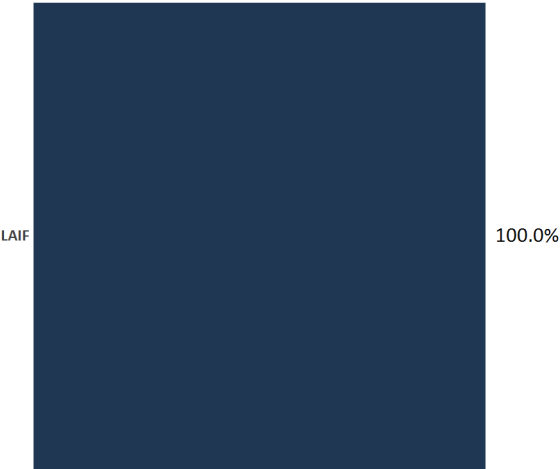
ACCOUNT SUMMARY

	Beg. Values as of 4/30/19	End Values as of 5/31/19
Market Value	1,875,726	1,875,726
Accrued Interest	3,765	7,668
Total Market Value	1,879,491	1,883,394
Income Earned	4,277	3,903
Cont/WD		0
Par	1,875,726	1,875,726
Book Value	1,875,726	1,875,726
Cost Value	1,875,726	1,875,726

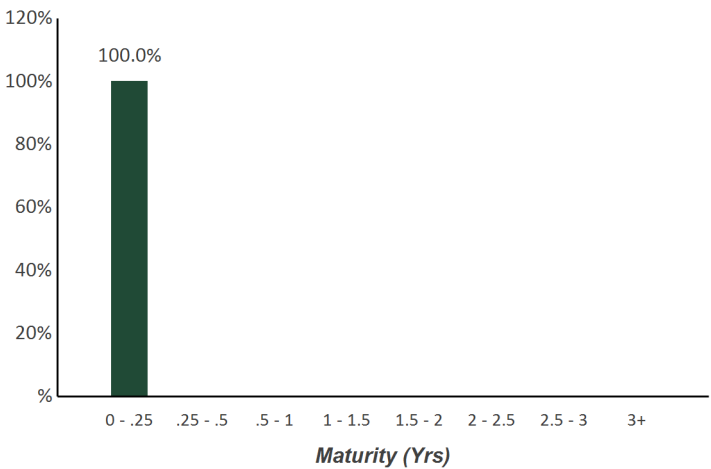
TOP ISSUERS

Local Agency Investment Fund	100.0%
Total	100.0%

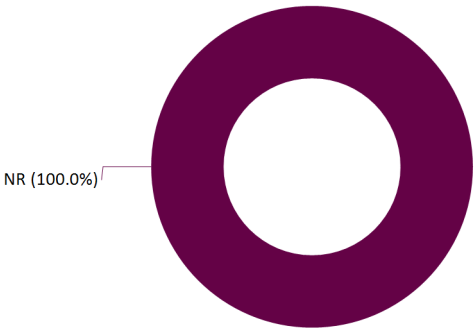
SECTOR ALLOCATION



MATURITY DISTRIBUTION



CREDIT QUALITY (S&P)



Holdings Report

As of May 31, 2019



CUSIP	Security Description	Par Value/Units	Purchase Date Book Yield	Cost Value Book Value	Mkt Price Mkt YTM	Market Value Accrued Int.	% of Port. Gain/Loss	Moody/S&P Fitch	Maturity Duration
LAIF									
90LAIF\$00	Local Agency Investment Fund State Pool	1,875,725.69	Various 2.45%	1,875,725.69 1,875,725.69	1.00 2.45%	1,875,725.69 7,668.00	100.00% 0.00	NR / NR NR	0.00 0.00
Total LAIF		1,875,725.69	2.45%	1,875,725.69 1,875,725.69	2.45%	1,875,725.69 7,668.00	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL PORTFOLIO		1,875,725.69	2.45%	1,875,725.69 1,875,725.69	2.45%	1,875,725.69 7,668.00	100.00% 0.00	NR / NR NR	0.00 0.00
TOTAL MARKET VALUE PLUS ACCRUED						1,883,393.69			

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 07/16/2019

SUBJECT: Authorization for the Issuance and Sale of the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds and the Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019 to Refinance the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2005 Special Tax Refunding Bonds and the Brea Public Financing Authority Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A

RECOMMENDATION

Adopt the Resolution authorizing the issuance of the refunding bonds, providing for the execution of a Fiscal Agent Agreement and other related matters and making findings with respect to and approving the issuance of refunding bonds by the Brea Public Finance Authority.

BACKGROUND/DISCUSSION

In 2005, the Brea Public Financing Authority issued its Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A ("2005 Authority Bonds"), proceeds of which were used to purchase the following bonds:

- City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2005 Special Tax Refunding Bonds ("2005 City CFD Bonds"), which were issued to refund the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 1998 Special Tax Bonds. The 1998 City CFD Bonds were issued for the construction of a neighborhood park, an historic park, storm drain and traffic facilities, utility relocation, roadway construction and abandonment of the oil fields on public property in the Olinda Ranch development.
- Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) Special Tax Refunding Bonds, Series 2005A ("2005 School District CFD A Bonds"), which were issued to refund the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) 1998 Special Tax Bonds. The 1998 School District CFD Bonds were issued to finance school facilities and improvements.
- Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) Special Tax Bonds, Series 2005B ("2005 School District CFD B Bonds"), which were issued for the construction of a proposed school and related facilities.

The 2005 Authority Bonds were issued in collaboration between the City of Brea ("City") and the

Brea-Olinda Unified School District ("School District") related to the City of Brea's Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) ("CFD 1997-1") and the Brea Olinda Unified School District's Community Facilities District No. 95-1 (Olinda Heights) ("CFD 95-1"), respectively, the boundaries of which substantially overlap in the 276-acre, fully-developed Olinda Ranch.

The 2005 Authority Bonds are outstanding in the amount of \$9.4 million and are callable on any interest payment date without penalty. City Staff has determined in consultation with its Municipal Advisor, Fieldman, Rolapp & Associates, Inc, and its bond underwriter, Stifel, Nicolaus & Company, Incorporated, that current market conditions allow for the issuance of refunding bonds ("2019 Authority Bonds") to generate savings in the form of lower annual debt payments through refinancing the prior bonds.

The City's Local Debt Policy requires at least a 3% net present value savings threshold to be met to refund bonds. The 2019 Authority Bonds have a projected 9.04% net present value savings. Based on current market conditions, subject to change, the refunding of the 2005 Authority Bonds is projected to provide average annual savings of approximately \$167,246 through 2028 and \$88,624 from 2029 to 2035 an average annual savings per parcel of \$262 through 2028 and \$139 from 2029 to 2035.

The proposed refinancing assumes that the 2005 Authority Bonds will be called on September 1, 2019 and the proposed refunding bonds would retain the same final maturity as the 2005 Authority Bonds. The 2019 Authority Bonds will be secured solely by revenues from the 2019 City CFD Bonds and the 2019 School District CFD Bonds referred to below, which in turn are payable from special taxes levied against properties in CFD No. 1997-1 and CFD No. 95-1, respectively. The resulting per parcel savings mentioned above will be passed on to the taxpayers. The City of Brea has no obligation to use any of its resources for repayment of these bonds.

Proceeds of the 2019 Authority Bonds will be used to purchase the following bonds:

- City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds ("2019 City CFD Bonds")
- Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) 2019 Special Tax Refunding Bonds ("2019 School District CFD Bonds")

The 2019 City CFD Bonds will refund the 2005 City CFD Bonds and the 2019 School District CFD Bonds will refund the 2005 School District CFD A Bonds and the 2005 School District CFD B Bonds.

On June 4, 2019, Board of Directors of the Brea Public Financing Authority adopted the Resolution A-2019-01 approving the initiation of proceedings to refinance the outstanding Local Agency Revenue Bonds 2005 Series A (2005 Authority Bonds) related to the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) (CFD 1997-1) and the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) (CFD 95-1) and to engage professional services. The School District approved the issuance of the 2019 School District CFD Bonds at a regularly scheduled School Board meeting on June 24, 2019.

The proposed bonds are structured in a manner that makes each respective agency responsible for their own administration of their special taxes, and result in shared savings by utilizing one

financing team for the refinancing. Below is a table summarizing the detail for each series of 2005 bonds to be refunded and the anticipated savings:

Refunding Statistics	City CFD	School District CFDs A&B	Total
Amount of Refunded Bonds	\$3,590,000	\$5,765,000	\$9,355,000
Amount of Refunding Bonds	\$2,620,000	\$4,295,000	\$6,915,000
True Interest Cost	1.90%	2.61%	2.41%
Final Maturity	9/1/2028	9/1/2035	9/1/2035
Reserve Fund	Surety	Surety	Surety
Cash Flow Savings			
<i>Avg. Annual Saving (2020-2028)</i>	\$78,902	\$88,344	\$167,246
<i>Avg. Annual Saving (2029-2035)</i>	\$0	\$88,624	\$88,624
<i>Avg. Ann. Savings per Parcel (2020-2028)</i>	\$123	\$138	\$262
<i>Avg. Ann. Savings per Parcel (2029-2035)</i>	\$0	\$139	\$139
<i>Total Savings</i>	\$710,118	\$1,415,469	\$2,125,586
Present Value Savings			
<i>Net PV Savings</i>	\$261,413	\$584,641	\$846,054
<i>% Savings of Refunded Bonds</i>	7.28%	10.14%	9.04%

If the refinancing is approved, it is anticipated that the 2019 Authority Bonds will be sold in late July with the bond closing expected to be completed in August and the reduced special taxes submitted to the County in early August for the upcoming Fiscal Year 2019-20 tax levy.

On October 9, 2017, the Governor approved Senate Bill 450 (SB 450), adding Section 5852.1 to the California Government Code. SB 450 requires prior to an issuance of bonds, that a public agency disclose in a public meeting good faith financing estimates provided by an underwriter, municipal advisor or private lender. These estimates include: a) the True Interest Cost of the bonds; b) the total finance charge of the bonds, equal to the sum of all fees and charges paid to third parties; c) the amount of estimated bond proceeds minus the total finance charge of the bonds; and any reserves funded from proceeds of the bonds and d) the total payment amount, which includes the projected sum total of all payments the CFD will make to pay debt service on the bonds plus any portion of the finance charge of the bonds that will not be paid with the proceeds of the bonds. The total payment amount should be calculated to the final maturity of the bonds.

The following table includes the SB 450 requirements for the 2019 Authority Bonds. These estimates are subject to change, based upon market conditions at the time of bond sale.

Requirement	Estimate
True Interest Cost	2.41%
Total Finance Charge (Fees Paid to Third Parties)	\$410,365
Estimated Bond Proceeds Minus Finance Charge	\$7,775,906
Total Payment Amount to Maturity (9/1/2035)	\$9,456,708

COMMISSION/COMMITTEE RECOMMENDATION

This item was reviewed by the Finance Committee at its regular meeting on May 28, 2019 and was recommended for approval by the City Council and the Brea Public Financing Authority.

FISCAL IMPACT/SUMMARY

Based on current market conditions, the refunding of the 2005 Authority Bonds is projected to provide average annual savings of approximately \$167,246 through 2028 and \$88,624 from 2029 to 2035 and average annual savings per parcel of \$262 through 2028 and \$139 from 2029 to 2035.

The 2019 Authority Bonds will be secured solely by revenues from the 2019 City CFD Bonds and the 2019 School District CFD Bonds referred to below, which in turn are payable from special taxes levied against properties in CFD No. 1997-1 and CFD No. 95-1. The City of Brea has no obligation to use any of its resources for repayment of these bonds. There is no General Fund impact with this refinancing.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Cindy Russell, Administrative Services Director

Attachments

Resolution

Fiscal Agent Agreement

Escrow Agreement

Bond Purchase Agreement

Preliminary Official Statement

Continuing Disclosure Certificate

RESOLUTION NO. 2019-050

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA AUTHORIZING ISSUANCE OF REFUNDING BONDS, PROVIDING FOR EXECUTION OF A FISCAL AGENT AGREEMENT AND OTHER MATTERS WITH RESPECT THERETO, AND MAKING FINDINGS WITH RESPECT TO AND APPROVING THE ISSUANCE OF BONDS BY THE BREA PUBLIC FINANCING AUTHORITY

A. RECITALS

(i) This City Council has conducted proceedings under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “CFD Act”), to form the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) (the “CFD”), to authorize the levy of special taxes upon the land within the CFD, and to issue bonds secured by said special taxes the proceeds of which are to be used to finance certain facilities.

(ii) This City Council, as legislative body of the CFD, authorized the issuance of bonds of the City of Brea (the “City”) for the CFD designated City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2005 Special Tax Refunding Bonds (the “Prior Bonds”), the Prior Bonds having been issued in the original principal amount of \$6,665,000 pursuant to the CFD Act and Resolution No. 05-32 of this City Council, adopted on May 3, 2005.

(iii) This City Council has determined that due to favorable interest rates, it is in the best interests of the property owners paying special taxes levied for the CFD, and of the City and the CFD, that the Prior Bonds be refunded.

(iv) There has been submitted to this City Council an agreement (the “Fiscal Agent Agreement”) providing for the issuance of refunding bonds of the City, for and on behalf of the CFD (the “Bonds”), and this City Council, with the aid of City staff, has reviewed

the Fiscal Agent Agreement and found it to be in proper order, and now desires to approve the Fiscal Agent Agreement and the issuance of the Bonds.

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

(vi) The City proposes to sell the Bonds to the Brea Public Financing Authority (the “Authority”) pursuant to the terms of a City CFD Local Obligation Purchase Contract (the “CFD Purchase Agreement”) by and between the City and the Authority, and the Authority proposes to sell the Authority Bonds to the investing public by means of a preliminary official statement (the “Preliminary Official Statement”).

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

(viii) The City has on this date held a duly noticed public hearing, as required by Section 6586.5(a) of the California Government Code, on the refinancing of the improvements that were refinanced with proceeds of the Prior Bonds, as well as on the refinancing of school facilities with proceeds of an issuance of bonds by the Brea Olinda Unified School District (the “School CFD Refunding Bonds”), said refinancing to occur by reason of the purchase of the Bonds and the School CFD Refunding Bonds with the proceeds of the Authority Bonds.

(x) This City Council now desires to make a finding of significant public benefit, pursuant to Section 6586.5(a)(2) of the California Government Code, and to approve of

the refinancing of the improvements and school facilities (collectively, the “Improvements”) and the transactions contemplated by the Bonds, the School CFD Refunding Bonds and the Authority Bonds.

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

B. RESOLUTION

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

1. This City Council hereby finds that significant public benefits will arise from the refinancing of the Improvements and the refunding of the Prior Bonds and the refunding of the bonds to be refunded with proceeds of the School CFD Refunding Bonds, as well as the issuance of the School CFD Refunding Bonds, by means of the purchase of the Bonds and the School CFD Refunding Bonds with the proceeds of the Authority Bonds, all in accordance with Section 6586 of the California Government Code, in that the refinancing will result in demonstrable savings in effective interest rates, bond preparation, bond underwriting and bond issuance costs. The City Council hereby approves the issuance of the Authority Bonds by the Authority.

2. Pursuant to the CFD Act and this Resolution, the Bonds designated as “City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds” in an aggregate principal amount not to exceed

\$3,400,000 are hereby authorized to be issued. The Bonds shall be executed in the form set forth in and otherwise as provided in the Fiscal Agent Agreement. In furtherance of the issuance of the Bonds, this City Council hereby makes the following findings and determinations: (i) it is prudent in the management of the fiscal affairs of the City, this City Council and the CFD for the City to issue the Bonds for the purpose of refunding the Prior Bonds; (ii) the total net interest cost to maturity on the Bonds plus the principal amount of the Bonds will not exceed the total net interest cost to maturity on the Prior Bonds plus the principal amount of the Prior Bonds; (iii) the value of the real property in the CFD subject to the special tax to pay debt service on the Bonds is at least three times the principal amount of the Bonds and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the CFD Act or a special assessment levied on property with the CFD; and (iv) the Bonds, when issued, will be in compliance with the applicable requirements of the City's adopted Local Goals and Policies for Community Facilities Districts—Residential Property (adopted October 21, 1997), and the City's Local Debt Policy (adopted June 6, 2017, and revised on June 18, 2019). The determination in the preceding clause (iii) is based on the full cash value of such property as shown on the ad valorem tax roll of the County of Orange.

For purposes of Section 53363.2 of the CFD Act, (i) it is expected that the purchase of the Bonds will occur on or after July 30, 2019, (ii) the date, denomination, maturity dates, places of payment and form of the Bonds shall be as set forth in the Fiscal Agent Agreement, (iii) the minimum rate of interest to be paid on the Bonds shall be one percent (1.0%) with the actual rate or rates to be set forth in the Fiscal Agent Agreement as executed, (iv) the place of payment for the Prior Bonds shall be as set forth in the fiscal

agent agreement for the Prior Bonds; and (v) the designated costs of issuing the Bonds shall be as described in Section 53363.8(a) of the Act, and as otherwise described in the Fiscal Agent Agreement and the closing certificates for the Bonds and the Authority Bonds, including Bond Counsel fees and expenses, municipal advisor fees and expenses, escrow verification costs, initial fiscal agent fees, and costs of City staff incurred in connection with the sale and issuance of the Bonds.

3. The Fiscal Agent Agreement, in the form on file with the City Clerk, is hereby approved. The Mayor, or in the Mayor's absence, the Mayo Pro Tem or the City Manager (each an "Authorized Officer"), acting individually, is hereby authorized to execute the Fiscal Agent Agreement on behalf of the City, with such changes thereto as may be approved by the Administrative Services Director upon consultation with the City Attorney and Bond Counsel, the approval of such changes to be conclusively evidenced by the execution and delivery of the Fiscal Agent Agreement by the City.

The City Council hereby approves the refunding of the Prior Bonds with the proceeds of the Bonds, in accordance with the provisions of the documents pursuant to which such Prior Bonds were sold and delivered, and the Escrow Agreement among the City, the Brea Olinda Unified School District, the Authority and the Fiscal Agent for the Prior Bonds, as escrow bank thereunder. The City Council hereby approves the Escrow Agreement in the form on file with the City Clerk. The City Council hereby authorizes the Mayor (or in the Mayor's absence, the Authorized Officers, each acting alone) to execute the Escrow Agreement for and in the name and on behalf of the City in such form, together with any changes therein or additions thereto deemed advisable by the Administrative Services Director upon consultation with Bond Counsel and the City Attorney.

4. The Bank of New York Mellon Trust Company, N.A., is hereby designated to act as the Fiscal Agent for the Bonds and to perform the actions and duties required of the Fiscal Agent under the Fiscal Agent Agreement, including those for the authentication, transfer, registration, and payment of the Bonds. The Mayor (or in the Mayor's absence, the Authorized Officers, each acting alone) is hereby authorized to execute an agreement with the Fiscal Agent in furtherance of the actions and duties of the Fiscal Agent under the Fiscal Agent Agreement in a form acceptable to the Administrative Services Director.

5. The form of the CFD Purchase Agreement between the Authority and the City in the form on file with the City Clerk is hereby approved. The Mayor (or in the Mayor's absence, the Authorized Officers, each acting alone) is hereby authorized to execute the CFD Purchase Agreement for the acquisition by the Authority, with proceeds of the Authority Bonds, of the Bonds in the form hereby approved, with such additions thereto and changes therein as the Administrative Services Director, upon consultation with the City Attorney and Bond Counsel, deems necessary or desirable, with such approval to be conclusively evidenced by the execution and delivery of such agreement by the City.

This City Council hereby finds and determines that the sale of the Bonds at negotiated sale as contemplated by the CFD Purchase Agreement will result in a lower overall cost.

6. The Bonds, when executed, shall be delivered to the Fiscal Agent for authentication. The Fiscal Agent is hereby requested and directed to authenticate the Bonds by executing the Fiscal Agent's certificate of authentication and registration appearing thereon, and to deliver the Bonds, when duly executed and authenticated, to

the Authority or its designee in accordance with the CFD Purchase Agreement, upon payment of the purchase price therefor.

7. The form of the Preliminary Official Statement for the Authority Bonds in the form on file with the City Clerk is hereby approved and Stifel, Nicolaus & Company Incorporated (the "Underwriter") is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Authority Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined necessary or desirable by the Administrative Services Director to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Mayor (or in the Mayor's absence, the Authorized Officers, each acting alone) is hereby authorized to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the Administrative Services Director, to make such Official Statement complete and accurate as of its date. The Underwriter is further authorized to distribute the final Official Statement for the Authority Bonds and any supplement thereto to the purchasers of the Authority Bonds following its execution by the City.

8. The Mayor, City Manager, Administrative Services Director, City Clerk, Financial Services Manager and any other officers or staff of the City are hereby authorized and directed to take any actions and execute and deliver any and all documents (including, but not limited to, a Continuing Disclosure Agreement referenced in the Fiscal Agent Agreement) as are necessary to accomplish the issuance, sale and delivery of the Bonds and the refunding of the Prior Bonds in accordance with the provisions of this Resolution and the fulfillment of the purposes of the Bonds as described

in the Fiscal Agent Agreement and the Escrow Agreement. In furtherance of the foregoing, the City Manager, Administrative Services Director and Financial Services Manager are hereby authorized to approve modifications to the documents approved by this Resolution to allow for municipal bond insurance and/or a reserve fund insurance policy for the Bonds and to execute certificates and agreements required for such insurance if, upon the advice of the Municipal Advisor, such insurance is advantageous to the City in the circumstances.

9. This Resolution shall take upon its adoption.

APPROVED AND ADOPTED this 16th day of July, 2019.

Christine Marick, Mayor

ATTEST: _____
Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a meeting of the City Council of the City of Brea held on the 16th day of July, 2019, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

DATED: _____

Lillian Harris-Neal, City Clerk

FISCAL AGENT AGREEMENT

by and between the

CITY OF BREA, CALIFORNIA

and

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

Dated as of August 1, 2019

relating to:

\$_____

City of Brea

Community Facilities District No. 1997-1
(Olinda Heights Public Improvements)
2019 Special Tax Refunding Bonds

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EXHIBIT A FORM OF BOND

FISCAL AGENT AGREEMENT

THIS FISCAL AGENT AGREEMENT (the "Agreement") is made and entered into as of August 1, 2019, by and between the CITY OF BREA, CALIFORNIA, a municipal corporation organized and existing under and by virtue of the Constitution and laws of the State of California (the "City") for and on behalf of the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) (the "District"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, as fiscal agent (the "Fiscal Agent").

R E C I T A L S :

WHEREAS, the City Council of the City has formed the District under the provisions of the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 et seq. of the California Government Code) (the "Act") and Resolution No. 97-93 of the City Council adopted on December 16, 1997;

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

WHEREAS, under the provisions of the Act, on June 15, 2005, the City issued, for and on behalf of the District, its City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2005 Special Tax Refunding Bonds (the "Prior Bonds"), and proceeds of the Prior Bonds were used to refund the then outstanding City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 1998 Special Tax Bonds;

WHEREAS, due to favorable interest rates in the financial markets, the City Council has determined to refund the Prior Bonds in full;

WHEREAS, under the provisions of the Act, on July 16, 2019, the City Council of the City adopted its Resolution No. 19-_____ (the "Resolution"), which resolution, among other matters, authorized the issuance of the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds (the "Bonds") to provide moneys to refund the Prior Bonds, and provided that said issuance would be in accordance with the Act and this Agreement, and authorized the execution hereof;

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

WHEREAS, all things necessary to cause the Bonds, when authenticated by the City for the District and issued as in the Act and this Agreement provided, to be legal, valid and binding and special obligations of the City for the District in accordance with their terms, and all things

necessary to cause the creation, authorization, execution and delivery of this Agreement and the creation, authorization, execution and issuance of the Bonds, subject to the terms hereof, have in all respects been duly authorized.

A G R E E M E N T :

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

ARTICLE I

STATUTORY AUTHORITY AND DEFINITIONS

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

Section 1.02. Agreement for Benefit of Bondowners. The provisions, covenants and agreements herein set forth to be performed by or on behalf of the City shall be for the equal benefit, protection and security of the Owners. All of the Bonds, without regard to the time or times of their issuance or maturity, shall be of equal rank without preference, priority or distinction of any of the Bonds over any other thereof, except as expressly provided in or permitted by this Agreement. The Fiscal Agent may become the owner of any of the Bonds in its own or any other capacity with the same rights it would have if it were not Fiscal Agent.

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

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

"Administrative Expenses" means costs directly related to the administration of the District consisting of the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the Finance Director or designee thereof or both) and the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Fiscal Agent; fees and costs of the Fiscal Agent (including its legal counsel) in the discharge of the duties required of it under this Agreement; any fees or expenses of the Escrow Bank under or in connection with the Escrow Agreement; any Policy Costs due from the City under and as such term is defined in the Reserve Fund Agreement (other than in respect of the reimbursement of draws under the Reserve Fund Insurance Policy); the costs of the City or its designee of complying with any disclosure provisions of the Act (including but not limited to Sections 53340.2 and 53343.1 of the Act), the Continuing Disclosure Agreement and this Agreement, including those related to public inquiries regarding the Special Tax and disclosures to Bondowners and the Original Purchaser; the costs of the City or its designee related to an appeal of the Special Tax; any amounts required to be rebated to the federal government in order for the City to comply with Section 6.02; and an allocable share of the salaries of the City staff directly related to the foregoing and a proportionate amount of City general administrative overhead related thereto. Administrative Expenses shall also include amounts advanced by the City for any administrative purpose of the District, including costs related to prepayments of Special Taxes, recordings related to such prepayments and

satisfaction of Special Taxes, amounts advanced to ensure compliance with Section 6.02, and the costs of commencing foreclosure of delinquent Special Taxes.

“Administrative Expense Fund” means the fund by that name established by Section 3.05(A) hereof.

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

“Annual Debt Service” means, for each Bond Year, the sum of (i) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled, and (ii) the principal amount of the Outstanding Bonds due in such Bond Year.

“Auditor” means the auditor/tax collector of the County of Orange.

“Authority” means the Brea Public Financing Authority, a joint exercise of powers authority established under Sections 6500 and following of the California Government Code.

“Authority Bonds” means the Authority’s bonds designated “Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019,” issued by the Authority to, inter alia, purchase the Bonds.

“Authority Bonds Indenture” means the Indenture of Trust, dated as of August 1, 2019, by and between the Authority and Trustee, pursuant to which the Authority Bonds were issued.

“Authorized Officer” means the Mayor, the Mayor Pro Tem, the City Manager, the City’s Administrative Services Director, the City’s Financial Services Manager, the City Clerk or any other officer or employee authorized by resolution of the City Council of the City or by a certificate of an Authorized Officer to undertake the action referenced in this Agreement as required to be undertaken by an Authorized Officer.

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

“Bond Fund” means the fund by that name established by Section 4.02(A) hereof.

“Bond Year” means the one-year period beginning on September 2 in each year and ending on September 1 in the following year except that the first Bond Year shall begin on the Closing Date.

“Bonds” means the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds at any time Outstanding under this Agreement or any Supplemental Agreement.

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

“CDIAC” means the California Debt and Investment Advisory Commission.

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

“Closing Date” means August 13, 2019, being the date upon which there is a physical delivery of the Bonds in exchange for the amount representing the purchase price of the Bonds by the Original Purchaser.

“Code” means the Internal Revenue Code of 1986, as amended, together with applicable proposed, temporary and final regulations promulgated, and applicable official public guidance published, under the Code.

“Continuing Disclosure Agreement” shall mean that certain Continuing Disclosure Certificate (City) executed by the City and accepted by The Bank of New York Mellon Trust Company, N.A., as dissemination agent, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

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

“County” means the County of Orange, California.

“Debt Service” means the scheduled amount of interest and amortization of principal payable on the Bonds during the period of computation, excluding amounts scheduled during such period which relate to principal which has been retired before the beginning of such period.

“District” means the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) formed pursuant to Resolution No. 97-93 of the City, adopted by the City Council on December 16, 1997.

“Escrow Agreement” means the Escrow Agreement, dated as of August 1, 2019, by and among the Authority, the City, the Brea Olinda Unified School District and the Escrow Bank, as amended from time to time.

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

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “fair market value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the code, (iii) the investment is a United States Treasury Security - State and Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

“Federal Securities” means any of the following which are non-callable and which at the time of investment are legal investments under the laws of the State of California for funds held by the Fiscal Agent: (a) direct general obligations of the United States of America (including obligations issued or held in book entry form on the books of the United States Department of the Treasury) and obligations, the payment of principal of and interest on which are directly or indirectly guaranteed by the United States of America, including, without limitation, such of the foregoing which are commonly referred to as “stripped” obligations and coupons; or (b) any of the following obligations of the following agencies of the United States of America: (i) direct obligations of the Export-Import Bank, (ii) certificates of beneficial ownership issued by the Farmers Home Administration, (iii) participation certificates issued by the General Services Administration, (iv) mortgage-backed bonds or pass-through obligations issued and guaranteed by the Government National Mortgage Association, (v) project notes issued by the United States Department of Housing and Urban Development, and (vi) public housing notes and bonds guaranteed by the United States of America.

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

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

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

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

“Interest Payment Dates” means March 1 and September 1 of each year, commencing March 1, 2020.

“Late Payment Rate” means the lesser of (a) the greater of (i) the per annum rate of interest, publicly announced from time to time by JPMorgan Chase Bank at its principal office in the City of New York, as its prime or base lending rate (“Prime Rate”) (any change in such Prime Rate to be effective on the date such changes are announced by JPMorgan Chase Bank) plus 3%, and (ii) then applicable highest rate of interest on the Bonds, and (b) the maximum rate permissible under applicable usury or similar laws limiting interest rates. The Late Payment Rate shall be computed on the basis of the actual number of days elapsed over a year of 360 days. In the event JPMorgan Chase Bank ceases to announce its Prime Rate publicly, Prime Rate shall be the publicly announced prime or base lending rate of such bank, banking association or trust company bank as the Municipal Bond Insurer in its sole and absolute discretion shall specify.

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

“Moody’s” means Moody’s Investors Service, and any successor thereto.

“Municipal Bond Insurer” means _____ or any successor thereto.

“Officer’s Certificate” means a written certificate of the City signed by an Authorized Officer of the City.

“Ordinance” means any ordinance of the City levying the Special Taxes.

“Original Purchaser” means the Authority, as the first purchaser of the Bonds from the City.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 8.04) all Bonds except: (i) Bonds theretofore canceled by the Fiscal Agent or surrendered to the Fiscal Agent for cancellation; (ii) Bonds paid or deemed to have been paid within the meaning of Section 9.03 or Bonds called for redemption for which funds have been provided as described in Section 2.03(D) hereof; and (iii) Bonds in lieu of or in

substitution for which other Bonds shall have been authorized, executed, issued and delivered by the City pursuant to the Agreement or any Supplemental Agreement.

“Owner” means any person who shall be the registered owner of any Outstanding Bond.

“Permitted Investments” means the following, but only to the extent that the same are acquired at Fair Market Value and are otherwise eligible investments of the City for funds held pursuant to this Agreement:

(i) Federal Securities;

(ii) any of the following obligations of federal agencies not guaranteed by the United States of America: (a) debentures issued by the Federal Housing Administration; (b) participation certificates or senior debt obligations of the Federal Home Loan Mortgage Corporation or Farm Credit Banks (consisting of Federal Land Banks, Federal Intermediate Credit Banks or Banks for Cooperatives); (c) bonds or debentures of the Federal Home Loan Bank Board established under the Federal Home Loan Bank Act, bonds of any federal home loan bank established under said act and stocks, bonds, debentures, participations and other obligations of or issued by the Federal National Mortgage Association, the Student Loan Marketing Association, the Government National Mortgage Association and the Federal Home Loan Mortgage Corporation; and bonds, notes or other obligations issued or assumed by the International Bank for Reconstruction and Development;

(iii) interest-bearing demand or time deposits (including certificates of deposit) in federal or State of California chartered banks (including the Fiscal Agent and its affiliates), provided that (a) in the case of a savings and loan association, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such savings and loan association shall be rated in one of the top two rating categories by a nationally recognized rating service, and (b) in the case of a bank, such demand or time deposits shall be fully insured by the Federal Deposit Insurance Corporation, or the unsecured obligations of such bank (or the unsecured obligations of the parent bank holding company of which such bank is the lead bank) shall be rated in one of the top two rating categories by a nationally recognized rating service;

(iv) repurchase agreements with a registered broker/dealer subject to the Securities Investors' Protection Corporation Liquidation in the event of insolvency, or any commercial bank provided that: (a) the unsecured obligations of such bank shall be rated in one of the top two rating categories by a nationally recognized rating service, or such bank shall be the lead bank of a banking holding company whose unsecured obligations are rated in one of the top two rating categories by a nationally recognized rating service; (b) the most recent reported combined capital, surplus and undivided profits of such bank shall be not less than \$100 million; (c) the repurchase obligation under any such repurchase obligation shall be required to be performed in not more than thirty (30) days; (d) the entity holding such securities as described in clause (c) shall

have a pledged first security interest therein for the benefit of the Fiscal Agent under the California Commercial Code or pursuant to the book entry procedures described by 31 C.F.R. 306.1 et seq. or 31 C.F.R. 350.0 et seq. and are rated in one of the top two rating categories by a nationally recognized rating service;

(v) bankers acceptances endorsed and guaranteed by banks described in clause (iv) above;

(vi) obligations, the interest on which is exempt from federal income taxation under Section 103 of the Code and which are rated in the one of the top two rating categories by a nationally recognized rating service;

(vii) money market funds which invest solely in Federal Securities or in obligations described in the preceding clause (ii) of this definition, or money market funds which are rated in the highest rating category by S&P and Moody's, including funds for which the Fiscal Agent, its parent holding company, if any, or any affiliate or subsidiary of the Fiscal Agent or such holding company receives and retains a fee for services provided to the fund as a custodian, transfer agent, investment advisor or otherwise;

(viii) units of a taxable government money market portfolio comprised solely of obligations listed in (i) or (iv) above, including funds for which the Fiscal Agent, its parents holding company, if any, or any affiliate or subsidiary of the Fiscal Agent or such holding company receives and retains a fee for services provided to the fund as a custodian, transfer agent, investment advisor or otherwise;

(ix) any investment which is a legal investment for proceeds of the Bonds at the time of the execution of such agreement, and which investment is made pursuant to an agreement between the City or the Fiscal Agent or any successor Fiscal Agent and a financial institution or governmental body whose long term debt obligations are rated in one of the top two rating categories by a nationally recognized rating service;

(x) commercial paper which at the time of purchase is of "prime" quality of the highest ranking or of the highest letter and numerical rating as provided for by Moody's, or S&P, of issuing corporations that are organized and operating within the United States and having total assets in excess of five hundred million dollars (\$500,000,000) and having an "AA" or higher rating for the issuer's debentures, other than commercial paper, as provided for by Moody's or S&P, and provided that purchases of eligible commercial paper may not exceed 180 days maturity nor represent more than 10 percent of the outstanding paper of an issuing corporation;

(xi) any general obligation of a public agency, bank or insurance company whose long term debt obligations are rated in one of the two highest rating categories of a national rating service;

(xii) the Local Agency Investment Fund maintained by the Treasurer of the State of California; or

(xiii) any other lawful investment for City funds.

The Fiscal Agent is entitled to rely upon the investment directions of the City as a certification that such investments are “Permitted Investments” hereunder.

“Policy Costs” has the meaning given to such term in Section 4.03(G)(ii).

“Principal Office” means the principal office of the Fiscal Agent appointed by the City as provided in Section 7.01, or such other office designated by the Fiscal Agent for payment, transfer or exchange of Bonds.

“Prior Authority Bonds” means the Brea Public Financing Authority Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A.

“Prior Bond Agreement” means the Fiscal Agent Agreement, dated as of June 1, 2005, by and between the City, for and on behalf of the District, and The Bank of New York Mellon Trust Company, N.A., as fiscal agent.

“Prior Bonds” means the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2005 Special Tax Refunding Bonds, issued on June 15, 2005, in the original principal amount of \$6,665,000.

“Proceeds” when used with reference to the Bonds, means the face amount of the Bonds, plus accrued interest and premium, if any, less original issue discount and less proceeds from the sale of the Bonds deposited in the Reserve Fund.

“Project” means the facilities eligible to be funded by the District, as more particularly described in the Resolution of Formation.

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

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

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

“Regulations” means temporary and permanent regulations promulgated under the Code.

“Reserve Fund” means the fund by that name established pursuant to Section 4.03(A) hereof.

“Reserve Fund Agreement” means the Debt Service Reserve Agreement, dated the Closing Date, by and between the City and the Municipal Bond Insurer.

“Reserve Fund Insurance Policy” means the Reserve Fund Municipal Bond Insurance Policy issued by the Municipal Bond Insurer in an amount equal to the Reserve Requirement as of the Closing Date.

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

“Resolution” means Resolution No. 19-_____ adopted by the City Council of the City on July 16, 2019.

“Resolution of Formation” means Resolution No. 97-93, adopted by the City Council of the City on December 16, 1997.

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

“Special Tax Fund” means the fund by that name established by Section 3.04(A) hereof.

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

“Special Tax Prepayments Account” means the account by that name established by Section 4.02(A) hereof.

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

“Special Taxes” means the special taxes levied within the District pursuant to the Act, the Ordinance and this Agreement.

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

“Trustee” means The Bank of New York Mellon Trust Company, N.A., in its capacity as trustee for the Authority Bonds, or any successor thereto under the Authority Bonds Indenture.

ARTICLE II

THE BONDS

Section 2.01. Principal Amount; Designation. Bonds in the aggregate principal amount of _____ Million _____ Hundred _____ Thousand Dollars (\$_____) are hereby authorized to be issued by the City for the District under and subject to the terms of the Resolution and this Agreement, the Act and other applicable laws of the State of California. The Bonds shall be designated the “City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds.”

Section 2.02. Terms of Bonds.

(A) Form; Denominations. The Bonds shall be issued as fully registered Bonds without coupons in the denomination of \$1,000 or any integral multiple thereof. Bonds shall be lettered and numbered in a customary manner as determined by the Fiscal Agent.

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

(C) [Intentionally omitted]

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

Maturity Date
(September 1)

Principal
Amount

Interest
Rate

(E) Interest. The Bonds shall bear interest at the rates set forth above payable on the Interest Payment Dates in each year. Interest shall be calculated on the basis of a 360-day year composed of twelve 30-day months. Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof unless (i) it is authenticated on an Interest Payment Date, in which event it shall bear interest from such date of authentication, or (ii) it is authenticated prior to an Interest Payment Date and after the close of business on the Record Date preceding such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or (iii) it is authenticated prior to the Record Date preceding the first Interest Payment Date, in which event it shall bear interest from the Closing Date; provided, however, that if at the time of authentication of a Bond, interest is in default thereon, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon.

(F) Method of Payment. Interest on the Bonds (including the final interest payment upon maturity or earlier redemption) is payable by check or draft of the Fiscal Agent mailed on the Interest Payment Dates by first class mail to the registered Owner thereof at such registered Owner's address as it appears on the registration books maintained by the Fiscal Agent at the close of business on the Record Date preceding the Interest Payment Date, or by wire transfer made on such Interest Payment Date so long as the Bonds are registered in the name of the Authority or the Trustee, or upon written instructions received by the Fiscal Agent on or before the Record Date preceding the Interest Payment Date of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds, any such written instructions to remain in effect until rescinded in writing by the respective Owner. The principal of the Bonds and any premium on the Bonds are payable in lawful money of the United States of America upon surrender of the Bonds at the Principal Office of the Fiscal Agent. All Bonds paid by the Fiscal Agent pursuant to this Section shall be cancelled by the Fiscal Agent. The Fiscal Agent shall destroy the cancelled Bonds and issue a certificate of destruction thereof to the City upon the City's request.

Section 2.03. Redemption.

(A) Redemption Dates.

(i) The Bonds are subject to redemption prior to their stated maturities, on any date on or after March 1, 2020, as a whole or in part, with the written consent of the Authority given in accordance with Section 2.2(a) of the Authority Bonds Indenture, upon payment from any source of funds available for that purpose, including, but not limited to, prepayments of Special Taxes and amounts transferred from the Reserve Fund pursuant to Section 4.03(F), at a redemption price (expressed as a percentage of the principal amount of Bonds to be redeemed) as set forth below, together with accrued interest thereon to the date fixed for redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
March 1, 2020 through and including August 31, ____	103%
September 1, ____ through and including August 31, ____	102
September 1, ____ through and including August 31, ____	101
September 1, ____ and any date thereafter	100

Notwithstanding the foregoing, any redemption of the Bonds pursuant to this Section 2.03(A)(i) on or prior to September 1, ____ shall be made solely from amounts in the Bond Fund as a result of transfers from the Special Tax Prepayments Account pursuant to Section 4.02(B)(ii) and the Reserve Fund pursuant to Section 4.03(F).

(ii) In lieu of redemption under this Section 2.03, moneys in the Bond Fund may be used and withdrawn by the Fiscal Agent for purchase of Outstanding Bonds, upon the filing with the Fiscal Agent of an Officer's Certificate requesting such purchase, at public or private sale as and when, and at such prices (including brokerage and other charges) as such Officer's Certificate may provide, but in no event may Bonds be purchased at a price in excess of the principal amount thereof, plus interest accrued to the date of purchase.

(B) Notice to Fiscal Agent. The City shall give the Fiscal Agent written notice of its intention to redeem Bonds pursuant to subsection (A)(i) not less than sixty (60) days prior to the applicable redemption date, or such lesser number of days as the Fiscal Agent may allow.

(C) Redemption Procedure by Fiscal Agent. The Fiscal Agent shall cause notice of any redemption to be sent (by first class mail, postage prepaid, or such other means acceptable to the recipients thereof) at least thirty (30) days but not more than sixty (60) days prior to the date fixed for redemption, to the respective registered Owners of any Bonds designated for redemption, at their addresses appearing on the Bond registration books in the Principal Office of the Fiscal Agent; but such mailing shall not be a condition precedent to such redemption and failure to send or to receive any such notice, or any defect therein, shall not affect the validity of the proceedings for the redemption of such Bonds.

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

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

Whenever provision is made in this Agreement for the redemption of less than all of the Bonds or any given portion thereof, the Fiscal Agent shall select the Bonds to be redeemed, from all Bonds or such given portion thereof not previously called for redemption, as shall be specified in writing by the City to the Authority and the Fiscal Agent consistent with the consent of the Authority given in accordance with the second paragraph of Section 2.2(a) of the Authority Bonds Indenture with respect to the redemption.

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

Notwithstanding the foregoing, no notice of redemption need be given under this Section 2.03(C) or under Section 2.03(B) with respect to any Bonds owned by the Authority or registered in the name of the Trustee.

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

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

Section 2.04. Form of Bonds. The Bonds, the form of Fiscal Agent's certificate of authentication and the form of assignment to appear thereon, shall be substantially in the forms, respectively, set forth in Exhibit A attached hereto and by this reference incorporated herein,

with necessary or appropriate variations, omissions and insertions, as permitted or required by this Agreement, the Resolution and the Act.

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

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

Section 2.06. Transfer of Bonds. Any Bond may, in accordance with its terms, be transferred, upon the books required to be kept pursuant to the provisions of Section 2.08 by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a duly written instrument of transfer in a form approved by the Fiscal Agent. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such transfer shall be paid by the City from amounts in the Administrative Expense Fund. The Fiscal Agent shall collect from the Owner requesting such transfer any tax or other governmental charge required to be paid with respect to such transfer.

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

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

Prior to any transfer of the Bonds outside the book-entry system the transferor shall provide or cause to be provided to the Fiscal Agent all information necessary to allow the Fiscal Agent to comply with any applicable tax reporting obligations, including without limitation any cost basis reporting obligations under Internal Revenue Code Section 6045, as amended. The Fiscal Agent shall conclusively rely on the information provided to it and shall have no responsibility to verify or ensure the accuracy of such information.

Section 2.07. Exchange of Bonds. Bonds may be exchanged at the Principal Office of the Fiscal Agent for a like aggregate principal amount of Bonds of authorized denominations and of the same maturity. The cost for any services rendered or any expenses incurred by the Fiscal Agent in connection with any such exchange shall be paid by the City from amounts in the Administrative Expense Fund. The Fiscal Agent shall collect from the Owner requesting such exchange any tax or other governmental charge required to be paid with respect to such exchange.

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

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

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

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

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

If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Fiscal Agent and, if such evidence be satisfactory to it and indemnity for the City and the Fiscal Agent satisfactory to the Fiscal Agent shall be given, the City, at the expense of the Owner, shall execute, and the Fiscal Agent shall authenticate and deliver, a new Bond of like tenor and principal amount in lieu of and in substitution for the Bond so lost, destroyed or stolen. The City may require payment of a sum not exceeding the actual cost of preparing each new Bond delivered under this Section and of the expenses which may be incurred by the City and the Fiscal Agent for the preparation, execution, authentication and delivery. Any Bond delivered under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the City whether or not the Bond so alleged to be lost, destroyed or stolen is at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Agreement with all other Bonds issued pursuant to this Agreement.

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

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

ARTICLE III
ISSUANCE OF BONDS

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

Section 3.02. Application of Proceeds of Sale of Bonds. Proceeds of the purchase of the Bonds by the Original Purchaser in the amount of \$_____ shall be paid to the Fiscal Agent, who shall forthwith transfer such proceeds on the Closing Date as follows: (A) to the Trustee \$_____, for deposit by the Trustee in the Costs of Issuance Fund established under Section 3.4 of the Authority Bonds Indenture; and (B) to the Escrow Bank \$_____ for deposit by the Escrow Bank in the Refunding Fund.

In addition to the foregoing, on the Closing Date the Finance Director shall transfer or cause to be transferred certain moneys held with respect to the Prior Bonds as follows:

(W) transfer from the administrative expense fund established under the Prior Bond Agreement to the Finance Director for deposit by the Finance Director in the Administrative Expense Fund, all amounts on deposit in such administrative expense fund;

(X) transfer from the reserve fund established under the Prior Bond Agreement to the Escrow Bank for deposit by the Escrow Bank in the Refunding Fund, an amount equal to \$_____;

(Y) transfer \$_____ from the special tax fund established under the Prior Bond Agreement to the Escrow Bank for deposit by the Escrow Bank in the Refunding Fund; and

(Z) transfer from the special tax fund established under the Prior Bond Agreement to the Finance Director for deposit by the Finance Director in the Special Tax Fund, an amount equal to all amounts on deposit in said special tax fund not transferred to the Refunding Fund under the preceding clause (Y).

Section 3.03. [intentionally omitted].

Section 3.04. Special Tax Fund.

(A) Establishment of Special Tax Fund. There is hereby established as a separate account to be held by the Finance Director, the Community Facilities District No. 1997-1

(Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds Special Tax Fund, to the credit of which the City shall deposit, as soon as practicable following receipt, all Special Tax Revenues received by the City and any amounts required by Section 3.02(Z) and Section 3.05(B) to be deposited therein.

Notwithstanding the foregoing (i) any proceeds of Special Tax Prepayments shall be transferred by the Finance Director directly to the Fiscal Agent for deposit by the Fiscal Agent in the Special Tax Prepayments Account established pursuant to Section 4.02(A), and (ii) any Special Tax Revenues constituting the collection of delinquencies in payment of Special Taxes shall be transferred by the Finance Director first, to the Fiscal Agent for deposit by the Fiscal Agent in the Bond Fund to the extent needed to pay any past due debt service on the Bonds; second, to the Fiscal Agent (a) to pay any Policy Costs, and (b) for the Fiscal Agent to deposit in the Reserve Fund the amount, if any, needed to restore the balance on deposit or credited to the Reserve Fund to the then Reserve Requirement; and third, shall be retained by the Finance Director in the Special Tax Fund for use as described in Section 3.04(B) below.

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

(B) Disbursements. From time to time as needed to pay the obligations of the District, but no later than the Business Day before each Interest Payment Date or date of redemption of the Bonds, the Finance Director shall withdraw from the Special Tax Fund and transfer the following amounts in the following order of priority (i) to the Bond Fund an amount, taking into account any amounts then on deposit in the Bond Fund and any expected transfers from the Reserve Fund or the Special Tax Prepayments Account to the Bond Fund pursuant to Section 4.03(C), (D), (E), (F) and (H) and Section 4.02(B)(ii) hereof, respectively, such that the amount in the Bond Fund equals the principal, premium, if any, and interest due on the Bonds on the next Interest Payment Date or date of redemption of the Bonds, and (ii) to the Fiscal Agent in respect of the Reserve Fund an amount (a) sufficient to pay any Policy Costs then due and owing, and (b) taking into account amounts then on deposit in or credited to the Reserve Fund, such that the balance on deposit or credited to the Reserve Fund is restored to the then Reserve Requirement, to the extent possible. Also, amounts in the Special Tax Fund shall also be transferred from time to time by the Finance Director to the Administrative Expense Fund as necessary to pay Administrative Expenses, but any such transfers shall not exceed, in any Fiscal Year, the amount included in the Special Tax levy for such Fiscal Year for Administrative Expenses.

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

Section 3.05. Administrative Expense Fund.

(A) Establishment of Administrative Expense Fund. There is hereby established as a separate account to be held by the Finance Director, the Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds Administrative Expense Fund, to the credit of which a deposit shall be made as provided in Section 3.02(W) and deposits shall be made as required by Section 3.04(B). Moneys in the Administrative Expense Fund shall be held by the Finance Director for the benefit of the City, and shall be disbursed as provided below.

(B) Disbursement. Amounts in the Administrative Expense Fund shall be withdrawn by the Finance Director and paid to the City or its order upon receipt by the Finance Director of an Officer's Certificate stating the amount to be withdrawn, that such amount is to be used to pay an Administrative Expense and the nature of such Administrative Expense.

Annually, on the last day of each Fiscal Year, the Finance Director shall withdraw any amounts then remaining in the Administrative Expense Fund in excess of \$_____ that have not been allocated to pay Administrative Expenses incurred but not yet paid, and which are not otherwise encumbered, and transfer such amounts to the Special Tax Fund to be used for the purposes of the Special Tax Fund.

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

Section 3.06. Costs of Issuance Fund. It is hereby acknowledged that there have been created under the Authority Bonds Indenture a Costs of Issuance Fund (as such term is defined in the Authority Bonds Indenture). Such fund shall be administered as provided in the Authority Bonds Indenture.

Section 3.07. Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be dependent upon the completion of the acquisition of the Project or upon the performance by any person of such person's obligation(s) with respect to the Project or the Prior Bonds.

ARTICLE IV

SPECIAL TAX REVENUES; BOND FUND AND RESERVE FUND

Section 4.01. Pledge of Special Tax Revenues. The Bonds shall be secured by a first pledge (which pledge shall be effected in the manner and to the extent herein provided) of all of the Special Tax Revenues and all moneys deposited in the Bond Fund, the Reserve Fund and, until disbursed as provided herein, in the Special Tax Fund. The Special Tax Revenues and all moneys deposited into the such funds (except as otherwise provided herein) are hereby dedicated in their entirety to the payment of the principal of, and interest and any premium on, the Bonds as provided herein and in the Act until all of the Bonds have been paid and retired or until moneys or Federal Securities have been set aside irrevocably for that purpose in accordance with Section 9.03.

Amounts in the Administrative Expense Fund are not pledged to the repayment of the Bonds. Any facilities financed by the District are not in any way pledged to pay the Debt Service on the Bonds. Any proceeds of condemnation or destruction of any facilities financed by the District are not pledged to pay the Debt Service on the Bonds and are free and clear of any lien or obligation imposed hereunder.

Section 4.02. Bond Fund.

(A) Establishment of Bond Fund and Special Tax Prepayments Account. There is hereby established as a separate account to be held by the Fiscal Agent the Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds Bond Fund, to the credit of which deposits shall be made as required by Section 3.04(A), Section 3.04(B) and Section 4.03, and any other amounts required to be deposited therein by this Agreement or the Act. There is also hereby created in the Bond Fund, a separate account to be held by the Fiscal Agent, consisting of the Special Tax Prepayments Account, to the credit of which deposits shall be made as provided in Section 3.04(A).

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

(B) Disbursements. (i) Bond Fund Disbursements. On each Interest Payment Date or date for redemption of the Bonds, and following any transfers required pursuant to Sections 3.04(A), 3.04(B), and 4.03(C), (D), (E), (F) and (H) in connection with such date, the Fiscal Agent shall withdraw from the Bond Fund and pay the principal of, and interest and any premium, then due and payable on the Bonds, including any amounts due on the Bonds by reason of a redemption of the Bonds required by Section 2.03(A)(i), such payments to be made in the priority listed in the second succeeding paragraph. Notwithstanding the foregoing, amounts in the Bond Fund as a result of a transfer

pursuant to clause (ii) of the second paragraph of Section 3.04(A) shall be immediately disbursed by the Fiscal Agent to pay past due amounts owing on the Bonds.

In the event that amounts in the Bond Fund on the date which is five (5) Business Days prior to each Interest Payment Date are insufficient to pay amounts due and owing on the Bonds on the immediately succeeding Interest Payment Date, the Fiscal Agent shall withdraw from the Reserve Fund to the extent of any funds therein and then shall draw on the Reserve Fund Insurance Policy if a deficiency still exists, all as described in Section 4.03(G), amounts to cover the amount of such Bond Fund insufficiency with respect to the Bonds. Amounts so withdrawn from the Reserve Fund or drawn on the Reserve Fund Insurance Policy shall be deposited in the Bond Fund and shall be used solely to make payments on the Bonds.

If, after the foregoing transfers, there are insufficient funds in the Bond Fund for the purpose set forth in the first sentence of the first paragraph of this Section 4.02(B)(i), the Fiscal Agent shall apply the available funds first to the payment of interest on the Bonds, then to the payment of principal due on the Bonds. Any payment not made in full as scheduled shall continue to bear interest at the interest rate on the Bonds until paid.

(ii) Special Tax Prepayments Account Disbursements. Moneys in the Special Tax Prepayments Account shall be transferred by the Fiscal Agent to the Bond Fund on the next date for which redemption of Bonds can timely occur under Section 2.03(A)(i), and shall be used (together with any amounts transferred pursuant to Section 4.03(F)) to redeem Bonds on the redemption date selected in accordance with Section 2.03.

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

(D) State Reporting. If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds, or if funds are withdrawn from the Reserve Fund to pay principal and/or interest on the Bonds, the Fiscal Agent shall notify the City and the Finance Director in writing of such failure or withdrawal, and the Finance Director shall take the actions described in Section 5.16(B).

Section 4.03. Reserve Fund.

(A) Establishment of Reserve Fund. There is hereby established as a separate fund to be held by the Fiscal Agent, the Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds Reserve Fund to the credit of which deposits shall be made as provided in Section 3.04(B). On the Closing Date there shall be held for the benefit of the Reserve Fund the Reserve Fund Insurance Policy in an amount equal to the Reserve Requirement as of the Closing Date. Moneys in the Reserve Fund shall be held in trust

by the Fiscal Agent for the benefit of the Owners of the Bonds as a reserve for the payment of principal of, and interest and any premium on, the Bonds and shall be subject to a lien in favor of the Owners of the Bonds.

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

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

(D) Transfer of Excess of Reserve Requirement. Whenever, on or before any Interest Payment Date, or on any other date at the request of the Finance Director, the amount in the Reserve Fund, taking into account the amount available under the Reserve Fund Insurance Policy, exceeds the Reserve Requirement, the Fiscal Agent shall provide written notice to the Finance Director of the amount of the excess and shall transfer an amount equal to the excess from the Reserve Fund to the Bond Fund to be used for the payment of interest on the Bonds on the next Interest Payment Date in accordance with Section 4.02.

(E) Transfer When Balance Exceeds Outstanding Bonds. Whenever the balance in the Reserve Fund (without regard to the Reserve Fund Insurance Policy) equals or exceeds the amount required to redeem or pay the Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent shall transfer the amount in the Reserve Fund to the Bond Fund to be applied, on the next succeeding Interest Payment Date to the payment and redemption, in accordance with Section 4.02 or 2.03, as applicable, of all of the Outstanding Bonds. In the event that the amount so transferred from the Reserve Fund to the Bond Fund exceeds the amount required to pay and redeem the Outstanding Bonds, the balance in the Reserve Fund shall be transferred to the City to be used for any lawful purpose of the City under the Act.

Notwithstanding the foregoing, no amounts shall be transferred from the Reserve Fund pursuant to this Section 4.03(E) until after (i) the calculation, pursuant to Section 6.02, of any amounts due to the federal government following payment of the Bonds and withdrawal of any such amount under Section 4.03(H) for purposes of making such payment to the federal government, (ii) payment of any fees and expenses due to the Fiscal Agent, and (iii) payment of any Policy Costs then due and owing.

(F) Transfer Upon Special Tax Prepayment. Whenever Special Taxes are prepaid and Bonds are to be redeemed with the proceeds of such prepayment pursuant to Section 2.03(A)(i), a proportionate amount of the funds (not including the amount available to be drawn on the Reserve Fund Insurance Policy) in the Reserve Fund (determined on the basis of the principal of Bonds to be redeemed, and the original principal of the Bonds) shall be transferred on the

Business Day prior to the redemption date by the Fiscal Agent to the Bond Fund to be applied to the redemption of the Bonds pursuant to Section 2.03(A)(i).

(G) Provisions Related to the Reserve Fund Insurance Policy. The following provisions of this Agreement shall prevail over any conflicting provisions elsewhere in this Agreement.

(i) If, on any Interest Payment Date, the moneys available in the Bond Fund do not equal the amount of the principal or interest then coming due and payable on the Bonds, the Fiscal Agent shall apply the moneys available in the Reserve Fund to make delinquent amount by transferring the amount necessary for this purpose to the Bond Fund or shall draw on the Reserve Fund Insurance Policy and apply amounts received from such draw to make delinquent amounts by transferring the amount necessary for this purpose to the Bond Fund. To the extent there are cash or investments on deposit in the Reserve Fund, such cash or investments shall be applied first before there is any draw on the Reserve Fund Insurance Policy or any other credit facility credited to the Reserve Fund in lieu of cash (a "Credit Facility"). Payment of any Policy Costs (hereinafter defined) shall be made prior to replenishment of any such cash amounts. Draws on all Credit Facilities (including the Reserve Fund Insurance Policy) on which there is available coverage shall be made on a pro rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw. Upon receipt of any delinquent amount with respect to which moneys have been advanced from the Reserve Fund or there has been a draw on the Reserve Fund Insurance Policy, such amount shall be deposited in the Reserve Fund to the extent of such advance and first applied to reimburse a draw on the Reserve Fund Insurance Policy and then to replenish any cash drawn therefrom.

The City has no obligation to replace the Reserve Fund Insurance Policy or to fund more than one-half of the Reserve Requirement with cash if, at any time the Bonds are outstanding, amounts are unavailable under the Reserve Fund Insurance Policy.

(ii) The City shall repay any draws under the Reserve Fund Insurance Policy and pay all related reasonable expenses incurred by the Municipal Bond Insurer. Interest shall accrue and be payable on such draws and expenses from the date of payment by the Municipal Bond Insurer at the Late Payment Rate.

Repayment of draws and payment of expenses and accrued interest thereon at the Late Payment Rate (collectively, the "Policy Costs") shall commence in the first month following each draw, and each such monthly payment shall be in an amount at least equal to 1/12 of the aggregate of Policy Costs related to such draw.

Amounts in respect of Policy Costs paid to the Municipal Bond Insurer shall be credited first to interest due, then to the expenses due and then to principal due. As and to the extent that payments are made to the Municipal Bond Insurer on account of principal due, the coverage under the Reserve Fund Insurance Policy will be increased by a like amount, subject to the terms of the Reserve Fund Insurance Policy.

All cash and investments in the Reserve Fund shall be transferred to the Bond Fund for payment of the debt service on the Bonds before any drawing may be made on the Reserve Fund Insurance Policy or any other Credit Facility in lieu of cash.

Payment of any Policy Cost shall be made prior to replenishment of any cash amounts. Draws on all Credit Facilities (including the Reserve Fund Insurance Policy) on which there is available coverage shall be made on a pro-rata basis (calculated by reference to the coverage then available thereunder) after applying all available cash and investments in the Reserve Fund. Payment of Policy Costs and reimbursement of amounts with respect to other Credit Facilities shall be made on a pro rata basis prior to replenishment of any cash drawn from the Reserve Fund. For the avoidance of doubt, "available coverage" means the coverage then available for disbursement pursuant to the terms of the applicable alternative credit instrument without regard to the legal or financial ability or willingness of the provider of such instrument to honor a claim or draw thereon or the failure of such provider to honor any such claim or draw.

(iii) Draws under the Reserve Fund Insurance Policy may only be used to make payments on Bonds.

(iv) If the City shall fail to pay any Policy Costs in accordance with the requirements of Section 4.03(G)(ii) above, the Municipal Bond Insurer shall be entitled to exercise any and all legal and equitable remedies available to it, including those provided under this Agreement other than (x) acceleration of the maturity of the Bonds, or (y) remedies which would adversely affect owners of the Bonds.

(v) This Agreement shall not be discharged until all Policy Costs owing to the Municipal Bond Insurer shall have been paid in full. The City's obligation to pay such amount shall expressly survive payment in full of the Bonds.

(vi) The Fiscal Agent shall ascertain the necessity for a claim upon the Reserve Fund Insurance Policy in accordance with the provisions of Section 4.03(G)(i) hereof and provide notice to the Municipal Bond Insurer at least three (3) Business Days prior to each date upon which interest or principal is due on the Bonds.

(vii) The Reserve Fund Insurance Policy shall expire on the earlier of the date the Bonds are no longer outstanding and the final maturity date of the Bonds.

(viii) With respect to the Reserve Fund Insurance Policy, notwithstanding anything to the contrary set forth in this Agreement, the City and the Fiscal Agent agree to comply with the terms of the Reserve Fund Agreement.

(H) Investment and Transfer to Pay Rebate. Moneys in the Reserve Fund shall be invested in accordance with Section 6.01. On or before each Interest Payment Date, interest earnings and profits resulting from said investment shall be transferred by the Fiscal Agent to the Bond Fund to be used by the Fiscal Agent for the purposes of such fund, but any such transfer shall be made only to the extent that following such transfer the amount on deposit in the Reserve Fund equals the then Reserve Requirement.

Amounts in the Reserve Fund may at any time be used, at the written direction of an Authorized Officer, for purposes of paying any rebate liability under Section 6.02.

ARTICLE V

OTHER COVENANTS OF THE CITY

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

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

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

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

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

The Fiscal Agent will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the Fiscal Agent, in which complete and correct entries shall be made of all transactions relating to the expenditure of amounts in the funds and accounts maintained by it under this Agreement. Such books of record and accounts shall at all times during business hours with reasonable prior notice be subject to the inspection of the City and the Owners of not less than ten percent (10%) of the principal amount of the Bonds then Outstanding, or their representatives duly authorized in writing.

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

Section 5.07. Payment of Trustee Expenses. The City shall pay to the Trustee a portion of the compensation of the Trustee for services rendered under the Authority Bonds Indenture following the receipt of a statement therefor, including but not limited to all reasonable expenses, charges, legal and consulting fees and other disbursements and those of its attorneys, agents and employees, incurred in and about the performance of its powers and duties thereunder; such portion to be equal to the amount owing to the Trustee times a fraction the numerator of which is the then outstanding principal amount of the Bonds and the denominator of which is the then outstanding principal amount of the Local Obligations (as such term is defined in the Authority Bonds Indenture).

Section 5.08. Private Activity Bond Limitation. The City shall assure that the proceeds of the Bonds and the Prior Bonds are not so used as to cause the Prior Authority Bonds or the Authority Bonds to satisfy the private business tests of section 141(b) of the Code or the private loan financing test of section 141(c) of the Code.

Section 5.09. Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause any of the Prior Authority Bonds or the Authority Bonds to be "federally guaranteed" within the meaning of section 149(b) of the Code.

Section 5.10. Collection of Special Tax Revenues. The City shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including without limitation, the enforcement of delinquent Special Taxes.

On or within five (5) Business Days of each June 1, the Fiscal Agent shall provide the Finance Director with a notice stating the amount then on deposit in the Bond Fund, and informing the City that the Special Taxes may need to be levied pursuant to the Ordinance as necessary to provide for Annual Debt Service and Administrative Expenses. The receipt of or failure to receive such notice by the Finance Director shall in no way affect the obligations of the Finance Director under the following two paragraphs, and the Fiscal Agent shall not be responsible for any inability or failure to provide such notice. Upon receipt of such notice, the Finance Director shall communicate with the Auditor to ascertain the relevant parcels on which the Special Taxes are to be levied, taking into account any parcel splits during the preceding and then current year.

The Finance Director shall effect the levy of the Special Taxes each Fiscal Year in accordance with the Ordinance by each August 1 that the Bonds are outstanding, or otherwise such that the computation of the levy is complete before the final date on which the Auditor will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Finance Director shall prepare or cause to be prepared, and shall

transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Taxes on the next real property tax roll. Notwithstanding the foregoing, any Special Taxes to be levied on possessory interests shall be communicated by the Finance Director to the Auditor at such time as is necessary to include such amounts on the County's unsecured tax rolls for the applicable Fiscal Year.

The Finance Director shall fix and levy Special Taxes within the District in an amount not less than the amount required for the payment of principal of and interest on any outstanding Bonds of the District becoming due and payable during the ensuing year, including any past due Debt Service on the Bonds, and an amount estimated to be sufficient to pay the Administrative Expenses (including amounts necessary to discharge any obligation under Section 6.02) during such year, taking into account the balances in such funds and in the Special Tax Fund. The Special Taxes so levied shall not exceed the authorized amounts as provided in the Rate and Method of Apportionment of Special Taxes.

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

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

The Finance Director is hereby authorized to employ consultants to assist in computing the levy of the Special Taxes hereunder and any reconciliation of amounts levied to amounts received. The fees and expenses of such consultants and the costs and expenses of the Finance Director (including a charge for City staff time) in conducting the Finance Director's duties hereunder shall be an Administrative Expense hereunder.

Section 5.11. Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Agreement, and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Agreement.

Section 5.12. No Arbitrage. The City shall not take, or permit or suffer to be taken by the Fiscal Agent or otherwise, any action with respect to the proceeds of the Bonds or the Prior Bonds which if such action had been reasonably expected to have been taken, or had been

deliberately and intentionally taken, on the Closing Date would have caused the Authority Bonds to be “arbitrage bonds” within the meaning of Section 148(a) of the Code and Regulations.

Section 5.13. Federal Guarantee Prohibition. The City shall not take any action or permit or suffer any action to be taken if the result of the same would be to cause the Authority Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code and Regulations.

Section 5.14. Compliance with the Code. The City covenants to take any and all action and to refrain from taking such action, which is necessary in order to comply with the Code or amendments thereto in order to maintain the exclusion from federal gross income, pursuant to Section 103 of the Code, of the interest on the Authority Bonds.

Section 5.15. Covenant to Foreclose. Pursuant to Section 53356.1 of the Act, the City hereby covenants with and for the benefit of the owners of the Bonds that it will order, and cause to be commenced as hereinafter provided, and thereafter diligently prosecute to judgment (unless such delinquency is theretofore brought current), an action in the superior court to foreclose the lien of any Special Tax or installment thereof not paid when due as provided in the following two paragraphs. The Finance Director shall notify the City Attorney of any such delinquency of which it is aware, and the City Attorney shall commence, or cause to be commenced, such proceedings.

On or about September 1 of each Fiscal Year, the Finance Director shall compare the amount of Special Taxes theretofore levied in the District to the amount of Special Tax Revenues theretofore received by the City, and, subject to any constraints of the “Teeter Plan” (so long as the District is included therein):

(A) Individual Delinquencies. If the Finance Director determines that any single parcel subject to the Special Tax in the District is delinquent in the payment of Special Taxes in the aggregate amount of \$2,500 or more, then the Finance Director shall send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) foreclosure proceedings shall be commenced by the City within 90 days of such determination to the extent permissible under the County's Teeter Plan program and applicable law. Notwithstanding the foregoing, the Finance Director may defer such action if the amount in the Reserve Fund is at least equal to the Reserve Requirement.

(B) Aggregate Delinquencies. If the Finance Director determines that the total amount of delinquent Special Tax for the prior Fiscal Year for the entire District, (including the total of delinquencies under subsection (A) above), exceeds 5% of the total Special Tax due and payable for the prior Fiscal Year, the City shall notify or cause to be notified property owners who are then delinquent in the payment of Special Taxes (and demand immediate payment of the delinquency) within 45 days of such determination, and shall commence foreclosure proceedings within 90 days of such determination against each parcel of land in the District with a Special Tax delinquency.

Notwithstanding the foregoing, the Finance Director may defer any mailing of notices of delinquency or foreclosure action if (i) the amount in the Reserve Fund (taking into account the amount available under the Reserve Fund Insurance Policy) is at least equal to the Reserve Requirement, (ii) the amounts then on deposit in the Special Tax Fund and the Bond Fund are sufficient to pay the scheduled debt service due on the Bonds on the succeeding September 1 and March 1 without the need for any draw on the Reserve Fund, and (iii) no Policy Costs are then owing to the Municipal Bond Insurer.

Section 5.16. Annual State Reports. The following requirements shall apply to the Bonds:

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

In addition to the foregoing, the Finance Director shall file an annual report with CDIAC not later than seven months at the end of each July 1 to June 30 period and so long as the Bonds are outstanding, that complies with Section 8855(k) of the California Government Code.

(B) Other Reporting. If at any time the Fiscal Agent fails to pay principal and interest due on any scheduled payment date for the Bonds, or if funds are withdrawn from the Reserve Fund to pay principal and/or interest on the Bonds, the Fiscal Agent shall notify the Finance Director of such failure or withdrawal in writing. The Finance Director shall notify CDIAC and the Original Purchaser of such failure or withdrawal

within 10 days of such failure or withdrawal, and the City shall provide notice under the Continuing Disclosure Agreement of such event as required thereunder.

(C) Special Tax Reporting. The Finance Director shall file a report with the City no later than January 1, 2020, and at least once a year thereafter, which annual report shall contain: (i) the amount of Special Taxes collected and expended with respect to the District, (ii) the amount of Bond proceeds collected and expended with respect to the District, and (iii) the status of the Project (if applicable, stating that the Project was completed many years ago). It is acknowledged that the Special Tax Fund is the account into which Special Taxes collected in the District will be deposited for purposes of Section 50075.1(c) of the California Government Code, and the funds and accounts listed in Articles III and IV and the Escrow Fund are the funds and accounts into which Bond proceeds will be deposited for purposes of Section 53410(c) of the California Government Code, and the annual report described in the preceding sentence is intended to satisfy the requirements of Sections 50075.1(d), 50075.3(d) and 53411 of the California Government Code.

(D) Amendment. The reporting requirements of this Section 5.16 shall be amended from time to time, without action by the City or the Fiscal Agent, (i) with respect to subparagraphs (A) and (B) above, to reflect any amendments to Section 53359.5(b) or Section 53359.5(c) of the Act or Section 8855(k) of the California Government Code, and (ii) with respect to subparagraph (C) above, to reflect any amendments to Section 50075.1, 50075.3, 53410 or 53411 of the California Government Code. The City shall notify the Fiscal Agent in writing of any such amendments which affect the reporting obligations of the Fiscal Agent under this Agreement.

(E) No Liability. None of the City and its officers, agents and employees, the Finance Director or the Fiscal Agent shall be liable for any error in reporting the information required by this Section 5.16.

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

Section 5.18. No Additional Bonds. The City shall not issue any additional bonds or incur any additional indebtedness (other than Administrative Expenses) secured by a pledge of Special Taxes or any amounts in any funds or accounts established hereunder.

Section 5.19. Reduction of Special Taxes. The City covenants and agrees to not consent or conduct proceedings with respect to a reduction in the maximum Special Taxes that may be levied in the District below an amount, for any Fiscal Year, equal to 110% of Maximum Annual Debt Service. It is hereby acknowledged that Authority is purchasing the Bonds in reliance on

the foregoing covenant, and that said covenant is necessary to assure the full and timely payment of the Bonds.

Section 5.20. No Refunding Without Authority Consent. The City agrees that, notwithstanding the provisions of Section 2.03(A)(i) hereof, it will not issue bonds to refund the Bonds, in whole or in part, without the prior consent of the Authority (which consent shall be given as required by Section 2.2(a) of the Authority Bonds Indenture).

Section 5.21 Yield of the Authority Bonds. In determining the yield of the Authority Bonds to comply with Sections 5.6 and 5.7 of the Authority Bonds Indenture, the City will advise the Authority to take into account redemption (including premium, if any) in advance of maturity based on the reasonable expectations of the City, as of the Closing Date, regarding prepayments of Special Taxes and use of prepayments for redemption of the Bonds, without regard to whether or not prepayments are received or Bonds redeemed.

Section 5.22. Limits on Special Tax Waivers and Bond Tenders. The City covenants not to exercise its rights under the Act to waive delinquency and redemption penalties related to the Special Taxes or to adopt any Special Tax penalties amnesty program if to do so would materially and adversely affect the interests of the owners of the Bonds. The City further covenants not to permit the tender of Bonds in payment of any Special Taxes except upon receipt of a certificate of an Independent Financial Consultant that to accept such tender will not result in the City having insufficient Special Tax Revenues to pay the principal of and interest on the Bonds that will remain Outstanding following such tender.

Section 5.23. City Bid at Foreclosure Sale. The City will not bid at a foreclosure sale of property in respect of delinquent Special Taxes unless it expressly agrees to take the property subject to the lien for Special Taxes imposed by the District and that the Special Taxes levied on the property are payable while the City owns the property.

ARTICLE VI

INVESTMENTS; DISPOSITION OF INVESTMENT PROCEEDS; LIABILITY OF THE CITY

Section 6.01. Deposit and Investment of Moneys in Funds. Moneys in any fund or account created or established by this Agreement and held by the Fiscal Agent shall be invested by the Fiscal Agent in Permitted Investments, as directed pursuant to an Officer's Certificate filed with the Fiscal Agent at least two (2) Business Days in advance of the making of such investments. The Officer's Certificate shall contain a certification to the Fiscal Agent that the investments being directed are Permitted Investments as required hereunder. In the absence of any such Officer's Certificate, the Fiscal Agent shall invest any such moneys in Permitted Investments described in clause (vii) of the definition thereof; provided, however, that any such investment shall be made by the Fiscal Agent only if, prior to the date on which such investment is to be made, the Fiscal Agent shall have received an Officer's Certificate specifying a specific money market fund into which the funds shall be invested and, if no such Officer's Certificate is so received, the Fiscal Agent shall hold such moneys uninvested. The Finance Director shall make note of any investment of funds hereunder in excess of the yield on the Bonds, so that appropriate actions can be taken to assure compliance with Sections 5.21 and 6.02.

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

The Fiscal Agent or the Finance Director may act as principal or agent in the acquisition or disposition of any investment. Neither the Fiscal Agent nor the Finance Director shall incur any liability for losses arising from any investments made pursuant to this Section. The Fiscal Agent shall not be required to determine the legality of any investments made pursuant to written instructions of the City. For purposes of determining the amount on deposit in any fund or account held hereunder, all Permitted Investments or investments credited to such fund or account shall be valued at the cost thereof (excluding accrued interest and brokerage commissions, if any).

Except as otherwise provided in the next sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Agreement, or otherwise containing gross proceeds of the Bonds (within the meaning of section 148 of the Code) shall be acquired, disposed of, and valued (as of the date that valuation is required by this Agreement or the Code) at Fair Market Value. Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under the applicable provisions of the Code and (unless valuation is undertaken at least annually) investments in the Reserve Fund shall be valued at their present

value (within the meaning of section 148 of the Code). The Fiscal Agent shall have no duty in connection with the determination of the Fair Market Value of any investment other than to follow: (A) its normal practices in the purchase, sale and determining the value of Permitted Investments; and (B) the investment directions of the City.

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

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

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

Section 6.02. Rebate of Excess Investment Earnings to the United States. The City shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds or the portion of the Authority Bonds the proceeds of which were used to acquire the Bonds.

The Finance Director shall withdraw such amounts from the Administrative Expense Fund as necessary to make any required rebate payments on the Bonds or the Authority Bonds (to the extent not otherwise paid under the Authority Bonds Indenture), and pay such amounts to the federal government as required by the Code and the Regulations. In the event of any shortfall in amounts available for such purpose in the Administrative Expense Fund to make such payments, the Finance Director shall make such payment from amounts in the Reserve Fund pursuant to Section 4.03(H) or any lawfully available funds of the District. Any fees or expenses incurred by the City under or pursuant to this Section 6.02 shall be Administrative Expenses.

In order to provide for the administration of this Section 6.02, the Finance Director may provide for the employment of independent attorneys, accountants and consultants compensated on such reasonable basis as the Finance Director may deem appropriate and the

Finance Director may rely conclusively upon and be fully protected from all liability in relying upon the opinions, determinations, calculations and advice of such agents, attorneys and consultants employed hereunder. The Fiscal Agent may rely conclusively upon the City's determinations, calculations and certifications required by this Section. The Fiscal Agent shall have no responsibility to independently make any calculation or determination or to review the City's calculations hereunder.

Section 6.03. Limited Obligation. The City's obligations hereunder are limited obligations of the City on behalf of the District and are payable solely from and secured solely by the Special Tax Revenues and the amounts in the Special Tax Fund, the Administrative Expense Fund and the Bond Fund created hereunder.

Section 6.04. Liability of City. The City shall not incur any responsibility in respect of the Bonds or this Agreement other than in connection with the duties or obligations explicitly herein or in the Bonds assigned to or imposed upon it. The City shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful default. The City shall not be bound to ascertain or inquire as to the performance or observance of any of the terms, conditions covenants or agreements of the Fiscal Agent herein or of any of the documents executed by the Fiscal Agent in connection with the Bonds, or as to the existence of a default or event of default thereunder.

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

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

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

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

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

Section 6.05. Employment of Agents by City. In order to perform its duties and obligations hereunder, the City may employ such persons or entities as it deems necessary or advisable. The City shall not be liable for any of the acts or omissions of such persons or entities employed by it in good faith hereunder, and shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of such persons or entities.

ARTICLE VII

THE FISCAL AGENT

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

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

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

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

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

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

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

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

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

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

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

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

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

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

In order to perform its duties and obligations hereunder, the Fiscal Agent may employ such persons or entities as it deems necessary or advisable. The Fiscal Agent shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of the City or of consultants retained by the City and furnished to the Fiscal Agent at the City's direction.

The Fiscal Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Fiscal Agent, or another method or system specified by the Fiscal Agent as available for use in connection with its services hereunder); provided, however, that the City shall provide to the Fiscal Agent an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the City whenever a person is to be added or deleted from the listing. If the City elects to give the Fiscal Agent Instructions using Electronic Means and the Fiscal Agent in its discretion elects to act upon such Instructions, the Fiscal Agent's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Fiscal Agent cannot determine the identity of the actual sender of such Instructions and that the Fiscal Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Fiscal Agent have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Fiscal Agent and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Fiscal Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Fiscal Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Fiscal Agent, including without limitation the risk of the Fiscal Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with

the various methods of transmitting Instructions to the Fiscal Agent and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Fiscal Agent immediately upon learning of any compromise or unauthorized use of the security procedures. Notwithstanding any of the foregoing, the protection afforded to the Fiscal Agent shall be operative only in the absence of the Fiscal Agent's negligence or willful misconduct; provided, however, that the Fiscal Agent's reliance on instructions delivered in accordance with this paragraph using Electronic Means shall not, in and of itself, be construed as negligence.

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

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

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

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

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

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

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

Section 7.05. Compensation, Indemnification. The City shall pay to the Fiscal Agent from time to time reasonable compensation for all services rendered as Fiscal Agent under this Agreement, and also all reasonable expenses, charges, counsel fees and other disbursements, including those of their attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Agreement, but the Fiscal Agent shall not have a lien therefor on any funds at any time held by it under this Agreement. The City further agrees, to the extent permitted by applicable law, to indemnify and save the Fiscal Agent, its officers, employees, directors and agents harmless against any liabilities or reasonable expenses (including legal fees) which it may incur in the exercise and performance of its powers and duties hereunder which are not due to its negligence or willful misconduct. The obligation of the City under this Section shall survive resignation or removal of the Fiscal Agent under this Agreement and payment of the Bonds and discharge of this Agreement, but any monetary obligation of the City arising under this Section shall be limited solely to amounts on deposit in the Administrative Expense Fund.

ARTICLE VIII

MODIFICATION OR AMENDMENT OF THIS AGREEMENT

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

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

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

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

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

(D) to make such additions, deletions or modifications as may be necessary to assure exclusion from gross income for federal income tax purposes of interest on the Authority Bonds or to conform with the Regulations.

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

Prior to the Fiscal Agent entering into any Supplemental Agreement hereunder, the City shall deliver to the Fiscal Agent an opinion of Bond Counsel stating, in substance, that such Supplemental Agreement is in compliance with the requirements of this Agreement and that such Supplemental Agreement will not, in and of itself, adversely affect the exclusion from gross income for purposes of federal income taxes of interest on the Authority Bonds.

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

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

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

After the Owners of the required percentage of Bonds shall have filed their consents to the Supplemental Agreement, the City shall mail a notice to the Owners in the manner hereinbefore provided in this Section for the mailing of the Supplemental Agreement, stating in substance that the Supplemental Agreement has been consented to by the Owners of the required percentage of Bonds and will be effective as provided in this Section (but failure to mail copies of said notice shall not affect the validity of the Supplemental Agreement or consents thereto). Proof of the mailing of such notice shall be filed with the Fiscal Agent. A record, consisting of the papers required by this Section 8.03 to be filed with the Fiscal Agent, shall be proof of the matters therein stated until the contrary is proved. The Supplemental Agreement shall become effective upon the filing with the Fiscal Agent of the proof of mailing of such notice, and the Supplemental Agreement shall be deemed conclusively binding (except as otherwise hereinabove specifically provided in this Article) upon the City and the Owners of all Bonds at the expiration of sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such consent in a legal action or equitable proceeding for such purpose commenced within such sixty-day period.

Notwithstanding any other provision of this Section 8.03, so long as the Authority or the Trustee is the sole owner of the Bonds, the Authority may waive any or all of the foregoing procedures set forth in this Section 8.03.

Section 8.04. Disqualified Bonds. Bonds owned or held for the account of the City, excepting any pension or retirement fund, shall not be deemed Outstanding for the purpose of any vote, consent or other action or any calculation of Outstanding Bonds provided for in this Article VIII, and shall not be entitled to vote upon, consent to, or take any other action provided for in this Article VIII; provided, however, that for the purposes of any vote, consent or other action or any calculation only Bonds which the Trustee knows to be so owned or held shall be disregarded. Upon request, the City shall specify to the Fiscal Agent those Bonds disqualified pursuant to this Section 8.04. The Fiscal Agent may conclusively rely upon any such certificate.

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

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

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

ARTICLE IX

MISCELLANEOUS

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

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

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

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

(B) by depositing with the Fiscal Agent, in trust, at or before maturity, money which, together with (in the event of a defeasance of all of the Bonds then Outstanding) the amounts then on deposit in the fund provided for in Section 4.02, is fully sufficient to pay such Bonds Outstanding, including all principal, interest and redemption premiums, or;

(C) by irrevocably depositing with the Fiscal Agent, in trust, cash and Federal Securities in such amount as the City shall determine as confirmed by an independent certified public accountant or Bond Counsel will, together with the interest to accrue thereon and (in the event of a defeasance of all of the Bonds then Outstanding) moneys then on deposit in the fund provided for in Section 4.02, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption shall have been given as in this Agreement provided or provision satisfactory to the Fiscal Agent shall have been made for the giving of such notice, then, at the election of the City, and notwithstanding that any Bonds shall not have been surrendered for payment, the pledge of the Special Taxes and other funds provided for in this Agreement and all other obligations of the City under this Agreement with respect to such Bonds Outstanding shall cease and terminate, except only the obligation of the City to pay or cause to be paid to the Owners of the Bonds not

so surrendered and paid all sums due thereon from the moneys set aside therefor, and all amounts owing to the Fiscal Agent pursuant to Section 7.05 and the obligations of the City under Sections 5.07, 5.08, 5.09, 5.12, 5.13, 5.14 and 6.02 hereof; and thereafter Special Taxes shall not be payable to the Fiscal Agent. Notice of such election shall be filed with the Fiscal Agent.

Any funds thereafter held by the Fiscal Agent (in the event of a defeasance of all of the Bonds then Outstanding) upon payments of all fees and expenses of the Fiscal Agent, which are not required for said purpose, shall be paid over to the City.

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

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

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

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

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

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

City of Brea
Civic & Cultural Center
1 Civic Center Circle, 3rd Floor
Brea, CA 92821-5732
Attention: City Manager

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

The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, California 90071
Attention: Corporate Trust Administration

Section 9.07. Partial Invalidity. If any Section, paragraph, sentence, clause or phrase of this Agreement shall for any reason be held illegal or unenforceable, such holding shall not affect the validity of the remaining portions of this Agreement. The City hereby declares that it would have adopted this Agreement and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issue of the Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses, or phrases of this Agreement may be held illegal, invalid or unenforceable.

Section 9.08. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any moneys held by the Fiscal Agent in trust for the payment and discharge of the principal of, and the interest and any premium on, the Bonds which remains unclaimed for two (2) years after the date when the payments of such principal, interest and premium have become payable, if such moneys was held by the Fiscal Agent at such date, shall be repaid by the Fiscal Agent to the City as its absolute property free from any trust, and the Fiscal Agent shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the City for the payment of the principal of, and interest and any premium on, such Bonds.

Section 9.09. Applicable Law. This Agreement shall be governed by and enforced in accordance with the laws of the State of California applicable to contracts made and performed in the State of California.

Section 9.10. Conflict with Act. In the event of a conflict between any provision of this Agreement with any provision of the Act as in effect on the Closing Date, the provision of the Act shall prevail over the conflicting provision of this Agreement.

Section 9.11. Conclusive Evidence of Regularity. Bonds issued pursuant to this Agreement shall constitute conclusive evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Section 9.12. Payment on Business Day. In any case where the date of the maturity of interest or of principal (and premium, if any) of the Bonds or the date fixed for redemption of any Bonds or the date any action is to be taken pursuant to this Agreement is other than a Business Day, the payment of interest or principal (and premium, if any) or the action need not be made on such date but may be made on the next succeeding day which is a Business Day

with the same force and effect as if made on the date required and no interest shall accrue for the period after such date.

Section 9.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original.

IN WITNESS WHEREOF, the City has caused this Agreement to be executed in its name and the Fiscal Agent has caused this Agreement to be executed in its name, all as of August 1, 2019.

CITY OF BREA, CALIFORNIA, for and on
behalf of CITY OF BREA COMMUNITY
FACILITIES DISTRICT NO. 1997-1
(OLINDA HEIGHTS PUBLIC
IMPROVEMENTS)

By: _____
Christine Marick,
Mayor

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

By: _____
Authorized Officer

02020.02:J16114

EXHIBIT A

FORM OF BOND

UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF ORANGE

No. _____

\$ _____

CITY OF BREA
COMMUNITY FACILITIES DISTRICT NO. 1997-1
(OLINDA HEIGHTS PUBLIC IMPROVEMENTS)
2019 SPECIAL TAX REFUNDING BOND

INTEREST RATE	MATURITY DATE	BOND DATE
%	September 1, ____	August 13, 2019

REGISTERED OWNER: The Bank of New York Mellon Trust Company, N.A., as trustee

PRINCIPAL AMOUNT: DOLLARS

The City of Brea (the "City") for and on behalf of the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) (the "District"), for value received, hereby promises to pay solely from the Special Tax (as hereinafter defined) to be collected in the District or amounts in certain funds and accounts held under the Agreement (as hereinafter defined), to the Registered Owner named above, or registered assigns, on the Maturity Date set forth above, unless redeemed prior thereto as hereinafter provided, the Principal Amount set forth above, and to pay interest on such principal amount from the Bond Date shown above, or from the most recent interest payment date to which interest has been paid or duly provided for, semiannually on March 1 and September 1, commencing March 1, 2020, at the interest rate set forth above, until the principal amount hereof is paid or made available for payment. The principal of this Bond is payable to the registered owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the office of The Bank of New York Mellon Trust Company, N.A., in the City of Los Angeles, California (the "Fiscal Agent"). Interest on this Bond shall be paid by check of the Fiscal Agent mailed on each interest payment date to the registered owner hereof as of the close of business on the 15th day of the month preceding the month in which the interest payment date occurs (the "Record Date") at such registered owner's address as it appears on the registration books maintained by the Fiscal Agent, or upon written request filed with the Fiscal Agent prior to any Record Date by a registered owner of at least \$1,000,000 in aggregate principal amount of Bonds, by wire transfer in immediately available funds to an account in the United States designated by such registered owner in such written request.

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

This Bond is one of a duly authorized issue of bonds in the aggregate principal amount of \$_____ approved by resolution of the City Council of the City adopted on July 16, 2019, pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, Sections 53311, et seq., of the California Government Code (the "Mello-Roos Act") for the purpose of refunding outstanding bonds of the City issued for the District, and is one of the series of bonds designated "City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds" (the "Bonds"). The issuance of the Bonds and the terms and conditions thereof are provided for by a Fiscal Agent Agreement, dated as of August 1, 2019, between the City and the Fiscal Agent (the "Agreement") and this reference incorporates the Agreement herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. The Agreement is authorized under, this Bond is issued under and both are to be construed in accordance with, the laws of the States of California.

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

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

The Bonds may be redeemed prior to maturity in whole, or in part among maturities as provided in the Fiscal Agent Agreement and by lot within a maturity, at the option of the City on any date on or after March 1, 2020, at the following redemption price, expressed as a percentage of par value, together with accrued interest to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Prices</u>
March 1, 2020 through and including August 31, ____	103%
September 1, ____ through and including August 31, ____	102
September 1, ____ through and including August 31, ____	101
September 1, ____ and any date thereafter	100

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

This Bond shall be registered in the name of the owner hereof, as to both principal and interest. Each registration and transfer of registration of this Bond shall be entered by the Fiscal Agent in books kept by it for this purpose and authenticated by its manual signature upon the certificate of authentication endorsed hereon.

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

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

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

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

IN WITNESS WHEREOF, City of Brea has caused this Bond to be dated August 13, 2019, to be signed by the facsimile signature of its Mayor and countersigned by the facsimile signature of the City Clerk.

CITY OF BREA

By: _____
Mayor

By: _____
City Clerk

FISCAL AGENT'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the Resolution and the Agreement which has been authenticated on August 13, 2019.

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

By: _____
Authorized Signatory

FORM OF ASSIGNMENT

For value received, the undersigned do(es) hereby sell, assign and transfer unto

(Name, Address and Tax Identification or Social Security Number of Assignee)

the within mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____, attorney, to transfer the same on the registration books of the Fiscal Agent, with full power of substitution in the premises.

Dated: _____

Signature Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agent Medallion Program or in such other guarantee program acceptable to the Fiscal Agent.

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

ESCROW AGREEMENT

by and among the

BREA PUBLIC FINANCING AUTHORITY,

the

CITY OF BREA, CALIFORNIA,

the

BREA OLINDA UNIFIED SCHOOL DISTRICT

and

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

dated as of August 1, 2019

relating to:

Brea Public Financing Authority
Local Agency Revenue Bonds
(Community Facilities Districts Refinancing),
2005 Series A

and

City of Brea
Community Facilities District No. 1997-1
(Olinda Heights Public Improvements)
2005 Special Tax Refunding Bonds
and

Brea Olinda Unified School District
Community Facilities District No. 95-1
(Olinda Heights)
Special Tax Refunding Bonds, Series 2005A
and

Brea Olinda Unified School District
Community Facilities District No. 95-1
(Olinda Heights)
Special Tax Bonds, Series 2005B

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ESCROW AGREEMENT

This ESCROW AGREEMENT (this “Agreement”), dated as of August 1, 2019, is by and among the BREa PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency organized and existing under the laws of the State of California (the “Authority”), the CITY OF BREa, CALIFORNIA, a municipal corporation organized and existing under the laws of the State of California (the “City”), for and on behalf of the CITY OF BREa COMMUNITY FACILITIES DISTRICT NO. 1997-1 (OLINDA HEIGHTS PUBLIC IMPROVEMENTS) (the “City CFD”), the BREa OLINDA UNIFIED SCHOOL DISTRICT (the “School District”) for and on behalf of the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) (the “School District CFD”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as Prior Trustee (as defined below) for the 2005 Authority Bonds, as Prior Fiscal Agent (as defined below) for the 2005 City CFD Bonds and the 2005 School District CFD Bonds, and acting as escrow bank hereunder (the “Escrow Bank”).

R E C I T A L S :

WHEREAS, the Authority is a joint exercise of powers agency duly organized and existing under and pursuant to the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”), and is authorized pursuant to Article 4 of the Act to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of its members, including the City, and of any associate members, including the School District, as well as community facilities district bonds of the City issued for the City CFD and of the School District issued for the School District CFD; and

WHEREAS, for the purpose of facilitating the refinancing of certain outstanding indebtedness of the City issued for the City CFD and of the School District issued for the School District CFD, and to otherwise provide additional financing for the School District CFD, the Authority issued its Brea Public Financing Authority Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A in the initial aggregate principal amount of \$15,405,000 (the “Prior Authority Bonds”) pursuant to an Indenture of Trust, dated as of June 1, 2005 (the “Prior Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Prior Trustee”); and

WHEREAS, pursuant to a Fiscal Agent Agreement, dated as of June 1, 2005 (the “Prior City Fiscal Agent Agreement”), between the City, for and on behalf of the City CFD, and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Prior Fiscal Agent”), the City has issued, for and on behalf of the City CFD, its City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2005 Special Tax Refunding Bonds (the “Prior City CFD Bonds”); and

WHEREAS, pursuant to a Fiscal Agent Agreement, dated as of June 1, 2005, between the School District, for and on behalf of the School District CFD, and the Prior Fiscal Agent (as amended by the Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of May 1,

2009, between the School District, for and on behalf of the School District CFD, and the Prior Fiscal Agent, the “Prior School District Fiscal Agent Agreement”), the School District issued, for and on behalf of the School District CFD, its Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) Special Tax Refunding Bonds, Series 2005A and its Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) Special Tax Bonds, Series 2005B (collectively, the “Prior School District CFD Bonds”); and

WHEREAS, proceeds of the Prior Authority Bonds were used to acquire the Prior City CFD Bonds and the Prior School District CFD Bonds; and

WHEREAS, the City has now determined to issue, for and on behalf of the City CFD, special tax refunding bonds in the principal amount of \$_____ (the “City CFD Refunding Bonds”) at this time for the purpose of providing funds to currently refund and defease the Prior City CFD Bonds; and

WHEREAS, the School District has now determined to issue, for and on behalf of the School District CFD, special tax refunding bonds in the principal amount of \$_____ (the “School District CFD Refunding Bonds”) at this time for the purpose of providing funds to currently refund and defease the Prior School District CFD Bonds; and

WHEREAS, the Authority has now determined to issue, pursuant to an Indenture of Trust, dated as of August 1, 2019 (the “2019 Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “2019 Trustee”), local agency revenue refunding bonds (the “Authority Refunding Bonds”) at this time, proceeds of which will be used to acquire the City CFD Refunding Bonds and the School District CFD Refunding Bonds; and

WHEREAS, proceeds of the refunding of the Prior City CFD Bonds and proceeds of the refunding of the Prior School District CFD Bonds, along with certain other funds described in Section 2 below, will be used to refund the Prior Authority Bonds; and

WHEREAS, the Authority, the City, the School District and the Escrow Bank wish to enter into this Agreement for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and redemption of the Prior City CFD Bonds and the Prior School District CFD Bonds in full, and thereby the payment and redemption in full of the Prior Authority Bonds, pursuant to and in accordance with the provisions of Section 2.03(A)(i) of the Prior City Fiscal Agent Agreement, Section 2.03(A)(i) of the Prior School District Fiscal Agent Agreement and Section 2.2(a)(i) of the Prior Indenture, respectively.

A G R E E M E N T :

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

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

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

Section 2. Deposit into Refunding Fund; Investment of Amounts. (a) Concurrent with the issuance of the City CFD Refunding Bonds, the School District CFD Refunding Bonds and the Authority Refunding Bonds, and the use of proceeds of the Authority Refunding Bonds to acquire the City CFD Refunding Bonds and the School District CFD Refunding Bonds: (i) the City shall cause to be transferred to the Escrow Bank for deposit into the Refunding Fund the amount of \$_____ in immediately available funds, which shall be derived from (A) proceeds of sale of the City CFD Refunding Bonds in the amount of \$_____, (B) moneys on deposit in the reserve fund established under the Prior City Fiscal Agent Agreement in the amount of \$_____, and (C) moneys on deposit in the special tax fund established under the Prior City Fiscal Agent Agreement in the amount of \$_____; and (ii) the School District shall cause to be transferred to the Escrow Bank for deposit into the Refunding Fund the amount of \$_____ in immediately available funds, which shall be derived from (A) proceeds of sale of the School District CFD Refunding Bonds in the amount of \$_____, (B) moneys on deposit in the reserve fund established under the Prior School District Fiscal Agent Agreement in the amount of \$_____, and (C) moneys on deposit in the special tax fund established under the Prior School District Fiscal Agent Agreement in the amount of \$_____. The Escrow Bank, in its capacity as Fiscal Agent for the Prior City CFD Bonds, is hereby directed by the City to make a transfer of funds from the reserve fund and the special tax fund under the Prior City Fiscal Agent Agreement to the Refunding Fund as described in clause (i) of the preceding sentence. The Escrow Bank, in its capacity as Fiscal Agent for the Prior School District CFD Bonds, is hereby directed by the School District to make a transfer of funds from the reserve fund and the special tax fund under the Prior School District Fiscal Agent Agreement to the Refunding Fund as described in clause (ii) of the preceding sentence.

(b) The Escrow Bank shall invest \$_____ of the moneys deposited into the Refunding Fund pursuant to the preceding paragraph in direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, as described in Exhibit D attached hereto (the "Escrowed

Federal Securities”), and shall hold the remaining \$_____ in cash, uninvested. The Escrowed Federal Securities shall be deposited with and held by the Escrow Bank in the Refunding Fund solely for the uses and purposes set forth herein. This Agreement does not provide or allow for any future substitution of any securities for the Escrow Federal Securities.

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

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

Section 3. Instructions as to Application of Refunding Fund. The cash and Escrowed Federal Securities held in the Refunding Fund hereunder shall be applied by the Escrow Bank for the sole purpose of paying the interest on, principal of, and the Redemption Price of (i) the Prior City CFD Bonds in accordance with Section 2.03(A)(i) of the Prior City Fiscal Agent Agreement, and (ii) the Prior School District CFD Bonds in accordance with Section 2.03(A)(i) of the Prior School District Fiscal Agent Agreement, and thereby (iii) the payment of the interest on, principal of, and the Redemption Price of the Prior Authority Bonds, all in accordance with the respective schedules set forth in Exhibit A hereto. Notwithstanding the foregoing, because September 1, 2019 is a Sunday and September 2, 2019 is a bank holiday, payment of the debt service due on the Bonds on September 1, 2019 and the Redemption Price of the Bonds to be redeemed will be made on the immediately succeeding business day, being September 3, 2019.

Following payment in full of the Redemption Price of each of the Prior City CFD Bonds, the Prior School District CFD Bonds and the Prior Authority Bonds, any amounts on deposit in the Refunding Fund shall be transferred by the Escrow Bank on September 4, 2019 to the 2019 Trustee for deposit by the 2019 Trustee to the revenue fund established under the 2019 Indenture.

The Escrow Bank, in its capacity as Fiscal Agent under the Prior City Fiscal Agent Agreement and as Fiscal Agent under the Prior School District Fiscal Agent Agreement, is hereby directed to apply the amounts in the Refunding Fund to the payment and redemption of the Prior City CFD Bonds and the Prior School District CFD Bonds, and thereby the payment and redemption of the Prior Authority Bonds, all pursuant to the second preceding paragraph. The Escrow Bank hereby acknowledges that it has been directed, in its capacity as Trustee under the Prior Indenture, to provide notice of redemption of the Prior Authority Bonds in substantially the form set forth in Exhibit B hereto, as required under Section 2.2(c) of the Prior

Indenture to effect such redemption of the Prior Authority Bonds, and the Escrow Bank hereby represents that it actually provided such notice of redemption at least thirty days prior to the Redemption Date to the registered owners of the Prior Authority Bonds.

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

Section 4. Application of Proceeds from Prior Bond Funds. Upon receipt by the Escrow Bank from the Fiscal Agent for the Prior City CFD Bonds and from the Fiscal Agent for the Prior School District CFD Bonds of the funds described in clauses (i)(B) and (C) and (ii)(B) and (C) of the first sentence of Section 2(a) hereof, the amounts so received shall be deposited by the Escrow Bank in the Refunding Fund.

After making the foregoing deposits, any other amounts remaining on deposit in or accruing to any funds and accounts established under the Prior City Fiscal Agent Agreement shall be disposed of as provided in Section 3.02 of the fiscal agent agreement pursuant to which the City CFD Refunding Bonds were issued (the "2019 City Fiscal Agent Agreement"), any other amounts remaining on deposit in or accruing to any funds and accounts established under the Prior School District Fiscal Agent Agreement shall be disposed of as provided in Section 3.02 of the fiscal agent agreement pursuant to which the School District CFD Refunding Bonds were issued (the "2019 School District Fiscal Agent Agreement"), and any other amounts remaining on deposit in or accruing to any funds and accounts established under the Prior Indenture shall be transferred to the 2019 Trustee for deposit by the 2019 Trustee in the revenue fund established under the 2019 Indenture.

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

Section 6. Proceedings for Redemption of Prior Bonds. The City hereby irrevocably elects to redeem all of the outstanding Prior City CFD Bonds that mature on or after September 1, 2020 in full on September 1, 2019 pursuant to the provisions of Section 2.03(A)(i) of the Prior City Fiscal Agent Agreement. The School District hereby irrevocably elects to redeem all of the outstanding Prior School District CFD Bonds that mature on or after September 1, 2020 in full on September 1, 2019 pursuant to the provisions of Section 2.03(A)(i) of the Prior School District Fiscal Agent Agreement.

The Authority hereby irrevocably elects to redeem all of the outstanding Prior Authority Bonds that mature on or after September 1, 2020 in full on September 1, 2019 pursuant to the provisions of Section 2.2(a)(i) of the Prior Indenture. It is hereby acknowledged that notice of such redemption has been given by the Escrow Bank as described in the second paragraph of Section 3 above, at the expense of the Authority.

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

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

The Authority covenants to indemnify, defend and hold harmless the Escrow Bank and its officers, employees, directors and agents, solely from funds of the District, against any loss, liability or reasonable expense, including reasonable legal fees (including the fees of outside counsel and internal attorneys), incurred in connection with the performance of any of the duties of Escrow Bank hereunder, except the Escrow Bank shall not be indemnified against any loss, liability or expense resulting from its negligence or willful misconduct. The indemnity provided in this Section 8 shall survive the termination of this Agreement and shall survive the resignation or removal of the Escrow Bank.

The Escrow Bank shall have such duties as are expressly set forth herein and no implied duties shall be read into this Agreement against the Escrow Bank. The Escrow Bank shall not be liable for any act or omission of the Authority, the City or the School District under (a) this Agreement, or (b) the Prior Indenture, the Prior City Fiscal Agent Agreement or the Prior School District Fiscal Agent Agreement (collectively, the "Prior Agreements").

The Escrow Bank shall not be liable for the accuracy of any calculations provided as to the sufficiency of moneys deposited with it to pay the principal of and interest on the Prior Authority Bonds, the Prior City CFD Bonds or the Prior School District CFD Bonds (collectively, the "Prior Bonds").

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

The Escrow Bank shall have no liability or obligation to the owners of the Prior Bonds or the owners of the Authority Refunding Bonds, the City CFD Refunding Bonds or the School District CFD Refunding Bonds (collectively, the "Refunding Bonds") with respect to the payment of debt service by the Authority, the City or the School District, or with respect to the observance or performance by the Authority, the City or the School District of the other conditions, covenants and terms contained in the Prior Agreements or the 2019 City Fiscal

Agent Agreement, the 2019 School District Fiscal Agent Agreement or the 2019 Indenture (collectively, with the Prior Agreements, the “Bond Agreements”), or with respect to the investment of any moneys in any fund or account established, held or maintained by the Authority, the City or the School District pursuant to the Bond Agreements.

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

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

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

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

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

The Escrow Bank may execute any of the trusts or powers under this Agreement or perform any duties under this Agreement either directly or by or through agents, attorneys, custodians or nominees, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed with due care.

The Escrow Bank shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Agreement and delivered using Electronic Means (“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder); provided, however, that the Authority shall provide to the Escrow Bank an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank’s understanding of such Instructions shall be deemed controlling. The Authority, the City and the School District (collectively, the “Public Agencies”) understand and agree that

the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank and that the Authority and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Public Agencies agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that they are fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Bank and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to the Authority a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures. Notwithstanding any of the foregoing, the protection afforded to the Escrow Bank shall be operative only in the absence of the Escrow Bank's negligence or willful misconduct; provided, however, that the Escrow Bank's reliance on instructions delivered in accordance with this paragraph using Electronic Means shall not, in and of itself, be construed as negligence.

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

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

Section 10. Amendment. This Agreement may be amended or modified by the parties hereto, but only if there shall have been filed with each of the Public Agencies and the Escrow Bank (a) a written opinion of Bond Counsel (as defined in the Prior Indenture) stating that such amendment will not materially adversely affect the interests of the owners of the Prior Bonds, and that such amendment will not cause interest on the Prior Authority Bonds or the Authority Refunding Bonds to become includable in the gross income of the owners thereof for federal income tax purposes, and (b) a certification of Bond Counsel or an independent certified public

accountant that the funds on deposit in the Refunding Fund will be in an amount at all times at least sufficient to make the payments specified in Section 3 hereof.

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

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

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

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

BREA PUBLIC FINANCING AUTHORITY

By: _____

Its: _____

CITY OF BREA, CALIFORNIA, for and on
behalf of the CITY OF BREA COMMUNITY
FACILITIES DISTRICT NO. 1997-1 (OLINDA
HEIGHTS PUBLIC IMPROVEMENTS)

By: _____

Its: _____

BREA OLINDA UNIFIED SCHOOL
DISTRICT, for and on behalf of the BREA
OLINDA UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT
NO. 95-1 (OLINDA HEIGHTS)

By: _____

Its: _____

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

By: _____

Its: _____

EXHIBIT A

SCHEDULES OF PAYMENTS ON PRIOR BONDS

PRIOR CITY CFD BONDS

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Called Principal</u>	<u>Total Due</u>
September 3, 2019		\$300,000.00	\$3,290,000.00	

PRIOR SCHOOL DISTRICT CFD BONDS

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Called Principal</u>	<u>Total Due</u>
September 3, 2019		\$290,000.00	\$5,475,000.00	

PRIOR AUTHORITY BONDS

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Called Principal</u>	<u>Total Due</u>
September 3, 2019	\$198,684.39	\$590,000.00	\$8,765,000.00	\$9,553,684.39

EXHIBIT B

FORM OF NOTICE OF REDEMPTION

CONDITIONAL NOTICE OF FULL/FINAL REDEMPTION OF

Brea Public Financing Authority
Local Agency Revenue Bonds
(Community Facilities Districts Refinancing),
2005 Series A

Maturity Date	Amount Called	Redemption Price ⁽¹⁾	Interest Rate	CUSIP Number ⁽²⁾
September 1, 2020	\$ 610,000	100%	4.000%	10628N AR1
September 1, 2021	630,000	100	4.000	10628N AS9
September 1, 2022	660,000	100	4.000	10628N AT7
September 1, 2023	685,000	100	4.000	10628N AU4
September 1, 2024	715,000	100	4.125	10628N AV2
September 1, 2029	3,450,000	100	4.375	10628N AW0
September 1, 2035	2,015,000	100	4.500	10628N AX8

NOTICE is hereby given that the Brea Public Financing Authority (the "Authority") has conditionally called for redemption on September 1, 2019 (the "Redemption Date"), the Brea Public Financing Authority Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A, described above (the "Bonds"), at a price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption (the "Redemption Price"). The Bonds are being conditionally called for redemption on the Redemption Date subject to the provisions of the succeeding paragraph of this Conditional Notice of Full/Final Redemption, and pursuant to the provisions of Section 2.2(a)(i) of the Indenture of Trust, dated as of June 1, 2005 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the "Trustee"), pursuant to which the Bonds were issued.

This Conditional Notice of Full/Final Redemption, and the payment of the Redemption Price on the Redemption Date, is subject to the receipt of funds in an amount sufficient to pay in full the Redemption Price of all of the Bonds on or before the Redemption Date, resulting from a sale of bonds of the Authority, expected to close on or about August 13, 2019. In the event such funds are not received by the Redemption Date, this Conditional Notice of Full/Final Redemption shall be null and void and of no force and effect, and any Bonds delivered for redemption shall be returned to the respective owners thereof, and the Bonds shall remain outstanding under the Indenture as though this Conditional Notice of Full/Final Redemption had not been given. Notice of a failure to receive funds, and cancellation of this redemption, will be given by the Trustee to the registered owners of the Bonds.

On the Redemption Date, the Redemption Price will become due and payable upon each Bond and interest with respect thereto shall cease to accrue from and after the Redemption Date. Notwithstanding the foregoing, because September 1, 2019 is a Sunday and September 2, 2019 is a bank holiday, payment of the Redemption Price will be made on the immediately succeeding business day, being September 3, 2019.

Payment of principal will be made upon presentation of the Bonds on and after September 3, 2019, at one of the following addresses:

First Class/Registered/Certified

The Bank of New York Mellon
Global Corporate Trust
P.O. Box 396
East Syracuse, NY 13057

Express Delivery Only

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

By Hand Only

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

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

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

Under applicable federal law, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment is made if the Bondowner's tax identification number is not properly certified. The Form W-9 may be obtained from the Internal Revenue Service.

Dated: _____, 2019

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

(1) Accrued interest to be added.

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

EXHIBIT C

NOTICE OF DEFEASANCE

Brea Public Financing Authority
Local Agency Revenue Bonds
(Community Facilities Districts Refinancing),
2005 Series A

Maturity Date	Amount Defeased	CUSIP Number
September 1, 2019	\$ 590,000	10628N AQ3
September 1, 2020	610,000	10628N AR1
September 1, 2021	630,000	10628N AS9
September 1, 2022	660,000	10628N AT7
September 1, 2023	685,000	10628N AU4
September 1, 2024	715,000	10628N AV2
September 1, 2029	3,450,000	10628N AW0
September 1, 2035	2,015,000	10628N AX8

NOTICE IS HEREBY GIVEN, on behalf of the Brea Public Financing Authority (the "Authority") to the owners of the outstanding Brea Public Financing Authority Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A (the "Bonds"), that pursuant to the Indenture of Trust pursuant to which the Bonds were issued (the "Indenture of Trust") the lien of the Indenture of Trust with respect to the Bonds has been discharged through the irrevocable deposit of cash and federal securities in an escrow fund (the "Refunding Fund"). The Refunding Fund has been established and is being maintained pursuant to that certain Escrow Agreement, dated as of August 1, 2019, by and among the Authority, the City of Brea, California, the Brea Olinda Unified School District, and The Bank of New York Mellon Trust Company, N.A., as escrow bank. As a result of such deposit, the Bonds are deemed to have been paid and defeased in accordance with the Indenture of Trust. The pledge of the funds provided for under the Indenture of Trust and all other obligations of the Authority to the owners of the Bonds shall hereafter be limited to the application of moneys in the Refunding Fund for the payment of the redemption price of the Bonds as described below.

The cash and federal securities held in the Refunding Fund are calculated to provide sufficient moneys to pay the scheduled debt service on the Bonds due on September 1, 2019, and to redeem the Bonds maturing on and after September 1, 2020 in full on September 1, 2019 (the "Redemption Price") at a redemption price equal to 100% of the principal thereof plus accrued interest to such date (the "Redemption Date"). Notwithstanding the foregoing, because September 1, 2019 is a Sunday and September 2, 2019 is a bank holiday, payment of the debt service due on the Bonds on September 1, 2019 and the Redemption Price of the Bonds to be redeemed on the Redemption Date will be made on the immediately succeeding business day, being September 3, 2019.

DATED this ____ day of _____, 2019

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

EXHIBIT D

SCHEDULE OF ESCROWED FEDERAL SECURITIES

Type	Maturity	Coupon	Principal	Price
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CITY CFD LOCAL OBLIGATION PURCHASE CONTRACT

\$_____

City of Brea
Community Facilities District No. 1997-1
(Olinda Heights Public Improvements),
2019 Special Tax Refunding Bonds

July __, 2019

City of Brea, California, for and on behalf of
City of Brea Community Facilities District No. 1997-1
(Olinda Heights Public Improvements)
1 Civic Center Circle
Brea, California 92821

Ladies and Gentlemen:

The Brea Public Financing Authority (the "Authority"), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this City CFD Local Obligation Purchase Contract (this "Purchase Contract") with the City of Brea, California (the "City"), for and on behalf of City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) (the "City CFD"), which upon acceptance will be binding upon the Authority, the City and the City CFD. This offer is made subject to (i) the City's acceptance by the execution of this Purchase Contract, and (ii) withdrawal by the Authority upon notice delivered to the City at any time prior to the City's acceptance hereof. Unless context clearly requires otherwise, capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Fiscal Agent Agreement, dated as of August 1, 2019 (the "Fiscal Agent Agreement"), by and between the City, acting for and on behalf of the City CFD, and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent").

Subject to the City's acceptance hereof and the terms and conditions herein, the Authority will issue and sell the \$_____ aggregate principal amount Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019 (the "Authority Bonds"). The Authority Bonds will be issued pursuant to the Indenture of Trust, dated as of August 1, 2019 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A. (the "Trustee").

The Authority will use proceeds from the sale of the Authority Bonds to purchase (i) all of \$_____ aggregate principal amount City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds (the "City CFD Bonds"), and (ii) all of \$_____ aggregate principal amount Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) 2019 Special Tax Refunding Bonds. Delivered herewith is a Purchase Agreement (the "Authority Purchase Agreement"), by and among the Authority, the City, for and on behalf of the City CFD, and

the Brea Olinda Unified School District (the "School District"), for and on behalf of the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights), and Stifel, Nicolaus & Company Incorporated (the "Underwriter"), whereby the Underwriter has agreed to purchase the Authority Bonds upon their issuance. The agreement of the Authority to purchase the City CFD Bonds hereunder is contingent upon the Underwriter purchasing the Authority Bonds from the Authority, and upon the City and the Brea Olinda Unified School District (the "School District") satisfying all of the requirements hereof and of the School District-Authority Purchase Contract (as defined in the Authority Purchase Agreement) and performing all conditions precedent, if any, to be performed by the City and the School District pursuant to the Authority Purchase Agreement.

Section 1. Purchase, Sale and Delivery of the City CFD Bonds.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Authority hereby agrees to purchase from the City and the City hereby agrees to sell to the Authority all (but not less than all) of the City CFD Bonds, to be dated as of the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto. The purchase price for the City CFD Bonds shall \$_____ (the aggregate principal amount of the City CFD Bonds, less an original issue discount of \$_____, and less a purchaser's discount of \$_____). It is agreed that an amount not exceeding \$_____ shall be applied to pay costs of issuance of the City CFD Bonds and a pro rata share of the costs of issuance (including bond insurance premium) of the Authority Bonds.

The City CFD Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and subject to redemption as provided in, the Fiscal Agent Agreement. The City CFD Bonds will be payable solely from and secured by Special Tax Revenues, consisting primarily of special taxes (the "City CFD Special Taxes") levied by the City CFD on taxable property in the City CFD. The net proceeds of the City CFD Bonds will be used to refund all of the remaining outstanding City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2005 Special Tax Refunding Bonds (the "Prior City CFD Bonds"). To effect such refunding, the City, for and on behalf of the City CFD, and the Authority, the School District and The Bank of New York Mellon Trust Company, as escrow agent, will enter into the Escrow Agreement, dated as of August 1, 2019 (the "Escrow Agreement").

(b) Except as the City, the Authority and the Underwriter may otherwise agree, the City will deliver to the Authority, at the offices of Quint & Thimmig LLP, as bond counsel ("Bond Counsel") in Larkspur, California, or at such other location as may be mutually agreed upon by the Underwriter, the City and the Authority, the documents hereinafter mentioned and the City will deliver to or on the order of the Authority, at such location, the City CFD Bonds, in definitive form, duly executed by the City and authenticated by the Fiscal Agent in the manner provided for in the Fiscal Agent Agreement, at 8:00 A.M., California time, August 13, 2019 (the "Closing Date"), and the Authority will accept such delivery and pay or cause to be paid the purchase price of the City CFD Bonds as set forth in paragraph (a) of this Section by wire transfer or by other means, in any case payable in federal or other immediately available funds (such delivery and payment being herein referred to as the "Closing"). The

City CFD Bonds shall be in fully registered form and shall be registered in the name of the Trustee.

Section 2. Representations, Warranties and Agreements of the City. The City represents, warrants to and covenants with, the Authority that:

(a) The City is a municipal corporation duly organized and existing under the Constitution and the laws of the State of California, and has, and on the Closing Date will have, full legal right, power and authority to, in each case for and on behalf of the City CFD, (i) enter into, execute, deliver and perform its obligations under this Purchase Contract, the Fiscal Agreement, the Escrow Agreement, the City Continuing Disclosure Certificate (as defined in the Authority Purchase Agreement) and the Authority Purchase Agreement, (ii) issue the City CFD Bonds pursuant to the Fiscal Agent Agreement and sell and deliver the City CFD Bonds to the Authority as provided herein, and (iii) carry out, give effect to and consummate the transactions on its part contemplated by this Purchase Contract and the Authority Purchase Agreement.

(b) The City has complied, and will at the Closing Date be in compliance, in all material respects with the Act, the Fiscal Agent Agreement, this Purchase Contract and the Escrow Agreement, and the conditions precedent required to be performed by the City pursuant to the Authority Purchase Agreement.

(c) The City Council of the City (the "City Council") has duly and validly: (i) adopted the City Council's Resolution No. 19-____ on July 16, 2019, and approved and authorized the execution and delivery of the City CFD Bonds, this Purchase Contract, the Fiscal Agent Agreement, the Escrow Agreement, the City Continuing Disclosure Certificate and the Authority Purchase Agreement, and (ii) authorized and approved the performance by the City, for and on behalf of the City CFD, of its obligations contained in, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by, each of such documents.

(d) Except as may be required under the "blue sky" or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the City, for and on behalf of the City CFD, of its obligations hereunder and under the Fiscal Agent Agreement, the City CFD Bonds, the Escrow Agreement, the City CFD Continuing Disclosure Certificate and the Authority Purchase Agreement, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

(e) The City CFD Special Taxes constituting the security for the City CFD Bonds have been duly and lawfully authorized under and pursuant to the Act. The City CFD Special Taxes are secured by a valid and legally binding continuing lien on the parcels subject to the City CFD Special Taxes as provided in the Act and the City CFD RMA (as defined in the Authority Purchase Agreement).

(f) The City, for and on behalf of the City CFD, has authorized and will annually levy and collect City CFD Special Taxes in amounts necessary to pay debt service on the City CFD Bonds and Administrative Expenses arising directly from the administration or enforcement of the City CFD Bonds, subject to any maximum special tax permitted by the City CFD RMA and applicable law.

(g) The Fiscal Agent Agreement creates a valid pledge of, first lien upon and security interest in, the Special Tax Revenues and in the moneys in the Special Tax Fund, the Bond Fund and the Reserve Fund, each to be established and maintained under the Fiscal Agent Agreement, on the terms and conditions set forth in the Fiscal Agent Agreement.

(h) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending and notice of which has been served on the City or the City CFD, or, and to the best of the City's knowledge, threatened, in any way (i) affecting the existence of the City CFD or the titles of its officers to their respective offices or (ii) seeking to restrain or to enjoin the issuance, sale or delivery of the City CFD Bonds, the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Tax Revenues pledged to pay the principal of, and interest on, the City CFD Bonds, or the pledge thereof, or (iii) contesting or affecting the validity or enforceability of the City CFD Bonds, the Fiscal Agent Agreement, this Purchase Contract, the Escrow Agreement, the City Continuing Disclosure Certificate, the Authority Purchase Agreement or any action of the City contemplated by any of such documents, or (iv) contesting the completeness or accuracy of the Official Statement or the powers or the authority of the City or the City CFD with respect to the City CFD Bonds, the Prior City CFD Bonds, the Fiscal Agent Agreement, this Purchase Contract, the Escrow Agreement, the City Continuing Disclosure Certificate, the Authority Purchase Agreement or any action of the City or the City CFD contemplated by any of such documents, or (v) contesting the exclusion from gross income for federal income tax purposes of interest paid on the Authority Bonds or the exemption of interest paid on the Authority Bonds from State of California personal income taxation.

(i) The City will furnish such information, execute such instruments and take such other action in cooperation with the Authority and the Underwriter as the Authority or the Underwriter may reasonably request in order for the Underwriter to qualify the Authority Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate; provided, however, that the City shall not be required to register as a dealer or broker of securities or to consent to service of process or qualify to do business in any jurisdiction where it is not now so subject. It is understood that such "blue sky" registration is the sole responsibility of the Underwriter.

(j) Any certificate signed by any officer or employee of the City authorized to do so shall be deemed a representation and warranty by the City to the Authority and the Underwriter as to the statements made therein.

(k) The City, for an on behalf of the City CFD, will apply the proceeds of the City CFD Bonds in accordance with the Fiscal Agent Agreement and the Escrow Agreement.

(l) Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding City CFD Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any, to maturity or to the date of redemption if redeemed prior to maturity, the City will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Fiscal Agent Agreement.

The execution and delivery of this Purchase Contract by the City shall constitute a representation to the Authority and the Underwriter that the representations and warranties contained in this Section 2 are true as of the date hereof.

Section 3. Conditions to the Obligations of the Authority.

(a) The obligation of the Authority to accept delivery of and pay for the City CFD Bonds on the Closing Date shall be subject, at the option of the Authority, to the sale of the Authority Bonds, to the accuracy in all material respects of the representations and warranties on the part of the City contained herein, to the accuracy in all material respects of the statements of the officers and other officials of the City made in any certificates or other documents furnished pursuant to the provisions hereof or pursuant to the Authority Purchase Agreement, and to the performance by the City of its obligations to be performed hereunder and the conditions precedent to be performed by the City, if any, under the Authority Purchase Agreement at or prior to the Closing Date. The obligations of the Authority shall be further subject to the satisfaction of the conditions contained in Section 9 of the Authority Purchase Agreement, and such conditions are incorporated herein and made a part hereof.

(b) If the City or the Authority shall be unable to satisfy the conditions to the obligations of the Authority to purchase, accept delivery of and pay for the City CFD Bonds contained in this Purchase Contract, or if the obligations of the Authority to purchase, accept delivery of and pay for the City CFD Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Authority nor the City shall be under any further obligation hereunder, except that the respective obligations of the City and the Authority set forth in Section 4 hereof shall continue in full force and effect.

Section 4. Expenses. Whether or not the Authority accepts delivery of and pays for the City CFD Bonds as set forth herein, it shall be under no obligation to pay, and the City shall pay or cause to be paid out of the proceeds of the City CFD Bonds or funds of the City CFD, all expenses incidental to the performance of the City's obligations hereunder and a pro rata share of the costs of issuance of the Authority Bonds, including but not limited to the cost of printing and delivering the City CFD Bonds to the Authority, Underwriter's discount relating to the sale of the Authority Bonds, the fees and disbursements of the Authority, Bond Counsel, special tax consultants and any other experts or consultants retained by the City in connection with the issuance and sale of the City CFD Bonds.

Section 5. Undertakings of the City. The City agrees to make available to the Authority, at the expense of the City, sufficient copies of its audited financial statements, if any, resolutions of the City Council with respect to the City CFD Bonds, the Fiscal Agent Agreement, any amendments or supplements thereto, and other documents relating to the

City CFD Bonds and pertaining to the City, to the extent that such documents are publicly available, as may be reasonably required from time to time for the prompt and efficient performance by the Authority of its obligations hereunder and under the Authority Purchase Agreement (except any portion of any such document which, by contract, is not subject to disclosure).

Section 6. Notices. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to the City of Brea, 1 Civic Center, Brea, California 92821, Attention: City Manager; any notice or other communication to be given to the Authority under this Purchase Contract may be given by delivering the same in writing to the Brea Public Financing Authority, 1 Civic Center, Brea, California 92821, Attention: Executive Director; any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Stifel, Nicolaus & Company Incorporated, One Montgomery Street, 35th Floor, San Francisco, CA 94104, Attention: Jim Cervantes.

Section 7. Third Party Beneficiary. Inasmuch as the Underwriter is purchasing the Authority Bonds from the Authority and will underwrite and market the Authority Bonds to investors through a public offering, thereby enabling the issuance and sale of the Authority Bonds and the City CFD Bonds and the refunding of the Prior City CFD Bonds, the Underwriter is a third party beneficiary of this Purchase Contract, and may enforce the same in all respects in the same manner and to the same extent as it may be enforced by the Authority.

Section 8. Parties in Interest. This Purchase Contract is made solely for the benefit of the City, the Authority and the Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

Section 9. Survival of Representations and Warranties. The representations and warranties of the City shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Authority or the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the City and regardless of delivery of and payment for the City CFD Bonds.

Section 10. Limited Obligation of the City. The parties hereby acknowledge that the City is entering into this Purchase Agreement and the Authority Purchase Agreement for and on behalf of the City CFD, and the City has no liability hereunder or under the Authority Purchase Agreement except from moneys and assets of the City CFD, anything to the contrary herein or in the Authority Purchase Agreement notwithstanding.

Section 11. Execution in Counterparts. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 12. No Prior Agreements. This Purchase Contract supersedes and replaces all prior negotiations, agreements and understandings among the parties hereto in relation to the sale of City CFD Bonds by the City.

Section 13. Effective Date. This Purchase Contract shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and shall be valid and enforceable as of the time of such acceptance.

Section 14. Governing Law. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of California.

Very truly yours,

BREA PUBLIC FINANCING
AUTHORITY

By: _____
Chair

Accepted:

CITY OF BREA, CALIFORNIA,
for and on behalf of City of Brea
Community Facilities District No. 1997-1
(Olinda Heights Public Improvements)

By: _____
Mayor

02020.02:J16142

EXHIBIT A
(City CFD Bond Purchase Contract)

Maturity Schedule

The City CFD Bonds shall mature and become payable on September 1 of each year as follows:

<u>Maturity Date (September 1)</u>	<u>Principal</u>	<u>Interest Rate</u>
--	------------------	----------------------

NEW ISSUE – BOOK ENTRY ONLY

Insured Rating: S&P: “_____”

Underlying, uninsured rating: S&P: “_____”

(See “CONCLUDING INFORMATION – Ratings.”)

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

\$6,915,000*

**BREA PUBLIC FINANCING AUTHORITY
LOCAL AGENCY REVENUE REFUNDING BONDS,
SERIES 2019
(ORANGE COUNTY, CALIFORNIA)**

Dated: Date of Delivery

Due: September 1, as shown on the inside front cover

The Brea Public Financing Authority (the “Authority”) will issue its Local Agency Revenue Refunding Bonds, Series 2019 (the “Bonds”) under an Indenture of Trust, dated as of August 1, 2019 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as Trustee. Proceeds of the Bonds will be used to acquire two series of bonds: (i) \$2,620,000* aggregate principal amount 2019 Special Tax Refunding Bonds (the “City CFD Bonds”) to be issued by the City of Brea (the “City”) for the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) (the “City CFD”), and (ii) \$4,295,000* aggregate principal amount 2019 Special Tax Refunding Bonds (the “School District CFD Bonds” and, together with the City CFD Bonds, the “Local Obligations”) to be issued by the Brea Olinda Unified School District (the “School District”) for the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) (the “School District CFD,” and together with the City CFD, the “CFDs”).

The City CFD Bonds will be issued under a Fiscal Agent Agreement, dated as of August 1, 2019 (the “City CFD FA Agreement”), by and between the City, acting for and on behalf of the City CFD, and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent. Proceeds from the sale of City CFD Bonds will be used to: (i) effect a refunding of certain special tax bonds previously issued by the City for the City CFD, (ii) purchase a debt service reserve insurance policy to be credited to a reserve fund maintained under the City CFD FA Agreement, and (iii) pay a portion of costs of issuance relating to the transaction.

The School District CFD Bonds will be issued under a Fiscal Agent Agreement, dated as of August 1, 2019 (the “School District CFD FA Agreement” and, together with the City CFD FA Agreement, the “Fiscal Agent Agreements”), by and between the School District, acting for and on behalf of the School District CFD, and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent. Proceeds from the sale of School District CFD Bonds will be used to: (i) effect a refunding of certain special tax bonds previously issued by the School District for the School District CFD, (ii) purchase a debt service reserve insurance policy to be credited to a reserve fund maintained under the School District CFD FA Agreement, and (iii) pay a portion of the costs of issuance relating to the transaction.

The Bonds will be payable from and secured by Revenues, consisting primarily of payments (including principal, interest and any redemption premium) on the Local Obligations received by the Trustee. Each CFD’s Local Obligations will be payable from and secured by Special Tax Revenues of such CFD. Special Tax Revenues, with respect to each CFD, consist primarily of special taxes levied on the property in such CFD, in accordance with such CFD’s rate and method of apportionment of special tax. The two CFDs are located in the City and have substantially overlapping boundaries. Except as described herein, the same parcels of property are subject to the special taxes levied by both CFDs.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the dated date of the Official Statement in its final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

depository of the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in integral multiples of \$5,000 principal amount. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal of and interest on the Bonds will be paid directly to DTC by the Trustee. Principal of the Bonds will be payable on the maturity dates set forth on the inside cover of this Official Statement. Interest on the Bonds will be payable on March 1 and September 1 of each year, commencing March 1, 2020. Upon its receipt of payment of principal and interest, DTC in turn will be obligated to remit such principal and interest to DTC participants for subsequent disbursement to the beneficial owners of the Bonds.

The Bonds are subject to optional redemption, mandatory sinking payment redemption and extraordinary redemption prior to their stated maturities as described in this Official Statement.*

THE BONDS WILL BE LIMITED OBLIGATIONS OF THE AUTHORITY SECURED BY A PLEDGE OF AND PAYABLE SOLELY FROM REVENUES AND MONEYS IN CERTAIN ACCOUNTS PLEDGED FOR SUCH PURPOSE IN THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE SCHOOL DISTRICT OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WILL BE PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER. LOCAL OBLIGATIONS OF EACH CFD WILL BE LIMITED OBLIGATIONS SECURED BY AND PAYABLE SOLELY FROM SPECIAL TAX REVENUES OF SUCH CFD AND MONEYS IN CERTAIN ACCOUNTS PLEDGED UNDER THE RELATED FISCAL AGENT AGREEMENT. NEITHER THE BONDS NOR THE LOCAL OBLIGATIONS WILL CONSTITUTE AN INDEBTEDNESS OF THE AUTHORITY, THE CITY, THE SCHOOL DISTRICT, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The scheduled payment of principal of and interest on the Bonds, when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by _____. See "BOND INSURANCE" in this Official Statement.

[BOND INSURER LOGO]

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

The Bonds will be offered when, as and if issued, subject to the approval as to their legality by Quint & Thimmig LLP, Larkspur, California, Bond Counsel. Certain legal matters will be passed on for the Authority, the City and the City CFD by Richards, Watson & Gershon, A Professional Corporation, as Authority Counsel, City Attorney and Disclosure Counsel. Certain legal matters will be passed on for the School District and the School District CFD by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Special Counsel to the School District and for the Underwriter by its counsel, Kutak Rock LLP. It is anticipated that the Bonds will be available for delivery in book-entry form through the facilities of DTC on or about _____, 2019.

STIFEL

Dated: _____, 2019

\$6,915,000*
BREA PUBLIC FINANCING AUTHORITY
LOCAL AGENCY REVENUE REFUNDING BONDS,
SERIES 2019

MATURITY SCHEDULE
\$ _____ Serial Bonds

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP[†] (Base:)
--	-----------------------------------	--------------------------------	--------------	--------------	---

\$ _____ % Term Bonds due September 1, 20__, Yield _____%, Price: _____; CUSIP[†]: _____
\$ _____ % Term Bonds due September 1, 20__, Yield _____%, Price: _____; CUSIP[†]: _____

* Preliminary; subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data in this Official Statement is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. CUSIP alphanumeric designations ("CUSIP Numbers") are assigned by an independent company not affiliated with the City or the Underwriter. CUSIP © 2019 CUSIP Global Services. All rights reserved. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP Numbers are provided for convenience of reference only. None of the Authority, the City, the School District nor the Underwriter take any responsibility for the accuracy of such numbers. The CUSIP Number for any particular maturity is subject to change after delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors applicable to all or a portion of the Bonds.

**BREA PUBLIC FINANCING AUTHORITY
ORANGE COUNTY, CALIFORNIA**

Board of Directors

Christine Marick, *Chair*
Marty Simonoff, *Vice Chair*
Cecilia Hupp, *Member*
Glenn Parker, *Member*
Steven Vargas, *Member*

CITY OF BREA

City Council

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

Elected City Official

Richard J. Rios, *City Treasurer*

City Officials and Staff

William Gallardo, *City Manager*
Lillian Harris-Neal, *City Clerk*
Cynthia Russell, *Administrative Services Director*
Lee Squire, *Financial Services Manager*
Faith Madrazo, *Revenue and Budget Manager*

**BREA OLINDA
UNIFIED SCHOOL DISTRICT**

Board of Education

Gail Lyons, *President*
Paul Ruiz, *Vice President*
Nicole Colon, *Clerk*
Carrie Flanders, *Member*
Keri Kropke, *Member*

School District Officials and Staff

Brad Mason, Ed.D., *Superintendent*
Richard Champion., *Assistant Superintendent of
Business Service* (starting August 1, 2019)
Christie Hopkins, *Financial Supervisor*

SPECIAL SERVICES

Bond Counsel

Quint & Thimmig LLP
Larkspur, California

Disclosure Counsel

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

Municipal Advisor

Fieldman Rolapp & Associates, Inc.
Irvine, California

Trustee, Fiscal Agent and Escrow Agent

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

Special Tax Consultant

Willdan Financial Services
Temecula, California

Verification Agent

Causey Demgen & Moore Inc.
Denver, Colorado

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

Estimates and Forecasts. Certain statements included or incorporated by reference in this Official Statement and in any continuing disclosure by the City, any press release and in any oral statement made with the approval of an authorized officer of the City or any other entity described or referenced in this Official Statement, constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “anticipate,” “estimate,” “budget” or other similar words and include, but are not limited to, statements under the caption “COMMUNITY FACILITIES DISTRICTS.” The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. While each of the City and the School District has undertaken to provide certain on-going financial and other data pursuant to a continuing disclosure certificate (see “CONCLUDING INFORMATION – Continuing Disclosure” and APPENDIX E), none of the Authority, the City or the School District does not plan to issue any updates or revisions to those forward-looking statements if or when there are changes to their expectations or events, conditions or circumstances on which such statements are based.

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

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

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

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

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

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

[insert area map]

[insert aerial map]

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\$6,915,000*
BREA PUBLIC FINANCING AUTHORITY
LOCAL AGENCY REVENUE REFUNDING BONDS,
SERIES 2019

INTRODUCTION

This introduction does not purport to be complete, and reference is made to the body of this Official Statement, appendices hereto and the documents referred to herein for more complete information with respect to matters concerning the Bonds. Potential investors are encouraged to read the entire Official Statement. Capitalized terms used and not defined in this Introduction shall have the meanings assigned to them elsewhere in this Official Statement.

General

This Official Statement, including the cover page, the inside cover and appendices, is provided to furnish information in connection with the sale by the Brea Public Financing Authority (the “Authority”) of its \$6,915,000* aggregate principal amount Local Agency Revenue Refunding Bonds, Series 2019 (the “Bonds”). The Bonds are being issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985 (found in Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code), and an Indenture of Trust, dated as of August 1, 2019 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as the trustee (the “Trustee”). Proceeds of the Bonds will be used to acquire two series of bonds (collectively, the “Local Obligations”):

- (i) \$2,620,000* aggregate principal amount 2019 Special Tax Refunding Bonds (the “City CFD Bonds”) to be issued by the City of Brea (the “City”) for the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) (the “City CFD”), and
- (ii) \$4,295,000* aggregate principal amount 2019 Special Tax Refunding Bonds (the “School District CFD Bonds”) to be issued by the Brea Olinda Unified School District (the “School District”) for the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) (the “School District CFD,” and together with the City CFD, the “CFDs”).

The City CFD Bonds will be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, found in Articles 1 through 6, Chapter 2.5, Division 2, Title 5 of the California Government Code (the “Mello-Roos Act”), and a Fiscal Agent Agreement, dated as of August 1, 2019 (the “City CFD FA Agreement”), by and between the City, acting for and on behalf of the City CFD, and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent (the “Fiscal Agent”). Proceeds from the sale of the City CFD Bonds will be used to (i) effect a refunding of certain special tax bonds previously issued by the City for the City CFD (the “Prior City CFD Bonds”), (ii) purchase a debt service reserve insurance policy (the “City CFD Reserve

* Preliminary; subject to change

Policy”) to be credited to a reserve fund maintained under the City CFD FA Agreement (the “City CFD Reserve Fund”), and (iii) pay a portion of costs of issuance relating to the transaction.

The School District CFD Bonds will be issued pursuant to the Mello-Roos Act and a Fiscal Agent Agreement, dated as of August 1, 2019 (the “School District CFD FA Agreement” and together with the City CFD FA Agreement, the “Fiscal Agent Agreements”), by and between the School District, acting for and on behalf of the School District CFD, and the Fiscal Agent. Proceeds from the sale of the School District CFD Bonds will be used to: (i) effect a refunding of certain special tax bonds previously issued by the School District for the School District CFD (the “Prior School District CFD Bonds,” and together with the Prior City CFD Bonds, the “Prior CFD Bonds”), (ii) purchase a debt service reserve insurance policy (the “School District CFD Reserve Policy,” and together with the School District CFD Reserve Policy, the “Reserve Policies”) to be credited to a reserve fund maintained under the City CFD FA Agreement (the “School District CFD Reserve Fund,” and together with the City CFD Reserve Fund, the “Reserve Funds”), for the School District CFD Bonds, and (iii) pay a portion of the costs of issuance relating to the transaction.

Interest on the Bonds will be payable on March 1 and September 1 of each year, commencing March 1, 2020. The Bonds will mature in the amounts and on the dates and bear interest at rates shown on the inside cover of this Official Statement. The Bonds will be issued in fully registered book-entry form only and, when issued and delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (“DTC”). DTC will act as the depository for the Bonds and all payments due on the Bonds will be made to Cede & Co. Ownership interests in the Bonds may be purchased only in book-entry form. *So long as the Bonds are registered in the name of Cede & Co., or any other nominee of DTC, references in this Official Statement to the Owners of the Bonds shall mean Cede & Co. or such other nominee of DTC, and shall not mean the beneficial owners of the Bonds.*

See “BONDS – Book-Entry Only System” and “APPENDIX G – DTC’S BOOK-ENTRY ONLY SYSTEM.”

Bond Insurance

The scheduled payment of principal of and interest on the Bonds, when due will be guaranteed under an insurance policy (the “Bond Insurance Policy”) to be issued concurrently with the delivery of the Bonds by _____ (the “Bond Insurer”). See “BOND INSURANCE” and “APPENDIX H – SPECIMEN BOND INSURANCE POLICY.”

City of Brea

The City encompasses approximately 11.2 square miles and is located at the northern end of Orange County, California (the “County”), just south of the Los Angeles County line. The City’s population was 45,606 as of January 1, 2019, according to State of California Department of Finance estimates. See “APPENDIX A – GENERAL INFORMATION REGARDING CITY OF BREA.”

Community Facilities Districts

The CFDs generally encompass a 276-acre master planned residential community in the northeastern part of the City, known as Olinda Ranch. Residential development at Olinda Ranch began in 1998. Olinda Ranch is now fully developed with single family homes, ranging from 1,050 to 4,267 square feet on lots ranging from 2,370 to 15,601 square feet.

In fiscal year 2018-19, the City CFD and the School District CFD levied special taxes on 639 of the same parcels in Olinda Ranch. In addition, the City CFD special tax was levied on 19 parcels on which there were no School District CFD special tax levy. Based on information from the County, the total fiscal year 2018-19 secured assessed value for the 639 parcels subject to the levy of both of the City CFD and the School District CFD was \$446,196,695. The total 2018-19 secured assessed value for the 19 parcels subject to the City CFD special tax levy only was \$17,953,079. See “COMMUNITY FACILITIES DISTRICTS – Olinda Ranch Overview.”

The City CFD was formed in 1997. The City Council of the City adopted a resolution of intention on October 21, 1997 to establish the City CFD. In a special election held on December 16, 1997, the then sole qualified voter with respect to the City CFD approved the levy of special taxes pursuant to the rate and method of apportionment of special tax for the City CFD (the “City CFD RMA”) and authorized the City to issue bonds for and on behalf of the City CFD in the maximum aggregate principal amount of \$7,000,000. The text of the City CFD RMA is reprinted in Appendix B. Because the City has previously issued bonds (not including refunding bonds) for and on behalf of the City CFD in the aggregate principal amount of \$7,000,000, the existing voter authorization does not permit the City CFD to incur additional bonds, except for refunding purposes.

The School District CFD was also formed in 1997. The Board of Education (the “School Board”) of the School District adopted a resolution of intention on July 7, 1997 to establish the School District CFD. In a special election held on October 20, 1997, the then only two qualified voters with respect to the School District CFD approved the levy of special taxes pursuant to a rate and method of apportionment of special tax for the School District CFD (the “Original School District CFD RMA”) and authorized the School District to issue bonds for and on behalf of the School District CFD in the maximum aggregate principal amount of \$10,000,000 (“School District CFD Bond Authorization”). Subsequently, the Original School District CFD RMA was superseded by an amended and restated rate and method of apportionment of special tax (the “School District CFD RMA” and together with the City CFD RMA, the “Rates and Methods”; each being a “Rate and Method”), which was approved by the then qualified voters of the School District CFD in a special election held on October 2, 2000, without any change to the School District CFD Bond Authorization. Under the existing School District CFD Bond Authorization, because of prior bond issuances, any incurrence of additional School District CFD bonds is limited to a maximum principal amount of up to \$1,035,000, except for refunding purposes. See “SECURITY FOR BONDS – Issuance of Parity School District CFD Bonds.”

Security for Bonds

The Bonds will be limited obligations of the Authority as described in this Official Statement. The Local Obligations of each CFD will be limited obligations of such CFD as described in this Official Statement. Neither the faith and credit nor the taxing power of the City, the School District or the State or any political subdivision thereof will be pledged to the payment of the Bonds. The Authority has no taxing power.

Sources of Payment.

The Bonds will be secured by a pledge of and payable solely from Revenues, which primarily consist of amounts payable by the CFDs as principal of, and interest and redemption premium (if any) on, the Local Obligations and moneys in certain accounts held under the Indenture.

The Local Obligations of each CFD will be secured by a pledge of and payable solely from Special Tax Revenues of such CFD, consisting primarily of the Special Taxes levied and collected by such CFD, and amounts in certain accounts maintained under the related Fiscal Agent Agreement. Special Tax Revenues of the City CFD consist primarily of special taxes (the “City CFD Special Taxes”) levied on property in the City CFD, in accordance with the City CFD RMA. Special Tax Revenues of the School District CFD consist primarily of special taxes (the “School District CFD Special Taxes,” and together with the City CFD Special Taxes, the “Special Taxes”) levied on property in the School District CFD, in accordance with the School District CFD RMA.

Pursuant to each Fiscal Agent Agreement, all Special Taxes Revenues received by each CFD will be deposited in a Special Tax Fund. Moneys in a CFD’s Special Tax Fund will be used and disbursed in accordance with the provisions of the applicable Fiscal Agent Agreement.

Pursuant to the Indenture, the Authority will assign to the Trustee, for the benefit of the Owners of the Bonds, all of the Revenues and all of the Authority’s right, title and interest in the Local Obligations. All Revenues received by the Trustee (as the Authority’s assignee) from the CFDs as payment on the Local Obligations will be deposited in the Revenue Fund. At the times prescribed by the Indenture, the Trustee will transfer money from the Revenue Fund to the Interest Account and the Principal Account to pay interest on, principal of, and premium (if any) on the Bonds when due. Excess Revenues remaining in the Revenue Fund, if any, after the required transfers to the Interest Account and the Principal Account are deposited in the Surplus Fund. Moneys in the Surplus Fund are not pledged to pay the Bonds and will be disbursed by the Trustee to the City and the School District pursuant to the Indenture.

See “SECURITY FOR BONDS” and “APPENDIX D – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

Reserve Funds.

A Reserve Fund will be established under each Fiscal Agent Agreement. The initial Reserve Requirement (defined below, see “SECURITY FOR BONDS – Reserve Funds”) for the City CFD Bonds will be \$_____. Concurrently with the issuance of the Bonds, the Bond Insurer will issue the City CFD Reserve Policy, in the face amount equal to such Reserve Requirement, respectively to be credited to the City CFD Reserve Fund. The initial Reserve Requirement for the School District CFD Bonds will be \$_____. Concurrently with the issuance of the Bonds, the Bond Insurer will issue the School District CFD Reserve Policy, in the face amount equal to such Reserve Requirement, respectively to be credited to the School District CFD Reserve Fund.

On any Interest Payment Date, if the amount in the Bond Fund established under a CFD’s Fiscal Agent Agreement is not sufficient to pay principal, interest or redemption premium (if any) with respect to such CFD’s Local Obligations when due, the Fiscal Agent will disburse money from such CFD’s Reserve Fund to make up for the deficiency, to the extent available. ***Moneys in a CFD’s Reserve Fund are available only to make up a deficiency with respect to the payment of such CFD’s Local Obligations and are not available to make up any deficiency with respect to the other CFD’s Local Obligations.***

See “SECURITY FOR BONDS – Reserve Funds” and “APPENDIX D – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

Rates and Methods; Levy of Special Taxes. The CFDs levy Special Taxes each fiscal year in accordance with the applicable Rate and Method. Generally, the Special Taxes are collected in the same manner and at the same time as the *ad valorem* property taxes.

The City CFD Special Taxes include annual Special Taxes levied on taxable property in the City CFD. Subject to the limitations set forth in the City CFD RMA, the City CFD is authorized to levy City CFD Special Taxes each fiscal year in an amount equal to the Special Tax Liability. The Special Tax Liability, as calculated pursuant to the City CFD RMA, includes, among other items, an amount sufficient to pay interest and principal scheduled to become due on bonds issued by the City for the City CFD, to replenish the reserve fund, if necessary, for such bonds, and to pay Administrative Expenses (each, as defined in the City CFD RMA).

The School District CFD Special Taxes include annual Special Taxes levied on taxable property in the School District CFD. Subject to the limitations set forth in the School District CFD RMA, the School District CFD is authorized to levy School District CFD Special Taxes each fiscal year in an amount equal to the Special Tax Requirement. The Special Tax Requirement, as calculated pursuant to the School District CFD RMA, includes, among other items, an amount sufficient to pay interest and principal scheduled to become due on bonds issued by the School District for the School District CFD, to replenish the reserve fund, if necessary, for such bonds, and to pay Administrative Expenses (each, as defined in the School District CFD RMA).

The amount of the Special Taxes which may be levied by a CFD each year is limited by the maximum rates set forth in the applicable Rate and Method and by the Mello-Roos Act.

The Special Taxes levied by each CFD may only be applied to pay debt service on the Local Obligations of such CFD and are not cross-pledged or available to pay debt service on the Local Obligations of the other CFD.

See “SECURITY FOR BONDS – Payment of Local Obligations,” “– Special Taxes” and “– Rates and Methods,” “APPENDIX B – CITY CFD RATE AND METHOD” and “APPENDIX C – SCHOOL DISTRICT CFD RATE AND METHOD.”

Professionals Involved in the Offering

The Bank of New York Mellon Trust Company, N.A., will act as Trustee with respect to the Bonds, as Fiscal Agent with respect to the Local Obligations, and as Escrow Agent with respect to the Prior Bonds. Willdan Financial Services, Temecula, California, has acted as Special Tax Consultant to the CFDs with respect to the financing. Fieldman Rolapp & Associates, Inc., Irvine, California, has acted as Municipal Advisor to the City and the School District with respect to the issuance of the Bonds. The legality of the proceedings in connection with the issuance of the Bonds and the Local Obligations are subject to the approval of Quint & Thimmig LLP, Larkspur, California, Bond Counsel. Certain legal matters will be passed on for the Authority, the City and the City CFD by Richards, Watson & Gershon, A Professional Corporation, as City Attorney, Authority Counsel and Disclosure Counsel, and for the School District and the School District CFD by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Special Counsel to the School District. Kutak Rock LLP has served as counsel to Stifel, Nicolaus & Company, Incorporated, the Underwriter, in connection with the Bonds.

Other Information

This Official Statement contains descriptions of the Bonds, the Indenture, the Fiscal Agent Agreements, the Rates and Methods, and various other agreements and documents. The descriptions and summaries of documents in this Official Statement do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all terms and conditions. All statements in this Official Statement are qualified in their entirety by reference to each such document and, with respect to certain rights and remedies, to laws and principles of equity relating to or affecting creditors’ rights generally. Unless clearly otherwise indicated, capitalized terms which are not defined in this Official Statement have the meanings set forth in the Indenture. Copies of the Indenture and the Fiscal Agent Agreements are available for inspection during business hours at the corporate trust office of the Trustee in Los Angeles, California.

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

Unless otherwise expressly noted, all references to internet websites in this Official Statement are shown for reference and convenience only, and none of their content is incorporated in this Official Statement by reference. The information contained within such websites has not

been reviewed by the Authority, the City or the School District, and none of them makes any representation regarding the information therein.

PLAN OF REFUNDING

Refunding of Prior Bonds

Prior Authority Bonds and Prior CFD Bonds

In 2005, the Authority issued its \$15,405,000 (original principal amount) Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A (the “Prior Authority Bonds”), of which \$9,355,000 remains outstanding as of July 1, 2019. Pursuant to the indenture for the Prior Authority Bonds (the “Prior Indenture”) and the fiscal agent agreements for the Prior CFD Bonds (the “Prior FA Agreements”), the proceeds from the sale of the Prior Authority Bonds were used by the Authority to acquire the Prior CFD Bonds. Since their issuance, debt service on the Prior Authority Bonds has been paid using: (i) payments made by the City on behalf of the City CFD for the Prior City CFD Bonds and (ii) payments made by the School District on behalf of the School District CFD for the Prior School District Bonds.

The Prior City CFD Bonds were issued to refund bonds previously issued by the City CFD to finance public improvements including road improvements, public parks, storm drains, water and sewer improvements, oil field accommodation and remediation (see “BONDOWNERS’ RISKS – Hazardous Substances”) and other improvements within or in the vicinity of Olinda Ranch. The Prior School District bonds were issued to finance and refinance school facilities and improvements.

Refunding Escrow

Pursuant to the Indenture, a portion of the proceeds from sale of the Bonds will be used to acquire the City CFD Bonds and the School District CFD Bonds. Pursuant to the Escrow Agreement (the “Escrow Agreement”), by and among the Authority, the City, the School District and The Bank of New York Mellon Trust Company, N.A., in its capacities as trustee, fiscal agent and escrow agent (the “Escrow Agent”), a portion of the proceeds of the City CFD Bonds and a portion of the proceeds of the School District CFD Bonds, together with certain moneys from funds and accounts maintained for the Prior CFD Bonds, will be deposited into an escrow fund (the “Refunding Fund”) to be maintained by the Escrow Agent.

Such deposits into the Refunding Fund, together, will be in an amount sufficient to allow the Escrow Agent to: (i) make the scheduled payments of principal and interest due on the Prior Authority Bonds to and including September 1, 2019 (the “Redemption Date”), and (ii) pay the redemption price to redeem all other remaining Prior Authority Bonds. (Because September 1, 2019 is a Sunday and September 2, 2019 is a bank holiday, payment of such debt service and Redemption Price will be made on the immediately succeeding business day, being September 3, 2019.) As the result of the deposits and application of funds pursuant to the Escrow Agreement, the Prior Authority Bonds, the Prior City CFD Bonds and the Prior School District CFD Bonds will be deemed paid and defeased as of the date of issuance of the Bonds, and will no longer be secured by the pledge of revenues pursuant to the Prior Indenture or the Prior FA Agreements.

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

Sources and Uses of Funds

The following tables show the estimated sources and uses of the proceeds from the sale of the Bonds and each series of Local Obligations:

Bonds

Sources:

Par amount	\$6,915,000*
[Less/Plus]: Original issue [discount/premium]	
Less: Underwriter’s discount	
Total Sources	

Uses:

Purchase of City CFD Bonds	(1)
Purchase of School District CFD Bonds	(1)
Total Uses	

- (1) Equal to the aggregate principal amount of such series of Local Obligations, less an allocable portion of the original issue discount and underwriter’s discount.

* Preliminary; subject to change.

Local Obligations

Sources:	City CFD Bonds	School District CFD Bonds
Par amount	\$2,620,000*	\$4,295,000*
Less: Original issue discount		
Less: Initial purchaser's discount		
Plus: Transfers from Prior Bonds funds ⁽¹⁾		
Total Sources		
Uses:		
Refunding Fund ⁽²⁾		
Costs of Issuance ⁽³⁾		
Total Uses		

- (1) Includes moneys released from debt service reserve funds and Special Tax Funds.
- (2) Fund established under the Escrow Agreement. See "Refunding of Prior Bonds – *Refunding Escrow*."
- (3) Include the premium for the related Reserve Policy and a *pro rata* portion of the premium for the Bond Insurance Policy, fees and expenses of Bond Counsel, Disclosure Counsel, Municipal Advisor, Trustee/Fiscal Agent/Escrow Agent, Special Tax Consultant and Verification Agent, printing expenses and other costs.

BONDS

General

The Bonds will be issued in the aggregate principal amount and will mature on the dates and bear interest at the rates per annum as set forth on the inside front cover of this Official Statement. The Bonds will be issued in multiple integrals of \$5,000 principal amount and will be dated their date of delivery. Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on March 1 and September 1 of each year, commencing March 1, 2020 (each an "Interest Payment Date"), until maturity or earlier redemption.

Interest on any Bond will be payable from the Interest Payment Date next preceding the date of authentication of that Bond, unless (i) such Bond is authenticated after a Record Date (*i.e.*, the 15th calendar day of the month preceding an Interest Payment Date) and on or before the following Interest Payment Date, in which event interest will be payable from such Interest Payment Date, or (ii) such Bond is authenticated on or before February 15, 2020, in which event interest will be payable from the issuance of the Bonds (the "Closing Date"); provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond will bear interest from the Interest Payment Date to which the interest has previously been paid or made available for payment thereon, or from the Closing Date if no interest has been paid or made available for payment.

The Bonds will be initially delivered as one fully registered certificate for each maturity (unless the Bonds of such maturity bear different interest rates, then one certificate for each interest rate among such maturity) and will be delivered by means of the book-entry system of DTC. While

* Preliminary; subject to change.

the Bonds are held in DTC's book-entry only system, all payments of principal of, interest and premium (if any) on the Bonds will be made to Cede & Co., as the registered owner of the Bonds. See "Book-Entry Only System" below and "APPENDIX G – DTC'S BOOK-ENTRY ONLY SYSTEM."

Redemption

*Optional Redemption.** The Bonds maturing on or before September 1, 20__ will not be subject to optional redemption prior to maturity. The Bonds maturing on or after September 1, 20__ may be redeemed at the option of the Authority, from any source of available funds, on any date on or after September 1, 20__, as a whole, or in part (from such maturities as are selected by the Authority, and by lot within a maturity); provided that the principal and interest on the Bonds to remain Outstanding immediately after such optional redemption will not be in excess of the remaining principal and interest payable on the Local Obligations to remain outstanding immediately after such optional redemption. In the event of an optional redemption, the Bonds will be redeemed at the following redemption prices (expressed as a percentage of the principal amount to be redeemed), together with accrued interest to the date of redemption:

Redemption Dates	Redemption Price
September 1, 20__ through and including August 31, 20__	
September 1, 20__ through and including August 31, 20__	
September 1, 20__ and any date thereafter	

Extraordinary Redemption. The Bonds are also subject to extraordinary redemption on any Interest Payment Date on or after March 1, 2020, from the proceeds of an early redemption of Local Obligations (from prepayment of Special Taxes or with respect to the School District CFD Bonds, any excess Special Tax Funds as contemplated in the School District CFD FA Agreement). Such extraordinary redemption of the Bonds may be as a whole, or in part, from such maturities as are selected by the Authority (consistent with the maturities of the respective Local Obligations being redeemed), and by lot within a maturity. In the event of an extraordinary redemption, the Bonds will be redeemed at the following redemption prices (expressed as a percentage of the principal amount to be redeemed), together with accrued interest to the date of redemption:

Redemption Dates	Redemption Price
March 1, 2020 through and including August 31, 20__	
September 1, 20__ through and including August 31, 20__	
September 1, 20__ through and including August 31, 20__	
September 1, 20__ and any date thereafter	

Mandatory Sinking Payment Redemption. The Bonds maturing on September 1, 20__ and on September 1, 20__, will be subject to mandatory sinking payment redemption in part on September 1, 20__, September 1, 20__, respectively, and on each September 1 thereafter, as set

* Preliminary; subject to change.

forth in the applicable tables below, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

Bonds maturing September 1, 20__

Redemption Date <u>(September 1)</u>	Sinking <u>Payment</u>
---	---------------------------

20__*

* maturity

Bonds maturing September 1, 20__

Redemption Date <u>(September 1)</u>	Sinking <u>Payment</u>
---	---------------------------

20__*

* maturity

In the event of any prior partial redemption of the Bonds as described above under “*Optional Redemption*” or “*Extraordinary Redemption*,” the amounts in the foregoing tables will be reduced in the manner specified in the Indenture.

Notice of Redemption. Notice of redemption will be sent by the Trustee not more than 60 and not less than 30 days before any redemption date, to the respective registered Owners of any Bonds designated for redemption at their addresses appearing on the registration books maintained by the Trustee and to the Securities Depositories and the Information Services. Neither the failure to receive any notice of redemption nor any defect therein will affect the proceedings for such redemption or the cessation of the accrual of interest thereon.

In the case of an optional redemption of the Bonds as described above, the notice of redemption will state that the optional redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds on the anticipated redemption date, and that the optional redemption will not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled redemption date to so optionally redeem the Bonds, the Trustee will send written notice to the Owners of the Bonds, to the Securities Depositories and to one or more of the Information Services to the effect that the optional redemption did not occur as anticipated, and the Bonds for which notice of redemption was given will remain Outstanding for all purposes of the Indenture.

Notwithstanding the foregoing, so long as the Bonds are held in book-entry form, any notice of redemption or notice described in the immediately preceding paragraph will be sent by the Trustee only to DTC as the registered Owner of the Bonds. See “Book-Entry Only System” below.

Selection of Bonds for Redemption. For purposes of the selection by the Authority of Bonds among maturities for redemption, the Bonds will be selected for redemption among maturities by the Authority on such basis that the remaining scheduled payments of principal and interest on the Local Obligations, together with other available Revenues, will be sufficient on a timely basis to pay debt service on the Bonds, as shall be demonstrated in a report of an Independent Financial Consultant filed with the Trustee. Unless otherwise provided in the Indenture, if less than all of a maturity are to be redeemed, the Trustee will select the Bonds to be redeemed from all Bonds of such maturity not previously called for redemption, by lot in any manner which the Trustee in its sole discretion will deem fair and appropriate. For purposes of such selection, all Bonds will be deemed to be comprised of separate \$5,000 authorized denominations, and such separate authorized denominations shall be treated as separate Bonds which may be separately redeemed.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon from and after the redemption date specified in the notice. All Bonds which are redeemed will be cancelled and destroyed.

Purchase in Lieu of Redemption. In lieu of redemption of Bonds as described above, amounts held by the Trustee for such redemption will, at the written request of the Authority received by the Trustee before the selection of Bonds for redemption, be applied by the Trustee to the purchase of Bonds at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the Authority may in its discretion direct, but not to exceed the redemption price which would be payable if such Bonds were redeemed. The aggregate principal amount of Bonds of the same maturity purchased in lieu of redemption pursuant to the Indenture will not exceed the aggregate principal amount of Bonds of such maturity which would otherwise be subject to such redemption. Any Bonds so purchased in lieu of redemption shall be treated as if such Bonds were redeemed, for all purposes of the Indenture.

Book-Entry Only System

The Bonds will be issued as one fully registered bond without coupons for each maturity of the Bonds (unless there are different interest rates within such maturity, then one certificate for each interest rate within such maturity) and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in integral multiples of \$5,000 principal amount. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal of and interest on the Bonds will be paid to the account of Cede & Co., which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. So long as DTC’s book-entry system is in

effect with respect to the Bonds, notices to Owners of the Bonds by the City or the Fiscal Agent will be sent to DTC. Notices and communication by DTC to its participants, and then to the beneficial owners of the Bonds, will be governed by arrangements among them, subject to then effective statutory or regulatory requirements. See “APPENDIX G – DTC’S BOOK-ENTRY ONLY SYSTEM.”

In the event that such book-entry system is discontinued with respect to the Bonds, the Authority will execute and deliver replacements in the form of registered certificates and, thereafter, the Bonds will be transferable and exchangeable on the terms and conditions provided in the Indenture. In addition, the following provisions would then apply: The principal of, and redemption premium, if any, on the Bonds will be payable only upon the presentation and surrender thereof at maturity or the redemption date, as applicable, at the corporate trust office of the Trustee in Los Angeles, California, or such other location as designated by the Trustee. The interest on the Bonds will be payable to the registered Owners as shown on the registration books of the Trustee as of the related Record Date (*i.e.*, the 15th calendar day of the month preceding such Interest Payment Date), either (i) by check mailed, first class, postage prepaid, on each Interest Payment Date, or (ii) by wire transfer to an account in the continental United States of America on such Interest Payment Date upon instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds provided to the Trustee in writing at least five Business Days before the Record Date for such Interest Payment Date, with any such written instructions to remain in effect until rescinded in writing by the Owner submitting such instructions.

Annual Debt Service

The following table shows the annualized debt service for the Bonds, assuming no optional or extraordinary redemption prior to their respective maturity dates:

<u>Bonds Year Ending September 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
TOTAL			

BOND INSURANCE

The following information has been furnished by _____, as the Bond Insurer, for use in this Official Statement. Such information has not been independently confirmed or verified by the Authority, the City, the School District or the Underwriter. The Authority, the City, the School District and the Underwriter do not make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date of this Official Statement. Reference is made to Appendix H for a specimen of the Bond Insurance Policy.

[to come]

SECURITY FOR BONDS

General

The Bonds will be secured by a pledge of and payable solely from Revenues, which are primarily made up of amounts payable by the CFDs as debt service (including interest and principal payments, and redemption premium, if any) with respect to the Local Obligations and moneys in certain accounts held under the Indenture. The Local Obligations of each CFD will be secured by a pledge of and payable solely from Special Tax Revenues of such CFD, consisting primarily of the Special Taxes levied and collected by such CFD, and moneys in certain accounts maintained under the related Fiscal Agent Agreement. Pursuant to the Indenture, the Authority will assign to the Trustee, for the benefit of the Owners of the Bonds, all of the Revenues and all of the Authority's right, title and interest in the Local Obligations. The Trustee will be entitled to and will, subject to the provisions of the Indenture, take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the CFDs under the Local Obligations.

The Bonds will be limited obligations of the Authority payable from and secured solely by a pledge of Revenues and moneys in certain accounts pledged for such purpose in the Indenture. Neither the faith and credit nor the taxing power of the City, the School District or the State or any political subdivision thereof will be pledged to the payment of the Bonds. The Authority has no taxing power. Local Obligations of each CFD will be limited obligations payable from and secured solely by a pledge of the Special Tax Revenues of such CFD and moneys in certain accounts pledged under the related Fiscal Agent Agreement. Neither the Bonds nor the Local Obligations will constitute an indebtedness of the Authority, the City, the School District, the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Application of Revenues under Indenture

The Trustee will establish and maintain a Revenue Fund and a Surplus Fund under the Indenture. Within the Revenue Fund, the Trustee will establish a Principal Account and an Interest Account. All Revenues constituting payments on the Local Obligations received by the Authority or the Trustee after the Closing Date will be deposited into the Revenue Fund. Amounts, once transferred in the Surplus Fund, will not be considered Revenues and will not be pledged to repay the Bonds.

Revenues, as defined under the Indenture, will include the following: (a) all payments on the Local Obligations received by the Trustee; (b) any proceeds of the Bonds originally deposited with the Trustee and all moneys deposited and held from time to time by the Trustee in the funds and accounts established under the Indenture with respect to the Bonds (other than the Costs of Issuance Fund and the Surplus Fund); and (c) investment income with respect to any moneys held by the Trustee in the funds and accounts established under Indenture with respect to the Bonds (other than investment income on moneys held in the Costs of Issuance Fund and the Surplus Fund).

On each Interest Payment Date and redemption date of the Bonds, amounts in the Revenue Fund will be deposited by the Trustee, in the following order of priority, into the accounts and funds relating to the Bonds. First, the Trustee will deposit in the Interest Account an amount necessary to increase the balance of the Interest Account to the amount of interest due on the Bonds on such Interest Payment Date or redemption date. Second, the Trustee will deposit in the Principal Account an amount necessary to increase the balance of the Principal Account to the amount of principal of, and premium, if any, of the Bonds coming due on such Interest Payment Date or redemption date.

On September 2 of each year, after the above described transfers to the Interest Account and the Principal Account have been made, all amounts remaining in the Revenue Fund will be deposited in the Surplus Fund. Amounts deposited in the Surplus Fund will be disbursed by the Trustee to the City and the School District in accordance with the Indenture.

See “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Indenture.”

Local Obligations Generally

Pursuant to the Fiscal Agent Agreements, a CFD’s Local Obligations will be secured by a first pledge of Special Tax Revenues of such CFD. Special Tax Revenues, with respect to each CFD, include: (i) the proceeds of the Special Taxes received by such CFD, including any scheduled payments and any prepayments thereof, interest and penalties thereon and (ii) proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes of such CFD to the amount of said interest, but shall not include any interest or penalties in excess of the interest due on such CFD’s Local Obligations collected in connection with any such foreclosure.

A Special Tax Fund, an Administrative Expense Fund, a Bond Fund (and a Special Tax Prepayments Account therein) and a Reserve Fund will be established under each Fiscal Agent Agreement. The Special Tax Fund and the Administrative Expense Fund will be held by the City or the School District, as applicable, for its CFD. The Fiscal Agent will maintain the Bond Fund and the Reserve Fund. The Local Obligations of a CFD will be secured by such CFD’s Special Tax Revenues, the moneys in the related Bond Fund and Reserve Fund and, until disbursed as provided in the Fiscal Agent Agreement, the CFD’s Special Tax Fund. ***Except for the Bond Fund (and the Special Tax Prepayments Account maintained within the Bond Fund), the Reserve Fund and the Special Tax Fund (but only until money therein is disbursed pursuant to the Fiscal Agent Agreement), moneys in no other fund or account established or held under a CFD’s Fiscal Agent Agreement will be pledged to the payment of such CFD’s Local Obligations.***

Scheduled principal and interest payments on the Local Obligations have been established so that the aggregate dollar amount of debt service payable by the CFDs with respect to the Local Obligations on each Interest Payment Date is equal to the amount of debt service scheduled to be paid by the Authority with respect to the Bonds on the same date. The table below shows the scheduled debt service on the Bonds and each series Local Obligations for each Bond Year.

Authority Bonds Debt Service Payments from Local Obligations Debt Service ⁽¹⁾

Bond Year Ending Sept. 1	City CFD Bonds*	School District CFD Bonds*	Local Obligations Total*	Authority Bonds*
2020	\$370,083	\$448,125	\$818,208	\$818,208
2021	369,250	448,500	817,750	817,750
2022	371,750	451,250	823,000	823,000
2023	368,500	443,250	811,750	811,750
2024	369,750	445,000	814,750	814,750
2025	365,250	446,000	811,250	811,250
2026	370,250	446,250	816,500	816,500
2027	369,250	445,750	815,000	815,000
2028	367,500	449,500	817,000	817,000
2029		297,250	297,250	297,250
2030		301,750	301,750	301,750
2031		305,500	305,500	305,500
2032		303,500	303,500	303,500
2033		301,000	301,000	301,000
2034		298,000	298,000	298,000
2035		304,500	304,500	304,500
TOTAL ⁽²⁾	\$3,321,583	\$6,135,125	\$9,456,708	\$9,456,708

* Preliminary; subject to change.

- (1) Does not take into account any optional or extraordinary redemption of the Bonds or any of the Local Obligations. Pursuant to the Indenture, proceeds derived from an optional or extraordinary redemption of the Local Obligations will be used to redeem Bonds. See “BONDS – Redemption.”
- (2) Totals may not add due to rounding.

As shown above, absent any optional redemption or extraordinary redemption prior to maturity, between the Closing Date and September 1, 2028, approximately 45 percent* of Revenues for payment of the Bonds each Bond Year will be derived from debt service on the City CFD Bonds and approximately 55* percent of Revenues will be derived from debt service on the School District CFD Bonds. The percentage of Revenues to be covered by the Local Obligations of a CFD each year may change over time, however, under certain circumstances, such as an extraordinary redemption or an optional redemption of all or some of such CFD’s Local Obligations. After September 1, 2028, 100 percent of the Revenues will be covered by debt service on the School District CFD Bonds.

Special Taxes

Each of the City and the School District will covenant in the related Fiscal Agent Agreement that its CFD will levy Special Taxes each fiscal year, subject to the maximum permitted Special Tax rates (see “Rates and Methods” below), in an amount at least sufficient to pay the following, taking into account the balances in the applicable funds held under such Fiscal Agent Agreement: (i) principal of and interest on such CFD’s outstanding Local Obligations becoming due in the ensuing year, including any past due debt service on such CFD’s Local Obligations and (ii) an amount estimated to be sufficient to pay the Administrative Expenses (as defined in each Fiscal Agent Agreement), including amounts necessary to discharge any rebate obligation to the United States pursuant to Section 148(f) of the Internal Revenue Code during such year. See “APPENDIX D – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Fiscal Agent

Agreements.” The Rates and Methods provide that the annual Special Taxes are to be collected in the same manner and at the same time interval as ordinary *ad valorem* property taxes; provided the City Council or the School Board may by resolution change the manner of collection of its CFD’s Special Taxes. Each of the City and the School District will covenant in the related Fiscal Agent Agreement that it will not consent or conduct proceedings to reduce the maximum Special Taxes that may be levied by its CFD, if such reduction would result in the maximum Special Taxes permitted to be levied by such CFD, for any fiscal year, to an amount to be less than 110 percent of Maximum Debt Service with respect to such CFD’s outstanding Local Obligations.

Each CFD will be responsible only for the payment of the Local Obligations of such CFD. The Special Taxes levied by each CFD will not be cross-pledged or available to pay debt service on the Local Obligations of the other CFD.

The Special Taxes constitute a lien on parcels subject to taxation within the CFDs (subject, however, to the qualification described under “Rates and Methods – *Qualification Regarding Lien on Delinquent Parcels*” below). ***Special Taxes do not constitute a personal indebtedness of the owners of property within the CFDs.*** There is no assurance that the owners of real property in the CFDs will be financially able to pay the Special Taxes or that they will pay such tax even if financially able to do so. See “BONDOWNERS’ RISKS” for a discussion of certain factors which may affect property owners’ ability or willingness to pay Special Taxes.

Rates and Methods

The following are summaries of the Rates and Methods, which are qualified by the complete text reprinted in “APPENDIX B – CITY CFD RATE AND METHOD” and “APPENDIX C – SCHOOL DISTRICT CFD RATE AND METHOD.” Please refer to Appendix B for definitions of capitalized terms used but not defined in the summary of the City CFD RMA below. Please refer to Appendix C for definitions of capitalized terms used but not defined in the summary of the School District CFD RMA below.

City CFD RMA. The types of Special Taxes which may be levied by the City CFD include: (a) Annual Special Taxes on each Parcel of Developed Property improved with a Dwelling Unit, (b) Annual Special Taxes on a per acre basis for Undeveloped Property, and (c) if necessary, Annual Special Taxes on a per acre basis on certain other specified categories of property as described below. (The City CFD RMA also provides for the levy of certain Mandatory Supplemental Prepayments, which are no longer applicable because of Olinda Ranch’s developed status.)

The City CFD is authorized to levy Annual Special Taxes each fiscal year in an amount necessary to meet the Special Tax Liability, subject to the maximum rates set forth in the City CFD RMA and applicable law. Special Tax Liability, as defined in the City CFD RMA, means the sum of the following for each fiscal year: (i) an amount sufficient to pay Debt Service for the calendar year which commences in such fiscal year, (ii) Administrative Expenses for such fiscal year, (iii) an amount necessary to replenish any reserve fund for the bonds issued by the City for the City CFD, (iv) an amount determined by the City Finance Director to offset past or projected future special tax delinquencies, and (v) an amount determined by the City Finance Director as

necessary to make any other payments required to be made in the applicable fiscal year by the City or the CFD under the City CFD FA Agreement and any supplements thereto.

Under the City CFD RMA, Annual Special Taxes are levied each fiscal year, first, Proportionately on each Parcel of Developed Property at the applicable maximum Annual Special Tax; provided, that such Annual Special Taxes for each Parcel are reduced if the aggregated amount to be levied on all Parcels of Developed Property at the maximum rate is greater than the Special Tax Liability. If the Annual Special Taxes levied on Developed Property are insufficient to satisfy the Special Tax Liability, then Annual Special Taxes are levied Proportionately on each Parcel of Undeveloped Property, up to the applicable maximum Annual Special Tax, to satisfy the Special Tax Liability. If the Annual Special Taxes levied on Developed Property and Undeveloped Property as described above are insufficient to satisfy the Special Tax Liability, Annual Special Taxes then are levied on, in the order set forth in the City CFD RMA, Taxable Homeowner Association Property, Taxable Religious Property and Taxable Public Property.

Because the City CFD Special Taxes levied on Developed Property have been sufficient to meet the Special Tax Liability, no City CFD Special Taxes have been levied on any Parcel of Undeveloped Property, Taxable Homeowner Association Property, Taxable Religious Property or Taxable Public Property for over fifteen years.

The Annual Special Tax obligation for any Parcel of Developed Property may be prepaid, in whole or in part, at the option of the Owner of such Parcel under the procedures and formulas set forth in the City CFD RMA. Upon such a prepayment, a portion of the City CFD Bonds will be redeemed with proceeds of such prepayment and a transfer from the applicable Reserve Fund pursuant to the related Fiscal Agent Agreement. Such a redemption of the City CFD Bonds will trigger a corresponding extraordinary redemption of the Bonds pursuant to the Indenture. See “BONDS – Redemption – *Extraordinary Redemption*.”

The City CFD RMA provides that the following are exempt from the levy of City CFD Special Taxes: (i) up to a total of 126 acres of Public Property, except as otherwise provided in certain sections of the Mello-Roos Act; (ii) up to 10 acres of Homeowner Association Property; and (iii) Lot 4 of Tract 14884 (which is an open space reserved for oil production and related facilities, see “COMMUNITY FACILITIES DISTRICTS”).

The levy of City CFD Special Taxes on each Parcel in any fiscal year is subject to the maximum rates set forth in the City CFD RMA and the Mello-Roos Act. The maximum Annual Special Tax for any Parcel of Developed Property is not permitted to exceed the Parcel’s Proportioned share of the Special Tax Liability. For this purpose, the Special Tax Liability for each fiscal year is an amount not in excess of 110 percent of Debt Service, plus Administrative Expenses, for such fiscal year. The maximum Annual Special Tax for any Parcel of Undeveloped Property, Taxable Homeowner Association Property, Taxable Religious Property and Taxable Public Property is \$20,000 per acre. The Mello-Roos Act contains provisions which may limit the City’s ability to increase the City CFD Special Taxes levied on a residential property by more than 10 percent in any given fiscal year as the result of a delinquency or default by the owner of another parcel. The Mello-Roos Act also limits the ability for the levy of City CFD Special Taxes on properties owned by governmental entities. See “BONDOWNERS’ RISKS – Exempt Property.”

School District CFD RMA. Pursuant to the School District RMA, Annual Taxes are levied on a per Dwelling Unit basis for Developed Property, on a per acre basis for Undeveloped Property, and if necessary, on a per acre basis on certain other specified categories of property as described below. The School District CFD RMA also provides for the levy of a Per-Unit Special Tax and certain Mandatory Supplemental Prepayments, which are generally no longer applicable because of the Olinda Ranch's developed and built-out status.

The School District CFD is authorized to levy Annual Special Taxes each fiscal year in order to meet the Special Tax Requirement, subject to the maximum rates set forth in the School District CFD RMA and applicable law. Special Tax Requirement, as defined in the School District CFD RMA, means an amount required in any fiscal year for the School District CFD to (i) pay Debt Service on Outstanding bonds issued by the School District for the School District CFD which is scheduled for payment in the calendar year which begins in such fiscal year, (ii) pay periodic costs on such bonds, including but not limited to, credit enhancement on such bonds, (iii) pay for any delinquencies in the payment of Annual Special Taxes levied for the prior fiscal year and any reasonably anticipated delinquent Annual Special Taxes in the current fiscal year, and (iv) pay for any Administrative Expenses.

Under the School District CFD RMA, Annual Special Taxes are levied each fiscal year, first, on each Parcel of Developed Property at the maximum Annual Special Tax applicable to such Parcel. If the Annual Special Taxes levied on Developed Property are insufficient to satisfy the Special Tax Requirement, Annual Special Taxes then are levied Proportionately on each Parcel of Undeveloped Property, up to the applicable maximum Annual Special Tax, to satisfy the Special Tax Requirement. If the Annual Special Taxes levied on Developed Property and Undeveloped Property as described above are insufficient to satisfy the Special Tax Requirement, Annual Special Taxes then are levied on, in the order set forth in the School District CFD RMA, Taxable Homeowner Association Property, Taxable Religious Property and Taxable Public Property. Because the School District CFD Special Taxes levied on Developed Property have been sufficient to meet the Special Tax Requirement, no School District CFD Special Taxes have been levied on any Parcel of Undeveloped Property, Taxable Homeowner Association Property, Taxable Religious Property or Taxable Public Property for over fifteen years.

The Annual Special Tax obligation for any Parcel of Developed Property or for a Parcel of Undeveloped Property for which a Building Permit has been issued may be prepaid, in whole or in part, at the option of the Owner of such Parcel under the procedures and formulas set forth in the School District CFD RMA. Upon such a prepayment, a portion of the School District CFD Bonds will be redeemed with proceeds of such prepayment and a transfer from the applicable Reserve Fund pursuant to the related Fiscal Agent Agreement. Such a redemption of the School District CFD Bonds will trigger a corresponding extraordinary redemption of the Bonds pursuant to the Indenture. See "BONDS – Redemption – *Extraordinary Redemption*."

The School District CFD RMA provides that the following are exempt from the levy of School District CFD Special Taxes: (i) up to a total of 170.4 acres of Public Property, except as otherwise provided in certain sections of the Mello-Roos Act; (ii) up to a total number of acres of Homeowner Association Property equal to the number of acres designated by the master tentative tract map as Homeowner Association Property; and (iii) Lot 4 of Tract 14884 (which is an open space reserved for oil production and related facilities, see "COMMUNITY FACILITIES

DISTRICTS – Olinda Ranch Overview”). In addition, there is a 7.9 acre site (the “Prior School Site”) on which the School District had originally acquired for the construction of an elementary school but was later sold to a private developer. The Prior School Site has been subdivided into 19 parcels and developed into single family homes. The School District has determined that, pursuant to the School District CFD RMA, no Annual Special Taxes are levied on these 19 parcels on the Prior School Site. (In contrast, the City CFD Annual Special Taxes are levied on these 19 parcels.)

The levy of the Annual Tax on each Parcel by the School District CFD in any fiscal year is subject to the maximum rates set forth in the School District CFD RMA and the Mello-Roos Act. The maximum Annual Special Tax for any Parcel of Developed Property varies based on the “Planning Area” in which such Parcel is located. The School District CFD RMA sets forth a dollar amount for the maximum Annual Special Tax generally applicable to a Parcel in each Planning Area as of fiscal year 2000-01 and provides that such maximum Annual Special Tax increases each fiscal year based on a construction cost index). However, pursuant to the provisions of the School District CFD RMA, the actual dollar amount of maximum Annual Special for a particular Parcel is frozen at an amount equal to the maximum Annual Special Tax in effect with respect to such Parcel for the fiscal year in which such Parcel first became classified as Developed Property. The maximum Annual Special Tax on each Parcel of Undeveloped Property, Taxable Homeowner Association Property, Taxable Religious Property and Taxable Public Property is the same throughout the School District CFD and increases each fiscal year based on the Index. The Mello-Roos Act contains provisions which may limit the School District’s ability to increase the School District CFD Special Taxes levied on a residential property by more than 10 percent in any given fiscal year as the result of a delinquency or default by the owner of another parcel. The Mello-Roos Act also limits the ability for the levy of School District CFD Special Taxes on properties owned by governmental entities. See “BONDOWNERS’ RISKS – Exempt Property.”

Qualification Regarding Lien on Delinquent Parcels. The Rates and Methods of both CFDs recognize that, in the event of there is a delinquency of Annual Tax on a Parcel, the CFD may pursue foreclosure in accordance with the Mello-Roos Act. See “Covenant to Foreclose.” However, the Rate and Methods expressly provide that no lien of Special Taxes on a Parcel shall attach to (i) oil, gas or other minerals in, under and produced from that portion of the subsurface of the Parcel located below a depth of 200 feet beneath the surface of the Parcel or (ii) the perpetual right to enter and occupy or to grant to others the right to enter and occupy, at all times that portion of the subsurface of the Parcel located below a depth of 200 feet beneath the surface of the Parcel for the purpose of exploring and drilling (including the right to whipstock or directionally drill and mine from lands other than those described in the Rates and Methods) for developing, producing and removing oil, gas and other minerals from said portion of the subsurface beneath the Parcel and other land adjacent thereto, and for the purpose of producing and removing oil, gas and other minerals from said portion of the Parcel, or (iii) portions of the surface of the Parcel that will be subject to both exclusive and joint use easements retained by Santa Fe Energy Resources, Inc. (and any of its successors) for the purpose of exploring, drilling, developing, producing, transporting and storing oil, gas and other minerals, such exclusive and joint use easements to be defined in each Final Map.

Application of Special Tax Revenues under Fiscal Agent Agreements

Except with respect to proceeds of Special Tax Prepayments or delinquency collections as provided below, as soon as practicable after receipt, all Special Tax Revenues of a CFD will be deposited in such CFD's Special Tax Fund. Proceeds of Special Tax Prepayments will be transferred to the Fiscal Agent for deposit in such CFD's Special Tax Prepayments Account. Any Special Tax Revenues constituting the collection of delinquencies in payment of Special Taxes will be transferred: *first*, to the Fiscal Agent for deposit by the Fiscal Agent in the Bond Fund to the extent needed to pay any past due debt service on the Bonds; *second*, to the Fiscal Agent (a) to the repayment of draws and payment of expenses and accrued interest on the related Reserve Policy ("Policy Costs"), if any, and (b) for the Fiscal Agent to deposit in the Reserve Fund the amount, if any, needed to restore the balance on deposit or credited to the Reserve Fund to the then Reserve Requirement; and *third*, will be retained in the Special Tax Fund.

Moneys deposited in a CFD's Special Tax Fund will be transferred to the related Bond Fund and Reserve Fund no later than the Business Day before each Interest Payment Date or the date of redemption of such CFD's Local Obligations, in the following amount and order of priority:

(i) to the Bond Fund, an amount, taking into account any amounts then on deposit in the Bond Fund and any expected transfers from the Reserve Fund (see "Reserve Funds" below) or the Special Tax Prepayments Account pursuant the Fiscal Agent Agreement, such that the amount in the Bond Fund will equal the principal, premium, if any, and interest due on the such CFD's Local Obligations on the next Interest Payment Date or redemption date, (ii) to the Fiscal Agent in respect of the Reserve Fund, an amount, (a) sufficient to pay any Policy Costs then due and owing, and (b) taking into account amounts then on deposit in or credited to the Reserve Fund, such that the balance of the Reserve Fund is restored to the Reserve Requirement, to the extent possible. Amounts in a CFD's Special Tax Fund will also be transferred from time to time to the Administrative Expense Fund as necessary to pay Administrative Expenses (as defined in the related Fiscal Agent Agreement), but any such transfers may not exceed, in any fiscal year, the amount included in the Special Tax levy for such fiscal year for Administrative Expenses.

Moneys in a CFD's Special Tax Prepayments Account will be transferred to the related Bond Fund on the next date that a redemption of such CFD's Local Obligations can timely occur under such CFD's Fiscal Agent Agreement.

With respect to the Local Obligations of each CFD, on each Interest Payment Date or redemption date, the Fiscal Agent will withdraw from the related Bond Fund and pay first, interest on, and second, principal of and any redemption premium then due on, such CFD's Local Obligations. Any payment not made in full as scheduled will continue to bear interest at the interest rate on such Local Obligations until paid, and will be paid from amounts transferred to the Bond Fund from the Special Tax Fund, promptly following any such transfer.

Reserve Funds

The Fiscal Agent will establish and maintain a Reserve Fund under each Fiscal Agent Agreement. The Reserve Requirement, with respect to each CFD's Local Obligations, means an amount equal to the least of: (i) 10 percent of the outstanding principal amount of such CFD's

Local Obligations and any additional parity bonds of such CFD issued under the related Fiscal Agent Agreement, (ii) Maximum Annual Debt Service, or (iii) 125 percent of average Annual Debt Service. On the Business Day before each Interest Payment Date, if the balance of a CFD's Reserve Fund is less than the related Reserve Requirement, an amount – after the required deposits to the Bond Fund for the purposes of paying principal, interest and premium, if any, due on such CFD's Local Obligations – will be transferred from such CFD's Special Tax Fund to the Reserve Fund, such that the balance of such Reserve Fund will be restored to the Reserve Requirement to the extent possible.

Upon their issuance, the Reserve Requirement for the City CFD Bonds will be \$_____, and the Reserve Requirement for the School District CFD Bonds will be \$_____. Each Fiscal Agent Agreement provides that the Reserve Requirement may be satisfied at any time, in whole or in part, by one or more Qualified Reserve Fund Credit Instrument that meet the criteria set forth in such Fiscal Agent Agreement. Concurrently with the issuance the Bonds, the Bond Insurer will issue: (i) the City CFD Reserve Policy, in a face amount which satisfy the related Reserve Requirement, to be credited to City CFD Reserve Fund, and (ii) the School District CFD Reserve Policy, in a face amount which satisfy the Reserve Requirement, to be credited to School District CFD Reserve Fund.

Moneys in a CFD's Reserve Fund are available only to make up a deficiency with respect to the payment of such CFD's Local Obligations and are not available to make up any deficiency resulting with respect to the other CFD's Local Obligations.

Moneys in a CFD's Reserve Fund may be used solely for the purposes permitted under the related Fiscal Agent Agreement. In the event of a deficiency at any time in the Bond Fund for the required payment of principal of, or interest or redemption premium (if any) on, such CFD's Local Obligations, the Fiscal Agent will transfer money from the Reserve Fund, to the extent available, to the Bond Fund to make up for such deficiency.

The Fiscal Agent Agreement will provide that, if there is a prepayment of such CFD's Special Taxes and such CFD's Local Obligations are to be redeemed with the proceeds of such prepayment, the Fiscal Agent will transfer a proportionate amount of the funds (not including the amount available under the Reserve Policy), if any, in the Reserve Fund (determined on the basis of the principal of such CFD's Local Obligations to be redeemed and the original principal of such CFD's Local Obligations) on the Business Day before the redemption date to the Bond Fund to be applied to the redemption of such CFD's Local Obligations. Amounts in a CFD's Reserve Fund may also be used for to make payment to the federal government for arbitrage rebate purposes in accordance with the related Fiscal Agent Agreement.

Whenever, on or before any Interest Payment Date, the balance in a CFD's Reserve Fund (without regard to the related Reserve Policy), exceeds the amount required to redeem or pay such CFD's then outstanding Local Obligations, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent will transfer the amount in such CFD's Reserve Fund to the related Bond Fund to be applied, on the next succeeding Interest Payment Date to the payment and redemption, of all of such CFD's remaining outstanding Local Obligations.

Whenever, on or before any Interest Payment Date, or on any other date at the request of City or the School District (as applicable), the amount in a CFD's Reserve Fund, taking into account the amount available under the related Reserve Policy, exceeds the related Reserve Requirement, the Fiscal Agent will transfer an amount equal to the excess from the Reserve Fund to the Bond Fund to be used for the payment of interest on such CFD's Local Obligations on the next Interest Payment Date in accordance with the Fiscal Agent Agreement.

See "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Fiscal Agent Agreements."

Covenant to Foreclose

Pursuant to the Mello-Roos Act, if the special taxes on a parcel become delinquent, a community facilities district may order the institution of a court action to foreclose the lien on such parcel. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. This foreclosure sale procedure is not mandatory. However, in the Fiscal Agent Agreements, the City and the School District will covenant that on or about September 1 of each fiscal year, upon a comparison of the Special Taxes levied by its CFD to the Special Taxes received, and subject to any constraints of the Teeter Plan (defined below, see "County Teeter Plan"):

Individual Delinquencies. If any single parcel subject to such CFD's Special Taxes is delinquent in the payment of the CFD's Special Taxes in the aggregate amount of \$2,500 or more, then a notice of delinquency (and a demand for immediate payment) will be sent to the property owner within 45 days of such determination, and (if the delinquency remains uncured), the CFD will commence foreclosure proceedings within 90 days of such determination. Notwithstanding the foregoing, such action may be deferred if the amount in the Reserve Fund is at least equal to the Reserve Requirement.

Aggregate Delinquencies. If the total amount of delinquent Special Taxes for the prior fiscal year for the entire CFD (including the total of individual delinquencies described above), exceeds five percent of the total Special Taxes levied by such CFD that are due and payable for the prior fiscal year, the CFD will notify or cause to be notified property owners who are then delinquent in the payment of such CFD's Special Taxes (and demand immediate payment) within 45 days of such determination, and will commence foreclosure proceedings within 90 days of such determination against each parcel of land with delinquency of such CFD's Special Taxes.

In the event that either the City on behalf of the City CFD or the School District on behalf of the School District CFD undertakes a foreclosure action, there could be delays in collection of the delinquent Special Tax levy pending the prosecution of foreclosure proceedings. No assurance can be given that real property subject to sale or foreclosure will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. Any foreclosure proceedings, once commenced, could be stayed because of bankruptcy proceedings by or against the owner of the delinquent property. See "BONDOWNERS' RISKS – Levy and Collection of Special Tax – *Foreclosure Delays; Sufficiency of Foreclosure Proceeds*," "– Depletion of Reserve Funds," "– Bankruptcy Limiting Remedies" and "– Interest of Federal Agencies or Government Sponsored Enterprises in Properties."

County Teeter Plan

The County has adopted an Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), pursuant to Sections 4701 through 4717 of the California Revenue and Taxation Code and has elected to include special taxes levied within community facilities districts within the Teeter Plan. Pursuant to the Teeter Plan, the County apportions to the local agencies 100 percent of the amount of the secured taxes which are levied regardless of the amount collected from property owners. The County retains all penalties and interest which are collected with delinquent taxes. Thus, so long as the Special Taxes levied on taxable property within a CFD are subject to the Teeter Plan, such CFD will receive 100 percent of the Special Taxes that such CFD levies in each fiscal year.

A CFD’s Special Taxes are allocated and distributed by the County to such CFD in installments as they are collected, beginning in November and ending in January with respect to the first installment of the Special Taxes which is due on December 10 of each year, and beginning in April and ending in May with respect to the second installment of the Special Taxes which is due on each April 10 of the following year. The CFD receives reports from the County Tax Collector regarding delinquent Special Taxes in February and May of each year. In the third week of July of each year, the CFD receives a final distribution of all delinquent Special Taxes levied for the preceding fiscal year.

Each CFD must comply with the following requirements, among others, in order to have such CFD’s Special Taxes apportioned and distributed pursuant to the Teeter Plan: (a) the CFD must participate in the County Tax Collector’s Special Tax Monitoring System; (b) the CFD may not separately collect Special Taxes before August 1 following the end of each tax year; provided that if judicial foreclosure before June 30 is required due to bond covenants or debt service payment requirements and the CFD must remove the Special Taxes from the tax bill before June 30 for separate collection, the CFD must require that the entire amount of the unpaid Special Taxes (both the first and the second installments) be removed from the tax bill; and (c) if it collects Special Taxes separately after July 31 in any tax year, it must collect penalties and interest at the correct rates (*i.e.*, 10 percent plus 1.5 percent of the principal amount per month after June 30) and forward such amounts together with the delinquent Special Taxes to the Tax Collector.

The above-mentioned restrictions on a CFDs’ separate collection of Special Taxes before August 1 following the end of each tax year could preclude the CFDs from commencing foreclosure proceedings to collect delinquent Special Taxes before that date. The CFDs’ covenants to foreclose on delinquent parcels described above under “Covenant to Foreclose” are subject to the extent permissible under the County’s Teeter Plan program and applicable law.

Once adopted, a county’s Teeter Plan will remain in effect unless (i) such county’s Board of Supervisors orders its discontinuance or (ii) before the commencement of a fiscal year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. However, if the rate of secured tax delinquency in a participating levying agency in any year exceeds three percent of the total of all taxes and assessments levied on the secured roll by that agency, such county’s Board of Supervisors, by resolution adopted not later than July 15 of the fiscal year, after a public hearing may discontinue the Teeter Plan procedure with respect to such levying agency. (As shown in

Tables 3 and 4 under “COMMUNITY FACILITIES DISTRICTS – Special Tax Levy and Delinquency History,” the delinquency rates for the Annual Special Tax levy for both CFDs in fiscal years 2014-15 through 2017-18 was less than one percent each year and, as of May 23, 2019, the delinquency rates for the Annual Special Tax levy for both CFDs in fiscal year 18-19 was less than 1.5 percent.)

See “BONDOWNERS’ RISKS – Special Levy and Collection of Special Taxes – *Teeter Plan Termination.*”

Issuance of Parity School District CFD Bonds

Pursuant to the School District CFD Bond Authorization (see “INTRODUCTION – Community Facilities Districts”), the School District CFD may incur additional bonded indebtedness up to the principal amount of \$1,035,000 under the existing voter authorization, in addition to bonds that may be issued for refunding purposes. (In contrast, without additional voter approval, the additional City CFD bonds may be issued only for refunding purposes.) In the Fiscal Agent Agreement for the School District CFD Bonds, the School District covenants that additional bonds on a parity with the School District CFD Bonds (the “Parity School District CFD Bonds”) will be issued only upon satisfaction of certain conditions precedent which include, among other things, the following:

- (a) The Supplemental Agreement providing for the issuance of such Parity School District CFD Bonds may provide for the establishment of separate funds and accounts, and will provide for a deposit to the School District CFD Reserve Fund (which may be satisfied in whole or in part by a reserve fund surety policy) in an amount necessary so that the amount on deposit therein, following the issuance of such Parity School District CFD Bonds, is equal to the Reserve Requirement;
- (b) The District Value (defined below) will be at least eight times the sum of: (i) the aggregate principal amount of all of the School District CFD Bonds and Parity School District CFD Bonds then Outstanding, plus (ii) the aggregate principal amount of the series of Parity School District CFD Bonds proposed to be issued, plus (iii) the aggregate principal amount of any fixed assessment liens on the parcels in the School District CFD subject to the levy of School District CFD Special Taxes, plus (iv) a portion of the aggregate principal amount of any and all other community facilities district bonds then outstanding and payable at least partially from special taxes to be levied on parcels of land within the School District CFD (the “Other District Bonds”) equal to the aggregate principal amount of the Other District Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for the Other District Bonds on parcels of land within the School District CFD, and the denominator of which is the total amount of special taxes levied for the Other District Bonds on all parcels of land against which the special taxes are levied to pay the Other District Bonds (such fraction to be determined based upon the maximum special taxes which could be levied in the year in which maximum annual debt service on the Other District Bonds occurs), based upon information from the most recent available fiscal year;

- (c) The School District will obtain a certificate of a Tax Consultant to the effect that the amount of the maximum School District CFD Special Taxes that may be levied in each fiscal year, less an amount sufficient to pay annual Administrative Expenses of the School District CFD (as determined by the School District's Finance Officer), shall be at least 110 percent of the total Annual Debt Service for each such fiscal year on the School District CFD Bonds, then outstanding Parity School District CFD Bonds and the proposed Parity School District CFD Bonds.

For the purposes of paragraph (b) above, "District Value" means the market value, as of the date of the appraisal described below and/or the date of the most recent County real property tax roll, as applicable, of all parcels of real property in the School District CFD subject to the levy of the School District CFD Special Taxes, as determined with respect to any parcel or group of parcels by reference to (i) an appraisal performed within six months of the date of issuance of any proposed Parity School District CFD Bonds by an MAI appraiser (the "Appraiser") selected by the School District, or (ii), in the alternative, the assessed value of all or any of such parcels as shown on the then current County real property tax roll available to the School District's Finance Officer. In determining the District Value, the School District may rely on an appraisal to determine the value of some or all of the parcels in the School District CFD and/or the most recent County real property tax roll as to the value of some or all of the parcels in the District. Neither the School District nor its Finance Officer will be liable in respect of any appraisal provided for purposes of this definition or by reason of any exercise of discretion made by any Appraiser pursuant to this definition.

Notwithstanding the foregoing, the School District, acting for and on behalf of the School District CFD, may at any time issue additional parity bonds to refund any of its outstanding Local Obligations issued under the School District CFD FA Agreement without the need to satisfy the value-to-lien requirement or the coverage ratio requirement described above.

See "APPENDIX D – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Fiscal Agent Agreements" for a more complete summary of the conditions precedent to the issuance of Parity School District CFD Bonds.

No Acceleration

The Bonds will not be subject to acceleration under the Indenture and there will be no provision for acceleration of the Local Obligations under the Fiscal Agent Agreements.

Sale of Local Obligations

The Authority may cause the Trustee to sell, from time to time, all or a portion of an issue of the Local Obligations owned by the Authority, provided that the Authority delivers to the Trustee: (i) a certificate of an Independent Accountant to the effect that, following the sale of such Local Obligations, the Revenues (assuming timely receipt thereof), together with interest and principal due on any noncallable Federal Securities pledged to the repayment of the Bonds and the Revenues then on deposit under the Indenture, will be sufficient to pay the principal of and interest on the Bonds when due; and (ii) an opinion of Bond Counsel that the sale is authorized by the Indenture and will not adversely affect the exclusion of interest on the Bonds from gross income

for purposes of federal income taxation. The proceeds of any such sale will be disbursed as directed by the Authority.

COMMUNITY FACILITIES DISTRICTS

Olinda Ranch Overview

The CFDs encompass approximately 276 acres in a development known as Olinda Ranch. Construction of homes at Olinda Ranch began in 1998. The community is now fully developed. Olinda Ranch is a master planned residential community with a total area of 284.3 acres (including an area for community trail corridors at the corner of Carbon Canyon and Valencia Avenue that is not within the boundaries of the CFDs).

Within Olinda Ranch, there are approximately 124.2 acres of residential development, 34.2 acres of community facilities (including community parks and the Santa Fe Historical Center), 111.5 acres of open space and 15.4 acres of roadways. By agreement between the City and the developers of Olinda Ranch, 64 homes distributed throughout the community are designated as affordable homes available to qualified median- and moderate-income families. The residences in Olinda Ranch consist of single family homes, ranging from 1,050 to 4,267 square feet in building size, on lots ranging from 2,370 to 15,601 square feet.

Olinda Ranch is located in the northeast portion of City, at the northeast corner of Valencia Avenue and Carbon Canyon Road, 1-1/2 miles east of the State Highway 57. The CFDs are characterized by a topography that slopes upward from Carbon Canyon generally in a northwest direction. There are prominent off-site ridgelines and small and steep sloping canyons with drainage courses throughout. Prior to mass grading, there were four seasonally active streams on the site. An earthquake fault zone (also known as an Alquist-Priolo special studies zone) extends diagonally through the northern portion of the CFDs, which is an open space area, from northwest to southeast. Surrounding Olinda Ranch are vacant lands to the east and to the west, Carbon Canyon Regional Park and oil production lands to the south, and vacant lands to the north. Land within Olinda Ranch was formerly used for oil production. Tar seeps and methane gas, often associated with oil fields, were found in the Olinda Ranch area. Remediation and mitigation measures have been implemented in connection with the development of Olinda Ranch. See “BONDOWNERS’ RISKS – Hazardous Substance.” A landfill site, known as the Olinda Alpha Landfill, also sits to the north of Olinda Ranch, over a ridge from the residential areas. See “BONDOWNERS’ RISKS – Earthquakes and Other Natural Disasters” and “– Hazardous Substance – *Olinda Alpha Landfill Expansion.*”

Environmental Review

Pursuant to the California Environmental Quality Act (“CEQA”), a Final Environment Report for the Revised Olinda Heights Specific Plan & Vesting “A” Tentative Tract Map 14884 (the “FEIR”) was prepared in conjunction with the City’s approval of the Specific Plan. The FEIR addressed environmental issues associated with the development of Olinda Ranch. The City certified the FEIR on October 17, 1995. A Notice of Determination in compliance with CEQA was filed on October 19, 1995.

Assessed Valuation

In fiscal year 2018-19, the City CFD and the School District CFD levied Annual Special Taxes on 639 of the same parcels in Olinda Ranch. In addition, the City CFD levied its Special Taxes on 19 parcels at the Prior School Site (which was formerly owned by the School District). The School District has determined that, pursuant to the School District RMA, there would be no School District CFD Annual Special Tax levy on those 19 parcels.

Based on information obtained from the County, the total fiscal year 2018-19 secured assessed value for the 639 parcels subject to the levy of both of the City CFD and the School District CFD was \$446,196,695. The total 2018-19 secured assessed value for the 19 parcels subject to the City CFD Special Taxes levy only was \$17,953,079.

The tables below regarding the assessed value of the 658 parcels subject to the City CFD Special Tax (*i.e.*, including the 19 parcels with no School District CFD Annual Special Tax levy) is compiled from information obtained from the County, based on the fiscal year 2018-19 tax roll.

Table 1
City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) and
Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights)
Secured Assessed Valuation⁽¹⁾
Fiscal Years 2012-13 through 2018-19

Fiscal Year	Secured Assessed Value			% Change in Total Secured Assessed Value
	Land	Structure	Total	
2012-13	\$168,852,775	\$201,785,851	\$370,638,626	N/A
2013-14	171,614,324	203,346,747	374,961,071	1.17%
2014-15	195,056,347	206,094,399	401,150,746	6.98
2015-16	208,650,952	210,622,335	419,273,287	4.52
2016-17	218,966,258	213,597,847	432,564,105	3.17
2017-18	228,895,669	217,538,777	446,434,446	3.21
2018-19	241,760,728	222,389,046	464,149,774	3.97

(1) Inclusive of the 19 parcels not subject to the levy of the School District CFD Annual Special Tax. See “SECURITY FOR BONDS – Rates and Methods – *School District RMA*.” For reference, 2018-19 secured assessed value of such 19 parcels is \$17,953,079 (or 0.04 percent of the total secured assessed value of all parcels in the CFDs).

Source: Orange County Secured Roll as compiled by Willdan Financial Services.

Table 2
City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements)
and Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights)
Average Secured Assessed Value⁽¹⁾
by Building Square Footage

Dwelling Unit Building Size (in square feet)	Number of Parcels⁽¹⁾	Average 2018-19 Secured Assessed Value⁽²⁾
1,000 to 1,999	169	\$510,880
2,000 to 2,999	273	648,272
3,000 to 3,999	182	888,803
4,000 or greater	34	1,149,142
	658	\$705,395

(1) Inclusive of the 19 parcels at the Prior School Site not subject to the levy of the School District CFD Annual Special Tax. See “SECURITY FOR BONDS – Rates and Methods – *School District RMA*.”

(2) Equals the total secured assessed value of the parcels in such category divided by the number of parcels in such category. Represents a mathematical average only. Actual assessed value and assessed value-to-Special Tax burden for each parcel in the CFDs may vary significantly. See “Assessed Value to Special Tax Burden Ratios” below.

Source: Orange County Secured Roll as compiled by Willdan Financial Services.

The top ten largest property owners of the CFDs (by assessed value) own parcels that represent approximately only three percent of the total 2018-19 assessed value of the CFDs. Because the amount of Annual Special Tax levy on a parcel by each CFD depends not on the assessed value but other factors (see “APPENDIX B – CITY CFD RATE AND METHOD” and “APPENDIX C – SCHOOL DISTRICT CFD RATE AND METHOD”), the top ten largest property owners by assessed value do not coincide with the top Special Tax payers in any given year. For fiscal year 2018-19, no single parcel was responsible for more than 0.24 percent of the total Annual Special Tax levy by the City CFD, and no single parcel was responsible for more than 0.45 percent of the total Annual Special Tax levy by the School District CFD.

Special Tax Levy and Delinquency History

The following tables summarize the Special Taxes levy and delinquency for the City CFD and School District CFD for the years shown (but see “SECURITY FOR BONDS – County Teeter Plan.”)

Table 3
City of Brea
Community Facilities District No. 1997-1 (Olinda Heights Public Improvements)
Historical Levy and Delinquencies
Fiscal Years 2014-15 through 2018-19

Fiscal Year	Annual Special Tax Levy	Late or Delinquent (in dollars)⁽¹⁾	Late or Delinquent (by percentage)⁽¹⁾
2014-15	\$500,318	\$ 467	0.09%
2015-16	509,711	951	0.19
2016-17	515,195	961	0.19
2017-18	499,929	0	0.00
2018-19	492,351	4,992 ⁽²⁾	1.01 ⁽²⁾

(1) Reflects delinquency information as of May 23, 2019. Does not include any penalties, interest or fees.

(2) Per observations by Special Tax Consultant, assuming that the collection will follow the trend of recent years, while the delinquency rate appears to be higher for the current fiscal year, most property owners will pay the delinquent Special Tax over time.

Source: Orange County Tax Collector, as compiled by Willdan Financial Services.

Table 4
Brea Olinda Unified School District
Community Facilities District No. 95-1 (Olinda Heights)
Historical Levy and Delinquencies
Fiscal Years 2014-15 through 2018-19

Fiscal Year	Annual Special Tax Levy	Late or Delinquent (in dollars)⁽¹⁾	Late or Delinquent (by percentage)⁽¹⁾
2014-15	\$596,412	\$ 762	0.13%
2015-16	596,412	1,524	0.26
2016-17	596,412	1,524	0.26
2017-18	596,412	0	0.00
2018-19	596,412	8,186 ⁽²⁾	1.37 ⁽²⁾

(1) Reflects delinquency information as of May 23, 2019. Does not include any penalties, interest or fees.

(2) Per observations by Special Tax Consultant, assuming that the collection will follow the trend of recent years, while the delinquency rate appears to be higher for the current fiscal year, most property owners will pay the delinquent Special Tax over time.

Source: Orange County Tax Collector, as compiled by Willdan Financial Services.

Assessed Value to Special Tax Burden Ratios

Neither the City nor the School District are aware of any community facilities district or assessment district formed by other agencies that have areas overlapping the CFDs. The following table shows based secured assessed value to Special Tax burden ratio of the taxable property in the CFDs.

Table 5
City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) and
Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights)
Secured Assessed Value to Special Tax Burden Ratio⁽¹⁾
Based on Fiscal Year 2018-19 Tax Roll

Total Secured Assessed Value⁽¹⁾	City CFD Special Tax Burden ⁽²⁾	School District CFD Special Tax Burden⁽³⁾	Combined Special Tax Burden ^{(4)*}	Assessed Value to Special Tax Burden Ratio^{(5)*}
\$446,196,695	\$2,620,000*	\$4,295,000*	\$6,915,000*	64.5:1*

* Preliminary; subject to change.

(1) Secured Assessed Value of 19 Parcels at Prior School Site excluded for the purposes of this table only. 2018-19 secured assessed value of the 19 Parcels at the Prior School Site: \$17,953,079.

(2) Equals the principal amount of City CFD Bonds.

(3) Equals the principal amount of School District CFD Bonds.

(4) Equals the combined principal amount of the City CFD Bonds and the School District CFD Bonds.

(5) Equals total secured assessed value divided by combined special tax burden.

Source: Willdan Financial Services, based on information provided by Orange County.

The following table shows the estimated assessed value to Special Tax burden ratios (taking into account the Special Taxes of both CFDs and inclusive of the 19 parcels at the Prior School Site) by aggregating parcels within given ranges of ratios:

Table 6
City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) and
Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights)
Distribution of 2018-19 Assessed Value to Special Tax Burden Ratios
(based on number of parcels in each ratio range)

Assessed Value to Special Tax Burden^{*(1)}	No. of Parcels⁽¹⁾	% of Total	Total Assessed Value ⁽¹⁾⁽²⁾	% of Total	Estimated Special Tax Burden ^{(3)*}	% of Total
Less than 49.99:1	126	19	\$ 90,899,763	20%	\$2,060,949	30%
50:1 to 74.99:1	243	37	194,326,733	42	3,169,453	46
75:1 to 99.99:1	124	19	73,705,797	16	852,755	12
100:1 to 149.99:1 ⁽¹⁾	148	22	89,239,162	19	734,577	11
More than 150:1 ⁽¹⁾	17	3	15,978,319	3	97,266	1
Total	658	100%	\$464,149,774⁽⁴⁾	100%	\$6,915,000	100%

* Preliminary; subject to change.

(1) 19 Parcels at Prior School Site included under these categories. See “SECURITY FOR BONDS – Rates and Methods – School District RMA.” 2018-19 secured assessed value of the 19 Parcels at the Prior School Site: \$17,953,079.

(2) Includes value for land and improvements. Based on 2018-19 County of Orange secured tax roll.

(3) Equals the combined principal amount of the City CFD Bonds and the School District CFD Bonds attributable to such parcels.

(4) Differs from total assessed value shown in Table 5 because of inclusion of parcels at Prior School District Site. See footnote 1 above.

Source: Willdan Financial Services, based on information provided by Orange County.

Local Obligations Debt Service Coverage

Pursuant to the City CFD RMA, the Special Tax levy by the City CFD each fiscal year may not exceed 110 percent of the debt service of the outstanding City CFD Bonds, plus Administrative Expense for such fiscal year. See “APPENDIX B – CITY CFD RATE AND METHOD.”

According to projections made by Willdan Financial Services (the “Special Tax Consultant”), assuming no optional or extraordinary redemption prior to maturity, the annual Coverage Ratio (defined below) for the School District CFD Bonds ranges from 132 percent to 135 percent* in the fiscal years 2019-20 through 2027-28 and from 195 percent to 200 percent* in fiscal year 2028-29 through the final maturity of the School District CFD Bonds.

As used above, the “Coverage Ratio” for each fiscal year is equal to: (i) the estimated maximum amount of the Special Taxes that the CFD may levy during such fiscal year pursuant to the related Rate and Method, divided by (ii) the sum of the scheduled principal and interest coming due on the Local Obligations of such CFD during the corresponding Bond Year (*i.e.*, the 12 months

* Preliminary; subject to change.

ending on September 1 following the end of such fiscal year). The Coverage Ratio projections embody certain assumptions (including, for example, future increases of the Index relative to the calculation of the School District CFD Special Taxes). The maximum amounts of Special Tax levy used for such projections do not represent the actual amount of Special Taxes that the CFDs will collect each year. As discussed under “SECURITY FOR BONDS – Rates and Methods,” the levy by a CFD on each Parcel in any fiscal year is subject to the maximum rates set forth in the related Rate and Method and the provisions of the Mello-Roos Act. In any fiscal year, the amount of Special Taxes actually collected by the CFDs may turn out to be materially different from the maximum permitted amount of the levy as currently projected by the Special Tax Consultant. See also “BONDOWNERS’ RISKS.”

Direct and Overlapping Tax and Assessment Debt

Properties in the CFDs are within the jurisdiction of a number of overlapping local agencies providing public governmental services. In addition to paying the Special Tax levied by the City CFD and the School District CFD, property owners within the CFDs are obligated to pay *ad valorem* property taxes and other existing and future additional special taxes, assessments and fees imposed by the overlapping agencies. The table below is a summary of the direct and overlapping tax and assessment debt (the “Debt Report”) payable from taxes or special assessments for properties in the District as of June 1, 2019. The Debt Report generally includes long term obligations sold in the public credit markets by local agencies whose boundaries overlap the boundaries of the District in whole or in part. In certain cases, the percentages of debt calculations are based on County’s assessed values, which will change significantly as sales occur and assessed values increase to reflect housing values. The Debt Report is included for general information purposes only. None of the Authority, the City, the School District nor the Underwriter has verified, and neither makes any representation regarding, the completeness or accuracy of the Debt Report.

Table 7
City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) and
Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights)⁽¹⁾
Direct and Overlapping Tax and Assessment Debt
As of June 1, 2019

2018-19 Local Secured Assessed Valuation: \$464,149,774⁽¹⁾

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt</u>
Metropolitan Water District General Obligation Bonds	0.016%	\$ 7,648
North Orange County Joint Community College District General Obligation Bonds	0.353	601,262
Brea-Olinda Unified School District General Obligation Bonds	4.878	541,930
City of Brea Community Facilities District No. 1997-1	100.	3,590,000⁽²⁾
Brea-Olinda Unified School District Community Facilities District No. 95-1	100.	5,765,000⁽³⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$10,505,840

Ratios to 2018-19 Assessed Valuation:

Total Direct (\$9,355,000) ⁽⁴⁾	2.02%
Total Direct and Overlapping Tax and Assessment Debt	2.26%

- (1) Secured Assessed Value of 19 Parcels at Prior School Site excluded for the purposes of this table. 2018-19 secured assessed value of the 19 parcels at the Prior School Site: \$17,953,079.
- (2) Represents the Prior City CFD Bonds to be refunded, and not proposed refunding bonds.
- (3) Represents the Prior School District CFD Bonds to be refunded, and not proposed refunding bonds.
- (4) Represents the sum of the Prior City CFD Bonds and Prior School District CFD Bonds to be refunded, and not proposed refunding bonds.

Source: California Municipal Statistics, Inc.

Effective Tax Rate

The effective tax rate of a parcel of property in the CFDs is likely to be different from the effective tax rate of another parcel in the CFDs. The difference is attributable to a number of factors, including, but not limited to, the assessed value of the particular property. The table below sets forth the fiscal year 2018-19 tax rate for two residential parcels in Olinda Ranch. The 2018-19 secured assessed value of one of the two parcels was \$673,356 (before homeowner exemption), which was below the average assessed value of all parcels in the CFDs. The 2018-19 assessed value of the other parcel was \$787,403 (before homeowner exemption), which was above the average assessed value of all parcels in the CFDs. See Table 2 under “Assessed Valuation” above. The table shows those entities with fees, charges, *ad valorem* taxes and special taxes regardless of whether those entities have issued debt.

TABLE 8
Tax Rates for Two Sample Residential Parcels in Olinda Ranch⁽¹⁾
Fiscal Year 2018-19

	<u>Parcel 1</u>	<u>Parcel 2</u>
Building/living area size	3,252 sq. ft.	3,462 sq. ft.
<u>Net taxable value</u>		
Assessed value	\$673,356.00	\$787,403.00
Less: <u>Homeowner exemption</u>	(7,000.00)	(7,000.00)
Net taxable value	<u>\$666,356.00</u>	<u>\$780,403.00</u>
 <i>Basic levy rate @1%</i>	 \$6,663.56	 \$7,804.02
 <u>Voter approved taxes, direct and special assessments, user fees</u>		
Brea Paramedics	\$299.86	\$351.18
North Orange County Community College	188.51	220.77
Brea Olinda Unified School District	157.92	184.96
Municipal Water District of Orange County	23.33	27.31
Mosquito, Fire Ant Assessment	7.48	7.48
Vector Control Charge	1.92	1.92
Metropolitan Water District Standby Charge	10.08	10.08
Orange County Sanitation District Sewer User Fee	335.00	335.00
 <u>City of Brea and Brea Olinda USD CFDs</u>		
Brea Olinda USD CFD 95-1 (Olinda Heights)	1,523.88	1,523.88
City of Brea CFD 1997-1 (Olinda Heights Public Improvements)	918.68	918.68
 <i>Subtotal: Assessments, Special Taxes and Parcel Charges</i>	 <u>\$3,466.66</u>	 <u>\$3,581.26</u>
 Total property taxes and levies ⁽²⁾	 \$10,130.22	 \$11,385.28
Tax rate as % of assessed value	1.52%	1.46%

(1) Single family detached units with median size and median assessed values selected to represent the median effective tax rate for a home within the CFDs.

(2) Totals may not add due to rounding.

Source: Willdan Financial Services, based on information published by Orange County.

The Authority, the City and the School District do not have any control over the amount of taxes, charges or assessments on properties in the CFDs which may be imposed in the future by other governmental agencies with jurisdiction over all or a portion of the CFDs. Such additional taxes, charges or assessments may be imposed without any corresponding increase in the value of such property and could reduce the willingness or the ability of property owners in the CFDs to pay the City CFD Special Taxes, the School District CFD Special Taxes, or both, when due. See “BONDOWNERS’ RISKS – Cumulative Burden of Liens, Taxes, Special Assessments.”

BONDOWNERS' RISKS

Investment in the Bonds involves elements of risk. The following section describes certain specific risk factors affecting the payment and security of the Bonds. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the Bonds and the order of discussion of such risks does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this official statement in evaluating the Bonds. There can be no assurance that other risk factors not discussed under this caption will not become material in the future.

Limited Obligations with Respect to Bonds and Local Obligations

Funds for the payment of the principal of and the interest on the Bonds will be derived primarily from debt service payments on the Local Obligations which, in turn, are derived from the Special Taxes levied in the CFDs. While a projected coverage factor has been considered in structuring the annual debt service on the Local Obligations (see “SECURITY FOR BONDS – Local Obligations Generally” and “COMMUNITY FACILITIES DISTRICTS – Local Obligations Debt Service Coverage”), the amount of Special Taxes that will be collected by a CFD could be insufficient to pay principal of or interest on such CFD’s Local Obligations in certain circumstances. If the Teeter Plan is terminated with respect to a CFD and there is a non-payment by property owners or insufficient proceeds are received from the sales of land due to delinquencies, a default on such CFD’s Local Obligations may occur upon the depletion of such CFD’s Reserve Fund. Consequently, a default on the Bonds may follow. The Bonds will be limited obligations of the Authority pursuant to the terms of the Indenture. The Local Obligations of a CFD will be limited obligations of such CFD pursuant to the terms of the related Fiscal Agent Agreement. Neither the full faith and credit nor the taxing power of the City or the School District will be pledged to the payment of the Bonds. The Authority has no taxing power.

Special Taxes Not Personal Obligations of Property Owners

An owner of property subject to the levy of Special Taxes in a CFD is not personally obligated to pay such Special Taxes. Rather, the Special Taxes represent an obligation only against the parcels of property subject to the Special Taxes. If, after a default in the payment of the Special Taxes and a foreclosure sale by the related CFD, the resulting proceeds are insufficient, taking into account other obligations also constituting a parity lien against the parcels of such property, the CFD has no recourse against the owner for the delinquency.

Levy and Collection of Special Taxes

Rate and Method and Mello-Ross Act Limitations. The principal source of revenues to pay scheduled debt service payment on each CFD’s Local Obligations will be the proceeds of the annual levy and collection of the Special Taxes by such CFD against property within the CFDs. Each CFD’s levy of Special Taxes, however, will be limited to the maximum rates set forth in the related Rate and Method and the Mello-Ross Act. See “SECURITY FOR BONDS – Rates and Methods.” In the event of significant delinquencies of Special Taxes in a CFD and if the Teeter Plan is terminated, no assurance can be given that the Special Taxes will in fact be collected by

such CFD in sufficient amounts in any given year to pay the Local Obligations of such CFD when due.

Termination of Teeter Plan. The County implemented the Teeter Plan in 1993. So long as the Teeter Plan remains in effect with respect to a CFD, debt service payments with respect to such CFD's Local Obligations are protected from the risk of Special Tax delinquencies. However, the County is entitled, and under certain circumstances could be required, to terminate its Teeter Plan with respect to all or part of the local agencies, including the CFDs. See "SECURITY FOR BONDS – County Teeter Plan." A termination of the Teeter Plan with respect to a CFD would eliminate such protection from delinquent Special Taxes.

No Cross-Collateralization between CFDs. The Special Taxes levied within one CFD (and moneys in the Special Tax Fund, the Bond Fund and the Reserve Fund relating to such CFD's Local Obligations) may only be applied to pay debt service on such CFD's Local Obligations. A CFD's Special Taxes are not cross-pledged to the payment of the other CFD's Local Obligation, and, therefore, are not available to make up any deficiency in Revenues pledged to the Bonds resulting from a default of the other CFD's Local Obligations.

No Relationship between Levy of Special Taxes and Value of Property. Because the levies of Special Taxes by the CFDs are not based on property value, the amount of the Special Taxes levied rarely, if ever, results in a uniform relationship between the value of a particular parcel of property and the amount of the levy of the Special Taxes against such parcel. Thus, there is rarely, if ever, a uniform relationship between the value of the parcels of property in the CFDs subject to the Special Taxes and their proportionate share of debt service on the Local Obligations, and certainly not a direct relationship.

The following are some of the factors that might cause the levy of the Special Taxes on any particular parcel of property to vary from the Special Taxes that might otherwise be expected:

- Failure of the property owners to pay the Special Taxes and delays in the collection of or inability to collect the Special Taxes by tax sale or foreclosure and sale of the delinquent parcels, thereby resulting in an increased tax burden on the remaining parcels (however the Mello-Roos Act contains provisions which may limit the increase the levy on the Special Taxes of a CFD levied on a residential property by more than 10 percent in any given fiscal year as the result of a delinquency or default by the owner of another parcel).
- Reduction in the number of parcels of property subject to the levy of Special Taxes for such reasons as acquisition by a governmental entity and failure (or refusal) of such governmental entity to pay the Special Taxes based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining taxed parcels.

Generally, the Special Taxes are collected in the same manner as ordinary *ad valorem* property taxes are collected. The Special Taxes are generally subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary *ad valorem*

property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County.

Foreclosure Delays; Sufficiency of Foreclosure Proceeds. Generally, the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and are subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary *ad valorem* property taxes. As discussed under “SECURITY FOR BONDS – Covenant to Foreclose,” the Fiscal Agent Agreement will contain a covenant by the City or the School District, as applicable, subject to any constraints of the County’s Teeter Plan (so long as the CFD is a participant in the Teeter Plan), provide notice of delinquency and, if the delinquency remains uncured, commence foreclosure proceedings. If an installment of Special Tax of a CFD becomes delinquent, the City or the School District, as applicable, can foreclose only upon the parcel or parcels with respect to which the Special Tax is delinquent.

No assurance can be given that a judicial foreclosure action, once commenced, will be completed or that it will be completed in a timely manner. If a judgment of foreclosure and an order of sale are obtained, the judgment creditor (i.e., the City or the School District commencing such action) must cause a notice of levy to be issued. Under current law, a judgment debtor (i.e., the property owner) has 120 days (or in some cases a shorter period) from the date of service of the notice of levy and 20 days from the subsequent notice of sale in which to redeem the property to be sold. If a judgment debtor fails to so redeem and the property is sold, such debtor’s only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such action, a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made.

No assurance can be given that real property subject to sale or foreclosure will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. The Mello-Roos Act does not require the City or the School District to purchase or otherwise acquire any real property offered for sale or subject to foreclosure if there is no other purchaser at such sale. The Mello-Roos Act specifies that the Special Tax will have the same lien priority in the case of delinquency as for *ad valorem* property taxes. See “Cumulative Burden of Parity Liens, Taxes and Special Assessments.”

In the event that a Reserve Fund with respect to a CFD’s Local Obligations is depleted and delinquencies in the payments of Special Taxes of such CFD continue, there could be a default or delay in the debt service payment with respect to such Local Obligations, pending prosecution of foreclosure proceedings and receipt of foreclosure sale proceeds, if any. Within the limits of the related Rate and Method and the Mello-Roos Act, the City or School District, as applicable may adjust its Special Taxes levy in future years to provide any amount, taking into account such delinquencies, required to pay debt service on the related Local Obligations and to replenish the Reserve Fund. There is, however, no assurance that the maximum Special Tax rates, as subject to the Rate and Method and the Mello-Roos Act, will be at all times sufficient to collect the amounts required to be paid on related Local Obligations. See “SECURITY FOR BONDS – Rates and Methods.”

Risks of Real Estate Secured Investments Generally; Land Values

Owners of the Bonds will be subject to the risks generally incident to an investment secured by real estate, including but not limited to: (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the CFDs, the supply of or demand for competitive properties in such area, and the market value of the properties in the event of sale or foreclosure, (ii) changes in real estate tax rates and other operating expenses, government rules (including, without limitation, zoning laws, growth control initiatives and laws relating to threatened and endangered species) and fiscal policies and (iii) natural and manmade disasters (including, without limitation, earthquakes, floods and fire), which may result in uninsured losses. These risks affect the value of the property, as well as the property owners' willingness and/or ability to pay the Special Tax when due.

In evaluating the investment risks with respect to the Bonds, prospective investors in the Bonds should keep in mind that the fiscal year 2018-19 assessed values shown in this Official Statement, which are based on the County's fiscal year 2018-19 secured tax roll, may not reflect actual market values of such property.

In the event that the Teeter Plan is terminated and a property owner defaults in the Special Tax payment and the City or the School District commences foreclosure action on such property, prospective purchasers of the Bonds should not assume that such property could be sold for its assessed value at a foreclosure sale or for an amount adequate to pay delinquent Special Tax payments. Reductions in property values within the CFDs due to economic conditions or the real estate market or other events may adversely impact the security underlying the revenues from collection of the Special Tax, and therefore, may adversely impact the security for the Bonds.

The real estate market in the State of California experienced significant fluctuations during the past two decades. None of the City, the School District or the Authority can make any representation regarding the future trend of the value of the property in the District.

Depletion of Reserve Funds

Upon issuance of each CFD's Local Obligations, a portion of the proceeds from the sale of such Local Obligations will be deposited in such CFD's Reserve Fund, such that the balance of such Reserve Fund will equal the initial Reserve Requirement. See "SECURITY FOR BONDS – Reserve Funds." Moneys in a Reserve Fund may be used to pay principal of and interest on the related CFD's Local Obligations in the event the proceeds of the levy and collection of such CFD's Special Taxes is insufficient for such purpose. If the amount on deposit in a CFD's Reserve Fund is reduced or depleted, the Reserve Fund can be replenished from the Special Taxes collected by such CFD that are in excess of the amount required for principal and interest payments coming due on such CFD's Local Obligations. However, no Reserve Fund replenishment from the CFD's Special Taxes can occur if such CFD is already levying the CFD's Special Taxes on the taxable parcels at the maximum permitted rates and the proceeds from such levy remain insufficient to pay the full debt service on such Local Obligations. Thus it is possible for a Reserve Fund to be depleted and not be replenishable by the levy of the Special Taxes.

Hazardous Substances

Claims regarding hazardous substances can have an adverse impact on the value of property within the CFDs and the security for the Bonds. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERLA” or the “Superfund Act,” is one of the most well-known and widely applicable of these laws, but California laws with respect to hazardous substances are also generally regarded as stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. Consequently, the marketability and value of a contaminated parcel may be reduced by the costs of remedying the condition, because the purchaser, upon becoming the owner, will become obligated to remedy the condition. Such liabilities may arise not simply from the existence of a hazardous substance but also from the method of handling it. All of these possibilities could significantly affect the financial and legal liability of a property owner (and thus affect such owners’ ability or willingness to pay the Special Taxes when due), as well as the value of the property that is realized upon foreclosure.

The assessed values set forth in this Official Statement do not take into account the possible reduction in marketability and value of any property by reason of possible liability of the owner or operator for the remedy of a hazardous substance condition of the parcel. The City and the School District are not aware of any owner (or operator) of property in the CFDs that is subject to a current liability under hazardous substance law with respect to any of the parcels in the CFDs. However, the Authority, the City and the School District do not make any representation nor give any assurance that such hazardous substance liabilities or conditions do not currently exist or will not arise in the future.

Land Formerly Used for Oil and Gas Production; Mitigation Measures

Land within Olinda Ranch was formerly used for oil production. Oil wells and related oil and gas production remain in two of the open space areas. In one open space area where oil wells are currently in operation, fuel modification zones adjacent to residential areas provide wild land fire protection between residential development and natural open space. In the other open space area with oil wells, enclosures and walls have been constructed for security and safety purposes. Tar seeps and methane gas, often associated with oil fields, were found in the Olinda Ranch area. Remediation and mitigation measures have been implemented in connection with the development of Olinda Ranch.

Safety and security measures that have been implemented with respect to these facilities include fuel modification zones between residential development and the open space with active oil wells. Pursuant to the requirements of the County, the City and the Division of Oil, Gas and Geothermal Resources of the State’s Department of Conservation, oil wells that were known to have been located in the Residential Planning Areas have been capped and abandoned. There are naturally occurring tar seeps in Olinda Ranch. Tar seeps in the Residential Planning Areas were remediated prior to development. Methane gas, which is often associated with oil fields, has been found in Olinda Ranch. If methane seeps from the ground, it can become trapped in structures.

Sufficient concentrated methane gas in poorly ventilated areas can cause explosions. For mitigation measures, the City required builders to meet the standards set forth by the City and the Orange County Fire Authority's "Guideline for Combustible Soil Gas Hazard Mitigation." These standards include the preparation of a soil gas investigation report to identify any anomalous levels of methane gas and the corresponding installation of underground piping and venting systems and methane monitoring wells. In addition, each home in Olinda Ranch was equipped with a passive venting system incorporating a methane vapor barrier beneath the concrete slab foundation and a minimum of two release ducts to vent methane gas from under the house. Once sold by the builder, the homeowners are responsible for the care, upkeep and maintenance of the passive venting systems and the methane monitoring wells. The Olinda Ranch Homeowners Association contracts with an engineering company to monitor the methane mitigation system's 56 methane monitoring wells annually. In that connection, test probes have been installed. If the levels of methane become elevated at the test probes locations, additional monitoring would be conducted. If a test probe located five feet below the surface detects 5,000 parts per million, then additional monitoring and gas survey would be required. To the City's knowledge, there has not been any incidents of elevated methane level requiring additional surveys. While the City believes that these mitigation measures are adequate based on current knowledge and technology, no assurance can be given that future liability will not arise, whether with respect to presently existing substances or future discoveries, or a substance not presently classified as hazardous but which may in the future be so classified.

Olinda Alpha Landfill

The Olinda Alpha Landfill is located north of Olinda Ranch over a ridge from the residential areas. The landfill encompasses an area of approximately 565 acres with about 420 acres permitted for refuse disposal. It is owned and operated by OC Waste & Recycling ("OCWR"), a department of the County of Orange. The Olinda Alpha Landfill serves the northern part of the County and also receives wastes imported from Los Angeles, San Bernardino and Riverside counties. The landfill currently accepts non-hazardous waste only, including municipal solid waste and exempt commodity such as soil, asphalt and processed green materials, as well as tires as limited special waste. It is operational year-round. OCWR has implemented environmental programs and control systems to address potential issues arising from methane gas and odors, and in some cases, subsurface combustion and smoldering. These programs and systems include air, groundwater and surface/storm water quality programs and hazardous water, litter, vector odor and dust control systems, as well as methane gas collection systems and a final soil caps.

The Olinda Alpha Landfill opened in 1960. Pursuant to a Cooperative Agreement between the City and County, dated July 14, 2009, together with an amendment executed on April 20, 2016 (as amended, the "OA Landfill Cooperative Agreement"), the closure of the landfill will take place when the landfill reaches elevation of 1,415 above mean sea level. The Olinda Alpha Landfill is currently permitted to receive a daily maximum of 8,000 tons per day. According to OCWR publications, the Olinda Alpha Landfill is currently estimated to have enough capacity to serve until 2030. According to the OA Landfill Cooperative Agreement, the County Master Plan of Regional Recreational Facilities identifies the Olinda Alpha Landfill, upon closure, as the site for a proposed passive use wilderness park.

The Broadrock Renewable Olinda Alpha Landfill LFG facility, owned and operated by Broadrock Renewables LLC, has been installed and in operation since 2012. According to OCWR publications, the facility is designed to capture methane (which is a gas produced by the natural decomposition of trash buried in the landfill) and use it to produce electricity. Further, the facility is designed to produce sufficient renewable energy to power over 22,000 average homes to be delivered to the regional grid and bought by the City of Anaheim Public Utilities.

Natural Calamities and Other Disasters

The value of the property subject to the Special Taxes can be adversely affected by a variety of natural or other disaster occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on such property and the continued habitability and enjoyment of such private improvements. Such occurrences include earthquakes, landslides, floods, wildfires, droughts or tornadoes. The occurrence of one or more natural or other disasters could occur and could result in serious damage to improvements.

The City, like most communities in California, is in an area of unpredictable seismic activity, and therefore, is subject to potentially destructive earthquakes. Two major faults traverse the City, the Whittier fault and the Elysian Park thrust fault. The Whittier fault cuts across the hills and through the eastern half of the City in a northwesterly direction, crossing diagonally through the northern portion of the CFDs at an open space area. Several traces of the Whittier fault are still active. The Elysian Park thrust fault is buried approximately six to ten miles below ground surface. The San Andreas fault lies 33 miles from the City.

Drought conditions in Southern California, combined with higher than average temperatures and Santa Ana winds, have created conditions that are from time to time conducive to wildfires. For example, Olinda Ranch was affected in 2008 as part of the wildfire in Santa Ana Canyon area of the County. The northern edge of the City abutting the foothills is identified as an urban-open space interface area, which is subject to risk of wild fires. In these areas, additional conditions are imposed on developments to mitigate potential fire hazard. These conditions include: fuel modification plan to a depth of 170 feet surrounding the perimeter of developments, automatic fire sprinklers in all buildings, a minimum road width of 40 feet, hydrant spacing throughout the development, hydrant marker plan to ease visibility, restriction of cul-de-sac lengths, ignition resistant construction, and the proper selection of plant pallet.

According to the City's General Plan (last prepared in 2003), because of variable rainfall in the area, it is difficult to predict and plan for floods in and around the City. Any flood that occurs is expected to be short in duration, high in peak volume and high in velocity. Flood insurance rate maps prepared by the Federal Emergency Management Agency ("FEMA") show potential flood zones (100-year floodplain and 500 year floodplain) in the western portion of the City (between Puente Street and Brea Boulevard) and areas along Carbon Canyon Road and Carbon Canyon Regional Park. Potential flood risks are also associated with the Orange County Reservoir and nearby Carbon Canyon Dam. However, according to FEMA, flooding in the City is considered lower than other parts of the County. This can be attributed to the flood control structures that have been established in and around the area. According to FEMA's flood hazard map number 06059C0062J dated December 3, 2009, all of the Olinda Ranch homes are located within Zone X (outside the 500-year flood plain).

Property damage from a natural or other disaster may entail significant repair or replacement costs, and this along with other factors could discourage owners from undertaking any repairs or replacement. The end result could be significant delinquencies in the payment of the Special Taxes, and severe depreciation of property values.

Interest of Federal Agencies or Government Sponsored Enterprises in Properties

The ability of the City or the School District to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the “FDIC”), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency or a federal government sponsored enterprise (such as the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, commonly known as “Fannie Mae” and “Freddie Mac”) has or obtains an interest. In the event that any financial institution making any loan which is secured by real property within the District is taken over by the FDIC or another federal agency or a federal government sponsored enterprise, and prior thereto or thereafter the loan or loans go into default, then the ability of the District to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited. According to information available from the County’s assessment records, as of January 2019, none of the properties subject to the Special Tax levy by a CFD was owned by the FDIC, Fannie Mae or Freddie Mac, but no information is available with respect to any loans by any of such agencies on properties in the CFDs.

The FDIC’s policy statement regarding the payment of state and local real property taxes (the “Policy Statement”) provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property’s value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution’s affairs, unless abandonment of the FDIC’s interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC’s consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC’s consent.

The Policy Statement states that the FDIC generally will not pay non-ad valorem taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Mello-Roos Act and a special tax formula which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC’s federal immunity. The Ninth Circuit issued a ruling on

August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from Mello-Roos special taxes, such as the Special Taxes.

The Authority, the City and the School District are unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the CFDs in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at foreclosure sale. Such an outcome could cause a draw on a Reserve Fund and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the Bonds.

Exempt Property

Certain properties are exempt from Special Taxes in accordance with the Rates and Methods (see “SECURITY FOR BONDS – Rates and Methods”). The Rate and Method of each CFD provides that up to a certain number of acres of Public Property (including properties that are owned by, or conveyed or irrevocably offered for dedication to, entities of the state, federal or local government) are exempt from such CFD’s Special Taxes, except as otherwise provided in certain provisions of the Mello-Roos Act. Pursuant to Section 53317.3 of the Mello-Roos Act, property within a CFD acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from such CFD’s Special Taxes, will continue to be subject to such Special Taxes. It is possible, however, that property in the CFDs acquired by a public entity following a tax sale or foreclosure based upon failure to pay taxes could become exempt from the Special Taxes. In addition, although Section 53317.5 of the Mello-Roos Act provides that if property subject to Special Taxes is acquired by a public entity through eminent domain proceedings, the obligation to pay Special Taxes with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Mello-Roos Act have not been tested, meaning that such property could become exempt from Special Taxes. In the event that additional property is dedicated to public entities, this additional property could become exempt from Special Taxes.

Disclosure to Future Purchasers

The City and the School District have caused notices of the Special Tax lien to be recorded in the Office of the County Recorder with respect to the City CFD and the School District CFD. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such special tax obligation in the purchase of a parcel of land or a home in the CFDs or the lending of money secured by property in the CFDs. The Mello-Roos Act requires the subdivider of a subdivision (or its agent or representative) to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with these requirements, or failure by a purchaser or lessor to consider or understand the nature and existence

of the Special Taxes, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Taxes when due.

Cumulative Burden of Liens, Taxes and Special Assessments

While the Special Taxes are secured by the property in the CFDs subject to the levy of the Special Taxes, the security only extends to the value of such property that is not subject to prior and parity liens and similar claims. Certain direct and overlapping indebtedness payable from taxes and assessments on land within the CFDs are currently outstanding. See Table 7 (Direct and Overlapping Tax and Assessment Debt) and Table 8 (Tax Rates for Two Sample Residential Parcels) under “COMMUNITY FACILITIES DISTRICTS.” The Authority, the City and the School District do not have any control over the ability of other governmental entities to incur indebtedness secured by *ad valorem* taxes, special taxes or assessments payable from all or a portion of the property within the CFDs.

In general, as long as the Special Taxes are collected on the County tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of the Special Taxes securing the Local Obligations of a CFD, the Special Taxes will be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Special Taxes will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a *pro rata* basis. Although the Special Taxes will generally have priority over nongovernmental liens on a parcel of property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy. The existence of other property taxes, special taxes and special assessments may reduce the value-to-tax burden ratio of the affected parcels and increases the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Taxes or the principal of and interest on the related Local Obligations when due.

2017 Federal Tax Cuts and Jobs Act

H.R. 1 of the 115th U.S. Congress, known as the “Tax Cuts and Jobs Act,” was enacted into law on December 22, 2017 (the “Tax Act”). The Tax Act makes significant changes to many aspects of the Internal Revenue Code. For example, the Tax Act reduces the maximum amount of mortgage interest expense and state and local income tax and property tax expense that individuals may deduct from their gross income for federal income tax purposes, which could increase the cost of home ownership within the CFDs and could adversely affect the re-sale of homes. The Authority, the City and the School District cannot predict the effect, if any, that the Tax Act or any future changes to the tax law may have on the cost of home ownership or the price of homes in the CFDs or the ability or willingness of homeowners to pay Special Taxes or property taxes.

Proposition 218 and Other Voter Initiatives

The California Constitution reserves the power of initiatives to the voters for the purposes of enacting amendments to the State Constitution and statutes. Any such initiatives may affect the collection of fees, taxes and other types of revenues by local agencies. Subject to overriding federal constitutional principles, an initiative affecting the collection of fees, taxes and other types of revenues by local agencies may materially impact the collection of Special Taxes in a CFD and, ultimately, the cash-flow in the payment of Bonds.

Since 1978, California voters have exercised the power of initiatives in numerous occasions. One measure that qualified for the ballot pursuant to California's constitutional initiative process is commonly referred to as the "Right to Vote on Taxes Act" ("Proposition 218"). Proposition 218 was approved by the voters of California at the November 5, 1996 general election. Proposition 218 added Article XIIC and Article XIID to the California Constitution. According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges."

Among other things, Section 3 of Article XIII states that "... the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Mello-Roos Act provides for a procedure, which includes notice hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Mello-Roos Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Mello-Roos Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, a bill signed into law by the Governor of California enacting Government Code Section 5854, which states that:

"Section 3 of Article XIIC of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution."

Accordingly, although the matter is not free from doubt, it is likely that Proposition 218 has not conferred on the voters the power to repeal or reduce a CFD's Special Taxes if such reduction would interfere with the timely retirement of the related Local Obligations. It may be possible, however, for voters or the legislative body of a CFD (*i.e.*, the City Council with respect to the City CFD or the School Board with respect to the School District CFD), to reduce the Special Taxes of such CFD in a manner which does not interfere with the timely repayment of the respective Local Obligations but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Therefore, no assurance can be given with respect to the levy of Special Taxes for administrative expenses for a CFD. Furthermore, no assurance can be given with respect to the future levy of a CFD's Special Taxes in amounts greater than the amount necessary for the timely retirement of the respective Local Obligations.

The provisions of Proposition 218 described above have not yet been interpreted by the courts, although a number of lawsuits have been filed requesting the courts to interpret various aspects of Proposition 218. Certain provisions of Proposition 218 may be examined by the courts for their constitutionality under both State and federal constitutional law in the future. The Authority, the City and the School District cannot predict the outcome of such examination and the resulting effect, if any, on the levy and collection of the Special Tax in the CFDs. The Authority, the City and the School District cannot predict the impact of any future initiative that may affect the collection of fees, taxes and other types of revenues by local agencies.

Bankruptcy Limiting Remedies

The payment of the Special Tax and the ability of the City or the School District to foreclose the lien of a delinquent unpaid Special Tax, as discussed in “SECURITY FOR BONDS – Covenant to Foreclose,” may be limited or delayed by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the State of California relating to judicial foreclosure. In addition, the prosecution of a foreclosure action could be delayed due to crowded local court calendars or delays in the legal process. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel’s approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the lien of a CFD’s Special Tax to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. The federal bankruptcy laws provide for an automatic stay of foreclosure and sale of tax sale proceedings, thereby delaying such proceedings perhaps for an extended period. Any such delays would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent tax installments not being paid in full. Further, should remedies be exercised under the federal bankruptcy laws against parcels in the CFDs, payment of the Special Tax may be subordinated to bankruptcy law priorities. Thus, certain claims may have priority over the Special Tax in a bankruptcy proceeding even though they would not outside of a bankruptcy proceeding.

Certain Recent Court Rulings

In *City of San Diego v. Melvin Shapiro et al.*, 228 Cal.App.4th 756 (2014), the California Court of Appeal, Fourth Appellate District, Division One, considered whether the City of San Diego may impose a special tax levied solely on hotel properties within a Convention Center Facilities District (the “CCFD”), where the special tax was approved pursuant to an election limited to landowners and lessees of properties on which the special tax would be levied, and not an election by all registered voters.

The CCFD was a financing district established under the City of San Diego’s Charter and was intended to function much like a community facilities district established under the Mello-Roos Act. The CCFD was comprised of the entire City of San Diego. The Court held that, because the electors in such an election were not the registered voters residing within such district, the CCFD special tax election did not comply with: (i) Proposition 13 (which added Article XIII A to

the California Constitution and states that cities, counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district), (ii) Proposition 218, which added Article XIII C and XIID to the California Constitution (which provides that “no local government may impose, extend or increase any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote”), or (iii) applicable provisions of the City Charter.

The *Shapiro* Court was unwilling to defer to the Mello-Roos Act as legal authority to provide local governments more flexibility in complying with the State’s constitutional requirement to obtain voter approval for taxes. The Court held that the tax was invalid because the registered voters of San Diego did not approve it. However, the *Shapiro* Court expressly stated that it was not addressing the validity of landowners voting to impose special taxes pursuant to the Mello-Roos Act in situations where there are fewer than 12 registered voters.

In May 2019, in *Horizon Capital Investments LLC et al. v. City of Sacramento*, Superior Court of California of the County of Sacramento Case No. 34-2017-80002661, the trial court issued a ruling invalidating a special tax sought to be imposed by the City of Sacramento pursuant to the Mello-Roos Act. The City of Sacramento formed a community facilities district designated the “Sacramento Street Car Community Facilities District No. 2017-01 (the “Street Car CFD”). The boundary line of the Street Car CFD was drawn around 366 or so separate parcels selected based on their proximity to the city’s street car system and the perceived benefits from the enhanced transit choices. The Street Car CFD included only non-residential parcels that were greater than 12,600 square feet or with a building greater than 40,000 square feet. Upon the City’s determination that there were fewer than 12 registered voters within the Street Car CFD’s territory, the Street Car CFD special tax was approved in an election by only landowners pursuant to the Mello-Roos Act (in particular, California Government Code Section 53326). The *Horizon* trial court concluded that, based on the *Shapiro* opinion, the Street Car CFD special tax is invalid because it was approved by landowners within the territory of the Street Car CFD, rather than by registered voters. *[To be updated, if applicable, before printing]*

The *Horizon* ruling is a trial court opinion without precedential effect (i.e., not binding on other trial court decisions). At this time, it is unclear how California Courts will address the issue regarding the validity of a special tax authorized in a landowner only election, if the occasion arises in the future. However, the Authority, the City and the School District believe that such development would affect only special taxes approved in future elections because the Mello-Roos Act provides a relatively short time to challenge such taxes. Specifically, Section 53341 of Mello-Roos Act provides that any “action or proceeding to attack, review, set aside, void or annul the levy of a special tax ... shall be commenced within 30 days after the special tax is approved by the voters.” Similarly, Section 53359 of the Mello-Roos Act provides that any action to determine the validity of bonds issued pursuant to the Mello-Roos Act or the levy of special taxes authorized pursuant to the Mello-Roos Act be brought within 30 days of the voters approving the issuance of such bonds or the special tax. The levy of the City CFD Special Tax and the School District Special Tax and the issuance of bonds by the CFDs were approved in 1997 and 2000. Therefore, the statutes of limitations period to challenge the validity of the City CFD Special Tax and the School District Special Tax have long expired.

Limitations on Remedies; No Acceleration

Remedies available to Bond holders may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds or to preserve the tax-exempt status of the Bonds. See “Bankruptcy and Foreclosure Delays.” There is no provision in the Indenture or the Fiscal Agent Agreements for acceleration of the payment of principal of or interest on the Bonds or the Local Obligations in the event of default or in the event interest on the Bonds becomes included in gross income for federal income tax purposes.

Investment of Funds

The Reserve Funds and other funds held by the Trustee and the Fiscal Agent under the Indenture and the Fiscal Agent Agreements are required to be invested in certain Permitted Investments as provided under the Indenture and the Fiscal Agent Agreements, respectively. See “APPENDIX D – SUMMARY OF PRINCIPAL DOCUMENTS.” All investments, including Permitted Investments, authorized by law from time to time for investments by the Authority and the CFDs contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected, decline in market value and loss or delayed receipt of principal. The occurrence of these events with respect to amounts held under the Indenture and the Fiscal Agent Agreements could have a material adverse effect on the security for the Bonds.

Loss of Tax Exemption

In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, the Authority and the City and the School Districts, acting on behalf of the CFDs, have covenanted to comply with the applicable requirements of Section 148 and certain other sections of the Internal Revenue Code of 1986, as amended, relative to arbitrage and avoidance of characterization as private activity bonds, among other things. The interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds as a result of acts or omissions of the Authority, the City or the School District in violation of their covenants. Should such an event of taxability occur, the Bonds are not subject to acceleration, redemption or any increase in interest rates and will remain Outstanding until maturity or until redeemed under one of the redemption provisions contained in the Indenture. See “CONCLUDING INFORMATION – Tax Matters.”

Secondary Market

There can be no assurance that there will be a secondary market for the Bonds, or if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, pricing of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could substantially differ from the original purchase price.

AUTHORITY, CITY AND SCHOOL DISTRICT

The Authority is a joint powers authority, organized pursuant to a Joint Exercise of Powers Agreement, executed in March 1988 (the “Joint Powers Agreement”) by and between the City and the Brea Redevelopment Agency, as now succeeded by the Successor Agency to the Brea Redevelopment Agency (the “Successor Agency”). (The Successor Agency has issued bonds with maturity dates that extend to August 2036, after the final maturity date of the Bonds. The Successor Agency is expected to remain in existence so long as bonds issued by the Successor Agency remain outstanding. Further, the Indenture will include a covenant that, in the event of any impairment of the Authority’s existence by the termination of the Successor Agency, the Authority will take or cause to be taken all actions reasonably necessary to continue its existence until such time as the Bonds have been paid in full.) Pursuant to an Associate Membership Agreement between the Authority and the School District, the School District is an associate member of the Authority. The Joint Powers Agreement was entered into pursuant to the provisions of Article 1 of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “Act”). The governing body of the Authority consists of the same individuals who comprise the City Council of the City. The Authority was created for the purpose of providing financing for public capital improvements for its members through the acquisition by the Authority of such public capital improvements or the purchase by the Authority of local obligations within the meaning of the Act. Under the Act, the Authority has the power to issue bonds to finance the cost of certain public capital improvements.

The City, a general law city, was incorporated in 1917, the eighth city in the County. The City has a Council-Manager form of municipal government. The City Council is composed of five members elected bi-annually at large to four-year alternating terms. The Mayor is selected by the City Council from among its members. On June 20, 2019, the City Council adopted Resolution No. 2019-049 declaring the intent to transition to district-based elections after receipt of the 2020 Census results (which results are currently expected to be released by the U.S. Census Bureau in spring 2021). The City Council appoints the City Manager who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. The City encompasses 11.2 square miles and is located at the northern end of the County, just south of the Los Angeles County line. From a population of approximately 18,450 in 1970, the City has grown to a population of approximately 45,000 as of January 1, 2019, according to State of California Department of Finance estimates. See “APPENDIX A – GENERAL INFORMATION REGARDING CITY OF BREA.”

The School District was established in 1966 and covers an area of about 21 square miles. Located in the northwest portion of the County, the School District serves the City as well as a small area of the cities of Fullerton, Yorba Linda and LaHabra. The School Board is the governing board of the School District and is composed of five voting members elected at large by the voters of the School District. On May 6, 2019, the School Board adopted Resolution No. 19-17 directing the initiation of processes to establish trustee areas within the School District and to change the method of electing members of the School Board from the current at-large system to, beginning with the November 2020 election, a method which provides that the School Board members residing in each trustee area will be elected by the registered voters of that particular trustee area. The Superintendent of the School District, appointed by the School Board, is responsible for the management of day-to-day operations and supervises the work of other School District

administrators. The School District currently operates six elementary schools, one junior high school, one continuation high school and one high school and serves a population of approximately 6,000 students.

CONCLUDING INFORMATION

Absence of Litigation

To the knowledge of the Authority, the City and the School District, there is no litigation pending or threatened to restrain or enjoin the issuance, execution or delivery of the Bonds, to contest the validity of the Bonds, the Indenture, or any proceedings of the Authority with respect thereto. In the opinion of counsel to the Authority, there is no lawsuit or claim pending against the Authority, with respect to which the Authority has been served with process, which will materially impair the Authority's ability to enter into the Indenture or restrain or enjoin the collection of Revenues as contemplated therein.

To the knowledge of the City, there is no litigation pending or threatened to restrain or enjoin the issuance, execution or delivery of the City CFD Bonds, to contest the validity of the City CFD Bonds or the related Fiscal Agreement, or any proceedings of the City with respect thereto. In the opinion of counsel to the City, there is no lawsuit or claim pending against the City or the City CFD, with respect to which the City has been served with process, which will materially impair the ability of the City, acting for and on behalf of the City CFD, to enter into the Fiscal Agent Agreement relating to the City CFD Bonds or restrain or enjoin the collection of Special Taxes Revenues to be derived from the City CFD Special Taxes as contemplated therein.

To the knowledge of the School District, there is no litigation pending or threatened to restrain or enjoin the issuance, execution or delivery of the School District CFD Bonds, to contest the validity of the School District CFD Bonds or the related Fiscal Agreement, or any proceedings of the City with respect thereto. In the opinion of counsel to the School District, there is no lawsuit or claim pending against the School District or the School District CFD, with respect to which the School District has been served with process, which will materially impair the ability of the School District, acting for and on behalf of the School District CFD, to enter into the Fiscal Agent Agreement relating to the School District CFD Bonds or restrain or enjoin the collection of Special Taxes Revenues to be derived from the School District CFD Special Taxes as contemplated therein.

Continuing Disclosure

Each of the City and the School District has undertaken in a continuing disclosure certificate (the "City Continuing Disclosure Certificate" and the "School District Continuing Disclosure Certificate" respectively) for the benefit of Owners and beneficial owners of the Bonds. This undertaking has been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) (the "Rule") promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Under the City Continuing Disclosure Certificate, the City will covenant to provide certain financial information and operating data relating to the City CFD and the balances of funds relating to the City CFD Bonds, by not later than by not later than nine months after the close of each fiscal

year (which currently would be March 31, with the fiscal year ending on each June 30) commencing with the report for the 2018-19 fiscal year (the “City Annual Report”), and to provide notices of the occurrence of certain enumerated events. The City Annual Report and notices will be filed by the City or The Bank of New York Mellon Trust Company, N.A., as the Dissemination Agent on behalf of the City, with the Municipal Securities Rulemaking Board (the “MSRB”), via its Electronic Municipal Market Access (“EMMA”) system. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in “APPENDIX B – FORM OF CITY CONTINUING DISCLOSURE CERTIFICATE.”

Under the School District Continuing Disclosure Certificate, the School District will covenant to provide certain financial information and operating data relating to the School District CFD and the balances of funds relating to the School District CFD Bonds, by not later than by not later than nine months after the close of each fiscal year (which currently would be March 31, with the fiscal year ending on each June 30) commencing with the report for the 2018-19 fiscal year (the “School District Annual Report”), and to provide notices of the occurrence of certain enumerated events. The School District Annual Report and notices will be filed by the School District or The Bank of New York Mellon Trust Company, N.A., as the Dissemination Agent on behalf of the School District, with the MSRB, via EMMA. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in “APPENDIX C – FORM OF SCHOOL DISTRICT CONTINUING DISCLOSURE CERTIFICATE.”

A failure by the City or the School District to comply with the provisions of its respective Continuing Disclosure Certificate is not an event of default under the Indenture (although the Owners and beneficial owners of the Bonds do have remedies at law and in equity). However, a failure to comply with the provisions of the Continuing Disclosure Certificate must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds. Therefore, a failure by the City or the School District to comply with the provisions of its Continuing Disclosure Certificate may adversely affect the marketability of the Bonds on the secondary market.

Before the printing of this Official Statement, an independent examination (the “City CD Examination”) of the City’s continuing disclosure filings during the five years ending June 28, 2019, was made. The City CD Examination found that: (i) a notice for a 2014 rating upgrade of bonds relating to a City CFD was filed in 2017, (ii) the audited financial statements and certain other information pertaining to fiscal years 2015-16, 2016-17 and 2017-18 annual reports for multiple bond issues were filed after the deadline, and (iii) with respect to the fiscal year 2018-19 annual reports for certain lease revenues bonds, a summary of the General Fund budget was missing and, additionally, a “Page 2” was missing from the EMMA posting. [Before the printing of this Official Statement, the City has re-filed such 2018-19 annual reports with the previously missing information.] The City has taken steps to ensure future compliance with its continuing disclosure obligations in a timely manner. Before the printing of this Official Statement, the City Council adopted Resolution No. 2019-046, which among other things, approved a set of continuing disclosure procedures.

Before the printing of this Official Statement, an independent examination (the “School District CD Examination”) of the School District’s continuing disclosure filings between the during the five years ending June 28, 2019, was made. The School District CD Examination found

that: (i) the fiscal year 2015-16 annual report for the Prior Authority Bonds was filed after the applicable deadlines, (ii) a notice for a 2014 rating upgrade of the Prior Authority Bonds was filed in 2017, and (iii) certain information for the 2017-18 annual report for a series of general obligation bonds was missing. [The School District has filed the missing information for that 2017-18 annual report before the printing of this Official Statement.]. The School District has taken steps to ensure future compliance with its continuing disclosure obligations in a timely manner.

Legal Matters

The legality of the issuance of the Bonds and the Local Obligations is subject to the approval of Quint & Thimmig LLP, Larkspur, California, Bond Counsel. Bond Counsel's opinion with respect to the Bonds will be substantially in the form set forth in Appendix F of this Official Statement. Certain legal matters will be passed on for the Authority, the City and the City CFD by Richards, Watson & Gershon, A Professional Corporation, as City Attorney, Authority Counsel and Disclosure Counsel, and for the School District and the School District CFD by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Special Counsel to the School District. Kutak Rock LLP has served as counsel to Stifel, Nicolaus & Company, Incorporated, the Underwriter, in connection with the Bonds.

Tax Matters

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Authority, and the City and the School District, have covenanted in the Indenture and the Fiscal Agent Agreements, respectively, to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Authority's, the City's and the School District's compliance with the above-referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax under the Internal Revenue Code of 1986, as amended (the "Code").

In rendering its opinion, Bond Counsel will rely upon certifications of the Authority, the City and the School District with respect to certain material facts within their respective knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The issue price (the "Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page of this Official Statement.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the “OID Bonds”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Authority comply with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond’s stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the “Revised Issue Price”), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Authority as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

The complete text of the final opinion that Bond Counsel expects to deliver upon issuance of the Bonds is set forth in Appendix F.

Municipal Advisor

Fieldman, Rolapp & Associates, Inc., Irvine, California, has served as municipal advisor (the “Municipal Advisor”) to the Authority, the City and the School District in connection with the issuance of the Bonds. The Municipal Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other securities public or otherwise.

Underwriting

Pursuant to a bond purchase contract (the “Purchase Contract”), Stifel, Nicolaus & Company, Incorporated, the Underwriter, has agreed, subject to certain conditions, to purchase the Bonds at a purchase price of \$_____ (which is equal to the principal amount of the Bonds, [plus/net] a net original issue [premium/discount] of \$_____, and less an Underwriter’s discount of \$_____). The Purchase Contract provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract. The Underwriter intends to offer the Bonds to the public initially at the prices set forth on the inside cover of this Official Statement, which prices may subsequently change without any requirement of prior notice.

Ratings

S&P Global Ratings (“S&P”) is expected to assign a rating of “_____” to the Bonds, conditioned on the issuance by the Bond Insurer of the Bond Insurance Policy at the time of delivery of the Bonds. In addition, S&P has assigned an underlying rating of “_____” to the Bonds based on their assessment of the Authority’s ability to make payments with respect to the Bonds without giving effect to the Bond Insurance Policy. S&P’s rating reflects only the views of such organization and any desired explanation of the significance of such rating may be obtained from S&P. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Miscellaneous

All of the preceding description and summaries of the Bonds, the Indenture, the Local Obligations, the Fiscal Agent Agreements, the Rates and Methods, the Mello-Roos Act and other applicable agreements, legislation and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Trustee for further information in connection therewith.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The Authority, the City (acting for and on behalf of the City CFD), and the School District (acting for and on behalf of the School District CFD) have duly authorized the execution and delivery of this Official Statement.

BREA PUBLIC FINANCING AUTHORITY

By: _____
Chair

**CITY OF BREA,
for and on behalf of City of Brea Community
Facilities district No. 1997-1 (Olinda Heights
Public Improvements)**

By: _____
Mayor

**BREA OLINDA UNIFIED SCHOOL DISTRICT,
for and on behalf of Brea Olinda Unified School
District Community Facilities District No. 95-1
(Olinda Heights)**

By: _____
Superintendent

APPENDIX A

GENERAL INFORMATION REGARDING CITY OF BREA

The following information in this Appendix is included only for the purpose of supplying general demographic and economic information regarding the City of Brea. The City has no obligation to pay principal of or interest on the Bonds or the School District CFD Bonds, and the City is not contingently liable on the City CFD Bonds.

Geography

The City encompasses 11.2 square miles and is located at the northern end of Orange County (the “County”), just south of the Los Angeles County line. It is approximately 25 miles southeast of downtown Los Angeles, 15 miles north of Santa Ana, the County Seat, and 22 miles inland of the Pacific Ocean. Neighboring communities include Fullerton, Placentia, La Habra and Yorba Linda.

Municipal Government

The City, a general law city, was incorporated in 1917, the eighth city in the County. The City has a Council-Manager form of municipal government. The City Council appoints the City Manager who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. The City Council is composed of five members elected every two years at large to four-year alternating terms. The Mayor is selected by the City Council from among its members. As of June 18, 2019, the City had approximately 280 full-time employees. On June 20, 2019, the City Council adopted Resolution No. 2019-049 declaring the intent to transition to district-based elections after receipt of the 2020 Census results (which results are currently expected to be released by the U.S. Census Bureau in spring 2021).

Population

The following table shows the estimated population growth for the City, the County and the State of California for the years shown.

City of Brea
City, County and State Population Growth⁽¹⁾
Calendar Years 2000, 2010 and 2015 through 2019

Calendar Year	City of Brea	% Change from Prior Period	County of Orange	% Change from Prior Period	State of California	% Change from Prior Period
2000	35,176	--	2,831,799	--	33,721,583	--
2010	39,259	11.61%	3,008,855	6.25%	37,223,900	10.39%
2015	43,414	10.58	3,155,578	4.88	38,952,462	4.64
2016	43,821	0.94	3,174,945	0.61	39,214,803	0.67
2017	44,468	1.48	3,199,509	0.77	39,504,609	0.74
2018	44,539	0.16	3,213,275	0.43	39,740,508	0.60
2019	45,606	2.40	3,222,498	0.29	39,927,315	0.47

(1) As of January 1 of each year, with 2010 census benchmark.
Source: State of California Department of Finance.

City's Taxable Valuation

Below is a summary of the City's taxable valuation for the fiscal years set forth below. These figures are presented for historical comparison, with reference only to the time frame of the years shown:

City of Brea Assessed Values of All Taxable Property Fiscal Years 2014-15 through 2018-19

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property ⁽¹⁾	Total Taxable Assessed Value ⁽²⁾	Percent Change
2014-15	\$4,377,268,712	\$1,580,151,775	\$1,167,513,932	\$826,734,462	\$7,951,668,881	6.76%
2015-16	4,945,219,822	1,670,210,797	1,168,849,914	740,725,273	8,525,005,806	7.21
2016-17	5,359,064,633	1,725,644,969	1,264,334,778	775,342,859	9,124,387,239	7.03
2017-18	5,598,174,721	1,844,339,813	1,437,177,754	774,675,165	9,654,367,453	5.81
2018-19	N/A	N/A	N/A	N/A	10,286,668,026	6.55

(1) Other property includes recreational, institutional, vacant, and miscellaneous property.

(2) Tax-exempt property is excluded from the total taxable assessed value.

Source: Fiscal years 2014-15 through 2017-18 information from City of Brea Comprehensive Annual Financial Reports, for years ended June 30, 2018; based on information from Orange County Assessor; fiscal year 2018-19 assessed value from Orange County Auditor-Controller.

Construction Activity

The table below shows the number of construction permits issued in the City and the related values for the years shown:

City of Brea Construction Permits Calendar Years 2014-2018

Calendar Year	No. of Permits Issued	Percent Change	Estimated Valuation	Percent Change
2014	2,189	23.81%	\$101,885,541	37.32%
2015	2,486	13.57	166,698,338	63.61
2016	2,117	-14.84	126,779,527	-23.95
2017	1,197	-43.46	145,792,928	14.99
2018	1,304	8.94	69,051,322	-52.64

Source: City of Brea Development Services Department.

The fluctuation in building permits issued often reflects large scale tract development which is cyclical and, given the City's size (approximately 11 square miles), occurs intermittently.

Employment

According to the State of California Employment Development Department, the [May] 2019 preliminary, estimated unemployment rates for the City, the County and the State were [2.3] percent, [2.4] percent and [3.5] percent, respectively. The following table shows certain employment statistics for the City and the County for calendar years shown:

City of Brea City, County and State Employment Statistics Calendar Years 2014 through 2018⁽¹⁾					
Year	City			County	State
	Labor Force	Employed	Unemployment Rate	Unemployment Rate	Unemployment Rate
2014	21,800	20,600	5.3%	5.5%	7.5%
2015	22,000	21,100	4.3	4.5	6.2
2016	22,200	21,300	3.9	4.0	5.4
2017	21,900	21,100	3.3	3.5	4.8
2018	22,800	22,100	2.9	2.9	4.2

(1) Not seasonally adjusted. March 2018 benchmark.

Source: State of California, Employment Development Department.

The following table lists the major employers within the City and their estimated number of employees:

City of Brea Top Ten Employers as of June 18, 2019		
Company	Product or Service	Estimated No. of Employees
Mercury Insurance Group	insurance services	1,675
Bank of America	financial services	1,500
Albertson's, Inc.	retail – grocer	1,335
Beckmans Coulter, Inc.	manufacturing - biomedical instruments	1,000
Kirkhill - TA Company	manufacturing - aircraft parts	779
Brea Olinda Unified School District	public agency	709
Bristol Industries	manufacturing - machinery components	413
City of Brea	public agency	401
Nationwide, formerly Veterinary Pet Insurance	insurance services	400
Nordstrom Department Stores	retail	352

Source: City of Brea.

Median Household Income

The following table shows the estimated median household income for the City, the County, the State and the United States for the years shown:

City of Brea, Orange County, California and the United States Estimated Median Household Income Calendar Years 2013 through 2017

Year	City	County	State	U.S.
2013	\$79,124	\$75,422	\$61,094	\$53,046
2014	81,857	75,998	61,489	53,482
2015	83,717	76,509	61,818	53,889
2016	85,555	78,145	63,783	55,322
2017	90,214	81,851	67,169	57,652

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates.

Commercial Activity

The following table summarizes the annual volume of taxable transactions within the City for the calendar years shown:

City of Brea Taxable Transactions Calendar Years 2012 through 2016 (in Thousands of Dollars)

	2012	2013	2014	2015 ⁽¹⁾	2016 ⁽¹⁾
Retail and food services					
Motor vehicle and parts dealers	\$27,932	\$45,182	\$59,035	\$67,309	\$79,555
Home furnishings and appliances	51,740	59,143	58,504	57,973	54,983
Bldg matrl and garden equip and supplies	106,278	113,833	109,130	120,608	125,790
Food and beverage stores	41,187	43,479	44,995	46,580	56,114
Gasoline stations	102,184	101,912	95,707	81,127	66,836
Clothing and clothing accessories stores	287,305	293,004	290,140	296,032	281,477
General merchandise stores	203,886	204,457	204,562	204,043	198,845
Food services & drinking places	196,966	205,803	211,174	226,712	240,418
Other retail group	148,812	151,942	154,233	153,322	150,909
Subtotal⁽²⁾	\$1,166,290	\$1,218,754	\$1,227,480	\$1,253,706	\$1,254,928
All Other Outlets	469,349	487,873	488,917	534,145	526,511
All Outlets⁽²⁾	<u>\$1,635,639</u>	<u>\$1,706,627</u>	<u>\$1,716,397</u>	<u>\$1,787,851</u>	<u>\$1,781,439</u>

(1) Beginning in 2015, the outlet counts show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 and 2016 are not comparable to that of prior years.

(2) Detail may not compute to total due to rounding.

Source: Compiled from data published by State of California Board of Equalization.

Transportation

The City is well served by area transportation routes. The Orange Freeway (State Highway 57), a major north-south corridor, crosses centrally through the City. The City is also within minutes of the Pomona Freeway (State Route 60), the Riverside Freeway (State Route 91) and the Santa Ana Freeway (Interstate 5). The City is close to several airports: Orange County Airport (17 miles from the City), Ontario Airport (25 miles from the City) and LAX (48 miles from the City). An Amtrak/Metrolink station located approximately five miles from the City provides passenger rail access. The Orange County Transportation Authority operates a regional bus system with routes that serves the City and other areas throughout the County.

Public Utilities

Electrical service is provided by Southern California Edison. Southern California Gas provides natural gas.

Water services are provided by the City's Water Department. The City's drinking water is a blend of surface water imported by the Metropolitan Water District of Southern California and ground water imported from California Domestic Water Company in Whittier. Metropolitan's imported water sources are the Colorado River and the State Water Project, which draws water from the San Francisco-San Joaquin Bay Delta. California Domestic water originates from the San Gabriel Basin.

Sewer services are provided by the City's Maintenance Services Department, which maintains over 108 miles of sewer main lines. The sewer distribution system flows into Orange County Sanitation District trunk system until it is treated at their secondary treatment facility in Fountain Valley. Trash collection services are provided by the City through Brea Disposal, a private contractor.

Education

The City's students are served by the Brea Olinda Unified School District presided over by a separately elected board. The system includes six elementary schools, one junior high school, one high school and one alternative high school. Brea-Olinda High School has a professional performing arts center and complete athletic facilities. The City also has several private pre-schools, two Christian schools and a Roman Catholic school serving grades K-8. Colleges, universities and a number of technical and vocational schools are located in and around Brea. California State University, Fullerton College, Pacific Christian College, Hope University, an optometry school and a law school are located in nearby Fullerton, and the University of California at Irvine, Chapman College, and Cal Poly Pomona are within easy freeway access.

Community Facilities

St. Jude Medical Center in Fullerton and Placentia-Linda Hospital in Placentia are full-service hospitals that are located within five miles of the City.

The City maintains parks and recreation facilities within its boundaries. The Brea Community Services Department coordinates park activities and the City owns Brea Creek Golf Course, operated by the Chapman Investment Company in partnership with Billy Casper Golf.

The City has senior and family resource center operated by the City with participation by charitable, non-profit corporations.

Public Safety

Law enforcement services are provided by the Brea Police Department which provides full services to the City. Fire services are provided by the Brea Fire Services Department, which has three fire stations and one annex located throughout the City.

Street and highway maintenance is provided for under the supervision of the City's Maintenance Services Department.

APPENDIX B

CITY CFD RATE AND METHOD

APPENDIX C

SCHOOL DISTRICT CFD RATE AND METHOD

APPENDIX D

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX E
FORMS OF CONTINUING DISCLOSURE CERTIFICATES

APPENDIX F

FORM OF BOND COUNSEL OPINION

Upon issuance and delivery of the Bonds, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

APPENDIX G

DTC'S BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the Authority, the City and the School District believe to be reliable, and the Authority, the City and the School District do not take any responsibility for the accuracy thereof. The Authority, the City and the School District give no assurances that (i) DTC, the Direct and Indirect Participants or others will distribute payments of principal, premium (if any) or interest with respect to the Bonds paid to DTC or its nominee as, the registered owner, to the Beneficial Owners, (ii) such entities will distribute redemption notices or other notices, to the Beneficial Owners, or (iii) an error or delay relating thereto will not occur.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing

details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMD Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any) and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Authority or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any) and interest payments with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered in accordance with the provisions of the Indenture.

APPENDIX H
SPECIMEN BOND INSURANCE POLICY

CONTINUING DISCLOSURE CERTIFICATE (CITY)

This Continuing Disclosure Certificate (the “Disclosure Certificate”), dated _____, 2019, is executed and delivered by the City of Brea (the “City”) in connection with the issuance of the \$_____ aggregate principal amount Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019 (the “Bonds”). The Bonds have been issued under and subject to the terms and provisions of an Indenture of Trust, dated as of August 1, 2019 (the “Indenture”) by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as Trustee. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the Indenture.

Proceeds of the Bonds are being used to purchase two series of bonds (the “Local Obligations”): (i) the \$_____ aggregate principal amount City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds (the “City CFD Bonds”), and (ii) the \$_____ aggregate principal amount 2019 Brea Olinda Unified School District Communities Facilities District No. 95-1 (Olinda Heights) Special Tax Refunding Bonds. The City CFD Bonds will be issued pursuant to a Fiscal Agent Agreement, dated as of August 1, 2019 (the “Fiscal Agent Agreement”), by and between the City, acting for and on behalf of the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) (the “City CFD”) and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent. The Bonds will be payable solely from and secured by Revenues, consisting primarily of principal and interest payments on the Local Obligations to be received by the Trustee, as the Authority’s assignee, under the Indenture.

The City’s obligations under this Certificate shall terminate upon legal defeasance, prior redemption or payment in full of all of the City CFD Bonds pursuant to Section 6.

The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Official Statement (defined below, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean initially The Bank of New York Mellon Trust Company, N.A., or any successor Dissemination Agent designated in writing by the City and which has filed with the City and the Trustee a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system located at <http://www.emma.msrb.org>, as the centralized on-line repository for municipal disclosure documents to be filed with the MSRB pursuant to the Rule, or such other successor repository site as prescribed by the MSRB.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any successor thereto.

“Official Statement” shall mean the final Official Statement, dated _____, 2019, relating to the Bonds.

“Participating Underwriter” shall mean Stifel, Nicolaus & Company, Incorporated, as the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2 12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

Section 3. Provisions of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, no later than nine months after the close of the City’s fiscal year (which currently will be March 31 of each year based on a June 30 end of fiscal year), commencing with the report for the 2018-19 fiscal year, provide to the MSRB, via EMMA, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than 15 business days prior to the date specified in subsection (a) above for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the first sentence of this subsection (b). If requested by the Dissemination Agent, the City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the City and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall in a timely manner send a notice to the MSRB, in such form as prescribed or acceptable to MSRB.

(d) The Dissemination Agent (if other than the City) shall, if and to the extent, the City has provided an Annual Report in final form to the Dissemination Agent for dissemination, file a report with the City certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City's Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the City for the most recently completed fiscal year. Such audited financial statements shall be prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, as may be further modified by applicable state law. If such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the audited financial statements customarily used by the City, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available. The City's audited financial statements may be accompanied by a statement substantially as follows:

"The City of Brea's annual financial statements are provided solely in view of the Securities Exchange Commission staff's interpretation of Rule 15c2-12. The Bonds are secured by principal and interest payments on bonds issued by two community facilities districts, including a series of bonds (the "City CFD Bonds") issued by the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) (the "CFD"). The City CFD Bonds are special limited obligations of the CFD secured solely by special taxes levied by the CFD on the taxable property in the CFD and certain funds held under the related Fiscal Agent Agreement. The City is not obligated to advance any of the City's funds to cover any default of the City CFD Bonds or the Bonds. Investors should not rely on the financial condition of the City in evaluating whether to buy, hold or sell Bonds."

(b) To the extent not contained in the audited financial statements filed pursuant to the preceding subsection (a) by the date required by Section 3 hereof:

(i) Updates of the information in Tables 1 and 3 under the caption "COMMUNITY FACILITIES DISTRICTS" in the Official Statement based on the equalized County secured tax roll most recently available at the time of the filing of the report, presented in substantially the same format as such tables.

- (ii) A brief narrative description of the status of foreclosure proceedings, if any, relating to delinquencies in the City CFD with respect to the special taxes levied by the City CFD (the “City CFD Special Taxes”);
- (iii) A statement confirming that the County’s Teeter Plan continues to be in effect with respect to the City CFD Special Taxes or, alternatively, if the County’s Teeter Plan has been terminated, or the County has announced a termination of the Teeter Plan, with respect to the City CFD Special Taxes, the date on which such termination took, or will take, effect;
- (iv) The principal amount of the Bonds and the principal amount of additional parity bonds issued under the Indenture, if any, Outstanding as of the last day of the most recently ended fiscal year;
- (v) The principal amount of the City CFD Bonds outstanding as of the last day of the most recently ended fiscal year;
- (vi) The amount deposited or credited to the City CFD Reserve Fund maintained under the Fiscal Agent Agreement as of the last day of the most recently ended fiscal year; provided, the Annual Report may, instead, state that the Reserve Requirement has been being fully satisfied by the City CFD Reserve Policy, if that is then indeed the case; and
- (vii) To the extent not otherwise provided pursuant to the preceding items, annual information required to be filed by the City for the City CFD with the California Debt and Investment Advisory Commission pursuant to Section 53359.5(b) of the California Government Code.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the City shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

Any or all of the items listed above for inclusion in the Annual Report may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been available to the public on EMMA or filed with the SEC. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given to the MSRB, via EMMA, notice of the occurrence of any of the following Listed Events with respect to the Bonds, which notice shall be given in a timely manner, not in excess of ten business days after the occurrence of such Listed Event:

- (1) Principal and interest payment delinquencies;
- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on City CFD Reserve Fund reflecting financial difficulties;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Bond owners, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Changes of the ratings of the Bonds;
- (12) Bankruptcy, insolvency, receivership or similar event of the City or the City CFD;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or the City CFD or the sale of all or substantially all of the assets of the City or the City CFD, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;

- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(For Listed Events listed in Section 5(a)(15) and (16), “financial obligation” has such meaning as set forth in the Rule which, as of the date of this Disclosure Certificate, includes: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); provided that municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule is not a “financial obligation” for this purpose.)

(b) The Dissemination Agent shall, within one business day after obtaining knowledge of the occurrence of any of the events listed in Section 5(a) (1), (3), (4), (5), (6), (9), (11), (12) or (16), or (8) with respect to tender offers, inform the City of the occurrence of such event. In any case, as soon as reasonably practicable after obtaining knowledge of the occurrence of such event, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

(c) The Dissemination Agent shall, within one business day after obtaining knowledge of the occurrence of any of the events listed in Section 5(a) (2), (7), (10), (13), (14), (15) or (8) with respect to bond calls, inform the City of the occurrence of such event and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). So long as the Trustee also serves as the Dissemination Agent, “knowledge” means the actual knowledge at the corporate trust office of the Trustee by an officer of the Trustee with responsibility for matters related to the administration of the Indenture. The Dissemination Agent shall have no responsibility to determine the materiality of any of the listed events.

(d) Whenever the City obtains knowledge of the occurrence of any event specified in Section 5(a) (2), (7), (10), (13), (14), (15) or (8) with respect to bond calls, the City shall as soon as possible, in order to meet the ten business day deadline to file notices required under the Rule and pursuant to the following sentence, determine if such event would be material under applicable Federal securities law. If the City determines that knowledge of the occurrence

of such event would be material under applicable Federal securities law, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The City's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the City CFD Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b); provided, that this requirement shall be deemed satisfied by the filing of a notice of defeasance or full redemption pursuant to Section 5(b).

Section 7. Dissemination Agent. The initial Dissemination Agent shall be The Bank of New York Mellon Trust Company, N.A. From time to time, the City may appoint a different Dissemination Agent to assist it in carrying out its obligations (or designate itself as the Dissemination Agent) under this Disclosure Certificate. The Dissemination Agent may resign by providing 30 days written notice to the City and the Trustee. The City may replace the Dissemination Agent with or without cause.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver affecting the Bonds either (i) is approved by holders of the affected Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of such Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. For purposes of this paragraph, "impact" has the meaning as that word is used in the letter from the staff of the Securities and Exchange Commission to the National Association of Bond Lawyers dated June 23, 1995.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB in the same manner as for a Listed Event under Section 5(b).

No amendment to this Agreement which modifies the duties or rights of the Dissemination Agent shall be made without the prior written consent of the Dissemination Agent.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. So long as the Dissemination Agent is also the Fiscal Agent under the Fiscal Agent Agreement, the Dissemination Agent shall be entitled to the protections and limitations from the liability afforded to the Fiscal Agent under Article VII of the Fiscal Agent Agreement. Solely for such purpose, so long as the Dissemination Agent is also the Fiscal Agent under the Fiscal Agent Agreement, Article VII of the Fiscal Agent Agreement is incorporated in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of the disclosure of information pursuant to this Disclosure Certificate or arising out of or in the exercise or performance of its powers and duties hereunder, including the costs

and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent (acting in such capacity and not as Trustee or any other role) shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent (if different than the City) shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Owners, or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the City or an opinion of nationally recognized bond counsel. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the City has caused its duly authorized officer to execute and deliver this Certificate on the date first written above.

CITY OF BREA

By: _____
[Title]

The undersigned hereby agrees to act as
Dissemination Agent pursuant to the
foregoing Continuing Disclosure Certificate

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

By: _____

Title: _____

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 07/16/2019

SUBJECT: Authorization of the Issuance of the Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019

RECOMMENDATION

Adopt the Resolution, authorizing the issuance of the Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019; approving documents and authorizing related actions.

BACKGROUND/DISCUSSION

In 2005, the Brea Public Financing Authority issued its Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A ("2005 Authority Bonds"), proceeds of which were used to purchase the following bonds:

- City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2005 Special Tax Refunding Bonds ("2005 City CFD Bonds"), which were issued to refund the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 1998 Special Tax Bonds. The 1998 City CFD Bonds were issued for the construction of a neighborhood park, an historic park, storm drain and traffic facilities, utility relocation, roadway construction and abandonment of the oil fields on public property in the Olinda Ranch development.
- Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) Special Tax Refunding Bonds, Series 2005A ("2005 School District CFD A Bonds"), which were issued to refund the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) 1998 Special Tax Bonds. The 1998 School District CFD Bonds were issued to finance school facilities and improvements.
- Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) Special Tax Bonds, Series 2005B ("2005 School District CFD B Bonds"), which were issued for the construction of a proposed school and related facilities.

The 2005 Authority Bonds were issued in collaboration between the City of Brea ("City") and the Brea-Olinda Unified School District ("School District") related to the City of Brea's Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) ("CFD 1997-1") and the Brea Olinda Unified School District's Community Facilities District No. 95-1 (Olinda Heights) ("CFD 95-1"), respectively, the boundaries of which substantially overlap in the 276-acre, fully-developed Olinda Ranch.

The 2005 Authority Bonds are outstanding in the amount of \$9.4 million and are callable on any

interest payment date without penalty. City Staff has determined in consultation with its municipal advisor, Fieldman, Rolapp & Associates, Inc, and its bond underwriter, Stifel, Nicolaus & Company, Incorporated, that current market conditions allow for the issuance of refunding bonds (“2019 Authority Bonds”) to generate savings in the form of lower annual debt payments through refinancing the prior bonds.

The City’s Local Debt Policy requires at least a 3% net present value savings threshold to be met to refund bonds. The 2019 Authority Bonds have a projected 9.04% net present value savings. Based on current market conditions, subject to change, the refunding of the 2005 Authority Bonds is projected to provide average annual savings of approximately \$167,246 through 2028 and \$88,624 from 2029 to 2035 an average annual savings per parcel of \$262 through 2028 and \$139 from 2029 to 2035.

The proposed refinancing assumes that the 2005 Authority Bonds will be called on September 1, 2019 and the proposed refunding bonds would retain the same final maturity as the 2005 Authority Bonds. The 2019 Authority Bonds will be secured solely by revenues from the 2019 City CFD Bonds and the 2019 School District CFD Bonds referred to below, which in turn are payable from special taxes levied against properties in CFD No. 1997-1 and CFD No. 95-1, respectively. The resulting per parcel savings mentioned above will be passed on to the taxpayers. The City of Brea has no obligation to use any of its resources for repayment of these bonds.

Proceeds of the 2019 Authority Bonds will be used to purchase the following bonds:

- City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds (“2019 City CFD Bonds”) - proposed for City Council consideration of issuance on July 16, 2019
- Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) 2019 Special Tax Refunding Bonds (“2019 School District CFD Bonds”) - approved by the Brea Olinda Unified School District (BOUSD) on June 24, 2019

The 2019 City CFD Bonds will refund the 2005 City CFD Bonds and the 2019 School District CFD Bonds will refund the 2005 School District CFD A Bonds and the 2005 School District CFD B Bonds. The proposed bonds are structured in a manner that makes each respective agency responsible for their own administration of their special taxes, and result in shared savings by utilizing one financing team for the refinancing. Below is a table summarizing the detail for each series of 2005 bonds to be refunded and the anticipated savings:

Refunding Statistics	City CFD	School District CFDs A&B	Total
Amount of Refunded Bonds	\$3,590,000	\$5,765,000	\$9,355,000
Amount of Refunding Bonds	\$2,620,000	\$4,295,000	\$6,915,000
True Interest Cost	1.90%	2.61%	2.41%
Final Maturity	9/1/2028	9/1/2035	9/1/2035
Reserve Fund	Surety	Surety	Surety
Cash Flow Savings			
<i>Avg. Annual Saving (2020-2028)</i>	\$78,902	\$88,344	\$167,246
<i>Avg. Annual Saving (2029-2035)</i>	\$0	\$88,624	\$88,624
<i>Avg. Ann. Savings per Parcel (2020-2028)</i>	\$123	\$138	\$262
<i>Avg. Ann. Savings per Parcel (2029-2035)</i>	\$0	\$139	\$139
<i>Total Savings</i>	\$710,118	\$1,415,469	\$2,125,586
Present Value Savings			
<i>Net PV Savings</i>	\$261,413	\$584,641	\$846,054
<i>% Savings of Refunded Bonds</i>	7.28%	10.14%	9.04%

On October 9, 2017, the Governor approved Senate Bill 450 (SB 450), adding Section 5852.1 to the California Government Code. SB 450 requires prior to an issuance of bonds, a public agency disclose in a public meeting good faith financing estimates provided by an underwriter, municipal advisor or private lender. These estimates include: a) the True Interest Cost of the bonds; b) the total finance charge of the bonds, equal to the sum of all fees and charges paid to third parties; c) the amount of estimated bond proceeds minus the total finance charge of the bonds, and any reserves funded from proceeds of the bonds; and d) the total payment amount, which includes the projected sum total of all payments the CFD will make to pay debt service on the bonds plus any portion of the finance charge of the bonds that will not be paid with the proceeds of the bonds. The total payment amount should be calculated to the final maturity of the bonds.

The following table includes the SB 450 requirements for the 2019 Authority Bonds. These estimates are subject to change, based upon market conditions at the time of bond sale.

Requirement	Estimate
True Interest Cost	2.41%
Total Finance Charge (Fees Paid to Third Parties)	\$410,365
Estimated Bond Proceeds Minus Finance Charge	\$7,775,906
Total Payment Amount to Maturity (9/1/2035)	\$9,456,708

FISCAL IMPACT/SUMMARY

Based on current market conditions, the refunding of the 2005 Authority Bonds is projected to provide average annual savings of approximately \$167,246 through 2028 and \$88,624 from 2029 to 2035 an average annual savings per parcel of \$262 through 2028 and \$139 from 2029 to 2035.

The 2019 Authority Bonds would be secured solely by revenues from the 2019 City CFD Bonds and the 2019 School District CFD Bonds, which in turn are payable from special taxes levied against properties in CFD No. 1997-1 and CFD No. 95-1, respectively.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Cindy Russell, Administrative Services Director

Attachments

Resolution

Indenture of Trust

Escrow Agreement

Bond Purchase Agreement

Bond Purchase Contract - City

Bond Purchase Contract - BOUSD

Preliminary Official Statement

RESOLUTION NO. A-2019-03

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE BREA PUBLIC FINANCING AUTHORITY AUTHORIZING THE ISSUANCE OF ITS LOCAL AGENCY REVENUE REFUNDING BONDS AND APPROVING DOCUMENTS AND AUTHORIZING ACTIONS IN CONNECTION THEREWITH

A. RECITALS:

(i) The City Council of the City of Brea (the “City”) has formed the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) (the “City CFD”); and

(ii) The City has previously issued, for and on behalf of the City CFD, its City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2005 Special Tax Refunding Bonds (the “Prior City CFD Bonds”), which the City Council of the City now desires to refund through the issuance of refunding bonds by the City for and on behalf of the City CFD (the “2019 City CFD Bonds”); and

(iii) The Board of Education of the Brea Olinda Unified School District (the “School District”) has formed the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) (the “School CFD”); and

(iii) The the School District has previously issued for and on behalf of the School CFD, its Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) Special Tax Refunding Bonds, Series 2005A, and its Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights Public Improvements)

RESO NO. A-2019-03
July 16, 2019

Special Tax Bonds, Series 2005B (collectively, the “Prior School District CFD Bonds”), which the Board of Education of the School District now desires to refund through the issuance of refunding bonds by the School District for and on behalf of the School CFD (the “2019 School CFD Bonds”); and

(iv) The Brea Public Financing Authority (the “Authority”) has previously issued its Brea Public Financing Authority Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A (the “Prior Authority Bonds”) proceeds of which Prior Authority Bonds were used by the Authority to acquire the Prior City CFD Bonds and the Prior School District CFD Bonds; and

(v) In order to effect the refunding of the Prior CFD Bonds, the City Council of the City desires to sell its 2019 City CFD Bonds to the Authority in accordance with the terms of a City CFD Local Obligation Purchase Contract (the “City Local Agency Bond Purchase Contract”) between the City and the Authority; and

(vi) The City Council of the City has authorized the sale of the 2019 City CFD Bonds to the Authority in accordance with the terms of the City Local Agency Bond Purchase Contract the form of which is on file with the Secretary of the Authority; and

(vii) In order to effect the refunding of the Prior School District CFD Bonds, the Board of Education of the School District desires to sell its 2019 School CFD Bonds to the Authority in accordance with the terms of a School District CFD Local Obligation Purchase Contract (the “School District Local Agency Bond Purchase Contract”), between the School District and the Authority; and

(viii) The Board of Education of the School District has authorized the sale of the 2019 School CFD Bonds to the Authority in accordance with the terms of the School District Local Agency Bond Purchase Contract; and

(ix) The refunding of the Prior City CFD Bonds and the Prior School District CFD Bonds will result in a refunding of the Prior Authority Bonds; and

(x) The Board of Directors of the Authority now desires to authorize the issuance of its Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019 pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, being Article 4 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Bond Law”), in an aggregate principal amount not to exceed \$9,000,000 (the “Authority Bonds”) in order to acquire the 2019 City CFD Bonds and the 2019 School CFD Bonds; and

(xi) The City Council of the City has held a duly noticed public hearing with respect to the refinancing of the improvements financed with the proceeds of the Prior City CFD Bonds and the Prior School District CFD Bonds, and has made a finding of significant public benefits in connection with the issuance of the Authority Bonds and the use of the proceeds thereof to acquire the 2019 City CFD Bonds and the 2019 School CFD Bonds; and

(xii) The Authority also has determined and hereby finds that the issuance of the Authority Bonds and the acquisition of the 2019 City CFD Bonds and the 2019 School

CFD Bonds with the proceeds thereof will result in significant public benefits of the type described in Section 6586 of the Bond Law.

B. RESOLUTION:

NOW, THEREFORE, it is found, determined and resolved by the Board of Directors of the Brea Public Financing Authority as follows:

1. Each of the above recitals is true and correct. Pursuant to the Bond Law, the Board of Directors hereby finds and determines that the issuance of the Authority Bonds will result in savings in effective interest rates, bond underwriting costs and bond issuance costs and thereby result in significant public benefits to its members within the contemplation of Section 6586 of the Bond Law. The Board of Directors further finds that the Authority Bonds are in compliance with the City's Local Debt Policy (adopted June 6, 2017, and revised on June 18, 2019, which the Board of Directors hereby adopts as the local debt policy for the Authority, as the same may be modified from time to time).

2. The Board of Directors hereby authorizes the issuance of the Authority Bonds in an aggregate principal amount not to exceed \$9,000,000. The Authority Bonds shall mature on the dates and pay interest at the rates set forth in the Bond Purchase Agreement to be executed on behalf of the Authority in accordance with Section 4 hereof. All other provisions of the Authority Bonds shall be governed by the terms and conditions of the Indenture of Trust (the "Indenture"), the form of which is on file with the Secretary of the Authority. The form of the Indenture on file with the Secretary is hereby approved and the Chair, or in the Chair's absence, the Vice Chair or the Executive Director (each

RESO NO. A-2019-03
July 16, 2019

an “Authorized Officer”), acting individually, is authorized to execute the Indenture in the form hereby approved, together with such additions thereto and changes therein as the Executive Director or the Assistant Treasurer (who is the Administrative Services Director of the City), upon consultation with Bond Counsel, deems necessary or desirable. Approval of such changes shall be conclusively evidenced by the execution and delivery of the Indenture by the Authority.

The Board of Directors hereby approves the refunding of the Prior Authority Bonds in accordance with the provisions of the documents pursuant to which the Prior Authority Bonds were sold and delivered, and the Escrow Agreement among the Authority, the City, the School District and the trustee for the Prior Authority Bonds, as escrow bank thereunder. The Board of Directors hereby approves the Escrow Agreement in the form on file with the Secretary of the Authority. The Board of Directors hereby authorizes and directs the Chair (or in the Chair’s absence, the Authorized Officers, each acting alone) to execute the Escrow Agreement for and in the name and on behalf of the Authority in such form, together with any changes therein or additions thereto deemed advisable by the Executive Director or the Assistant Treasurer upon consultation with Bond Counsel.

3. The Authority Bonds shall be executed on behalf of the Authority by the manual or facsimile signature of the Chair of the Authority, and attested with the manual or facsimile signature of the Secretary. The Bank of New York Mellon Trust Company, N.A., is hereby appointed to act as the trustee for the Authority Bonds under the terms of the Indenture.

4. The Bond Purchase Agreement between the Authority and Stifel, Nicolaus & Company Incorporated (the "Underwriter") in the form on file with the Secretary is hereby approved and the Chair (or in the Chair's absence, the Authorized Officers, each acting alone) is hereby authorized to execute the Bond Purchase Agreement in the form so approved, with such additions thereto and changes therein as the Executive Director or the Assistant Treasurer, upon consultation with Bond Counsel, deems necessary or desirable. Approval of such additions and changes shall be conclusively evidenced by the execution and delivery by the Authority of the Bond Purchase Agreement; provided, however, that the Bond Purchase Agreement shall be signed only if (a) the true interest cost of the Authority Bonds does not exceed 4.00%, (b) the Underwriter's discount (without regard to any original issue discount) does not exceed 1.50% of the principal amount of the Authority Bonds, and (c) the present value of the debt service savings realized by the issuance of the Authority Bonds is at least 3.00%.

5. The City Local Agency Bond Purchase Contract between the Authority and the City, in the form on file with the Secretary, is hereby approved, and the Chair (or in the Chair's absence, the Authorized Officers, each acting alone) is hereby authorized and directed to execute the City Local Agency Bond Purchase Contract in the form hereby approved, with such additions thereto and changes therein as the Executive Director or the Assistant Treasurer, upon consultation with Bond Counsel, deems necessary or desirable, with such approval to be conclusively evidenced by the execution and delivery of such agreement by the Authority.

The School District Local Agency Bond Purchase Contract between the Authority and the School District, in the form on file with the Secretary, is hereby approved, and the Chair (or in the Chair's absence, the Authorized Officers, each acting alone) is hereby authorized and directed to execute the School District Local Agency Bond Purchase Contract in the form hereby approved, with such additions thereto and changes therein as the Executive Director or the Assistant Treasurer, upon consultation with Bond Counsel, deems necessary or desirable, with such approval to be conclusively evidenced by the execution and delivery of such agreement by the Authority.

6. The Preliminary Official Statement for the Authority Bonds in the form on file with the Secretary is hereby approved and the Underwriter is hereby authorized to distribute the Preliminary Official Statement to prospective purchasers of the Authority Bonds in the form hereby approved, together with such additions thereto and changes therein as are determined necessary or desirable by the Executive Director or the Assistant Treasurer to make such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission. The Chair (or in the Chair's absence, the Authorized Officers, each acting alone) is hereby authorized to execute a final Official Statement in the form of the Preliminary Official Statement, together with such changes as are determined necessary by the Executive Director or the Assistant Treasurer, to make such Official Statement complete and accurate as of its date. The Underwriter is further authorized to distribute the final Official Statement for the Authority Bonds and any supplement thereto to the purchasers of the Authority Bonds following its execution the Authority.

7. The Executive Director is authorized to execute such other contracts that the Executive Director deems necessary or appropriate to provide for all services necessary to effect the issuance of the Authority Bonds. Such services shall include, but not be limited to, services of the Trustee, verification and bidding agent services, and any other services deemed appropriate. The payment for the cost of such services, together with other Costs of Issuance (as defined in the Indenture), with Authority Bond proceeds and other amounts deposited to the Costs of Issuance Fund established pursuant to the Indenture or other funds legally available therefor is hereby authorized.

8. The Chair, the Vice Chair, the Secretary, the Executive Director and the Assistant Treasurer of the Authority and any other officers or staff of the Authority are hereby authorized and directed to take any actions and execute and deliver any and all documents as are necessary to accomplish the issuance, sale and delivery of the Authority Bonds in accordance with the provisions of this Resolution and the fulfillment of the purposes of the Authority Bonds as described in the Indenture. In furtherance of the foregoing, the Executive Director and the Assistant Treasurer are hereby authorized to approve modifications to the documents approved by this Resolution to allow for municipal bond insurance for the Bonds and to execute certificates and agreements required for such insurance if, upon the advice of the Municipal Advisor, such insurance is advantageous to the Authority in the circumstances.

Section 9. This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED this 16th day of July, 2019.

RESO NO. A-2019-03
July 16, 2019

Christine Marick, Chair

ATTEST: _____
Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, Secretary of the Brea Public Financing Authority, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the Board of Directors of the Brea Public Financing Authority on the 16th day of July, 2019 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

DATED: _____

Lillian Harris-Neal, City Clerk

RESO NO. A-2019-03
July 16, 2019

INDENTURE OF TRUST

by and between the

BREA PUBLIC FINANCING AUTHORITY

and

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

Dated as of August 1, 2019

Relating to:

\$_____

Brea Public Financing Authority
Local Agency Revenue Refunding Bonds,
Series 2019

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BOND INSURANCE PROVISIONS

EXHIBIT A FORM OF BOND

INDENTURE OF TRUST

THIS INDENTURE OF TRUST (this "Indenture"), made and entered into as of August 1, 2019, is by and between the BREA PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency organized and existing under the laws of the State of California (the "Authority") and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America with a corporate trust office in Los Angeles, California, and being qualified to accept and administer the trusts hereby created (the "Trustee").

R E C I T A L S :

WHEREAS, the Authority is a joint exercise of powers authority duly organized and existing under and pursuant to the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the "Act"), and is authorized pursuant to Article 4 of the Act (the "Bond Law") to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of its members, including the City of Brea, California (the "City"), and of any associate members, including the Brea Olinda Unified School District (the "School District"), as well as community facilities district bonds of the City and of the School District; and

WHEREAS, for the purpose of refunding certain outstanding community facilities district indebtedness of the City and of the School District, and thereby refunding the Authority's Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A, the Authority has determined to issue its Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019 in the aggregate principal amount of \$_____ (the "Bonds") pursuant to and secured by this Indenture in the manner provided herein; and

WHEREAS, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and to secure the payment of the principal thereof and interest thereon, the Authority has authorized the execution and delivery of this Indenture; and

WHEREAS, the Authority hereby certifies that all acts and proceedings required by law necessary to make the Bonds, when executed by the Authority, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special obligations of the Authority, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of the Indenture have been in all respects duly authorized.

A G R E E M E N T :

NOW, THEREFORE, THIS INDENTURE WITNESSETH, that in order to secure the payment of the principal of and the interest and premium (if any) on all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the

performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the owners thereof, and for other valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Authority does hereby covenant and agree with the Trustee, for the benefit of the respective owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; AUTHORIZATION AND PURPOSE OF BONDS; EQUAL SECURITY

Section 1.1 Definitions. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture and of any Supplemental Indenture and of the Bonds and of any certificate, opinion, request or other documents herein mentioned have the meanings herein specified.

“Act” means Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code of the State, as it may hereafter be amended from time to time.

“Administrative Expenses” means the fees and expenses of the Trustee, including legal fees and expenses (including fees and expenses of outside counsel and the allocated costs of internal attorneys) and the out-of-pocket expenses incurred by the Trustee, the City, the School District and the Authority in carrying out their duties hereunder including payment of amounts payable to the United States pursuant to Section 5.7 hereof and in carrying out the purposes of the Districts.

“Annual Debt Service” means, for each Bond Year, the sum of (a) the interest payable on the Outstanding Bonds in such Bond Year, and (b) the principal amount of the Outstanding Bonds scheduled to be paid in such Bond Year.

“Authority” means the Brea Public Financing Authority, a joint exercise of powers agency duly organized and existing under and by virtue of the laws of the State.

“Authorized Representative of the City” means the Mayor, the Mayor Pro Tem, the City Manager, the City’s Administrative Services Director, the City’s Financial Services Manager, the City Clerk or any other City officer so designated in writing by the City Council of the City or an Authorized Representative of the City.

“Authorized Representative of the School District” means the School District’s Superintendent, the School District’s Assistant Superintendent of Business Services, the School District’s Financial and Payroll Services, the School District’s Clerk of the Board or any other School District officer so designated in writing by the Board of Education of the School District or an Authorized Representative of the School District.

“Beneficial Owners” means the actual purchasers of the Bonds whose ownership interests are recorded on the books of the DTC Participants.

“Board” means the Board of Directors of the Authority.

“Bond Counsel” means (i) Quint & Thimmig LLP, or (ii) any attorney at law or other firm of attorneys selected by the Authority of nationally-recognized standing in matters pertaining to the federal tax exemption of interest on bonds issued by states and political subdivisions, and duly admitted to practice law before the highest court of any state of the United States of America.

“Bond Insurance Policy” means the financial guaranty insurance policy with respect to the Bonds issued by the Bond Insurer and insuring the payment when due of the principal of and interest on the Bonds as provided therein.

“Bond Insurer” means _____, or any successor thereto or assignee thereof.

“Bond Law” means the Marks-Roos Local Bond Pooling Act of 1985, constituting Article 4 of the Act (commencing with Section 6584), as it may hereafter be amended from time to time.

“Bond Register” means the registration books for the Bonds maintained by the Trustee in accordance with Section 2.8 hereof.

“Bonds” means the Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019, authorized by and at any time Outstanding pursuant to the Bond Law and this Indenture.

“Bond Year” means each twelve-month period extending from September 2 in one calendar year to September 1 of the succeeding calendar year, except in the case of the initial Bond Year which shall be the period from the Closing Date to September 1, 2020, both dates inclusive.

“Business Day” means a day which is not a Saturday or Sunday or a day of the year on which the New York Stock Exchange or banks in New York, New York or Los Angeles, California, or where the Trust Office is located, are not required or authorized to remain closed.

“Certificate of the Authority” means a certificate in writing signed by the Executive Director or Treasurer of the Authority, or by any other officer of the Authority duly authorized in writing by the Board for that purpose.

“City” means the City of Brea, California.

“City CFD” means the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements).

“Closing Date” means August 13, 2019, being the date upon which there is a physical delivery of the Bonds in exchange for the purchase price therefor.

“Code” means the Internal Revenue Code of 1986, as amended, and the United States Treasury Regulations in effect with respect thereto.

“Continuing Disclosure Agreements” means, collectively (i) the Continuing Disclosure Certificate (City), dated the Closing Date, of the City, with The Bank of New York Mellon Trust Company, N.A., as Dissemination Agent, and (ii) the Continuing Disclosure Certificate (School District), dated the Closing Date, of the School District, with The Bank of New York Mellon Trust Company, N.A., as Dissemination Agent.

“Costs of Issuance” means the costs and expenses incurred in connection with the issuance and sale of the Local Obligations and the Bonds and the acquisition of the Local Obligations by the Authority, including the acceptance and initial annual fees and expenses (including legal fees and expenses) of the Trustee and the Escrow Bank, legal fees and expenses of Bond Counsel, Disclosure Counsel and Counsel to the Authority, costs of printing the Bonds and the preliminary and final Official Statements, fees and expenses of the municipal advisors, the premium for the Bond Insurance Policy, verification agent and bidding agent fees, Cost of Issuance as defined in the two Fiscal Agent Agreements for the Local Obligations, and other fees and expenses set forth in a Request of the Authority.

“Costs of Issuance Fund” means the fund by that name established in Section 3.4.

“Districts” means, collectively, the City CFD and the School District CFD.

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

“DTC Participants” means securities brokers and dealers, banks, trust companies, clearing corporations and other organizations maintaining accounts with DTC.

“Escrow Bank” means The Bank of New York Mellon Trust Company, N.A., acting in its capacity as escrow bank under the Escrow Agreement, dated as of August 1, 2019, among the Authority, the School District, the City and the Escrow Bank.

“Event of Default” means any of the events described in Section 8.1 hereof.

“Fair Market Value” means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm’s length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Code) and, otherwise, the term “fair market value” means the acquisition price in a bona fide arm’s length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the code, (iii) the investment is a United States Treasury Security - State and

Local Government Series that is acquired in accordance with applicable regulations of the United States Bureau of Public Debt, or (iv) the investment is the Local Agency Investment Fund of the State of California but only if at all times during which the investment is held its yield is reasonably expected to be equal to or greater than the yield on a reasonably comparable direct obligation of the United States.

“Federal Securities” means any of the following: (a) cash; (b) State and Local Government Series issued by the United States Treasury (“SLGS”); (c) United States Treasury bills, notes and bonds, as traded on the open market; and, (d) zero coupon United States Treasury Bonds.

“Fiscal Year” means any twelve-month period extending from July 1 in one calendar year to June 30 of the succeeding calendar year, both dates inclusive, or any other twelve-month period selected and designated by the Authority as its official fiscal year period.

“Indenture” means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture pursuant to the provisions hereof.

“Independent Accountant” means any accountant or firm of such accountants appointed and paid by the Authority, and who, or each of whom: (a) is in fact independent and not under domination of the Authority, the School District or the City; (b) does not have any substantial interest, direct or indirect, in the Authority, the School District or the City; and (c) is not an officer or employee of the Authority, the School District or the City, but who may be regularly retained to make annual or other audits of the books of or reports to the Authority, the School District or the City, or who may be the City’s or the School District’s administrator for either of the Districts.

“Independent Financial Consultant” means any financial consultant or firm of such consultants appointed and paid by the Authority, and who, or each of whom: (a) is in fact independent and not under domination of the Authority, the School District or the City; (b) does not have any substantial interest, direct or indirect, in the Authority, the School District or the City; and (c) is not an officer or employee of the Authority, the School District or the City, but who may be regularly retained to make annual or other audits of the books of or reports to the Authority, the School District or the City, or who may be the City’s or the School District’s administrator for either of the Districts.

“Information Services” means (i) the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access website and (ii) in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such services providing information with respect to called bonds as the Authority may designate in a Certificate of the Authority delivered to the Trustee.

“Interest Account” means the account by that name established and held by the Trustee pursuant to Section 4.2(a) hereof.

“Interest Payment Date” means March 1 and September 1 in each year, beginning March 1, 2020, and continuing thereafter so long as any Bonds remain Outstanding.

“Local Obligations” means, collectively, (i) the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds; and (ii) the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) 2019 Special Tax Refunding Bonds.

“Maximum Annual Debt Service” means, as of the date of any calculation, the largest Annual Debt Service on the Bonds during the current or any future Bond Year.

“Moody’s” means Moody’s Investors Service, its successors and assigns.

“Original Purchaser” means Stifel, Nicolaus & Company Incorporated, the first purchaser of the Bonds from the Authority.

“Outstanding,” when used as of any particular time with reference to Bonds, means (subject to the provisions of Section 9.7 hereof) all Bonds theretofore executed and issued by the Authority and authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation pursuant to Section 2.9 hereof; (b) Bonds paid or deemed to have been paid within the meaning of Section 9.3 hereof or Bonds called for redemption for which funds have been provided as described in Section 2.2(f) hereof; and (c) Bonds in lieu of or in substitution for which other Bonds shall have been executed, issued and delivered pursuant to this Indenture or any Supplemental Indenture.

“Owner” or “Bond Owner,” when used with respect to any Bond, means the person in whose name the ownership of such Bond shall be registered on the Bond Register.

“Permitted Investments” means any of the following which at the time of investment are determined by the Authority (any investment direction to the Trustee shall be deemed to be a representation by the Authority that such determination has been made as to such investment by the Authority) to be legal investments under the laws of the State of California for the moneys proposed to be invested therein, but only to the extent that the same are acquired at Fair Market Value:

- (a) direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, and senior debt obligations of other government-sponsored agencies;

- (b) obligations of any of the following federal agencies which obligations represent full faith and credit of the United States of America, including: (i) Export-Import Bank; (ii) Rural Economic Community Development Administration; (iii) U.S. Maritime Administration; (iv) Small Business Administration; (v) U.S. Department of Housing & Urban Development (PHA’s); (vi) Federal Housing Administration; and (vii) Federal Financing Bank;

(c) direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America: (i) senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC); (ii) obligations of the Resolution Funding Corporation (REFCORP); (iii) senior debt obligations of the Federal Home Loan Bank System; and (iv) senior debt obligations of other governmental sponsored agencies;

(d) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks, including the Trustee and its affiliates, which have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's and "A-1" or "A-1+" by S&P and maturing no more than 360 days after the date of purchase, provided that ratings on holding companies are not considered as the rating of the bank;

(e) commercial paper which is rated at the time of purchase in the single highest classification, "P-1" by Moody's and "A-1+" by S&P, and which matures not more than 270 days after the date of purchase;

(f) investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P, including any money market fund for which the Trustee or an affiliate receives and retains a fee for services provided to the fund as a custodian, transfer agent, investment advisor or otherwise;

(g) pre-refunded municipal obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and (i) which are rated, based upon an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's and S&P or any successors thereto; or (ii)(A) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (a) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (B) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates thereof or on the redemption date or dates specified in the irrevocable instructions referred to above, as appropriate;

(h) municipal obligations rated "A-2/A" or higher by Moody's or S&P; and

(i) the Local Agency Investment Fund of the State, created pursuant to Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

“Principal Account” means the account by that name established and held by the Trustee pursuant to Section 4.2(a) hereof.

“Prior Bonds” means the Brea Public Financing Authority Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A.

“Purchase Fund” means the fund by that name established and held by the Trustee pursuant to Section 3.5 hereof.

“Record Date” means, with respect to any Interest Payment Date, the fifteenth calendar day of the month preceding the month in which such Interest Payment Date occurs, whether or not such day is a Business Day.

“Request of the Authority” means a request in writing signed by the Executive Director or Treasurer of the Authority, or by any other officer of the Authority duly authorized in writing by the Board for that purpose.

“Request of the City” means a request in writing signed by an Authorized Representative of the City.

“Request of the School District” means a request in writing signed by an Authorized Representative of the School District.

“Representation Letter” means the representation letter of the Authority as required by DTC.

“Responsible Officer” means any officer of the Trustee assigned to administer the Trustee’s duties under this Indenture.

“Revenue Fund” means the fund by that name established by the Trustee pursuant to Section 3.3 hereof

“Revenues” means: (a) all payments on the Local Obligations received by the Trustee; (b) any proceeds of the Bonds originally deposited with the Trustee and all moneys deposited and held from time to time by the Trustee in the funds and accounts established hereunder with respect to the Bonds (other than the Costs of Issuance Fund and the Surplus Fund); and (c) investment income with respect to any moneys held by the Trustee in the funds and accounts established hereunder with respect to the Bonds (other than investment income on moneys held in the Costs of Issuance Fund and the Surplus Fund).

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

“School District” means the Brea Olinda Unified School District.

“School District CFD” means the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights).

“Securities Depositories” means DTC and, in accordance with then current guidelines of the Securities and Exchange Commission, such other securities depositories as the Authority may designate in a Certificate of the Authority delivered to the Trustee.

“Special Taxes” means, collectively (i) the taxes authorized to be levied by the City in the City CFD on parcels within the City CFD which have been pledged to repay the Local Obligations described in clause (i) of the definition “Local Obligations” herein, and (ii) the taxes authorized to be levied by the School District in the School District CFD on parcels within the School District CFD which have been pledged to repay the Local Obligations described in clause (ii) of the definition “Local Obligations” herein.

“State” means the State of California.

“Supplemental Indenture” means any indenture, agreement or other instrument hereafter duly executed by the Authority in accordance with the provisions of Article VII of this Indenture.

“Surplus Fund” means the fund by that name established pursuant to Section 3.6 hereof.

“Tax Certificate” means the Certificate as to Arbitrage and Tax Compliance Procedures, executed by the Authority, the City and the School District, on the Closing Date to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code.

“Tax Collector” means the Tax Collector of the County of Orange.

“Trust Office” means the corporate trust office of the Trustee, currently located at 400 South Hope Street, Suite 500, Los Angeles, California 90071; except that, with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted.

“Trustee” means The Bank of New York Mellon Trust Company, N.A., and its successors and assigns, and any other corporation or association which may at any time be substituted in its place as provided in Article 6 hereof.

Section 1.2 Rules of Construction. All references in this Indenture to “Articles,” “Sections,” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; and the words “herein,” “hereof,” “hereunder,” and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

Section 1.3 Authorization and Purpose of Bonds. The Authority has reviewed all proceedings heretofore taken relative to the authorization of the Bonds and has found, as a result of such review, and hereby finds and determines, that all things, conditions and acts required by law to exist, happen and/or be performed precedent to and in the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as

required by law, and the Authority is now authorized under the Agreement and the Bond Law and each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture. Accordingly, the Authority hereby authorizes the issuance of the Bonds pursuant to the Bond Law and this Indenture for the purpose of providing funds to acquire Local Obligations.

Section 1.4 Equal Security. In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract between the Authority and the Owners from time to time of the Bonds; and the covenants and agreements herein set forth to be performed on behalf of the Authority shall be for the equal and proportionate benefit, security and protection of all Owners of the Bonds without preference, priority or distinction as to security or otherwise of any of the Bonds over other Bonds by reason of the number or date thereof or the time of sale, execution or delivery thereof, or otherwise for any cause whatsoever, except as expressly provided therein or herein.

ARTICLE II

ISSUANCE OF BONDS

Section 2.1 Terms of Bonds. The Bonds authorized to be issued by the Authority under and subject to the Bond Law and the terms of this Indenture shall be dated the Closing Date and be designated the “Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019,” and shall be issued in the initial aggregate principal amount of _____ Million _____ Hundred _____ Thousand Dollars (\$_____). No additional bonds are authorized to be issued hereunder.

The Bonds shall be issued in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Bond shall have more than one maturity date. The Bonds shall mature on September 1 in each of the years and in the amounts, and shall bear interest (calculated on the basis of a 360-day year of twelve 30-day months) at the rates per annum, as follows:

Maturity Date
(September 1)

Principal
Amount

Interest Rate
Per Annum

Interest on the Bonds shall be payable on each Interest Payment Date to the person whose name appears on the Bond Register as the Owner thereof as of the Record Date immediately preceding each such Interest Payment Date, such interest to be paid by check of the Trustee mailed on such Interest Payment Date by first-class mail, postage prepaid, to the Owner at the address of such Owner as it appears on the Bond Register or by wire transfer to an account in the continental United States of America made on such Interest Payment Date upon instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds provided to the Trustee in writing at least five (5) Business Days before the Record Date for such Interest Payment Date, with any such written instructions to remain in effect until rescinded in writing by the Owner submitting such instructions. Principal of and premium (if any) on any Bond shall be paid upon presentation and surrender thereof, at maturity or the prior redemption thereof, at the Trust Office of the Trustee. The principal of and interest and premium (if any) on the Bonds shall be payable in lawful money of the United States of America.

Each Bond shall bear interest from the Interest Payment Date next preceding the date of authentication thereof, unless (a) it is authenticated after a Record Date and on or before the following Interest Payment Date, in which event it shall bear interest from such Interest Payment Date; or (b) it is authenticated on or before February 15, 2020, in which event it shall bear interest from the Closing Date; provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond shall bear interest from the Interest Payment Date to which interest has previously been paid or made available for payment thereon, or from the Closing Date if no interest has been paid or made available for payment.

Section 2.2 Redemption of Bonds.

(a)(i) Optional Redemption. The Bonds maturing on or after September 1, ____, may be redeemed at the option of the Authority, from any source of available funds, on any date occurring on or after September 1, ____, as a whole, or in part such that the principal and interest on the Bonds to remain Outstanding due on any Interest Payment Date following such redemption are not in excess of the remaining principal and interest payable on or before such Interest Payment Date on the Local Obligations to remain outstanding following the payment of any Local Obligations being redeemed, if any redemption of Local Obligations is being accomplished in conjunction with such optional redemption, and otherwise from such maturities as are selected by the Authority, and by lot within a maturity, at the following redemption prices (expressed as a percentage of the principal amount of the Bonds to be redeemed), together with accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, ____ through and including August 31, ____	103%
September 1, ____ through and including August 31, ____	102
September 1, ____ through and including August 31, ____	101
September 1, ____ and any date thereafter	100

Prior to any optional redemption of any Local Obligation which requires the Authority's consent under a fiscal agent agreement for such Local Obligation, the Authority and the Trustee shall have received, from or on behalf of the issuer of such Local Obligations, a certificate of an Independent Financial Consultant verifying that, following such optional redemption of the Local Obligation and redemption of Bonds, the principal and interest generated from the remaining Local Obligations is adequate to make the timely payment of principal and interest due on the Bonds that will remain Outstanding hereunder following such optional redemption; and the Authority shall consent to any such redemption if any such certificate is provided to it and the Trustee by or on behalf of the respective issuer of the Local Obligations to be optionally redeemed.

(a)(ii) Extraordinary Mandatory Redemption. The Bonds are subject to special redemption on any date occurring on or after March 1, 2020, from proceeds of early redemption of Local Obligations from prepayments of Special Taxes or, in the case of the Local Obligations described in clause (ii) of the definition of Local Obligations in Section 1.1, excess Special Tax Funds as contemplated by Section 3.04(B) of the fiscal agent agreement pursuant to which such Local Obligations were issued, in whole or in part, from maturities as selected by the Authority (consistent with the maturities of the respective Local Obligations being redeemed) and by lot within a maturity, at the principal amount thereof, plus a premium expressed below as a percentage of the principal amount so redeemed, plus accrued interest to the date of redemption thereof:

<u>Redemption Dates</u>	<u>Redemption Premium</u>
March 1, 2020 through and including August 31, ____	103%
September 1, ____ through and including August 31, ____	102
September 1, ____ through and including August 31, ____	101
September 1, ____ and any date thereafter	100

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

Bonds maturing September 1, ____

<u>Redemption Date</u> <u>(September 1)</u>	<u>Sinking Payment</u>
--	------------------------

Bonds maturing September 1, ____

<u>Redemption Date</u> <u>(September 1)</u>	<u>Sinking Payment</u>
--	------------------------

In the event of any prior partial redemption of the Bonds under Section 2.2(a)(i) or (ii) above, the amounts in the foregoing tables will be reduced in the manner described in Section 2.2(d) below.

(c) Notice of Redemption. The Trustee, on behalf and at the expense of the Authority, shall send (by first class mail, postage prepaid or such other means acceptable to the recipients thereof) notice of any redemption to the respective Owners of any Bonds designated for redemption under Section 2.2(a)(i) or (ii) above at their respective addresses appearing on the Bond Register, and to the Securities Depositories and to the Information Services, at least thirty (30) but not more than sixty (60) days prior to the date fixed for redemption. Neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon.

Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Trust Office of the Trustee for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue after the redemption date.

In addition to the foregoing notice, further notice shall be given by the Trustee in said form by first class mail to any Bondowner whose Bond has been called for redemption but who has failed to submit his Bond for payment by the date which is sixty days after the redemption date, but no defect in said further notice nor any failure to give or receive all or any portion of such further notice shall in any manner defeat the effectiveness of a call for redemption.

Upon the payment by the Trustee from the applicable account in the Revenue Fund of the redemption price of the Bond being redeemed, each check or other transfer of funds issued for such purpose shall, to the extent practicable, bear the CUSIP number identifying, by issue and maturity, the Bonds being redeemed with the proceeds of such check or other transfer.

Notwithstanding the foregoing, in the case of any optional redemption of the Bonds under Section 2.2(a) above, the notice of redemption shall state that the redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds on the anticipated redemption date, and that the optional redemption shall not occur if by no later than the scheduled redemption date sufficient moneys to redeem the Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled optional redemption date to so redeem the Bonds to be optionally redeemed, the Trustee shall send written notice to the owners of the Bonds, to the Securities Depositories and to one or more of the Information Services to the effect that the redemption did not occur as anticipated, and the Bonds for which notice of optional redemption was given shall remain Outstanding for all purposes of this Indenture.

(d) Selection of Bonds for Redemption.

For purposes of the selection by the Authority of Bonds among maturities for redemption pursuant to Section 2.2(a) or 2.2(b), the Bonds shall be selected for redemption among maturities by the Authority (evidenced pursuant to a Certificate of the Authority delivered to the Trustee at least forty-five (45) days prior to the redemption date or such later date as shall be acceptable to the Trustee in its sole discretion) on such basis that the remaining scheduled payments of principal and interest on the Local Obligations, together with other available Revenues, will be sufficient on a timely basis to pay debt service on the Bonds, as shall be demonstrated in a report of an Independent Financial Consultant filed with the Trustee.

Unless otherwise provided hereunder, whenever provision is made in this Indenture for the redemption of less than all of the Bonds of a maturity, the Trustee shall select the Bonds to be redeemed from all Bonds of such maturity not previously called for redemption, by lot in any manner which the Trustee in its sole discretion shall deem appropriate and fair. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000

authorized denominations, and such separate authorized denominations shall be treated as separate Bonds which may be separately redeemed.

(e) Partial Redemption of Bonds. In the event only a portion of any Bond is called for redemption, then upon surrender of such Bond the Authority shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

(f) Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption shall have been duly provided, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice. All Bonds redeemed pursuant to this Section 2.2 shall be canceled and destroyed.

(g) Purchase of Bonds. In lieu of redemption of Bonds as provided in this Section 2.2, amounts held by the Trustee for such redemption shall, at the written request of the Authority received by the Trustee prior to the selection of Bonds for redemption, be applied by the Trustee to the purchase of Bonds at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the Authority may in its discretion direct, but not to exceed the redemption price which would be payable if such Bonds were redeemed. The aggregate principal amount of Bonds of the same maturity purchased in lieu of redemption pursuant to this Section 2.2(g) shall not exceed the aggregate principal amount of Bonds of such maturity which would otherwise be subject to such redemption. Any Bonds so purchased in lieu of redemption shall be treated as if such Bonds were redeemed, for all purposes of this Indenture.

Section 2.3 Form of Bonds. The Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, shall be substantially in the respective forms set forth in Exhibit A attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

Section 2.4 Execution of Bonds. The Bonds shall be signed in the name and on behalf of the Authority with the manual or facsimile signatures of its Chair or Vice-Chair and attested with the manual or facsimile signature of its Secretary or any assistant duly appointed by the Board, under the printed seal of the Authority, and shall be delivered to the Trustee for authentication by it. In case any officer of the Authority who shall have signed any of the Bonds shall cease to be such officer before the Bonds so signed shall have been authenticated or delivered by the Trustee or issued by the Authority, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Authority as though the individual who signed the same had continued to be such officer of the Authority. Also, any Bond may be signed on behalf of the Authority by any individual who on the actual date of the execution of such Bond shall be the proper officer although on the nominal date of such Bond such individual shall not have been such officer.

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

Section 2.5 Transfer of Bonds. Subject to Section 2.10, any Bond may in accordance with its terms, be transferred, upon the Bond Register, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for cancellation, accompanied by delivery of a written instrument of transfer in a form approved by the Trustee, duly executed. Whenever any Bond shall be surrendered for transfer, the Authority shall execute and the Trustee shall thereupon authenticate and deliver to the transferee a new Bond or Bonds of like tenor, maturity and aggregate principal amount. No Bonds selected for redemption shall be subject to transfer pursuant to this Section nor shall any Bond be subject to transfer during the fifteen days prior to the selection of Bonds for redemption.

The cost of printing any Bonds and any services rendered or any expenses incurred by the Trustee in connection with any transfer or exchange shall be paid by the Authority. However, the Owners of the Bonds shall be required to pay any tax or other governmental charge required to be paid for any exchange or registration of transfer and the Owners of the Bonds shall be required to pay the reasonable fees and expenses of the Trustee and Authority in connection with the replacement of any mutilated, lost or stolen Bonds.

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Section 2.6 Exchange of Bonds. Subject to Section 2.10, bonds may be exchanged at the Trust Office for Bonds of the same tenor and maturity and of other authorized denominations. No Bonds selected for redemption shall be subject to exchange pursuant to this Section, nor shall any Bond be subject to exchange during the fifteen days prior to the selection of Bonds for redemption.

Section 2.7 Temporary Bonds. The Bonds may be issued initially in temporary form exchangeable for definitive Bonds when ready for delivery. The temporary Bonds may be printed, lithographed or typewritten, shall be of such denominations as may be determined by the Authority and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and be registered and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds, it will execute and furnish definitive Bonds without delay, and thereupon the temporary Bonds may be surrendered for cancellation, in exchange therefor at the Trust Office of the Trustee, and the Trustee shall authenticate and deliver in exchange for such temporary Bonds an equal aggregate principal amount of definitive Bonds of authorized denominations. Until so exchanged, the temporary Bonds shall be entitled to the same benefits under this Indenture as definitive Bonds authenticated and delivered hereunder.

Section 2.8 Bond Register. The Trustee will keep or cause to be kept at the Trust Office sufficient records for the registration and transfer of the Bonds, which shall be the Bond Register and shall at all times during regular business hours be open to inspection by the Authority and the City upon reasonable notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on said records, Bonds as hereinbefore provided.

Section 2.9 Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor and authorized denomination in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and destroyed in accordance with the retention policy of the Trustee then in effect. If any Bond issued hereunder shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence be satisfactory to it and indemnity for the Authority and the Trustee satisfactory to the Trustee shall be given, at the expense of the Bond Owner, the Authority shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like series and tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been called for redemption, instead of issuing a substitute Bond the Trustee may pay the same without surrender thereof upon receipt of indemnity satisfactory to the Trustee). The Trustee may require payment of a reasonable fee for each new Bond issued under this Section and of the expenses which may be incurred by the Authority and the Trustee. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen shall constitute an original contractual obligation on the part of the Authority whether or not the Bond alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds secured by this Indenture.

Section 2.10 Book-Entry System.

(a) All Bonds shall be initially issued in the form of a separate single certificated fully registered Bond for each maturity date of the Bonds. Upon initial issuance, the ownership of each Bond shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC. Except as provided in Section 2.10(d) hereof, all Outstanding Bonds shall be registered in the Bond Register in the name of Cede & Co., as nominee of DTC.

(b) With respect to Bonds registered in the Bond Register in the name of Cede & Co., as nominee of DTC, the Authority and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede & Co. or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than an Owner, as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption (iii) any consent given or other action taken by DTC or Cede & Co., or (iv) the payment to any DTC Participant or any other person, other than an Owner, as shown in the Bond Register, of any amount with respect to principal of, premium, if any, interest on the Bonds. The Authority and the Trustee may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of

such Bond for the purpose of payment of principal, premium, if any, and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest on the Bonds only to or upon the order of the respective Owners, as shown in the Bond Register, as provided in Section 2.8 hereof, and all such payments shall be valid and effective to fully satisfy and discharge the Authority's obligations with respect to payment of principal of, premium, if any, and interest on the Bonds to the extent of the sum or sums so paid. No person other than an Owner, as shown in the Bond Register, shall receive a certificated Bond evidencing the obligation of the Authority to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by DTC to the Trustee of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede & Co., and subject to the provisions herein with respect to record dates, such new nominee shall become the nominee hereunder and the word "Cede & Co." in this Indenture shall refer to such new nominee of DTC.

(c) The delivery to DTC of the Representation Letter by the Authority and the Trustee shall not in any way limit the provisions of Section 2.10(b) hereof or in any other way impose upon the Authority or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the Bond Register. The Trustee shall take all action reasonably necessary for all representations in the Representation Letter with respect to the Trustee to be complied with at all times to the extent not inconsistent with the terms hereof.

(d) (i) DTC may determine to discontinue providing its services with respect to the Bonds at any time by giving written notice to the Authority and the Trustee and discharging its responsibilities with respect thereto under applicable law.

(ii) The Authority, in its sole discretion and without the consent of any other person, may terminate the services of DTC with respect to the Bonds if the Authority determines that: (A) DTC is unable to discharge its responsibilities with respect to the Bonds, or (B) a continuation of the requirement that all Outstanding Bonds be registered in the Bond Register in the name of Cede & Co., or any other nominee of DTC, is not in the best interest of the Beneficial Owners of such Bonds.

(iii) Upon the termination of the services of DTC with respect to the Bonds pursuant to subsection 2.10(d)(ii)(B) hereof, or upon the discontinuance or termination of the services of DTC with respect to the Bonds pursuant to subsection 2.10(d)(i) or subsection 2.10(d)(ii)(A) hereof after which no substitute securities depository willing to undertake the functions of DTC hereunder can be found which, in the opinion of the Authority, is willing and able to undertake such functions upon reasonable and customary terms, then the Authority shall thereupon discontinue the book-entry system. In such event, the Authority is obligated to deliver Bond certificates, as described in this Indenture and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede & Co. as nominee of DTC, but may be registered in whatever name or names DTC shall designate to the Trustee in writing, in accordance with the provisions of this Indenture. DTC shall cooperate with the Authority and the

Trustee in the issuance of replacement bonds by providing the Trustee with a list showing the interests of the DTC participants in the Bonds and by surrendering the Bonds registered in the name of Cede & Co. to the Trustee on or before the date such replacement bonds are to be issued. DTC, by accepting delivery of the Bonds, agrees to be bound by this subsection (d).

(e) As long as any Bond is registered in the name of Cede & Co., as nominee of DTC, all payments with respect to principal or, premium, if any, and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the manner provided in the Representation Letter to the extent not inconsistent with the terms hereof.

ARTICLE III

DEPOSIT AND APPLICATION OF PROCEEDS

Section 3.1 Issuance of Bonds. Upon the execution and delivery of this Indenture, the Authority shall execute and deliver the Bonds in the principal amount set forth in Section 2.1 hereof to the Trustee for authentication and delivery to the Original Purchaser thereof upon the Request of the Authority.

Section 3.2 Application of Proceeds of Bonds and Funds Received from the Districts.

(a) Upon the receipt of payment of the purchase price for the Bonds on the Closing Date, less amounts advanced by the Original Purchaser as an accommodation to the Authority, the City and the School District for the payment of the premiums for the Bond Insurance Policy and the Reserve Fund Insurance Policies (as defined in the fiscal agent agreement, pursuant to which the Local Obligations are being issued), being a net amount equal to \$_____, the Trustee shall deposit the proceeds of sale thereof to the Purchase Fund.

(b) The Trustee shall deposit amounts received by it pursuant to Section 3.02(A) of the fiscal agent agreement for the Local Obligations described in clause (i) of the definition of Local Obligations in Section 1.1, and received by it pursuant to Section 3.02(A)(i) of the fiscal agent agreement for the Local Obligations, described in clause (ii) of the definition Local Obligations in Section 1.1 (being an aggregate of \$_____), to the Costs of Issuance Fund.

Section 3.3 Revenue Fund. The Trustee shall establish and maintain a separate fund to be known as the "Revenue Fund" and a separate Interest Account and Principal Account therein. Except as otherwise provided herein, the Trustee shall deposit all Revenues received after the Closing Date to the Revenue Fund and shall apply amounts in the Revenue Fund as described in Section 4.2 below.

Section 3.4 Costs of Issuance Fund. The Trustee shall establish and maintain a fund known as the "Costs of Issuance Fund" into which shall be deposited the amounts set forth in Section 3.2(b) above. The moneys in the Costs of Issuance Fund shall be used to pay Costs of

Issuance from time to time upon receipt by the Trustee of a Request of the Authority. Each such Request of the Authority shall be sufficient evidence to the Trustee of the facts stated therein and the Trustee shall have no duty to confirm the accuracy of such facts.

On the date which is one hundred eighty (180) days following the Closing Date, or upon the earlier receipt by the Trustee of a Request of the Authority stating that all Costs of Issuance have been paid, the Trustee shall transfer all remaining amounts in the Costs of Issuance Fund to the Revenue Fund. Upon such transfer, the Costs of Issuance Fund shall be closed and the Trustee shall no longer be obligated to make payments for Costs of Issuance. The Authority may at any time file a Request of the Authority requesting that the Trustee retain a specified amount in the Costs of Issuance Fund and transfer to the Revenue Fund all remaining amounts, and upon receipt of such request by the Trustee, the Trustee shall comply with such request.

Section 3.5 Purchase Fund. The Trustee shall establish and maintain a separate fund to be known as the "Purchase Fund" into which shall be deposited a portion of the proceeds of sale of the Bonds pursuant to Section 3.2(a) hereof. The Trustee shall use the amounts on deposit in the Purchase Fund to purchase Local Obligations on the Closing Date (\$_____ to purchase the Local Obligations described in clause (i) of the definition thereof in Section 1.1, and \$_____ to purchase the Local Obligations described in clause (ii) of the definition thereof in Section 1.1); provided, however, that such Local Obligations may be purchased only if the Trustee has received a certificate of the Original Purchaser of the Bonds or an Independent Financial Consultant stating that the Revenues to be available to the Trustee, assuming timely payment of the Local Obligations, will be sufficient to permit the timely payment of the principal of and interest on all Outstanding Bonds.

Section 3.6 Surplus Fund. The Trustee shall establish and maintain a separate fund to be known as the "Surplus Fund" which shall be administered as described in Section 4.4 hereof.

Section 3.7 Validity of Bonds. The validity of the authorization and issuance of the Bonds shall not be affected in any way by any proceedings taken by the Authority, the City or the School District with respect to the application of the proceeds of the Bonds, and the recital contained in the Bonds that the same are issued pursuant to the Bond Law shall be conclusive evidence of their validity and of the regularity of their issuance.

ARTICLE IV

REVENUES; FLOW OF FUNDS

Section 4.1 Pledge of Revenues; Assignment of Rights. Subject to the provisions of Sections 6.3 and 9.3 hereof, the Bonds shall be secured by a first lien on and pledge (which shall be effected in the manner and to the extent hereinafter provided) of all of the Revenues. The Bonds shall be equally secured by a pledge, charge and lien upon the Revenues and all amounts in the Revenue Fund without priority for any Bond over any other Bond; and the payment of the interest on and principal of the Bonds and any premiums upon the redemption of any Bonds shall be and are secured by an exclusive pledge, charge and lien upon the Revenues and

all amounts in the Revenue Fund. So long as any of the Bonds are Outstanding, the Revenues and all amounts in the Revenue Fund shall not be used for any purpose except as is expressly permitted by this Indenture.

The Authority hereby transfers in trust, grants a security interest in and assigns to the Trustee, for the benefit of the Owners from time to time of the Bonds, all of the Revenues, all amounts on deposit in the Revenue Fund, the Interest Account and the Principal Account, and all of the right, title and interest of the Authority in the Local Obligations, subject to the terms of this Indenture. The Trustee shall be entitled to and shall collect and receive all of the Revenues, and any Revenues collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as the agent of the Trustee and shall forthwith be paid by the Authority to the Trustee. Subject to the provisions of Section 8.2, the Trustee also shall be entitled to and shall take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the City, the School District, the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) and the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) under the Local Obligations.

Upon the deposit with the Trustee of moneys sufficient to pay all principal of, premium, if any, and interest on the Bonds, and upon satisfaction of all claims against the Authority hereunder with respect to the Bonds including all fees, charges and expenses of the Trustee and the Authority which are properly payable hereunder, or upon the making of adequate provisions for the payment of such amounts as permitted hereby, all moneys remaining in all funds and accounts pertaining to the Bonds (except any moneys necessary to pay principal of, premium, if any, and interest on the Bonds, which moneys shall be held by the Trustee pursuant to Section 9.3), shall be disbursed by the Trustee as follows: (a) to the City, an amount equal to the amount of such moneys held by the Trustee not subject to the preceding parenthetical, times a fraction the numerator of which is the outstanding principal amount of the Local Obligations described in clause (i) of the definition "Local Obligations" in Section 1.1 as of the immediately preceding August 31 and the denominator of which is the outstanding principal amount of all of the Local Obligations as of the immediately preceding August 31, and (b) to the School District, all other of such moneys not subject to the preceding parenthetical or disbursed to the City under the preceding clause (a).

Section 4.2 Receipt, Deposit and Application of Revenues; Revenue Fund.

(a) All Revenues described in clause (a) of the definition thereof in Section 1.1 shall be promptly deposited by the Trustee upon receipt thereof in the Revenue Fund.

On each Interest Payment Date and date for redemption of the Bonds, the Trustee shall transfer from the Revenue Fund and deposit into the following respective accounts, the following amounts in the following order of priority, the requirements of each such account (including the making up of any deficiencies in any such account resulting from lack of Revenues sufficient to make any earlier required deposit) at the time of deposit to be satisfied before any transfer is made to any account subsequent in priority:

(1) Interest Account. On each Interest Payment Date and on any redemption date for the Bonds, the Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to equal the amount of interest becoming due and payable on such Interest Payment Date on all Outstanding Bonds or to be paid on the Bonds being redeemed on such date. No deposit need be made into the Interest Account if the amount contained therein is at least equal to the interest becoming due and payable upon all Outstanding Bonds on the next succeeding Interest Payment Date or redemption date, as applicable. All moneys in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it shall become due and payable (including accrued interest on any Bonds redeemed prior to maturity). In the event that the amounts on deposit in the Interest Account on any Interest Payment Date or redemption date are insufficient for any reason to pay the aggregate amount of interest then coming due and payable on the Outstanding Bonds, the Trustee shall apply such amounts to the payment of interest on each of the Outstanding Bonds on a pro rata basis.

(2) Principal Account. On each Interest Payment Date and redemption date on which the principal of the Bonds shall be payable, the Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of, and premium (if any) on, the Bonds coming due and payable on such Interest Payment Date, or required to be redeemed on such date pursuant to Section 2.2(a) or (b) hereof. All moneys in the Principal Account shall be used and withdrawn by the Trustee solely for the purpose of (i) paying the principal of the Bonds at the maturity thereof or (ii) paying the principal of and premium (if any) on any Bonds upon the redemption thereof pursuant to Section 2.2(a) or (b) hereof.

(b) If on any Interest Payment Date or date for redemption of Bonds the amount on deposit in the Revenue Fund is inadequate to make the transfers described in subsection (a) above, the Trustee shall immediately notify the Authority of the amount of the shortfall.

(c) On September 2 of each year, after making the deposits required under subsections (a) and (b) above, the Trustee shall transfer all amounts remaining on deposit in the Revenue Fund to the Surplus Fund.

Section 4.3 [intentionally omitted].

Section 4.4 Surplus Fund. Any amounts transferred to the Surplus Fund pursuant to Section 4.2(c) hereof shall no longer be considered Revenues and are not pledged to repay the Bonds. Amounts deposited to the Surplus Fund shall be promptly disbursed by the Trustee as follows: (a) to the City, an amount equal to the amount then deposited to the Surplus Fund times a fraction the numerator of which is the outstanding principal amount of the Local Obligations described in clause (i) of the definition "Local Obligations" in Section 1.1 as of the immediately preceding August 31 and the denominator of which is the outstanding principal amount of all of the Local Obligations as of the immediately preceding August 31, and (b) to the School District, all other amounts then deposited to the Surplus Fund.

Section 4.5 Investments. All moneys in any of the funds or accounts established with the Trustee pursuant to this Indenture shall be invested by the Trustee solely in Permitted Investments, as directed pursuant to the Request of the Authority filed with the Trustee at least two (2) Business Days in advance of the making of such investments. The Request of the Authority shall contain a certification to the Trustee that the investments being directed are Permitted Investments as required hereunder. The Trustee shall be entitled to conclusively rely on any such Request of the Authority and shall be fully protected in relying thereon. In the absence of any such Request of the Authority the Trustee shall invest any such moneys in Permitted Investments described in clause (f) of the definition thereof; provided, however, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a Request of the Authority specifying a specific money market fund into which the funds shall be invested and, if no such Request of the Authority is so received, the Trustee shall hold such moneys uninvested. Permitted Investments purchased as an investment of moneys in any fund or account established pursuant to this Indenture shall be deemed to be part of such fund or account.

All interest or gain derived from the investment of amounts in any of the funds or accounts established hereunder shall be deposited in the fund or account from which such investment was made.

For purposes of acquiring any investments hereunder, the Trustee may commingle moneys held by it in any of the funds and accounts held by it hereunder. The Trustee and its affiliates may act as advisor, sponsor, principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee and its affiliates may make any and all investments permitted herein through its own investment department. The Trustee shall incur no liability for losses arising from any investments made pursuant to this Section 4.5.

The Authority acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority the right to receive brokerage confirmations of security transactions as they occur, the Authority specifically waives receipt of such confirmations to the extent permitted by law.

Section 4.6 Valuation and Disposition of Investments. The value of investments in the Revenue Fund (including the accounts therein) shall be determined as follows: (a) for the purpose of determining the amount in any such fund or account, all Permitted Investments credited to any such fund shall be valued at fair market value, and the Trustee shall determine the fair market value based on accepted industry standards and from accepted industry providers (accepted industry providers shall include but are not limited to pricing services provided by Financial Times Interactive Data Corp); and (b) as to certificates of deposit and bankers' acceptances: the face amount thereof, plus, accrued interest thereon.

Except as otherwise provided in the preceding paragraph or in the proviso to this sentence, all investments of amounts deposited in any fund or account created by or pursuant to this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Code), shall be acquired and disposed of and valued at Fair Market Value; provided, however, that investments in funds or accounts (or portions thereof) that are subject to a

yield restriction under applicable provisions of the Code, shall be valued at their present value (within the meaning of Section 148 of the Code).

ARTICLE V

COVENANTS OF THE AUTHORITY

Section 5.1 Punctual Payment. The Authority shall punctually pay or cause to be paid the principal and interest and premium (if any) to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Revenues and other assets pledged for such payment as provided in this Indenture.

Section 5.2 Extension of Payment of Bonds. The Authority shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon which shall have been so extended. Nothing in this Section shall be deemed to limit the right of the Authority to issue Bonds for the purpose of refunding any Outstanding Bonds, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

Section 5.3 Against Encumbrances. The Authority shall not create, or permit the creation of, any pledge, lien, charge or other encumbrance upon the Revenues and other assets pledged or assigned under this Indenture while any of the Bonds are Outstanding, except the pledge and assignment created by this Indenture. Subject to this limitation, the Authority expressly reserves the right to enter into one or more other indentures for any of its corporate purposes, including other programs under the Bond Law, and reserves the right to issue other obligations for such purposes.

Section 5.4 Power to Issue Bonds and Make Pledge and Assignment. The Authority is duly authorized pursuant to law to issue the Bonds and to enter into this Indenture and to pledge and assign the Revenues, the Local Obligations and other assets purported to be pledged and assigned, respectively, under this Indenture. The Bonds and the provisions of this Indenture are and will be the legal, valid and binding, special obligations of the Authority in accordance with their terms, and the Authority and the Trustee shall at all times, subject to the provisions of Article VI hereof and to the extent permitted by law, defend, preserve and protect said pledge and assignment of the Revenues, the Local Obligations and other assets and all the rights of the Bond Owners under this Indenture against all claims and demands of all persons whomsoever.

Section 5.5 Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with corporate trust industry standards in which complete and accurate entries shall be made of

transactions made by it relating to the proceeds of Bonds, the Revenues, the Local Obligations and all funds and accounts established pursuant to this Indenture. Such books of record and account shall be available for inspection by the Authority, the School District and the City upon reasonable prior notice during regular business hours and under reasonable circumstances, in each case as agreed to by the Trustee.

Not later than 45 days following each Interest Payment Date, the Trustee shall prepare and file with the Authority, the School District and the City a report setting forth: (i) amounts withdrawn from and deposited into each fund and account maintained by the Trustee under this Indenture; (ii) the balance on deposit in each fund and account as of the date for which such report is prepared; and (iii) a brief description of all obligations held as investments in each fund and account.

Section 5.6 Tax Covenants. Notwithstanding any other provision of this Indenture, absent an opinion of Bond Counsel that the exclusion from gross income of interest on the Bonds will not be adversely affected for federal income tax purposes, the Authority covenants to comply with all applicable requirements of the Code necessary to preserve such exclusion from gross income and specifically covenants, without limiting the generality of the foregoing, as follows:

(a) Private Activity. The Authority will not take or omit to take any action or make any use of the proceeds of the Bonds or of any other moneys or property which would cause the Bonds or the Prior Bonds to be “private activity bonds” within the meaning of Section 141 of the Code.

(b) Arbitrage. The Authority will make no use of the proceeds of the Bonds or of any other amounts or property, regardless of the source, or take or omit to take any action which would cause the Bonds or the Prior Bonds to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(c) Federal Guarantee. The Authority will make no use of the proceeds of the Bonds or take or omit to take any action that would cause the Bonds or the Prior Bonds to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(d) Information Reporting. The Authority will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(e) of the Code.

(e) Miscellaneous. The Authority will take no action inconsistent with its expectations stated in any Tax Certificate executed with respect to the Bonds and will comply with the covenants and requirements stated therein and incorporated therein by reference herein.

Section 5.7 Rebate Requirement. The Authority shall take any and all actions necessary to assure compliance with section 148(f) of the Code, relating to the rebate of excess investment earnings, if any, to the federal government, to the extent that such section is applicable to the Bonds.

Section 5.8 Local Obligations. Subject to the provisions of this Indenture (including Article VI), the Trustee shall use reasonable efforts to collect all amounts due from the City and the School District pursuant to the Local Obligations and shall diligently enforce, and take all steps, actions and proceedings which the Trustee determines to be reasonably necessary for the enforcement of all of the rights of the Authority thereunder and for the enforcement of all of the obligations and covenants of the City and the School District thereunder. The Authority shall instruct the City and the School District to authenticate and deliver to the Trustee the respective Local Obligations registered in the name of the Trustee.

The Authority, the Trustee, the School District and the City may at any time consent to, amend or modify any of the Local Obligations pursuant to the terms thereof, (a) with the prior consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, or (b) without the consent of any of the Owners, if such amendment or modification is for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the City or the School District contained in such Local Obligations, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power therein reserved to or conferred upon the School District or the City, as applicable; or

- (ii) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in such Local Obligations, or in any other respect whatsoever as the City or the School District may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners of the Bonds in the opinion of Bond Counsel filed with the Trustee; or

- (iii) to amend any provision thereof to the extent necessary to comply with the Code in the opinion of Bond Counsel filed with the Trustee; or

- (iv) with respect to the Local Obligations described in clause (ii) of the definition "Local Obligations" in Section 1.1 hereof, in connection with the issuance of Parity Bonds under and as such term is used in the fiscal agent agreement providing for the issuance of such Local Obligations.

Section 5.9 Sale of Local Obligations. Notwithstanding anything in this Indenture to the contrary, the Authority may cause the Trustee to sell, from time to time, all or a portion of an issue of Local Obligations, provided that the Authority shall deliver to the Trustee:

- (a) a certificate of an Independent Accountant certifying that, following the sale of such Local Obligations, the Revenues to be paid to the Authority (assuming the timely payment of amounts due thereon with respect to any Local Obligations not then in default), together with interest and principal due on any noncallable Federal Securities pledged to the repayment of the Bonds and the Revenues then on deposit in the funds and accounts established hereunder (valuing any Permitted Investments held

hereunder at the then fair market value thereof), will be sufficient to pay the principal of and interest on the Bonds when due; and

(b) an opinion of Bond Counsel that such sale of Local Obligations is authorized under the provisions of this Indenture and will not adversely affect the exclusion of interest on the Bonds from gross income for purposes of federal income taxation.

Upon compliance with the foregoing conditions by the Authority, the Trustee shall sell such Local Obligations in accordance with the Request of the Authority and disburse the proceeds of the sale of such Local Obligations to the Authority or upon the receipt of a Request of the Authority shall deposit such proceeds in the Revenue Fund.

Section 5.10. Continuing Disclosure. (a) The Authority hereby covenants and agrees that it will assist the City and the School District, as applicable, in complying with and carrying out all of the provisions of the Continuing Disclosure Agreements. Notwithstanding any other provision of this Indenture, failure of the City or the School District to comply with a Continuing Disclosure Agreement shall not be considered an Event of Default; however, the Trustee may (and, at the request of the Participating Original Purchaser or the owners of at least 25% aggregate principal amount of Outstanding Bonds, and upon being indemnified to its satisfaction, shall) or any Bondholder may, take such actions as may be necessary and appropriate to compel performance by the City or the School District of its respective obligations under the Continuing Disclosure Agreements, including seeking mandate or specific performance by court order.

(b) Not later than October 30 of each year, commencing October 30, 2019 and until the October 30 following the final maturity of the Bonds, the Treasurer of the Authority shall supply the following information to the California Debt and Investment Advisory Commission ("CDIAC") by mail, postage prepaid, but only to the extent required to be so supplied by CDIAC: (i) the principal amounts of the Bonds and the principal amount of the Local Obligations then outstanding, (ii) the amounts in the reserve funds for the Local Obligations, (iii) the costs of issuance, including any ongoing fees, (iv) the total amount of administrative fees collected, (v) the amount of administrative fees charged to the Local Obligations, (vi) the interest earnings and terms of all guaranteed investment contracts, (vii) commissions and fees paid on guaranteed investment contracts, (viii) delinquency rates on the Local Obligations, and (ix) that there is no balance in any capitalized interest account.

In addition to the foregoing, the Treasurer of the Authority shall file an annual report with CDIAC not later than seven months after the end of each July 1 to June 30 period and so long as the Bonds are outstanding, that complies with Section 8855(k) of the California Government Code.

(c) Until the final maturity of the Bonds, the Treasurer of the Authority shall notify CDIAC by mail, postage prepaid, to the extent required by CDIAC, within 10 days of (i) any failure to pay principal and interest due on the Local Obligations.

(d) The failure by the Authority to comply with the provisions of Section 5.10(a), (b) or (c) shall not be an Event of Default hereunder. The provisions of Section 5.10(b) and (c) shall be amended to reflect any applicable change in Section 6599.1(b) or (c), or Section 8855(k), of the California Government Code, without any action by the Authority or the Trustee.

Section 5.11 Further Assurances. The Authority will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds the rights and benefits provided in this Indenture.

Section 5.12 Maintenance of Existence. In the event the existence of the Authority will be impaired by any termination of the existence of the Successor Agency to the Brea Redevelopment Agency, as successor to the Brea Redevelopment Agency, in its capacity as a member of the Authority, the Authority will take or cause to be taken all actions reasonably necessary to continue its existence until such time as the Bonds have been paid in full.

ARTICLE VI

THE TRUSTEE

Section 6.1 Appointment of Trustee. The Bank of New York Mellon Trust Company, N.A., with a corporate trust office presently located in Los Angeles, California, is hereby appointed Trustee by the Authority for the purpose of receiving all moneys required to be deposited with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture. The Authority agrees that it will maintain a Trustee which is a trust company, corporation, bank of good standing located in or incorporated under the laws of the State, or association duly authorized to exercise trust powers, with a combined capital and surplus of at least fifty million dollars (\$50,000,000), and subject to supervision or examination by federal or state authority, so long as any Bonds are Outstanding. If such bank, association or trust company publishes a report of condition at least annually pursuant to law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this Section 6.1, the combined capital and surplus shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

The Trustee is hereby authorized to pay the principal of and interest and redemption premium (if any) on the Bonds when duly presented for payment at maturity, or on redemption or purchase prior to maturity, to make regularly scheduled interest payments, and to cancel any Bond upon payment thereof.

Section 6.2 Acceptance of Trusts. The Trustee hereby accepts the trusts imposed upon it by this Indenture, and agrees to perform said trusts, but only upon and subject to the following express terms and conditions:

(a) The Trustee undertakes to perform such duties and only such duties as are specifically set forth in this Indenture. In case an Event of Default hereunder has

occurred (which has not been cured or waived), the Trustee may exercise such of the rights and powers vested in it by this Indenture, and shall use the same degree of care and skill and diligence in their exercise, as a reasonable person would exercise or use under the circumstances in the conduct of his own affairs.

(b) The Trustee may execute any of the trusts or powers hereof and perform the duties required of it hereunder by or through attorneys, agents, or receivers, but shall not be responsible for the acts of any agents, attorneys or receivers appointed by it with the consent of the Authority unless such appointment was the result of negligence or willful misconduct. The Trustee may consult with and act upon the advice of counsel (which may be counsel to the Authority) concerning all matters of trust and its duty hereunder and shall be wholly protected in reliance upon the advice or opinion of such counsel in respect of any action taken or omitted by it in good faith and in accordance herewith.

(c) The Trustee shall not be responsible for any recital herein, or in the Tax Certificate or the Bonds, or for any of the supplements thereto or instruments of further assurance, or for the validity, effectiveness or the sufficiency of the security for the Bonds issued hereunder or intended to be secured hereby and the Trustee shall not be bound to ascertain or inquire as to the observance or performance of any covenants, conditions or agreements on the part of the Authority hereunder or under the Tax Certificate. The Trustee shall have no responsibility, opinion, or liability with respect to any information, statement, or recital in any offering memorandum, official statement, or other disclosure material prepared or distributed with respect to the issuance of the Bonds.

(d) Except as provided in Section 3.2 hereof, the Trustee shall not be accountable for the use of any proceeds of sale of the Bonds delivered hereunder. The Trustee may become the Owner of Bonds secured hereby with the same rights which it would have if not the Trustee; may acquire and dispose of other bonds or evidences of indebtedness of the Authority with the same rights it would have if it were not the Trustee; and may act as a depositary for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners of Bonds, whether or not such committee shall represent the Owners of the majority in aggregate principal amount of the Bonds then Outstanding.

(e) The Trustee shall be protected and shall incur no liability in acting, or refraining from acting in good faith and without negligence, in reliance upon any notice, request, consent, certificate, order, affidavit, letter, telegram, facsimile or other paper or document believed by it to be genuine and correct and to have been signed or sent by the proper person or persons. Any action taken or omitted to be taken by the Trustee in good faith and without negligence pursuant to this Indenture upon the request or authority or consent of any person who at the time of making such request or giving such authority or consent is the Owner of any Bond, shall be conclusive and binding upon all future Owners of the same Bond and upon Bonds issued in exchange therefor or in place thereof. The Trustee shall not be bound to recognize any person as an Owner

of any Bond or to take any action at such person's request unless the ownership of such Bond by such person shall be reflected on the Bond Register.

(f) As to the existence or non-existence of any fact or as to the sufficiency or validity of any instrument, paper or proceeding, the Trustee shall be entitled to rely upon a Certificate of the Authority as sufficient evidence of the facts therein contained and prior to the occurrence of an Event of Default hereunder of which the Trustee has been given notice or is deemed to have notice, as provided in Section 6.2(h) hereof, shall also be at liberty to accept a Certificate of the Authority to the effect that any particular dealing, transaction or action is necessary or expedient, and shall be fully protected in relying thereon, but may at its discretion secure such further evidence deemed by it to be necessary or advisable, but shall in no case be bound to secure the same.

(g) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and notwithstanding any other provision of this Indenture, the Trustee shall not be answerable for other than its negligence or willful misconduct. The immunities and exceptions from liability of the Trustee shall extend to its officers, directors, employees and agents.

(h) The Trustee shall not be required to take notice or be deemed to have notice of any Event of Default hereunder except where a Responsible Officer has actual knowledge of such Event of Default and except for the failure by the Authority to make any of the payments to the Trustee required to be made by the Authority or the City pursuant hereto, including payments on the Local Obligations, or failure by the Authority to file with the Trustee any document required by this Indenture to be so filed subsequent to the issuance of the Bonds, unless a Responsible Officer shall be specifically notified in writing of such default by the Authority or by the Owners of at least twenty-five percent (25%) in aggregate principal amount of the Bonds then Outstanding and all notices or other instruments required by this Indenture to be delivered to the Trustee must, in order to be effective, be delivered to a Responsible Officer at the Trust Office of the Trustee, and in the absence of such notice so delivered the Trustee may conclusively assume there is no Event of Default hereunder except as aforesaid. Delivery of a notice to the officer and address for the Trustee set forth in Section 9.12 hereof, as updated by the Trustee from time to time, shall be deemed notice to a Responsible Officer.

(i) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, accountants and representatives, shall have the right fully to inspect all books, papers and records of the Authority pertaining to the Bonds, and to make copies of any of such books, papers and records such as may be desired but which is not privileged by statute or by law.

(j) The Trustee shall not be required to give any bond or surety in respect of the execution of the said trusts and powers or otherwise in respect of the performance of its duties hereunder.

(k) Notwithstanding anything elsewhere in this Indenture with respect to the execution of any Bonds, the withdrawal of any cash, the release of any property, or any action whatsoever within the purview of this Indenture, the Trustee shall have the right, but shall not be required, to demand any showings, certificates, opinions, appraisals or other information, or corporate action or evidence thereof, as may be deemed desirable by the Trustee in its sole discretion for the purpose of establishing the right of the Authority to the execution of any Bonds, the withdrawal of any cash, or the taking of any other action by the Trustee.

(l) Before taking the action referred to in Sections 6.5 or 8.2, the Trustee may require that an indemnity bond satisfactory to it be furnished for the reimbursement of all expenses to which it may be put and to protect it against all liability, except liability which is adjudicated to have resulted from its negligence or willful misconduct in connection with any such action.

(m) All moneys received by the Trustee shall, until used or applied or invested as herein provided, be held in trust for the purposes for which they were received but need not be segregated from other funds.

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

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

(p) In order to perform its duties and obligations hereunder, the Trustee may employ such persons or entities as it deems necessary or advisable. The Trustee shall be entitled to rely, and shall be fully protected in doing so, upon the opinions, calculations, determinations and directions of the Authority, the City or the School District, or of consultants retained by the Authority, the City or the School District furnished to the Trustee at the direction of the Authority, the City or the School District, respectively.

(q) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Agreement and delivered using Electronic Means ("Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder); provided, however, that the Authority shall provide to the Trustee an incumbency certificate listing officers with the authority to provide such Instructions ("Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority

elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the Authority and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Authority agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. Notwithstanding any of the foregoing, the protection afforded to the Trustee shall be operative only in the absence of the Trustee's negligence or willful misconduct; provided, however, that the Trustee's reliance on instructions delivered in accordance with this paragraph using Electronic Means shall not, in and of itself, be construed as negligence.

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

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

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

Section 6.3 Fees, Charges and Expenses of Trustee. The Trustee shall be entitled to payment and reimbursement by the Authority for reasonable fees for its services rendered hereunder and all advances (including any interest on advances), counsel fees and expenses (including fees and expenses of outside counsel and the allocated costs of internal attorneys) and other expenses reasonably and necessarily made or incurred by the Trustee in connection with such services. Upon the occurrence of an Event of Default hereunder, but only upon an Event of Default, the Trustee shall have a first lien with right of payment prior to payment of any Bond upon the amounts held in funds and accounts hereunder for the foregoing fees, charges and expenses incurred by it respectively. The Trustee's right to payment of its fees and expenses shall survive the discharge and payment or defeasance of the Bonds and termination of this Indenture, and the resignation or removal of the Trustee.

Section 6.4 Notice to Bond Owners of Default. If an Event of Default hereunder occurs with respect to any Bonds of which the Trustee has been given, or is deemed to have notice, as provided in Section 6.2(h) hereof, then the Trustee shall promptly give written notice thereof by first-class mail to the Owner of each such Bond, unless such Event of Default shall have been cured before the giving of such notice.

Section 6.5 Intervention by Trustee. In any judicial proceeding to which the Authority is a party which, in the opinion of the Trustee and its counsel, has a substantial bearing on the interests of Owners of any of the Bonds, the Trustee may intervene on behalf of such Bond Owners, and subject to Section 6.2(1) hereof, shall do so if requested in writing by the Owners of at least twenty-five percent (25%) in aggregate principal amount of such Bonds then Outstanding.

Section 6.6 Removal of Trustee. The Owners of a majority in aggregate principal amount of the Outstanding Bonds may, and the Authority may, upon 30 days' prior written notice to the Trustee, the School District and the City, remove the Trustee initially appointed, and any successor thereto, by an instrument or concurrent instruments in writing delivered to the Trustee. Upon any such removal, the Authority shall appoint a successor or successors thereto; provided that any such successor shall be a bank, association or trust company meeting the requirements set forth in Section 6.1 hereof. Additionally, the Trustee may be removed at any time, at the request of the Authority.

Section 6.7 Resignation by Trustee. The Trustee and any successor Trustee may at any time give prior written notice of its intention to resign as Trustee hereunder, such notice to be given to the Authority, the School District and the City by registered or certified mail. Upon receiving such notice of resignation, the Authority shall promptly appoint a successor Trustee. Any resignation or removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee. Upon such acceptance, the new Trustee shall cause notice thereof to be given by first class mail, postage prepaid, to the Bond Owners at their respective addresses set forth on the Bond Register.

Section 6.8 Appointment of Successor Trustee. In the event of the removal or resignation of the Trustee pursuant to Sections 6.6 or 6.7, respectively, the Authority shall promptly appoint a successor Trustee. In the event the Authority shall for any reason whatsoever fail to appoint a successor Trustee within thirty (30) days following the delivery to the Trustee of the instrument described in Section 6.6 or within thirty (30) days following the receipt of notice by the Authority, the School District and the City pursuant to Section 6.7, the Trustee may petition any court of competent jurisdiction for the appointment of a successor Trustee meeting the requirements of Section 6.1 hereof.

Section 6.9 Merger or Consolidation. Any company into which the Trustee may be merged or converted or with which it may be consolidated or any company resulting from any merger, conversion or consolidation to which it shall be a party or any company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided that such company shall meet the requirements set forth in Section 6.1 hereof, shall be the successor to the Trustee and vested with all of the title to the trust estate and all of the trusts, powers, discretions, immunities, privileges and all other matters as was its predecessor, without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding.

Section 6.10 Concerning any Successor Trustee. Every successor Trustee appointed hereunder shall execute, acknowledge and deliver to its predecessor and also to the Authority an instrument in writing accepting such appointment hereunder and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder and thereupon such successor, without any further act, deed or conveyance, shall become fully vested with all the estates, properties, rights, powers, trusts, duties and obligations of its predecessors; but such predecessor shall, nevertheless, on the Request of the Authority, or of the Trustee's successor, execute and deliver an instrument transferring to such successor all the estates, properties, rights, powers and trusts of such predecessor hereunder; and every predecessor Trustee shall deliver all securities and moneys held by it as the Trustee hereunder to its successor. Should any instrument in writing from the Authority be required by any successor Trustee for more fully and certainly vesting in such successor the estate, rights, powers and duties hereby vested or intended to be vested in the predecessor Trustee, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority.

Section 6.11 Appointment of Co-Trustee. It is the purpose of this Indenture that there shall be no violation of any law of any jurisdiction (including particularly the law of the State) denying or restricting the right of banking corporations or associations to transact business as a trustee in such jurisdiction. It is recognized that in the case of litigation under this Indenture, and in particular in case of the enforcement of the rights of the Trustee on default, or in the case the Trustee deems that by reason of any present or future law of any jurisdiction it may not exercise any of the powers, rights or remedies herein granted to the Trustee or hold title to the properties, in trust, as herein granted, or take any other action which may be desirable or necessary in connection therewith, it may be necessary that the Trustee appoint an additional individual or institution as a separate co-trustee. The following provisions of this Section 6.11 are adopted to these ends.

In the event that the Trustee or the Authority appoints an additional individual or institution as a separate or co-trustee, each and every remedy, power, right, claim, demand, cause of action, immunity, estate, title, interest and lien expressed or intended by this Indenture to be exercised by or vested in or conveyed to the Trustee with respect thereto shall be exercisable by and vest in such separate or co-trustee but only to the extent necessary to enable such separate or co-trustee to exercise such powers, rights and remedies, and every covenant and obligation necessary to the exercise thereof by such separate or co-trustee shall run to and be enforceable by either of the Trustee or separate or co-Trustee.

Should any instrument in writing from the Authority be required by the separate trustee or co-trustee so appointed by the Trustee or the Authority for more fully and certainly vesting in and confirming to it such properties, rights, powers, trusts, duties and obligations, any and all such instruments in writing shall, on request, be executed, acknowledged and delivered by the Authority. In case any separate trustee or co-trustee, or a successor to either, shall become incapable of acting, resign or be removed, all the estates, properties, rights, powers, trusts, duties and obligations of such separate trustee or co-trustee, so far as permitted by law, shall vest in and be exercised by the Trustee until the appointment of a new trustee or successor to such separate trustee or co-trustee.

Section 6.12 Indemnification; Limited Liability of Trustee. The Authority further covenants and agrees to indemnify and save the Trustee and its officers, officials, directors, agents and employees, harmless against any loss, expense (including reasonable legal fees and expenses) and liabilities which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. No provision in this Indenture shall require the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder unless indemnity reasonably satisfactory to it against such liability or risk is provided to it. The Trustee shall not be liable for any action taken or omitted to be taken by it in accordance with the direction of a majority (or any lesser amount that may direct the Trustee in accordance with the provisions of the Indenture) of the Owners of the principal amount of Bonds Outstanding relating to the time, method and place of conducting any proceeding or remedy available to the Trustee under this Indenture. The rights of the Trustee and the obligations of the Authority under this Section 6.12 shall survive termination of this Indenture, discharge of the Bonds and resignation or removal of the Trustee.

ARTICLE VII

MODIFICATION AND AMENDMENT OF THE INDENTURE

Section 7.1 Amendment Hereof. This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may be modified or amended at any time by a Supplemental Indenture which shall become binding when the prior written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding are filed with the Trustee. No such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the Authority

to pay the principal, interest or redemption premiums at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the Owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without written consent of the Trustee, modify any of the rights or obligations of the Trustee.

This Indenture and the rights and obligations of the Authority and of the Owners of the Bonds may also be modified or amended at any time by a Supplemental Indenture which shall become binding upon adoption, without consent of any Bond Owners, to the extent permitted by law but only for any one or more of the following purposes-

(a) to add to the covenants and agreements of the Authority contained in this Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or powers herein reserved to or conferred upon the Authority so long as such addition, limitation or surrender of such rights or powers shall not materially adversely affect the Owners of the Bonds; or

(b) to make such provisions for the purpose of curing any ambiguity, or of curing, correcting or supplementing any defective provision contained in this Indenture, or in any other respect whatsoever as the Authority may deem necessary or desirable, provided under any circumstances that such modifications or amendments shall not materially adversely affect the interests of the Owners of the Bonds; or

(c) to amend any provision hereof relating to the Code as may be necessary or appropriate to assure compliance with the Code and the exclusion from gross income of interest on the Bonds; or

(d) to amend the provisions of Section 4.4 hereof; or

(e) in connection with the issuance of Parity Bonds under and as such term is defined in the fiscal agent agreement pursuant to which the Local Obligations described in clause (ii) of the definition "Local Obligations" in Section 1.1 were issued.

Notwithstanding the foregoing clause (d), the Authority may not amend the provisions of Section 4.4 hereof without the prior written consent of the City and the School District.

The Trustee may, as it deems appropriate in its sole discretion, obtain an opinion of Bond Counsel that any such Supplemental Indenture entered into by the Authority and the Trustee complies with the provisions of this Article VII and the Trustee may conclusively rely upon such opinion and shall be fully protected in relying thereon.

Section 7.2 Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective pursuant to this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners of Outstanding Bonds, as the case may be, shall thereafter be determined, exercised and enforced hereunder subject in all respects

to such modification and amendment, and all the terms and conditions of this Indenture for any and all purposes.

Section 7.3 Endorsement or Replacement of Bonds After Amendment. After the effective date of any action taken as hereinabove provided, the Authority may determine that any affected Bonds shall bear a notation, by endorsement in form approved by the Authority, as to such action, and in that case upon demand of the Owner of any Bond Outstanding at such effective date and presentation of its Bond for that purpose at the Trust Office of the Trustee, a suitable notation as to such action shall be made on such Bond. If the Authority shall so determine, new Bonds so modified as, in the opinion of the Authority, shall be necessary to conform to such Bond Owners' action shall be prepared and executed, and in that case upon demand of the Owner of any Bond Outstanding at such effective date such new Bonds shall be exchanged at the Trust Office of the Trustee, without cost to each Bond Owner, for Bonds then Outstanding, upon surrender of such Outstanding Bonds.

Section 7.4 Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Bond Owner from accepting any amendment as to the particular Bond held by such Owner, provided that due notation thereof is made on such Bond.

ARTICLE VIII

EVENTS OF DEFAULT AND REMEDIES

Section 8.1 Events of Default. The following events shall be Events of Default hereunder.

(a) Default in the due and punctual payment of the principal of any Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption, by declaration or otherwise;

(b) Default in the due and punctual payment of any installment of interest on any Bond when and as such interest installment shall become due and payable;

(c) Default by the Authority in the observance of any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such default shall have continued for a period of sixty (60) days after written notice thereof, specifying such default and requiring the same to be remedied, shall have been given to the Authority by the Trustee, or to the Authority and the Trustee by the Owners of not less than twenty-five percent (25%) in aggregate principal amount of the Bonds at the time Outstanding; provided that such default (other than a default arising from nonpayment of the Trustee's fees and expenses, which must be cured within such 60-day period unless waived by the Trustee) shall not constitute an Event of Default hereunder if the Authority shall commence to cure such default within said sixty (60) day period and thereafter diligently and in good faith shall cure such default within a reasonable period of time; or

(d) The filing by the Authority of a petition or answer seeking reorganization or arrangement under the federal bankruptcy laws or any other applicable law of the United States of America, or if a court of competent jurisdiction shall approve a petition, filed with or without the consent of the Authority, seeking reorganization under the federal bankruptcy laws or any other applicable law of the United States of America, or if, under the provisions of any other law for the relief or aid of debtors, any court of competent jurisdiction shall assume custody or control of the Authority or of the whole or any substantial part of its property.

Section 8.2 Remedies; Rights of Bond Owners. Subject in any event to the provisions of Section 10.1 and 10.2, upon the occurrence of an Event of Default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of, premium, if any, and interest on the Outstanding Bonds, and to enforce any rights of the Trustee under or with respect to this Indenture. In the event of an Event of Default arising out of a nonpayment of Trustee's fees and expenses, the Trustee may sue the Authority to seek recovery of its fees and expenses; provided, however, that such recovery may be made only from funds of the Authority and not from Revenues. In any event, acceleration of amounts due on the Bonds shall not be a remedy upon the occurrence of an Event of Default.

Subject in any event to the provisions of Section 10.1 and 10.2, if an Event of Default shall have occurred and be continuing, if requested to do so by the Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds, and, in each case, if indemnified as provided in Section 6.2(1), the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article VIII and, as applicable, under the Local Obligations, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Bond Owners.

No remedy by the terms of this Indenture conferred upon or reserved to the Trustee (or to the Bond Owners) is intended to be exclusive of any other remedy, but each and every such remedy shall be cumulative and shall be in addition to any other remedy given to the Trustee or to the Bond Owners hereunder or now or hereafter existing at law or in equity.

No delay or omission to exercise any right or power accruing upon any Event of Default shall impair any such right or power or shall be construed to be a waiver of any such Event of Default or acquiescence therein; such right or power may be exercised from time to time as often as may be deemed expedient.

Section 8.3 Application of Revenues and Other Funds After Event of Default. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture and any other funds held by the Trustee shall be applied by the Trustee in the following order upon presentation of the several Bonds, and the stamping thereon of the amount of the payment if only partially paid, or upon the surrender thereof if fully paid -

First, to the payment of the costs and expenses of the Trustee in declaring such Event of Default and in carrying out the provisions of this Article VIII, including reasonable compensation to its agents, attorneys and counsel (including outside counsel

and the allocated costs of internal attorneys), and to the payment of all other outstanding fees and expenses of the Trustee; and

Second, to the payment of the whole amount of interest on and principal of the Bonds then due and unpaid, with interest on overdue installments of principal and interest to the extent permitted by law at the net effective rate of interest then borne by the Outstanding Bonds; provided, however, that in the event such amounts shall be insufficient to pay in full the full amount of such interest and principal, then such amounts shall be applied in the following order of priority.

(a) first to the payment of all installments of interest on the Bonds then due and unpaid,

(b) second, to the payment of all installments of principal of the Bonds then due and unpaid, and

(c) third, to the payment of interest on overdue installments of principal and interest on Bonds.

Section 8.4 Power of Trustee to Control Proceedings. In the event that the Trustee, upon the happening of an Event of Default, shall have taken any action, by judicial proceedings or otherwise, pursuant to its duties hereunder, whether upon its own discretion or upon the request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, it may, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action; provided, however, that the Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if there has been filed with it a written request signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other such litigation and provided further that the Trustee shall have the right to decline to comply with such written request unless indemnification satisfactory to it has been provided. Any suit, action or proceeding which any Owner of Bonds shall have the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners of Bonds similarly situated and the Trustee is hereby appointed (and the successive respective Owners of the Bonds issued hereunder, by taking and holding the same, shall be conclusively deemed so to have appointed it) the true and lawful attorney in fact of the respective Owners of the Bonds for the purposes of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners of the Bonds as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact.

Section 8.5 Appointment of Receivers. Upon the occurrence of an Event of Default hereunder, and upon the filing of a suit or other commencement of judicial proceedings to enforce the rights of the Trustee and of the Bond Owners under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Revenues

and other amounts pledged hereunder, pending such proceedings, with such powers as the court making such appointment shall confer.

Section 8.6 Non-Waiver. Nothing in this Article VIII or in any other provision of this Indenture, or in the Bonds, shall affect or impair the obligation of the Authority, which is absolute and unconditional, to pay the interest on and principal of the Bonds to the respective Owners of the Bonds at the respective dates of maturity, as herein provided, out of the Revenues and other moneys herein pledged for such payment.

A waiver of any default or breach of duty or contract by the Trustee or any Bond Owners shall not affect any subsequent default or breach of duty or contract, or impair any rights or remedies on any such subsequent default or breach. No delay or omission of the Trustee or any Owner of any of the Bonds to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein; and every power and remedy conferred upon the Trustee or Bond Owners by the Bond Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Bond Owners, as the case may be.

Section 8.7 Rights and Remedies of Bond Owners. No Owner of any Bond issued hereunder shall have the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless (a) such Owner shall have previously given to the Trustee written notice of the occurrence of an Event of Default; (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name; (c) said Owners shall have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and (d) the Trustee shall have refused or omitted to comply with such request for a period of sixty (60) days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds shall have any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and interest and premium (if any) on such Bond as herein provided or to institute suit for the enforcement of any such payment, shall not be impaired or affected without the written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

Section 8.8 Termination of Proceedings. In case the Trustee shall have proceeded to enforce any right under this Indenture by the appointment of a receiver or otherwise, and such

proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely, then and in every such case, the Authority, the Trustee and the Bond Owners shall be restored to their former positions and rights hereunder, respectively, with regard to the property subject to this Indenture, and all rights, remedies and powers of the Trustee shall continue as if no such proceedings had been taken.

ARTICLE IX

MISCELLANEOUS

Section 9.1 Limited Liability of Authority. Notwithstanding anything in this Indenture contained, the Authority shall not be required to advance any moneys derived from any source of income other than the Revenues for the payment of the principal of or interest on the Bonds, or any premiums upon the redemption thereof, or for the performance of any covenants herein contained. The Authority may in its sole and absolute discretion, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the Authority for such purpose without incurring indebtedness.

The Bonds shall be revenue bonds, payable exclusively from the Revenues and other funds as in this Indenture provided. The general fund of the Authority is not liable, and the credit of the Authority is not pledged, for the payment of the interest and premium (if any) on or principal of the Bonds. The Owners of the Bonds shall never have the right to compel the forfeiture of any property of the Authority. The principal of and interest on the Bonds and any premiums upon the redemption of any thereof, shall not be a legal or equitable pledge, charge, lien or encumbrance upon any property of the Authority or upon any of its income, receipts or revenues except the Revenues and other funds pledged to the payment thereof as in this Indenture provided.

Section 9.2 Benefits of Indenture Limited to Parties. Nothing in this Indenture, expressed or implied, is intended to give to any person other than the Authority, the City, the School District, the Trustee, the Bond Insurer and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the Authority shall be for the sole and exclusive benefit of the Trustee, the School District, the City, the Bond Insurer and the Owners of the Bonds.

Section 9.3 Discharge of Indenture. If the Authority shall pay and discharge any or all of the Outstanding Bonds in any one or more of the following ways:

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

(b) by irrevocably depositing with the Trustee, in trust, at or before maturity, money which, together with the available amounts then on deposit in the funds and

accounts established with the Trustee pursuant to this Indenture and available for such purpose, is fully sufficient to pay such Bonds, including all principal, interest and redemption premiums; or

(c) by irrevocably depositing with the Trustee or any other fiduciary, in trust, noncallable Permitted Investments of the character described in clause (a) of the definition of Permitted Investments in Section 1.1 in such amount as Bond Counsel or an Independent Accountant shall determine will, together with the interest to accrue thereon and available moneys then on deposit in the funds and accounts established with the Trustee pursuant to this Indenture and available for such purpose, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal, interest and redemption premiums) at or before their respective maturity dates;

and if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been mailed pursuant to Section 2.2(c) hereof or provision satisfactory to the Trustee shall have been made for the mailing of such notice, then, at the Request of the Authority, and notwithstanding that any of such Bonds shall not have been surrendered for payment, the pledge of the Revenues and other funds provided for in this Indenture with respect to such Bonds, and all other pecuniary obligations of the Authority under this Indenture with respect to such Bonds, shall cease and terminate, except only the obligation of the Authority to comply with the covenants contained in Sections 5.6, 5.7 and 6.12 hereof, to pay or cause to be paid to the Owners of such Bonds not so surrendered and paid all sums due thereon from amounts set aside for such purpose as aforesaid, and to pay all expenses and costs of the Trustee. Any funds thereafter held by the Trustee, which are not required for said purposes, shall be paid over to the Authority.

Notwithstanding anything herein to the contrary, in the event that the principal and/or interest due on the Bonds shall be paid by the Bond Insurer pursuant to the Bond Insurance Policy, the Bonds shall remain Outstanding for all purposes, not be defeased or otherwise satisfied and not be considered paid by the Authority, and the assignment and pledge of the Revenues under this Indenture and all covenants, agreements and other obligations of the Authority to the Owners of the Bonds shall continue to exist and shall run to the benefit of the Bond Insurer, and the Bond Insurer shall be subrogated to the rights of such Owners.

Section 9.4 Successor is Deemed Included in All References to Predecessor. Whenever in this Indenture or any Supplemental Indenture either the Authority is named or referred to, such reference shall be deemed to include the successor to the powers, duties and functions, with respect to the management, administration and control of the affairs of the Authority, that are presently vested in the Authority, and all the covenants, agreements and provisions contained in this Indenture by or on behalf of the Authority shall bind and inure to the benefit of its successors whether so expressed or not.

Section 9.5 Waiver of Notice; Requirement of Mailed Notice. Whenever in this Indenture the giving of notice by mail or otherwise is required, the giving of such notice may be waived in writing by the person entitled to receive such notice and in any such case the giving or receipt of such notice shall not be a condition precedent to the validity of any action taken in reliance upon such waiver. Whenever in this Indenture any notice shall be required to be given

by mail, such requirement shall be satisfied by the deposit of such notice in the United States mail, postage prepaid, by first class mail.

Section 9.6 Execution of Documents by Bond Owners. Any request, consent or other instrument required by this Indenture to be signed and executed by Bond Owners may be in any number of concurrent writings of substantially similar tenor and may be signed or executed by such Bond Owners in person or by agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and of the Authority if made in the manner provided in this Section 9.6.

The fact and date of the execution by any person of any such request, consent or other instrument or writing may be proved by the affidavit of a witness of such execution or by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the person signing such request, consent or other instrument or writing acknowledged to him the execution thereof.

The ownership of Bonds shall be conclusively proved by the Bond Register. Any request, consent or vote of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of any Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Authority in pursuance of such request, consent or vote. In lieu of obtaining any demand, request, direction, consent or waiver in writing, the Trustee may call and hold a meeting of the Bond Owners upon such notice and in accordance with such rules and obligation as the Trustee considers fair and reasonable for the purpose of obtaining any such action.

Section 9.7 Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the Authority, the City or the School District (but excluding Bonds held in any employees' or retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination, provided, however, that for the purpose of determining whether the Trustee shall be protected in relying on any such demand, request, direction, consent or waiver, only Bonds which the Trustee knows to be so owned or held shall be disregarded. Upon request, the Authority shall specify to the Trustee those Bonds disqualified pursuant to this Section 9.7, and the Trustee may conclusively rely upon any such certificate.

Section 9.8 Waiver of Personal Liability. No Board member, officer, agent or employee of the Authority shall be individually or personally liable for the payment of the interest on or principal of the Bonds; but nothing herein contained shall relieve any such officer, agent or employee from the performance of any official duty provided by law.

Section 9.9 Partial Invalidity. If any one or more of the covenants or agreements, or portions thereof, provided in this Indenture on the part of the Authority (or of the Trustee) to be performed should be contrary to law, then such covenant or covenants, such agreement or agreements, or such portions thereof, shall be null and void and shall be deemed separable from the remaining covenants and agreements or portions thereof and shall in no way affect the

validity of this Indenture or of the Bonds; but the Bond Owners shall retain all rights and benefits accorded to them under the Bond Law or any other applicable provisions of law. The Authority hereby declares that it would have entered into this Indenture and each and every other section, paragraph, subdivision, sentence, clause and phrase hereof and would have authorized the issuance of the Bonds pursuant hereto irrespective of the fact that any or more sections, paragraphs, subdivisions, sentences, clauses or phrases of this Indenture or the application thereof to any person or circumstance may be held to be unconstitutional, unenforceable or invalid.

Section 9.10 Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender to the Authority or the Trustee of any Bonds which have been paid or canceled pursuant to the provisions of this Indenture, the Trustee shall destroy such Bonds in accordance with the retention policy of the Trustee then in effect.

Section 9.11 Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the Authority or the Trustee may be established and maintained in the accounting records of the Authority or the Trustee, as the case may be, either as a fund or an account, and may, for the purpose of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account. All such records with respect to all such funds and accounts held by the Authority shall at all times be maintained in accordance with generally accepted accounting principles and all such records with respect to all such funds and accounts held by the Trustee shall be at all times maintained in accordance with corporate trust industry practices; in each case with due regard for the protection of the security of the Bonds and the rights of every Owner thereof.

Section 9.12 Notices. Any notice, request, complaint, demand, communication or other paper shall be sufficiently given and shall be deemed given when delivered or mailed by registered or certified mail, postage prepaid, or sent by telegram, addressed as follows:

If to the Authority:	Brea Public Financing Authority Civic & Cultural Center 1 Civic Center Circle, 3rd Floor Brea, CA 92821-5732 Attention: Executive Director
If to the City:	City of Brea Civic & Cultural Center 1 Civic Center Circle, 3rd Floor Brea, CA 92821-5732 Attention: Financial Services Manager
If to the School District:	Brea Olinda Unified School District Civic & Cultural Center 1 Civic Center Circle, 2nd Floor Brea, CA 92821-5732 Attention: Financial Supervisor

If to the Trustee:

The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, CA 90071
Attention: Corporate Trust Administration

If to the Bond Insurer:

The Authority, the City, the School District and the Trustee may designate any further or different addresses to which subsequent notices, certificates or other communications shall be sent.

Section 9.13 Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any moneys held by the Trustee in trust for the payment and discharge of any of the Bonds which remain unclaimed for two (2) years after the date when such Bonds have become due and payable, either at their stated maturity dates or by call for earlier redemption, if such moneys were held by the Trustee at such date, or for two (2) years after the date of deposit of such moneys if deposited with the Trustee after said date when such Bonds become due and payable, shall be repaid by the Trustee to the Authority, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Bond Owners shall look only to the Authority for the payment of such Bonds; provided, however, that before being required to make such payment to the Authority, the Trustee shall, at the expense of Authority, cause to be mailed to the Owners of all such Bonds, at their respective addresses appearing on the Bond Register, a notice that said moneys remain unclaimed and that, after a date in said notice, which date shall not be less than thirty (30) days after the date of mailing such notice, the balance of such moneys then unclaimed will be returned to the Authority.

Section 9.14 Payment Due on Other than a Business Day. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Indenture, is not a Business Day, such payment, with no interest accruing for the period after such nominal date, may be made or act performed or right exercised on the next succeeding Business Day with the same force and effect as if done on the nominal date provided in this Indenture.

Section 9.15 Applicable Law. This Indenture shall be governed by and enforced in accordance with the laws of the State applicable to contracts made and performed in the State.

Section 9.16 Counterparts. This Indenture may be executed in counterparts, each of which shall be deemed an original.

ARTICLE X

BOND INSURANCE PROVISIONS

[to come]

IN WITNESS WHEREOF, the BREA PUBLIC FINANCING AUTHORITY has caused this Indenture to be signed by its Chair, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

BREA PUBLIC FINANCING AUTHORITY

By: _____
Christine Marick,
Chair

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

By: _____
Authorized Officer

02020.02:J16116

EXHIBIT A
FORM OF BOND

No. _____

\$ _____

BREA PUBLIC FINANCING AUTHORITY
LOCAL AGENCY REVENUE REFUNDING BOND,
SERIES 2019

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
	September 1, ____	August 13, 2019	

REGISTERED OWNER:

PRINCIPAL AMOUNT:

DOLLARS

The BREA PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency organized and existing under the laws of the State of California (the "Authority"), for value received, hereby promises to pay (but only out of the Revenues and other funds hereinafter referred to) to the Registered Owner identified above or registered assigns (the "Registered Owner"), on the Maturity Date identified above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like money from the Interest Payment Date (as hereinafter defined) next preceding the date of authentication of this Bond (unless this Bond is authenticated on or before an Interest Payment Date and after the fifteenth calendar day of the month preceding the month in which such Interest Payment Date occurs, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or prior to February 15, 2020, in which event it shall bear interest from the Closing Date identified above; provided, however, that if, at the time of authentication of this Bond, interest is in default on this Bond, this Bond shall bear interest from the Interest Payment Date to which interest hereon has previously been paid or made available for payment), payable semiannually on March 1 and September 1 in each year, commencing March 1, 2020 (each, an "Interest Payment Date") until the Maturity Date stated above or date of redemption of this Bond. The Principal Amount hereof is payable upon presentation and surrender hereof at the Trust Office (as defined in the Indenture) of The Bank of New York Mellon Trust Company, N.A. (the "Trustee"). Interest hereon is payable by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Registered Owner hereof at the address of the Registered Owner as it appears on the registration books of the Trustee as of the fifteenth calendar day of the month preceding the month in which such Interest Payment Date occurs; provided, however, that payment of interest may be made by wire transfer to an account in the continental United States of America

to any registered owner of Bonds in the aggregate principal amount of \$1,000,000 or more upon written instructions of any such registered owner filed with the Trustee for that purpose as of the close of business on the fifteenth calendar day of the month preceding the month in which such Interest Payment Date occurs.

This Bond is a limited obligation of the Authority, payable solely from the Revenues and funds pledged under the Indenture (as defined herein). This Bond is not a debt of the City of Brea, the Brea Olinda Unified School District or the State of California or any of its political subdivisions (except the Authority and only to the extent set forth in the Indenture), and none of said City, said School District, said State or any of its political subdivisions is liable hereon. The Authority has no taxing power.

This Bond is one of a duly authorized series of bonds of the Authority designated the “Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019” (the “Bonds”), limited in principal amount to _____ Million _____ Hundred _____ Thousand Dollars (\$ _____), secured by an Indenture of Trust dated, as of August 1, 2019 (the “Indenture”), by and between the Authority and the Trustee. Reference is hereby made to the Indenture and all indentures supplemental thereto for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the Revenues (as that term is defined in the Indenture), of the rights, duties and immunities of the Trustee and of the rights and obligations of the Authority thereunder; and all of the terms of the Indenture are hereby incorporated herein and constitute a contract between the Authority and the Registered Owner hereof, and to all of the provisions of which Indenture the Registered Owner hereof, by acceptance hereof, assents and agrees.

The Bonds are authorized to be issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985, as amended, constituting Article 4 (commencing with Section 6584) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”). The Bonds are limited obligations of the Authority and, as and to the extent set forth in the Indenture, are payable solely from and secured by a first lien on and pledge of the Revenues and certain other funds held by the Trustee as provided in the Indenture. The Revenues and such other funds constitute a trust fund for the security and payment of the principal of and interest on the Bonds, except to the extent otherwise provided in the Indenture. The full faith and credit of the Authority is not pledged to the payment of the principal of or interest or redemption premiums (if any) on the Bonds. The Bonds are not secured by a legal or equitable pledge of, or charge, lien or encumbrance upon, any of the property of the Authority or any of its income or receipts, except the Revenues and such other funds as provided in the Indenture.

The Bonds have been issued to provide funds to purchase certain special tax bonds of the City and of the School District (collectively, the “Local Obligations”). The City and the School District will use the proceeds that they receive from the sale of the Local Obligations to the Authority to refund certain outstanding bonds of the City and of the School District. The obligations of the City and the School District to make payments of principal and interest on the Local Obligations are limited obligations secured only as set forth therein.

The Bonds maturing on or after September 1, ____, are subject to optional redemption prior to maturity on any date on or after September 1, ____, as a whole, or in part from

maturities as are selected by the Authority in accordance with the Indenture and by lot within a maturity, from any source of funds made available to the Authority, at the option of the Authority, at the following respective redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, ____ through and including August 31, ____	103%
September 1, ____ through and including August 31, ____	102
September 1, ____ through and including August 31, ____	101
September 1, ____ and any date thereafter	100

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

<u>Redemption Date</u> <u>(September 1)</u>	<u>Sinking Payments</u>
--	-------------------------

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

<u>Redemption Date</u> <u>(September 1)</u>	<u>Sinking Payments</u>
--	-------------------------

The Bonds are also subject to special redemption on any date occurring on or after March 1, 2020, from proceeds of early redemption of the Local Obligations from prepayments of Special Taxes (as such term is defined in the Indenture), or in certain instances from excess Special Taxes, in whole or in part, among maturities as selected by the Authority in accordance

with the Indenture and by lot within a maturity, at the principal amount thereof, plus a premium expressed below as a percentage of the principal amount so redeemed, plus accrued interest to the date of redemption thereof:

<u>Redemption Dates</u>	<u>Redemption Premium</u>
March 1, 2020 through and including August 31, ____	103%
September 1, ____ through and including August 31, ____	102
September 1, ____ through and including August 31, ____	101
September 1, ____ and any date thereafter	100

The Trustee on behalf and at the expense of the Authority shall send (by first class mail, postage prepaid or such other means as acceptable to the recipients thereof), notice of any redemption to the respective owners of any Bonds designated for redemption, at their respective addresses appearing on the registration books maintained by the Trustee and to the Securities Depositories and to the Information Services (as such terms are defined in the Indenture), at least thirty (30) but not more than sixty (60) days prior to the redemption date; provided, however, that neither failure to receive any such notice so mailed nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon.

If this Bond is called for redemption and payment is duly provided therefor as specified in the Indenture, interest shall cease to accrue hereon from and after the date fixed for redemption.

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

This Bond is transferable by the Registered Owner hereof, in person or by its attorney duly authorized in writing, at the Trust Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer a new fully registered Bond or Bonds, of authorized denomination or denominations, for the same aggregate principal amount will be issued to the transferee in exchange herefor. The Trustee shall not be required to register the transfer or exchange of any Bond (i) during 15 days prior to selection of Bonds for redemption, or (ii) selected for redemption.

The Authority and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the Authority and the Trustee shall not be affected by any notice to the contrary. The Indenture and the rights and obligations of the Authority and of the owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the maturity of or reduce the interest

rate on any Bond or otherwise alter or impair the obligation of the Authority to pay the principal, interest or redemption premiums at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee, all as more fully set forth in the Indenture.

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

It is hereby certified by the Authority that all things, conditions and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Constitution and statutes of the State of California and by the Act, and that the amount of this Bond, together with all other indebtedness of the Authority, does not exceed any limit prescribed by the Constitution or statutes of the State of California or by the Act.

This Bond shall not be entitled to any benefit under the Indenture, or become valid or obligatory for any purpose, until the certificate of authentication hereon shall have been signed by the Trustee.

IN WITNESS WHEREOF, the Authority has caused this Bond to be executed in its name and on its behalf by the facsimile signatures of its Chair and Secretary all as of the Dated Date identified above.

BREA PUBLIC FINANCING AUTHORITY

By: _____
Chair

ATTEST:

By: _____
Secretary

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Date: August 13, 2019

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

By: _____
Authorized Signatory

ASSIGNMENT

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

(Name, Address and Tax Identification or Social Security Number)

the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signatures Guaranteed:

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

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

STATEMENT OF INSURANCE

[to come]

ESCROW AGREEMENT

by and among the

BREA PUBLIC FINANCING AUTHORITY,

the

CITY OF BREA, CALIFORNIA,

the

BREA OLINDA UNIFIED SCHOOL DISTRICT

and

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

dated as of August 1, 2019

relating to:

Brea Public Financing Authority
Local Agency Revenue Bonds
(Community Facilities Districts Refinancing),
2005 Series A

and

City of Brea
Community Facilities District No. 1997-1
(Olinda Heights Public Improvements)
2005 Special Tax Refunding Bonds
and

Brea Olinda Unified School District
Community Facilities District No. 95-1
(Olinda Heights)
Special Tax Refunding Bonds, Series 2005A
and

Brea Olinda Unified School District
Community Facilities District No. 95-1
(Olinda Heights)
Special Tax Bonds, Series 2005B

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ESCROW AGREEMENT

This ESCROW AGREEMENT (this “Agreement”), dated as of August 1, 2019, is by and among the BREa PUBLIC FINANCING AUTHORITY, a joint exercise of powers agency organized and existing under the laws of the State of California (the “Authority”), the CITY OF BREa, CALIFORNIA, a municipal corporation organized and existing under the laws of the State of California (the “City”), for and on behalf of the CITY OF BREa COMMUNITY FACILITIES DISTRICT NO. 1997-1 (OLINDA HEIGHTS PUBLIC IMPROVEMENTS) (the “City CFD”), the BREa OLINDA UNIFIED SCHOOL DISTRICT (the “School District”) for and on behalf of the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) (the “School District CFD”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as Prior Trustee (as defined below) for the 2005 Authority Bonds, as Prior Fiscal Agent (as defined below) for the 2005 City CFD Bonds and the 2005 School District CFD Bonds, and acting as escrow bank hereunder (the “Escrow Bank”).

R E C I T A L S :

WHEREAS, the Authority is a joint exercise of powers agency duly organized and existing under and pursuant to the provisions of Articles 1 through 4 (commencing with Section 6500) of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California (the “Act”), and is authorized pursuant to Article 4 of the Act to borrow money for the purpose of financing the acquisition of bonds, notes and other obligations of its members, including the City, and of any associate members, including the School District, as well as community facilities district bonds of the City issued for the City CFD and of the School District issued for the School District CFD; and

WHEREAS, for the purpose of facilitating the refinancing of certain outstanding indebtedness of the City issued for the City CFD and of the School District issued for the School District CFD, and to otherwise provide additional financing for the School District CFD, the Authority issued its Brea Public Financing Authority Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A in the initial aggregate principal amount of \$15,405,000 (the “Prior Authority Bonds”) pursuant to an Indenture of Trust, dated as of June 1, 2005 (the “Prior Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Prior Trustee”); and

WHEREAS, pursuant to a Fiscal Agent Agreement, dated as of June 1, 2005 (the “Prior City Fiscal Agent Agreement”), between the City, for and on behalf of the City CFD, and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Prior Fiscal Agent”), the City has issued, for and on behalf of the City CFD, its City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2005 Special Tax Refunding Bonds (the “Prior City CFD Bonds”); and

WHEREAS, pursuant to a Fiscal Agent Agreement, dated as of June 1, 2005, between the School District, for and on behalf of the School District CFD, and the Prior Fiscal Agent (as amended by the Supplemental Agreement No. 1 to Fiscal Agent Agreement, dated as of May 1,

2009, between the School District, for and on behalf of the School District CFD, and the Prior Fiscal Agent, the “Prior School District Fiscal Agent Agreement”), the School District issued, for and on behalf of the School District CFD, its Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) Special Tax Refunding Bonds, Series 2005A and its Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) Special Tax Bonds, Series 2005B (collectively, the “Prior School District CFD Bonds”); and

WHEREAS, proceeds of the Prior Authority Bonds were used to acquire the Prior City CFD Bonds and the Prior School District CFD Bonds; and

WHEREAS, the City has now determined to issue, for and on behalf of the City CFD, special tax refunding bonds in the principal amount of \$_____ (the “City CFD Refunding Bonds”) at this time for the purpose of providing funds to currently refund and defease the Prior City CFD Bonds; and

WHEREAS, the School District has now determined to issue, for and on behalf of the School District CFD, special tax refunding bonds in the principal amount of \$_____ (the “School District CFD Refunding Bonds”) at this time for the purpose of providing funds to currently refund and defease the Prior School District CFD Bonds; and

WHEREAS, the Authority has now determined to issue, pursuant to an Indenture of Trust, dated as of August 1, 2019 (the “2019 Indenture”), between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “2019 Trustee”), local agency revenue refunding bonds (the “Authority Refunding Bonds”) at this time, proceeds of which will be used to acquire the City CFD Refunding Bonds and the School District CFD Refunding Bonds; and

WHEREAS, proceeds of the refunding of the Prior City CFD Bonds and proceeds of the refunding of the Prior School District CFD Bonds, along with certain other funds described in Section 2 below, will be used to refund the Prior Authority Bonds; and

WHEREAS, the Authority, the City, the School District and the Escrow Bank wish to enter into this Agreement for the purpose of providing the terms and conditions relating to the deposit and application of moneys to provide for the payment and redemption of the Prior City CFD Bonds and the Prior School District CFD Bonds in full, and thereby the payment and redemption in full of the Prior Authority Bonds, pursuant to and in accordance with the provisions of Section 2.03(A)(i) of the Prior City Fiscal Agent Agreement, Section 2.03(A)(i) of the Prior School District Fiscal Agent Agreement and Section 2.2(a)(i) of the Prior Indenture, respectively.

A G R E E M E N T :

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

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

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

Section 2. Deposit into Refunding Fund; Investment of Amounts. (a) Concurrent with the issuance of the City CFD Refunding Bonds, the School District CFD Refunding Bonds and the Authority Refunding Bonds, and the use of proceeds of the Authority Refunding Bonds to acquire the City CFD Refunding Bonds and the School District CFD Refunding Bonds: (i) the City shall cause to be transferred to the Escrow Bank for deposit into the Refunding Fund the amount of \$_____ in immediately available funds, which shall be derived from (A) proceeds of sale of the City CFD Refunding Bonds in the amount of \$_____, (B) moneys on deposit in the reserve fund established under the Prior City Fiscal Agent Agreement in the amount of \$_____, and (C) moneys on deposit in the special tax fund established under the Prior City Fiscal Agent Agreement in the amount of \$_____; and (ii) the School District shall cause to be transferred to the Escrow Bank for deposit into the Refunding Fund the amount of \$_____ in immediately available funds, which shall be derived from (A) proceeds of sale of the School District CFD Refunding Bonds in the amount of \$_____, (B) moneys on deposit in the reserve fund established under the Prior School District Fiscal Agent Agreement in the amount of \$_____, and (C) moneys on deposit in the special tax fund established under the Prior School District Fiscal Agent Agreement in the amount of \$_____. The Escrow Bank, in its capacity as Fiscal Agent for the Prior City CFD Bonds, is hereby directed by the City to make a transfer of funds from the reserve fund and the special tax fund under the Prior City Fiscal Agent Agreement to the Refunding Fund as described in clause (i) of the preceding sentence. The Escrow Bank, in its capacity as Fiscal Agent for the Prior School District CFD Bonds, is hereby directed by the School District to make a transfer of funds from the reserve fund and the special tax fund under the Prior School District Fiscal Agent Agreement to the Refunding Fund as described in clause (ii) of the preceding sentence.

(b) The Escrow Bank shall invest \$_____ of the moneys deposited into the Refunding Fund pursuant to the preceding paragraph in direct obligations of (including obligations issued or held in book entry form on the books of) the Department of the Treasury of the United States of America, as described in Exhibit D attached hereto (the "Escrowed

Federal Securities”), and shall hold the remaining \$_____ in cash, uninvested. The Escrowed Federal Securities shall be deposited with and held by the Escrow Bank in the Refunding Fund solely for the uses and purposes set forth herein. This Agreement does not provide or allow for any future substitution of any securities for the Escrow Federal Securities.

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

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

Section 3. Instructions as to Application of Refunding Fund. The cash and Escrowed Federal Securities held in the Refunding Fund hereunder shall be applied by the Escrow Bank for the sole purpose of paying the interest on, principal of, and the Redemption Price of (i) the Prior City CFD Bonds in accordance with Section 2.03(A)(i) of the Prior City Fiscal Agent Agreement, and (ii) the Prior School District CFD Bonds in accordance with Section 2.03(A)(i) of the Prior School District Fiscal Agent Agreement, and thereby (iii) the payment of the interest on, principal of, and the Redemption Price of the Prior Authority Bonds, all in accordance with the respective schedules set forth in Exhibit A hereto. Notwithstanding the foregoing, because September 1, 2019 is a Sunday and September 2, 2019 is a bank holiday, payment of the debt service due on the Bonds on September 1, 2019 and the Redemption Price of the Bonds to be redeemed will be made on the immediately succeeding business day, being September 3, 2019.

Following payment in full of the Redemption Price of each of the Prior City CFD Bonds, the Prior School District CFD Bonds and the Prior Authority Bonds, any amounts on deposit in the Refunding Fund shall be transferred by the Escrow Bank on September 4, 2019 to the 2019 Trustee for deposit by the 2019 Trustee to the revenue fund established under the 2019 Indenture.

The Escrow Bank, in its capacity as Fiscal Agent under the Prior City Fiscal Agent Agreement and as Fiscal Agent under the Prior School District Fiscal Agent Agreement, is hereby directed to apply the amounts in the Refunding Fund to the payment and redemption of the Prior City CFD Bonds and the Prior School District CFD Bonds, and thereby the payment and redemption of the Prior Authority Bonds, all pursuant to the second preceding paragraph. The Escrow Bank hereby acknowledges that it has been directed, in its capacity as Trustee under the Prior Indenture, to provide notice of redemption of the Prior Authority Bonds in substantially the form set forth in Exhibit B hereto, as required under Section 2.2(c) of the Prior

Indenture to effect such redemption of the Prior Authority Bonds, and the Escrow Bank hereby represents that it actually provided such notice of redemption at least thirty days prior to the Redemption Date to the registered owners of the Prior Authority Bonds.

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

Section 4. Application of Proceeds from Prior Bond Funds. Upon receipt by the Escrow Bank from the Fiscal Agent for the Prior City CFD Bonds and from the Fiscal Agent for the Prior School District CFD Bonds of the funds described in clauses (i)(B) and (C) and (ii)(B) and (C) of the first sentence of Section 2(a) hereof, the amounts so received shall be deposited by the Escrow Bank in the Refunding Fund.

After making the foregoing deposits, any other amounts remaining on deposit in or accruing to any funds and accounts established under the Prior City Fiscal Agent Agreement shall be disposed of as provided in Section 3.02 of the fiscal agent agreement pursuant to which the City CFD Refunding Bonds were issued (the “2019 City Fiscal Agent Agreement”), any other amounts remaining on deposit in or accruing to any funds and accounts established under the Prior School District Fiscal Agent Agreement shall be disposed of as provided in Section 3.02 of the fiscal agent agreement pursuant to which the School District CFD Refunding Bonds were issued (the “2019 School District Fiscal Agent Agreement”), and any other amounts remaining on deposit in or accruing to any funds and accounts established under the Prior Indenture shall be transferred to the 2019 Trustee for deposit by the 2019 Trustee in the revenue fund established under the 2019 Indenture.

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

Section 6. Proceedings for Redemption of Prior Bonds. The City hereby irrevocably elects to redeem all of the outstanding Prior City CFD Bonds that mature on or after September 1, 2020 in full on September 1, 2019 pursuant to the provisions of Section 2.03(A)(i) of the Prior City Fiscal Agent Agreement. The School District hereby irrevocably elects to redeem all of the outstanding Prior School District CFD Bonds that mature on or after September 1, 2020 in full on September 1, 2019 pursuant to the provisions of Section 2.03(A)(i) of the Prior School District Fiscal Agent Agreement.

The Authority hereby irrevocably elects to redeem all of the outstanding Prior Authority Bonds that mature on or after September 1, 2020 in full on September 1, 2019 pursuant to the provisions of Section 2.2(a)(i) of the Prior Indenture. It is hereby acknowledged that notice of such redemption has been given by the Escrow Bank as described in the second paragraph of Section 3 above, at the expense of the Authority.

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

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

The Authority covenants to indemnify, defend and hold harmless the Escrow Bank and its officers, employees, directors and agents, solely from funds of the District, against any loss, liability or reasonable expense, including reasonable legal fees (including the fees of outside counsel and internal attorneys), incurred in connection with the performance of any of the duties of Escrow Bank hereunder, except the Escrow Bank shall not be indemnified against any loss, liability or expense resulting from its negligence or willful misconduct. The indemnity provided in this Section 8 shall survive the termination of this Agreement and shall survive the resignation or removal of the Escrow Bank.

The Escrow Bank shall have such duties as are expressly set forth herein and no implied duties shall be read into this Agreement against the Escrow Bank. The Escrow Bank shall not be liable for any act or omission of the Authority, the City or the School District under (a) this Agreement, or (b) the Prior Indenture, the Prior City Fiscal Agent Agreement or the Prior School District Fiscal Agent Agreement (collectively, the "Prior Agreements").

The Escrow Bank shall not be liable for the accuracy of any calculations provided as to the sufficiency of moneys deposited with it to pay the principal of and interest on the Prior Authority Bonds, the Prior City CFD Bonds or the Prior School District CFD Bonds (collectively, the "Prior Bonds").

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

The Escrow Bank shall have no liability or obligation to the owners of the Prior Bonds or the owners of the Authority Refunding Bonds, the City CFD Refunding Bonds or the School District CFD Refunding Bonds (collectively, the "Refunding Bonds") with respect to the payment of debt service by the Authority, the City or the School District, or with respect to the observance or performance by the Authority, the City or the School District of the other conditions, covenants and terms contained in the Prior Agreements or the 2019 City Fiscal

Agent Agreement, the 2019 School District Fiscal Agent Agreement or the 2019 Indenture (collectively, with the Prior Agreements, the “Bond Agreements”), or with respect to the investment of any moneys in any fund or account established, held or maintained by the Authority, the City or the School District pursuant to the Bond Agreements.

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

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

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

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

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

The Escrow Bank may execute any of the trusts or powers under this Agreement or perform any duties under this Agreement either directly or by or through agents, attorneys, custodians or nominees, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed with due care.

The Escrow Bank shall have the right to accept and act upon instructions, including funds transfer instructions (“Instructions”) given pursuant to this Agreement and delivered using Electronic Means (“Electronic Means” shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Bank, or another method or system specified by the Escrow Bank as available for use in connection with its services hereunder); provided, however, that the Authority shall provide to the Escrow Bank an incumbency certificate listing officers with the authority to provide such Instructions (“Authorized Officers”) and containing specimen signatures of such Authorized Officers, which incumbency certificate shall be amended by the Authority whenever a person is to be added or deleted from the listing. If the Authority elects to give the Escrow Bank Instructions using Electronic Means and the Escrow Bank in its discretion elects to act upon such Instructions, the Escrow Bank’s understanding of such Instructions shall be deemed controlling. The Authority, the City and the School District (collectively, the “Public Agencies”) understand and agree that

the Escrow Bank cannot determine the identity of the actual sender of such Instructions and that the Escrow Bank shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Bank have been sent by such Authorized Officer. The Authority shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Bank and that the Authority and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the Authority. The Escrow Bank shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Bank's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The Public Agencies agree: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Bank, including without limitation the risk of the Escrow Bank acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that they are fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Bank and that there may be more secure methods of transmitting Instructions than the method(s) selected by the Authority; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to the Authority a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Bank immediately upon learning of any compromise or unauthorized use of the security procedures. Notwithstanding any of the foregoing, the protection afforded to the Escrow Bank shall be operative only in the absence of the Escrow Bank's negligence or willful misconduct; provided, however, that the Escrow Bank's reliance on instructions delivered in accordance with this paragraph using Electronic Means shall not, in and of itself, be construed as negligence.

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

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

Section 10. Amendment. This Agreement may be amended or modified by the parties hereto, but only if there shall have been filed with each of the Public Agencies and the Escrow Bank (a) a written opinion of Bond Counsel (as defined in the Prior Indenture) stating that such amendment will not materially adversely affect the interests of the owners of the Prior Bonds, and that such amendment will not cause interest on the Prior Authority Bonds or the Authority Refunding Bonds to become includable in the gross income of the owners thereof for federal income tax purposes, and (b) a certification of Bond Counsel or an independent certified public

accountant that the funds on deposit in the Refunding Fund will be in an amount at all times at least sufficient to make the payments specified in Section 3 hereof.

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

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

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

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

BREA PUBLIC FINANCING AUTHORITY

By: _____

Its: _____

CITY OF BREA, CALIFORNIA, for and on
behalf of the CITY OF BREA COMMUNITY
FACILITIES DISTRICT NO. 1997-1 (OLINDA
HEIGHTS PUBLIC IMPROVEMENTS)

By: _____

Its: _____

BREA OLINDA UNIFIED SCHOOL
DISTRICT, for and on behalf of the BREA
OLINDA UNIFIED SCHOOL DISTRICT
COMMUNITY FACILITIES DISTRICT
NO. 95-1 (OLINDA HEIGHTS)

By: _____

Its: _____

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

By: _____

Its: _____

EXHIBIT A

SCHEDULES OF PAYMENTS ON PRIOR BONDS

PRIOR CITY CFD BONDS

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Called Principal</u>	<u>Total Due</u>
September 3, 2019		\$300,000.00	\$3,290,000.00	

PRIOR SCHOOL DISTRICT CFD BONDS

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Called Principal</u>	<u>Total Due</u>
September 3, 2019		\$290,000.00	\$5,475,000.00	

PRIOR AUTHORITY BONDS

<u>Payment Date</u>	<u>Interest</u>	<u>Principal</u>	<u>Called Principal</u>	<u>Total Due</u>
September 3, 2019	\$198,684.39	\$590,000.00	\$8,765,000.00	\$9,553,684.39

EXHIBIT B

FORM OF NOTICE OF REDEMPTION

CONDITIONAL NOTICE OF FULL/FINAL REDEMPTION OF

Brea Public Financing Authority
Local Agency Revenue Bonds
(Community Facilities Districts Refinancing),
2005 Series A

Maturity Date	Amount Called	Redemption Price ⁽¹⁾	Interest Rate	CUSIP Number ⁽²⁾
September 1, 2020	\$ 610,000	100%	4.000%	10628N AR1
September 1, 2021	630,000	100	4.000	10628N AS9
September 1, 2022	660,000	100	4.000	10628N AT7
September 1, 2023	685,000	100	4.000	10628N AU4
September 1, 2024	715,000	100	4.125	10628N AV2
September 1, 2029	3,450,000	100	4.375	10628N AW0
September 1, 2035	2,015,000	100	4.500	10628N AX8

NOTICE is hereby given that the Brea Public Financing Authority (the “Authority”) has conditionally called for redemption on September 1, 2019 (the “Redemption Date”), the Brea Public Financing Authority Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A, described above (the “Bonds”), at a price equal to 100% of the principal amount thereof, plus accrued interest to the date fixed for redemption (the “Redemption Price”). The Bonds are being conditionally called for redemption on the Redemption Date subject to the provisions of the succeeding paragraph of this Conditional Notice of Full/Final Redemption, and pursuant to the provisions of Section 2.2(a)(i) of the Indenture of Trust, dated as of June 1, 2005 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”), pursuant to which the Bonds were issued.

This Conditional Notice of Full/Final Redemption, and the payment of the Redemption Price on the Redemption Date, is subject to the receipt of funds in an amount sufficient to pay in full the Redemption Price of all of the Bonds on or before the Redemption Date, resulting from a sale of bonds of the Authority, expected to close on or about August 13, 2019. In the event such funds are not received by the Redemption Date, this Conditional Notice of Full/Final Redemption shall be null and void and of no force and effect, and any Bonds delivered for redemption shall be returned to the respective owners thereof, and the Bonds shall remain outstanding under the Indenture as though this Conditional Notice of Full/Final Redemption had not been given. Notice of a failure to receive funds, and cancellation of this redemption, will be given by the Trustee to the registered owners of the Bonds.

On the Redemption Date, the Redemption Price will become due and payable upon each Bond and interest with respect thereto shall cease to accrue from and after the Redemption Date. Notwithstanding the foregoing, because September 1, 2019 is a Sunday and September 2, 2019 is a bank holiday, payment of the Redemption Price will be made on the immediately succeeding business day, being September 3, 2019.

Payment of principal will be made upon presentation of the Bonds on and after September 3, 2019, at one of the following addresses:

First Class/Registered/Certified

The Bank of New York Mellon
Global Corporate Trust
P.O. Box 396
East Syracuse, NY 13057

Express Delivery Only

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

By Hand Only

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

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

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

Under applicable federal law, federal backup withholding tax will be withheld at the applicable backup withholding rate in effect at the time the payment is made if the Bondowner's tax identification number is not properly certified. The Form W-9 may be obtained from the Internal Revenue Service.

Dated: _____, 2019

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

(1) Accrued interest to be added.

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

EXHIBIT C

NOTICE OF DEFEASANCE

Brea Public Financing Authority
Local Agency Revenue Bonds
(Community Facilities Districts Refinancing),
2005 Series A

Maturity Date	Amount Defeased	CUSIP Number
September 1, 2019	\$ 590,000	10628N AQ3
September 1, 2020	610,000	10628N AR1
September 1, 2021	630,000	10628N AS9
September 1, 2022	660,000	10628N AT7
September 1, 2023	685,000	10628N AU4
September 1, 2024	715,000	10628N AV2
September 1, 2029	3,450,000	10628N AW0
September 1, 2035	2,015,000	10628N AX8

NOTICE IS HEREBY GIVEN, on behalf of the Brea Public Financing Authority (the "Authority") to the owners of the outstanding Brea Public Financing Authority Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A (the "Bonds"), that pursuant to the Indenture of Trust pursuant to which the Bonds were issued (the "Indenture of Trust") the lien of the Indenture of Trust with respect to the Bonds has been discharged through the irrevocable deposit of cash and federal securities in an escrow fund (the "Refunding Fund"). The Refunding Fund has been established and is being maintained pursuant to that certain Escrow Agreement, dated as of August 1, 2019, by and among the Authority, the City of Brea, California, the Brea Olinda Unified School District, and The Bank of New York Mellon Trust Company, N.A., as escrow bank. As a result of such deposit, the Bonds are deemed to have been paid and defeased in accordance with the Indenture of Trust. The pledge of the funds provided for under the Indenture of Trust and all other obligations of the Authority to the owners of the Bonds shall hereafter be limited to the application of moneys in the Refunding Fund for the payment of the redemption price of the Bonds as described below.

The cash and federal securities held in the Refunding Fund are calculated to provide sufficient moneys to pay the scheduled debt service on the Bonds due on September 1, 2019, and to redeem the Bonds maturing on and after September 1, 2020 in full on September 1, 2019 (the "Redemption Price") at a redemption price equal to 100% of the principal thereof plus accrued interest to such date (the "Redemption Date"). Notwithstanding the foregoing, because September 1, 2019 is a Sunday and September 2, 2019 is a bank holiday, payment of the debt service due on the Bonds on September 1, 2019 and the Redemption Price of the Bonds to be redeemed on the Redemption Date will be made on the immediately succeeding business day, being September 3, 2019.

DATED this ____ day of _____, 2019

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

EXHIBIT D

SCHEDULE OF ESCROWED FEDERAL SECURITIES

Type	Maturity	Coupon	Principal	Price
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\$ _____
**BREA PUBLIC FINANCING AUTHORITY
LOCAL AGENCY REVENUE REFUNDING BONDS,
SERIES 2019**

BOND PURCHASE AGREEMENT

_____, 2019

Brea Public Financing Authority
1 Civic Center Circle
Brea, California 92821

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated, as underwriter (the “**Underwriter**”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (this “**Purchase Agreement**”) with the Brea Public Financing Authority (the “**Authority**”), which upon acceptance will be binding upon the Underwriter and the Authority. The agreement of the Underwriter to purchase the Bonds (as hereinafter defined) is contingent upon the Authority purchasing the 2019 Special Tax Refunding Bonds (the “**City CFD Bonds**”) to be issued by the City of Brea (the “**City**”) for the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) (the “**City CFD**”) and the 2019 Special Tax Refunding Bonds (the “**School District CFD Bonds**”) and together with the City CFD Bonds, the “**Local Obligations**”) to be issued by the Brea Olinda Unified School District (the “**School District**”) for the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) (the “**School District CFD**,” and together with the City CFD, the “**Districts**”), and upon the Authority satisfying all of the obligations imposed upon them under this Purchase Agreement. This offer is made subject to the Authority’s acceptance by the execution of this Purchase Agreement and its delivery to the Underwriter at or before 11:59 P.M., local time, on the date hereof, and, if not so accepted, will be subject to withdrawal by the Underwriter upon notice delivered to the Authority at any time prior to the acceptance hereof by the Authority. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Indenture of Trust, dated as of August 1, 2019 (the “**Indenture**”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A. (“**BNY**”), as trustee. The City CFD Bonds will be issued pursuant to a Fiscal Agent Agreement, dated as of August 1, 2019 (the “**City CFD FA Agreement**”), by and between the City, acting for and on behalf of the City CFD, and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent (the “**Fiscal Agent**”) and the School District CFD Bonds will be pursuant to a Fiscal Agent Agreement, dated as of August 1, 2019 (the “**School District CFD FA Agreement**” and together with the City CFD FA Agreement, the “**Fiscal Agent Agreements**”), by and between the School District, acting for and on behalf of the School District CFD, and the Fiscal Agent.

1. Purchase, Sale and Delivery of the Bonds.

Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Underwriter hereby agrees to purchase from the Authority and the

Authority hereby agrees to sell to the Underwriter all (but not less than all) of the \$_____ aggregate principal amount of the Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019 (the “**Bonds**”), dated the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto.

The purchase price for the Bonds shall be \$_____ (being 100% of the aggregate principal amount thereof less a net original issue discount of \$_____ and less an Underwriter’s discount of \$_____). From the proceeds of the Bonds, the Authority agrees to purchase the Local Obligations from the City and School, respectively, pursuant to the terms of the City CFD Local Obligation Purchase Contract, dated July __, 2019 (the “**City Local Obligations Purchase Contract**”), by and between the City and the Authority and the School District CFD Local Obligation Purchase Contract, dated July __, 2019 (the “**School District Local Obligations Purchase Contract**” and together with the City Local Obligations Purchase Contract, the “**Local Obligations Purchase Contracts**”), by and between the School District and the Authority.

The Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from the Revenues as provided in the Indenture, the Preliminary Official Statement (as hereinafter defined), and the Marks-Roos Local Bond Pooling Act of 1985, as amended, being Article 4, Chapter 5, Division 7, Title 1 of the Government Code of the State of California (the “**Bond Law**”). The issuance of the Bonds has been duly authorized by the Authority pursuant to a resolution (the “**Authority Resolution**”) adopted by the Board of Directors of the Authority on _____, 2019. The Bonds are being issued to purchase the Local Obligations.

The Local Obligations shall each be substantially in the form described in, shall be issued and secured under the provisions of, and shall be payable from special taxes pledged thereto as provided in each of the Fiscal Agent Agreements.

The Local Obligations are each being issued under the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2, Title 5 of the Government Code of the State of California (the “**Community Facilities District Act**”). The issuance of the City CFD Bonds have been duly authorized by the City pursuant to a resolution (the “**City CFD Resolution**”) adopted by the City Council of the City and the issuance of the School District CFD Bonds have been duly authorized by the School District pursuant to a resolution (the “**School District CFD Resolution**” and together with the City CFD Resolution, the “**Districts Resolutions**”) adopted by the governing board of the School District. Pursuant to the City CFD Resolution, the City is duly authorized to execute and deliver the City CFD FA Agreement, the City Continuing Disclosure Certificate in the form attached to the Preliminary Official Statement as an appendix (the “**City Continuing Disclosure Certificate**”), the Escrow Agreement (defined below) and the City Local Obligations Purchase Contract and has approved the form of the Preliminary Official Statement. Pursuant to the School District CFD Resolution, the School District is duly authorized to execute and deliver the School District CFD FA Agreement, the School District Continuing Disclosure Certificate in the form attached to the Preliminary Official Statement as an appendix (the “**School District Continuing Disclosure Certificate**” and together with the City Continuing Disclosure Certificate, the “**Continuing Disclosure Certificates**”), the Escrow Agreement and the School District Local Obligations Purchase Contract and has approved the form of the Preliminary Official Statement.

The Bonds are being issued by the Authority to acquire the Local Obligations. The scheduled payment of principal of and interest on the Bonds, when due will be guaranteed under an insurance

policy (the “**Insurance Policy**”) to be issued concurrently with the delivery of the Bonds by _____ (the “**Insurer**”)

Proceeds from the sale of City CFD Bonds will be used to (i) effect a refunding of certain special tax bonds previously issued by the City for the City CFD (the “**Prior City CFD Bonds**”), (ii) purchase a debt service reserve insurance policy (the “**City CFD Reserve Policy**”), and (iii) pay a portion of costs of issuance relating to the transaction.

Proceeds from the sale of School District CFD Bonds will be used to: (i) effect a refunding of certain special tax bonds previously issued by the School District for the School District CFD (the “**Prior School District CFD Bonds**,” and together with the Prior City CFD Bonds, the “**Prior CFD Bonds**”), (ii) purchase a debt service reserve insurance policy (the “**School District CFD Reserve Policy**,” and together with the City CFD Reserve Policy, the “**Reserve Policies**”), and (iii) pay a portion of the costs of issuance relating to the transaction.

Pursuant to the Escrow Agreement (the “**Escrow Agreement**”), by and among the Authority, the City, the School District and The Bank of New York Mellon Trust Company, N.A., in its capacities as trustee and escrow agent (the “**Escrow Agent**”), a portion of the proceeds of the City CFD Bonds and a portion of the proceeds of the School District CFD Bonds, together with certain moneys from funds and accounts maintained for the Prior CFD Bonds, will be deposited into an escrow fund to be maintained by the Escrow Agent effect the concurrent redemption of the Prior CFD Bonds and the Authority’s Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A (the “**Prior Authority Bonds**”).

A. The Authority acknowledges that the Underwriter is entering into this Purchase Agreement in reliance on the representations and agreements made by the Authority herein and by the City or the School District, and the Authority shall take all action necessary to enforce its rights hereunder for the benefit of the Underwriter and shall immediately notify the Underwriter if it becomes aware that any representation or agreement made by the Authority herein is incorrect in any material respect.

The Authority acknowledges and agrees that: (i) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s-length commercial transaction between the Authority and the Underwriter; (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as defined in Section 15B of the Securities Exchange Act of 1934, as amended); (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Authority, the City or the School District with respect to the offering contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Authority, the City or the School District on other matters); (iv) the Underwriter has financial and other interests that differ from those of Authority, the City or the School District; and (v) the Authority, the City or the School District have consulted their own legal, financial and other advisors to the extent that they have deemed appropriate. Nothing in the foregoing paragraph is intended to limit the Underwriter’s obligations of fair dealing under MSRB Rule G-17 of the Municipal Securities Rulemaking Board (the “**MSRB**”).

The Authority acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB

and acknowledges that it has engaged Fieldman, Rolapp & Associates, Inc. as its municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1) (the “**Municipal Advisor**”) and will rely solely on the Municipal Advisor for financial advice with respect to the Bonds.

B. Pursuant to the authorization of the Authority, the Underwriter has distributed copies of the Preliminary Official Statement dated _____, 2019, relating to the Bonds, which, together with the cover page, inside cover page and appendices thereto is herein called the “**Preliminary Official Statement**.” The Authority agrees to execute and deliver a final official statement relating to the Bonds (the “**Official Statement**”) which will consist of the Preliminary Official Statement with such changes as may be made thereto, with the approval of Quint & Thimmig LLP, as Bond Counsel (“**Bond Counsel**”) and Richards, Watson & Gershon, A Professional Corporation, as Disclosure Counsel (“**Disclosure Counsel**”), and the Underwriter, and to provide copies thereof to the Underwriter as set forth in Section 2(O) hereof. The Authority hereby authorizes and requires the Underwriter to use and promptly distribute, in connection with the offer and sale of the Bonds, the Preliminary Official Statement, the Official Statement and any supplement or amendment thereto. The Authority further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Indenture, the Fiscal Agent Agreements, this Purchase Agreement, the Escrow Agreement the Local Obligations Purchase Contracts, and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the Authority, the City or the School District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

C. To assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “**Rule**”), the City and the School District will each undertake pursuant to the Continuing Disclosure Certificates, in the forms attached to the Official Statement, to provide annual reports and notices of certain enumerated events. A description of these undertakings is set forth in the Preliminary Official Statement and will also be set forth in the Official Statement.

D. Except as the Underwriter and the Authority may otherwise agree, the Authority will deliver to the Underwriter, at the offices of Bond Counsel in Larkspur, California, or at such other location as may be mutually agreed upon by the Underwriter and the Authority, the documents hereinafter mentioned; and the Authority will deliver to the Underwriter through the facilities of The Depository Trust Company (“**DTC**”) in New York, New York, the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the Authority and authenticated by BNY in the manner provided for in the Indenture and the Bond Law at 8:30 a.m. California time, on _____, 2019 (the “**Closing Date**”), and the Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in paragraph (A) of this Section by wire transfer, payable in federal or other immediately available funds (such delivery and payment being herein referred to as the “**Closing**”). The Bonds shall be in fully registered book-entry form (which may be typewritten) and shall be registered in the name of Cede & Co., as nominee of DTC.

E. The Underwriter agrees to make an initial public offering of all of the Bonds at the public offering prices (or yields) set forth on Exhibit A attached hereto and incorporated herein by reference. Subsequent to the initial public offering, the Underwriter reserves the right to change the public offering prices (or yields) as the Underwriter deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth on Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial public offering prices.

1. The Underwriter agrees to assist the Authority in establishing the issue price of the Bonds and shall execute and deliver to the Authority at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit C, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Authority and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds.

2. Except as otherwise set forth in Exhibit A attached hereto, the Authority will treat the first price at which 10% of each maturity of the Bonds (the “**10% test**”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Authority the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Authority the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter’s reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Authority or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

3. The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Purchase Agreement at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the Underwriter represents that (i) the 10% test has been satisfied (assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement) and (ii) the 10% test has not been satisfied and for which the Authority and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Authority to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- a. the close of the fifth (5th) business day after the sale date; or
- b. the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Authority promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

4. The Underwriter confirms that:

a. any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be reasonable periodic intervals or otherwise upon request of the Underwriter and (ii) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

b. any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

5. The Authority acknowledges that, in making the representation set forth in this section, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Authority further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue

price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

6. The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

a. “public” means any person other than an underwriter or a related party;

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

c. a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other); and

d. “sale date” means the date of execution of this Purchase Agreement by all parties.

2. Representations and Covenants of the Authority. The Authority represents and covenants to the Underwriter that:

A. The Authority is a joint exercise of powers authority, duly organized and existing under the Constitution and laws of the State of California (the “**State**”), and formed pursuant to Articles 1 through 4 (commencing with Section 6500) of Chapter 5, Division 7, Title 1 of the Government Code (the “**JPA Act**”), with full right, power and authority to: (i) execute and deliver this Purchase Agreement, the Escrow Agreement and the Indenture; (iii) adopt the Authority Resolution; (iv) issue, sell and deliver the Bonds to the Underwriter as provided herein; (v) purchase the Local Obligations; and (vi) carry out and consummate the transactions on its part contemplated by this Purchase Agreement, the Indenture and the Official Statement.

The Indenture, the Bonds, the Escrow Agreement, the Local Obligations Purchase Contracts and this Purchase Agreement are collectively referred to herein as the “**Authority Documents.**”

B. By all necessary official action of the Authority, the Authority has duly authorized and approved the execution and delivery by the Authority of, and the performance by the Authority of the obligations on its part contained in, the Authority Documents, and has approved the use by the Underwriter of the Preliminary Official Statement and the Official Statement and, as of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered by the parties thereto, the Authority Documents will constitute the legally valid and binding obligations of the Authority enforceable upon the Authority in accordance with their respective terms, except as enforcement may be limited by applicable bankruptcy, insolvency, debt adjustment, fraudulent conveyance or transfer, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Lessee, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases. The Authority has complied, and will at the Closing Date be in compliance in all material respects, with the terms of the Authority Documents that are applicable to the Authority.

C. The information in the Preliminary Official Statement and in the Official Statement relating to the Authority and the Bonds (other than statements pertaining to DTC or the book-entry system, the Insurance Policy, the Reserve Policies, the Insurer, or any information provided by the Underwriter, as to which no view is expressed), does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and, upon delivery and up to and including 25 days after the End of the Underwriting Period (as defined in paragraph (D) below), the Official Statement will be amended and supplemented so as to contain no misstatement of any material fact or omission of any statement necessary to make the statements contained therein, in the light of the circumstances in which such statements were made, not misleading.

D. Up to and including 25 days after the End of the Underwriting Period (as defined below), the Authority will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The Authority will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental agency prohibiting or otherwise materially affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds. As used herein, the term "End of the Underwriting Period" means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date. Any notice delivered pursuant to this provision shall be a written notice delivered to the Authority at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the "End of the Underwriting Period."

E. As of the time of acceptance hereof and as of the Closing Date, except as otherwise disclosed in the Official Statement, the Authority is not, and as of the Closing Date, will not be in any material respect that would affect the Authority's compliance with or performance under the Authority Documents, in breach of or in default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment or decree or any trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority is a party or is otherwise subject; and no event has occurred and is continuing which, with the passage of time or the giving of notice, or both, would

constitute in any material respect a default or event of default under any such instrument; which breach, default or event could have an adverse effect on the Authority's ability to perform its obligations under the Authority Documents; and, as of such times, except as disclosed in the Official Statement, the authorization, execution and delivery of the Authority Documents and compliance by the Authority with the provisions of each of such agreements or instruments does not and will not conflict with or constitute a breach of or default under any applicable constitutional provision, law or administrative rule or regulation of the State or the United States, or any applicable judgment, decree, license, permit, trust agreement, loan agreement, bond, note, resolution, ordinance, agreement or other instrument to which the Authority (or any of its officers in their respective capacities as such) is subject, or by which it or any of its properties is bound; nor will any such authorization, execution, delivery or compliance result in the creation or imposition of any lien, charge or other security interest or encumbrance of any nature whatsoever upon any of its assets or properties or under the terms of any such law, regulation or instrument, except as may be provided by the Authority Documents.

F. At the time of acceptance hereof there is not, and as of the Closing Date, there will not be any action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body (collectively and individually, an "**Action**") pending (notice of which has been served on the Authority) or to the knowledge of the Authority threatened, in which any such Action: (i) in any way questions the corporate existence of the Authority or the titles of the officers of the Authority to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Revenues (as defined in the Indenture) or any amounts pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contests or affects the validity of the Authority Documents or the consummation of the transactions on the part of the Authority contemplated thereby; (iii) contests the exclusion of the interest on the Bonds from federal or state income taxation or contests the powers of the Authority which may result in any material adverse change relating to the financial condition of the Authority; or (iv) contests the completeness or accuracy of the Preliminary Official Statement or the Official Statement or any supplement or amendment thereto or asserts that the Preliminary Official Statement or the Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and, as of the time of acceptance hereof, there is not, and as of the Closing Date, there will not be any known basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

G. The Authority will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter, at the sole expense of the Underwriter as the Underwriter may reasonably request in order: (i) to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; and (ii) to determine the eligibility of the Bonds for investment under the laws of such states and other jurisdictions, and will use its best efforts to continue such qualifications in effect so long as required for the distribution of the Bonds, provided; however, that the Authority will not be required to execute a special or general consent to service of process or qualify as a foreign corporation in connection with any such qualification in any jurisdiction.

H. The Authority Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement. The Authority represents that the Bonds, when issued,

executed and delivered in accordance with the Indenture and sold to the Underwriter as provided herein, will be validly issued and outstanding obligations of the Authority, entitled to the benefits of the Indenture. The Indenture creates a valid pledge of the moneys in certain funds and accounts established pursuant to the Indenture, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.

I. The Authority has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that the Authority is a bond issuer whose arbitrage certifications may not be relied upon.

J. Any certificate signed by any authorized officer of the Authority and delivered to the Underwriter in connection with the issuance and sale of the Bonds shall be deemed to be a representation and covenant by the Authority to the Underwriter as to the statements made therein.

K. The Revenues constituting the security for the Bonds have been duly and lawfully authorized and may be pledged under the Bond Law and other applicable laws of the State.

L. The Authority will apply the proceeds of the Bonds in accordance with the Indenture and as described in the Official Statement.

M. Between the date of this Purchase Agreement and the Closing Date, the Authority will not offer or issue any bonds, notes or other obligations for borrowed money secured by the Revenues not previously disclosed to the Underwriter.

N. Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any, to maturity or to the date of redemption if redeemed prior to maturity, the Authority will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Indenture.

O. The Authority has covenanted to comply with the Internal Revenue Code of 1986, as amended, with respect to the Bonds; and the Authority shall not knowingly take or omit to take any action that, under existing law, may adversely affect the exclusion from gross income for federal income tax purposes, or the exemption from any applicable State tax, of the interest on the Bonds.

P. The Preliminary Official Statement was deemed final by a duly authorized officer of the Authority prior to its delivery to the Underwriter, except for the omission of such information as is permitted to be omitted in accordance with paragraph (b)(1) of the Rule. The Authority hereby covenants and agrees that, within seven (7) business days from the date hereof, or upon reasonable written notice from the Underwriter within sufficient time to accompany any confirmation requesting payment from any customers of the Underwriter, the Authority shall cause a final printed form of the Official Statement to be delivered to the Underwriter in sufficient quantity to comply with paragraph (b)(4) of the Rule and Rules G-12, G-15, G-32 and G-36 of the MSRB.

The Authority hereby approves the preparation and distribution of the Official Statement, consisting of the Preliminary Official Statement with such changes as are noted thereon and as may

be made thereto, with the approval of Bond Counsel, Disclosure Counsel and the Underwriter, from time to time prior to the Closing Date.

The Authority hereby ratifies any prior use of and authorizes the future use by the Underwriter, in connection with the offering and sale of the Bonds, of the Preliminary Official Statement, the Official Statement, this Purchase Agreement and all information contained herein, and all other documents, certificates and written statements furnished by the Authority to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

The execution and delivery of this Purchase Agreement by the Authority shall constitute a representation by the Authority to the Underwriter that the representations contained in this Section 2 are true as of the date hereof.

3. Conditions to the Obligations of the Underwriter. The obligation of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations on the part of the Authority contained herein and of the City and School District contained in Exhibit B hereto, to the accuracy in all material respects of the statements of the officers and other officials of the Authority made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the Authority of its obligations to be performed hereunder at or prior to the Closing Date and, to the following additional conditions:

A. At the Closing Date, the Authority Documents, the Authority Resolution, the Districts Resolutions, the Fiscal Agent Agreements, the Local Obligations Purchase Contracts, the Local Obligations and the Continuing Disclosure Certificates shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the Local Obligations, and with the transactions contemplated thereby, and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel, shall be necessary and appropriate.

B. At the Closing Date, except as described in the Preliminary Official Statement, the Authority shall not be, in any respect material to the transactions referred to herein or contemplated hereby, in breach of or in default under, any law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Authority is a party or is otherwise subject or bound, and the performance by the Authority of its obligations under the Authority Documents, the Authority Resolution and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State of California, the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the Authority is a party or is otherwise subject or bound, in any manner that would materially and adversely affect the performance by the Authority of its obligations under the Authority Documents or the Authority Resolution.

C. The information contained in the Official Statement will be, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant hereto, true and correct in all material respects and will not, as of the Closing Date or as of the date of any supplement or amendment thereto, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

D. Between the date hereof and the Closing Date, the market price or marketability, at the initial offering prices set forth on the cover page of the Official Statement, or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall not have been materially adversely affected, in the reasonable judgment of the Underwriter (evidenced by a written notice to the Authority terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

1. Legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration, or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department of the United States of America or the Internal Revenue Service, with the purpose or effect, directly or indirectly, of imposing federal income taxation upon such interest as would be received by any owners of the Bonds beyond the extent to which such interest is subject to taxation as of the date hereof;

2. Legislation introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Securities and Exchange Commission, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds or the Local Obligations, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Indenture or the Fiscal Agent Agreements are not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds or the Local Obligations, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws as amended and then in effect;

3. Any state Blue Sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

4. A general suspension of trading in securities on the New York Stock Exchange, or a general banking moratorium declared by Federal, State of New York or State of California officials authorized to do so;

5. The introduction, proposal or enactment of any amendment to the Federal or California Constitution or any action by any Federal or California court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Authority, the City, or the School District or their property, income, securities (or interest thereon), the validity or enforceability of Special Taxes, or the ability of the Authority to purchase the Local Obligations;

6. Any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or in the Official Statement, or has the effect that the Preliminary Official Statement or the Official Statement contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

7. There shall have occurred any materially adverse change in the affairs or financial condition of the Authority, the City or the School District;

8. Any national securities exchange, the Comptroller of the Currency, or any other governmental authority, shall impose as to the Bonds, the Local Obligations or obligations of the general character of the Bonds or the Local Obligations, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

9. There shall have occurred any material outbreak or escalation of hostilities or other calamity or crisis the effect of which on the financial markets of the United States is such as to make it impracticable, in the judgment of the Underwriter, following consultation with the Authority, to sell the Bonds;

10. The purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission;

11. Any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation or interest rates) or the extension of credit by, or a charge to the net capital requirements of credit by, or a charge to net capital requirements of, underwriters shall have been established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States of America, or by Executive Order;

12. A decision by a court of the United States of America shall be rendered, or a stop order, release, regulation or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made, to the effect that the issuance, offering or sale of the Bonds, including the underlying obligations as contemplated by this Purchase Agreement or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds, is or would be in violation of any provision of the federal securities laws at the Closing Date, including Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended, and the Trust Indenture Act of 1939, as amended;

13. The withdrawal or downgrading or the placing on credit watch with negative outlook of any rating of any securities of the Authority or the Bonds by a national rating agency;

14. Any rating of the Insurer is reduced or withdrawn or placed on credit watch with negative outlook by any major credit rating agency;

15. A material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

16. The commencement of any action, suit, proceeding, inquiry or investigation, at law or in equity, as set forth in Section 2(F) hereof;

17. There shall have occurred any national or international calamity or crisis in the financial markets or otherwise of the United States or elsewhere; or

18. Any proceeding shall have been commenced or be threatened in writing by the Securities and Exchange Commission against the City, the School District or the Authority.

E. At or prior to the Closing Date, the Underwriter shall have received a counterpart original or certified copy of the following documents, in each case satisfactory in form and substance to the Underwriter:

1. The Official Statement, executed on behalf of the Authority by its Treasurer or other authorized officer;

2. The Authority Documents, duly executed and delivered by all parties thereto;

3. The Authority Resolution, together with a certificate of the Secretary of the Authority, dated as of the Closing Date, to the effect that such resolution is a true, correct and complete copy of the resolution duly adopted by the Board of Directors of the Authority;

4. The City CFD Resolution, together with a certificate dated as of the Closing Date of the City Clerk to the effect that the City CFD Resolution is a true, correct and complete copy of the one duly adopted by the City Council, acting as the legislative body of the City CFD;

5. The School District CFD Resolution, together with a certificate dated as of the Closing Date of the Secretary of the School District to the effect that the School District CFD Resolution is a true, correct and complete copy of the one duly adopted by the Board of the School District, acting as the legislative body of the School District CFD;

6. The Fiscal Agent Agreements, the Continuing Disclosure Certificates and the Local Obligations Purchase Contracts, duly executed and delivered by all parties thereto and the Representation Letters of the City and School District, in substantially the form attached hereto as Exhibit B (the “**Representation Letters**”);

7. An unqualified approving opinion for the Bonds, dated the Closing Date and addressed to the Authority, of Bond Counsel, in substantially the form included as an appendix to the Official Statement, together with a letter from such counsel, dated the Closing Date and addressed to the Underwriter and BNY, to the effect that the foregoing opinion addressed to the Authority may be relied upon by the Underwriter and BNY to the same extent as if such opinion were addressed to them;

8. A supplemental opinion or opinions, dated the Closing Date and addressed to the Underwriter, of Bond Counsel, to the following effect:

(i) This Purchase Agreement has been duly authorized, executed and delivered by the Authority, and constitutes the legal, valid and binding obligation of the Authority, enforceable in accordance with its terms, except as enforcement thereof may be limited by bankruptcy, insolvency, moratorium or other laws affecting enforcement of creditors' rights, or by the application of equitable principles if equitable remedies are sought;

(ii) The Authority is duly organized and validly existing under the Joint Powers Act;

(iii) The Bonds conform as to form and tenor to the description thereof contained under the captions "INTRODUCTION," and "BONDS" in the Official Statement, and the statements contained in the Official Statement under the captions "BONDS" (excluding the information under the captions "– Book-Entry Only System" and "– Annual Debt Service"), "SECURITY FOR BONDS" (excluding the information under the captions "– Rates and Methods," and "– County Teeter Plan,"), "CONCLUDING INFORMATION – Tax Matters," "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS" in Appendix D of the Official Statement and "FORM OF BOND COUNSEL OPINION" in Appendix F of the Official Statement are accurate in all material respects insofar as such statements purport to summarize certain provisions of the Act, the Bonds, the Indenture, the applicable provisions of the United States Internal Revenue Code or Bond Counsel's opinion with respect to the Bonds; and

(iv) The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification pursuant to the Trust Indenture Act of 1939, as amended.;

9. An opinion, dated the Closing Date and addressed to the Authority, the Underwriter, and BNY, of Bond Counsel, as to the effective defeasance of the Prior Authority Bonds in form and substance acceptable to the Underwriter

10. A certificate, dated the Closing Date and signed by the Chair of the Authority or other authorized officer, to the effect that: (i) the representations of the Authority contained herein are true and correct in all material respects on and as of the Closing Date with the same effect as if made on the Closing Date; (ii) to the best knowledge of such officer, no event has occurred since the date of the Official Statement which should be disclosed in the Official Statement for the purpose for which it is to be used or which it is necessary to disclose therein in order to make the statements and information therein not misleading in any material respect; and (iii) the Authority has in all material respects complied with the agreements and satisfied the conditions on its part to be performed or satisfied under the Authority Documents and the Authority Resolution at or prior to the Closing Date;

11. An opinion of Richards, Watson & Gershon, A Professional Corporation, counsel to the Authority, dated the date of Closing and addressed to the Underwriter and the Authority, to the effect that:

(i) The Authority is a public body, corporate and politic, duly organized and validly existing as a joint powers authority under the laws of the State of California;

(ii) The Authority Resolution was duly adopted at a regular meeting of the governing body of the Authority, which was called and held pursuant to law and with all public notice required by law and at which a quorum was present and acting throughout, and the Authority Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

(iii) Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation against the Authority before or by any court, public board or body pending (notice of which has been served on the Authority) or, to the best of such counsel's knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the Authority, or the titles of its members and officers to their respective offices; (b) enjoin or restrain the issuance, sale and delivery of the Bonds, the collection of the Revenues or the pledge thereof; (c) in any way question or affect any of the rights, powers, duties or obligations of the Authority with respect to the Revenues or the moneys and assets pledged or to be pledged to pay the principal of, premium, if any, or interest on the Bonds; (d) in any way question or affect any authority for the issuance of the Bonds, or the validity or enforceability of the Bonds; or (e) in any way question or affect the Authority Documents, the Official Statement or the transactions contemplated by the Authority Documents, the Official Statement, or any activity regarding the Bonds;

12. A letter from Disclosure Counsel, dated the Closing Date and addressed to the Authority and to the Underwriter, to the effect that, without having undertaken to determine independently the accuracy or completeness of the statements contained in the Official Statement, but on the basis of their participation in conferences with representatives of the City, the Authority, the School District, the Special Tax Consultant (as defined below), and others, and their examination of certain documents, nothing has come to their attention which has led them to believe that the Official Statement as of its date and as of the Closing Date contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading (except that no opinion or belief need be expressed as to any appendices, CUSIP numbers, financial, accounting, statistical, economic, engineering or demographic data or forecasts, numbers, charts, tables, graphs, estimates, projections, assumptions or expressions of opinion, any determinations regarding valuation, real estate, and environmental matters, or any basis therefor; information about the Underwriter, underwriting; any information about the Depository Trust Company, the book-entry system, the Insurer, the Bond Insurance Policy, the Reserve Policies);

13. A transcript of all proceedings relating to the authorization, issuance, sale and delivery of the Bonds and the Local Obligations, including certified copies of the Indenture, the Fiscal Agent Agreements and all resolutions of the City, the School District and the Authority relating thereto;

14. A certificate dated the Closing Date from Willdan Financial Services (the “**Special Tax Consultant**”) for the City CFD to the effect that: (i) the Special Tax if collected in the maximum amounts permitted pursuant to the Rate and Method of Apportionment of Special Taxes for the City CFD (the “**City CFD RMA**”) as of the Closing Date would generate at least 110% of the annual debt service payable with respect to the City CFD Bonds, based on such assumptions and qualifications as shall be acceptable to the Underwriter; and (ii) the statements in the Official Statement provided by Special Tax Consultant concerning the Special Taxes and the City CFD RMA and all information supplied by it for use in the Official Statement as of the date of the Official Statement and as of the Closing Date did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

15. A certificate dated the Closing Date from the Special Tax Consultant for the School District CFD to the effect that: (i) the Special Tax if collected in the maximum amounts permitted pursuant to the Rate and Method of Apportionment of Special Taxes for the School District CFD (the “**School District CFD RMA**”) as of the Closing Date would generate at least 110% of the annual debt service payable with respect to the School District CFD Bonds, based on such assumptions and qualifications as shall be acceptable to the Underwriter; and (ii) the statements in the Official Statement provided by Special Tax Consultant concerning the Special Taxes and the School District CFD RMA and all information supplied by it for use in the Official Statement as of the date of the Official Statement and as of the Closing Date did not and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading

16. Certified copies of the general resolution of BNY authorizing the execution and delivery of certain documents by certain officers of BNY, which resolution authorizes the execution of the Indenture, the Fiscal Agent Agreements, the Escrow Agreement and the authentication of the Bonds and the Local Obligations;

17. A certificate of BNY, addressed to the Underwriter, the Authority, the City and the School District dated the Closing Date, to the effect that: (i) BNY is authorized to carry out corporate trust powers, and have full power and authority to perform its duties under the Indenture and the Fiscal Agent Agreements; (ii) BNY is duly authorized to execute and deliver the Indenture and the Fiscal Agent Agreements, to accept the obligations created by the Indenture and the Fiscal Agent Agreement and to authenticate the Bonds and the Local Obligations pursuant to the terms of the Indenture and the Fiscal Agent Agreements, respectively; (iii) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over BNY that has not been obtained is or will be required for the authentication of the Bonds or the Local Obligations or the consummation by BNY of the other transactions contemplated to be performed by BNY in connection with the authentication of the Bonds and the Local Obligations and the acceptance and performance of the obligations created by the Indenture and the Fiscal Agent Agreements; and (iv) to the best of its knowledge, compliance with the terms of the Indenture and the Fiscal Agent Agreements will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, trust agreement, bond, note, resolution or any other agreement or instrument to which BNY is a party or by which it is bound, or any law or any rule, regulation, order or decree of any court or governmental agency or body having jurisdiction over BNY or any of its activities or properties;

18. An opinion of counsel to BNY, dated the Closing Date, addressed to the Underwriter, the Authority, the City and the School District to the effect that BNY is a national banking association duly organized and validly existing under the laws of the United States having full power and being qualified to enter into, accept and agree to the provisions of the Indenture and the Fiscal Agent Agreements, and that each of such documents has been duly authorized, executed and delivered by BNY and, assuming due execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of BNY enforceable in accordance with its terms, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting the enforcement of creditors' rights in general and except as such enforceability may be limited by the application of equitable principles if equitable remedies are sought;

19. An opinion of Richards, Watson & Gershon, A Professional Corporation, as City Attorney of the City, dated the date of the Closing and addressed to the Underwriter and the Authority in form and substance acceptable to the Authority and Underwriter;

20. An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, as counsel to the School District, dated the date of the Closing and addressed to the Underwriter and the Authority in form and substance acceptable to the Authority and Underwriter;

21. An opinion of Kutak Rock LLP, counsel for the Underwriter, dated the date of the Closing, addressed to the Underwriter in form and substance acceptable to the Underwriter;

22. The Tax Certificate, duly executed and delivered by the Authority, the City and the School District by their respective authorized officers;

23. An Information Return for Tax-Exempt Bond Issues (Internal Revenue Service Form 8038-G), in a form satisfactory to Bond Counsel for filing, executed by a duly authorized officer of the Authority;

24. A copy of the Report of Proposed Debt Issuance and Report of Final Sale required to be delivered to the California Debt and Investment Advisory Commission pursuant to Section 8855 of the California Government Code;

25. A letter addressed to the Underwriter, the Authority and Bond Counsel, dated the date of the Closing, from Causey Demgen & Moore P.C. (the "**Verification Agent**"), verifying the accuracy of the mathematical computations concerning the adequacy of the moneys to be deposited with the Escrow Agent, to pay when due on September 1, 2019 (or the soonest business day thereafter), the redemption price and interest on the Prior Authority Bonds;

26. Evidence that any ratings described in the Official Statement are in full force and effect as of the Closing Date;

27. A certificate(s) of the Insurer in form and substance satisfactory to Bond Counsel, including a certificate of the appropriate agent of the Insurer evidencing Insurer's determination that the information contained in the Official Statement regarding the Insurer, the Insurance Policy with respect to the Bonds, and the Reserve Policies with respect to the Bonds is accurate;

28. An opinion of counsel to the Insurer, dated as of the date of Closing, addressed to the Underwriter and the Authority in form and substance acceptable to Bond Counsel and the Underwriter, substantially to the effect that: (a) the Insurer has been duly incorporated and is validly existing and in good standing under the laws of the State of its incorporation; (b) the Insurance Policy and the Reserve Policies constitute the legal, valid and binding obligations of the Insurer enforceable in accordance with their respective terms, subject, as to enforcement, to bankruptcy, insolvency, reorganization, rehabilitation and other similar laws of general applicability relating to or affecting creditors' and/or claimants' rights against insurance companies and to general equity principles; and (c) the information contained in the Official Statement under the caption "BOND INSURANCE" does not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

29. A copy of the Insurance Policy issued by the Insurer, which policy guarantees the payment when due of the principal and interest of the Bonds;

30. Copies of the Reserve Policies issued by the Insurer; and

31. Such additional legal opinions, certificates, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the date hereof and as of the Closing Date, of the material representations of the Authority contained herein, and of the statements and information contained in the Official Statement, the City and the School District's representations and warranties contained in their respective Representation Letters and the due performance or satisfaction by the Authority, the City and the School District at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Authority, the City and the School District in connection with the transactions contemplated hereby and by the Fiscal Agent Agreements, the Indenture and the Official Statement.

If the Authority shall be unable to satisfy the conditions to the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds contained in this Purchase Agreement, or if the obligations of the Underwriter to purchase, accept delivery of and pay for the Bonds shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Authority nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the Authority set forth in Section 6 hereof shall continue in full force and effect.

4. Conditions to the Obligations of the Authority.

A. The obligations of the Authority shall be subject to the satisfaction of the conditions contained in Section 5 of this Purchase Agreement.

B. If the Authority shall be unable to satisfy the conditions to the obligations of the Authority to purchase, accept delivery of and pay for the Local Obligations contained in the Local Obligations Purchase Contracts, or if the obligations of the Authority to purchase, accept delivery of and pay for the Local Obligations shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and the Authority shall not be under any further obligation hereunder, except that the obligations set forth in Section 7 hereof shall continue in full force and effect.

5. Expenses. Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay (except as provided in the paragraph below), and the Authority shall pay only from the proceeds of the Bonds, or cause the City or School District to pay out of the proceeds of the Local Obligations or any other legally available funds of the City or School District or the Authority, but only as the Authority and such other party providing such services may agree, all expenses and costs of the Authority incident to the performance of its obligations in connection with the authorization, execution, sale and delivery of the Bonds to the Underwriter, including, without limitation, printing costs, initial fees of the BNY, including fees and disbursements of their counsel, if any, fees and disbursements of Bond Counsel, Disclosure Counsel and other professional advisors employed by the Authority, costs of preparation, printing, signing, transportation, delivery and safekeeping of the Bonds and for expenses (included in the expense component of the spread) incurred by the Underwriter on behalf of the Authority's employees which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees. The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Services Bureau charges, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds, including fees of its counsel. Any meals in connection with or adjacent to meetings, rating agency presentations, pricing activities or other transaction-related activities shall be considered an expense of the transaction and included in the expense component of the Underwriter's discount.

6. Notices. Any notice of other communication to be given to the Authority under this Purchase Agreement may be given by delivering the same in writing to the Authority, 1 Civic Center, Brea, California 92821, Attention: Executive Director; any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, CA 94104, Attention: Public Finance.

7. Parties In Interest. This Purchase Agreement is made solely for the benefit of the Authority and Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

8. Survival of Representations. The representations of the Authority under this Purchase Agreement shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the Authority and regardless of delivery of and payment for the Bonds.

9. Entire Agreement. This Purchase Agreement, when accepted by the Authority, shall constitute the entire agreement among the Authority and the Underwriter and is made solely for the benefit of the Authority and the Underwriter (including the successors or assigns of any Underwriter). Except for Bond Counsel, no other person shall acquire or have any right hereunder by virtue hereof. All the Authority's representations, warranties and agreements in this Purchase Agreement shall remain operative and in full force and effect, regardless of (a) any investigation made by or on behalf of the Underwriter, (b) delivery of and payment for the Bonds hereunder, and (c) any termination of this Purchase Agreement.

10. Execution in Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

11. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Authority and shall be valid and enforceable as of the time of such acceptance.

12. Reliance on Representations and Warranties. The Authority hereby acknowledges that the Underwriter, in executing this Purchase Agreement and in paying for the Bonds as provided herein, is relying upon the representations and warranties of the Authority set forth herein.

13. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof, but this Purchase Agreement shall be construed as if such invalid or illegal or unenforceable provision had never been contained herein.

14. No Prior Agreements. This Purchase Agreement supersedes and replaces all prior negotiations, agreements and understanding among the parties hereto in relation to the sale of the Bonds by the Authority.

15. Governing Law. This Purchase Agreement shall be governed by the laws of the State of California.

[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK]

16. Effective Date. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Authority and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,
INCORPORATED,** as Underwriter

By: _____
Its: Authorized Officer

The foregoing is hereby agreed to and accepted as of the date first above written:

**BREA PUBLIC FINANCING
AUTHORITY**

By: _____
Authorized Signatory

Time of Execution: _____ p.m. California time

EXHIBIT A

**BREA PUBLIC FINANCING AUTHORITY
LOCAL AGENCY REVENUE REFUNDING BONDS,
SERIES 2019**

MATURITY SCHEDULE

<i><u>Maturity Date</u></i> <i><u>(September 1)</u></i>	<i><u>Principal</u></i> <i><u>Amount</u></i>	<i><u>Interest Rate</u></i>	<i><u>Yield</u></i>	<i><u>Price</u></i>	<i><u>10% Test</u></i> <i><u>Satisfied</u></i> [*]	<i><u>10% Test</u></i> <i><u>Used</u></i>	<i><u>Hold the</u></i> <i><u>Offering Price</u></i> <i><u>Rule Used</u></i>
2020					X		
2021					X		
2022					X		
2023					X		
2024					X		
2025					X		
2026					X		
2027					X		
2028					X		
2029					X		
2030					X		
2031					X		
2032					X		
2033					X		
2034					X		
2035					X		
2036					X		
2037					X		
2038					X		
20__ ^(T)					X		
20__ ^(T)					X		
20__ ^(T)					X		

^(T) Term Bond.

^(C) Priced to the optional redemption date of September 1, 20__ at [par][10_%].

* At the time of execution of this Purchase Agreement and assuming orders are confirmed by the close of the business day immediately following the date of this Purchase Agreement.

EXHIBIT B

BREA PUBLIC FINANCING AUTHORITY LOCAL AGENCY REVENUE REFUNDING BONDS, SERIES 2019

FORM OF REPRESENTATION LETTER

[City of Brea, on behalf of City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements)] [Brea Olinda Unified School District on behalf of the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights)]

The [City of Brea (the “**City**”) on behalf of City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) (the “**Community Facilities District**”)] [Brea Olinda Unified School District (the “**School District**”) on behalf of the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) (the “**Community Facilities District**”)] hereby delivers this Representation Letter pursuant to the Bond Purchase Agreement (the “**Purchase Agreement**”), dated _____, 2019, by and between Stifel, Nicolaus & Company, Incorporated and the Brea Public Financing Authority. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Purchase Agreement.

The [City][School District] hereby represents and warrants to and agrees with the Underwriter that:

(a) The Community Facilities District is a community facilities district of the State of California (the “**State**”), duly organized and validly existing pursuant to the Constitution and laws of the State;

(b) The Community Facilities District had full legal right, power and authority to adopt the [City CFD Resolution] [School District CFD Resolution] and the [City][School District] has, and as of the Closing will have, full legal right, power and authority (i) to execute, deliver and perform its obligations under the [City Local Obligations Purchase Contract] [School District Local Obligations Purchase Contract], the [City CFD FA Agreement] [School District CFD FA Agreement], the Escrow Agreement and the [City CFD Bonds] [School District CFD Bonds] (collectively, the “**CFD Documents**”), (ii) to issue, sell and deliver the [City CFD Bonds] [School District CFD Bonds] to the Authority as provided in the [City Local Obligations Purchase Contract] [School District Local Obligations Purchase Contract], and (iii) to carry out, give effect to and consummate the transactions contemplated by the CFD Documents, the [City CFD Resolution] [School District CFD Resolution] and the Official Statement;

(c) The Community Facilities District is, and as of the Closing will be, in compliance, in all material respects, with the CFD Documents;

(d) The [City Council] [Board of Education], acting as the legislative body of the Community Facilities District, has duly and validly adopted the [City CFD Resolution] [School District CFD Resolution] and approved the execution and delivery of the CFD Documents, and the performance by the [City][School District] of its obligations contained therein, and the taking of any and all actions as may be necessary to carry out, give effect to and consummate the

transactions contemplated by each of said documents. The CFD Documents have been, or on or before the Closing will be, duly executed and delivered by the [City][School District], and, on the Closing, the [City CFD Bonds] [School District CFD Bonds], when authenticated and delivered to the Authority in accordance with the CFD Documents will constitute legally valid and binding obligations, enforceable against the [City][School District] in accordance with their respective terms, except as such enforcement may be limited by applicable bankruptcy, insolvency, debt adjustment, fraudulent conveyance or transfer, moratorium, reorganization or other laws of equitable principles of general application, or of application to municipalities or political subdivisions such as the Lessee, affecting remedies or creditors' rights generally, and to the exercise of judicial discretion in appropriate cases;

(e) The [City][School District], acting on behalf of the Community Facilities District, is not, and as of the Closing will not be, in breach of or in default under any applicable law or administrative rule or regulation of the State or of the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which [City][School District], acting on behalf of the Community Facilities District, is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the [City][School District], acting on behalf of the Community Facilities District, to perform its obligations under the CFD Documents;

(f) The adoption of the [City CFD Resolution] [School District CFD Resolution] and the execution and delivery of the CFD Documents, the [City CFD Bonds] [School District CFD Bonds] or any other applicable agreements and the other instruments contemplated by any of such documents to which the [City][School District], acting on behalf of the Community Facilities District, is a party, and compliance with the provisions thereof, did not and will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State or of the United States of America, or of any department, division, agency or instrumentality of either thereof, or under any applicable court or administrative decree or order, or under any loan agreement, note, resolution, indenture, contract, agreement or other instrument to which the [City][School District], acting on behalf of the Community Facilities District, is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the [City][School District], acting on behalf of the Community Facilities District, to perform its obligations under the CFD Documents;

(g) Except as may be required under the "blue sky" laws of any state, all approvals, consents, authorizations, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute conditions precedent to, or the absence of which would materially adversely affect, the ability of the [City][School District], acting on behalf of the Community Facilities District, to perform its obligations under any of the CFD Documents, or any other applicable agreements, have been obtained and are in full force and effect;

(h) The [City CFD Bonds] [School District CFD Bonds], the [City CFD FA Agreement] [School District CFD FA Agreement], the [City CFD Resolution] [School District CFD Resolution] conform as to form and tenor to the descriptions thereof contained in the Preliminary Official Statement, and which will be contained in the Official Statement as of the Closing and, when delivered to and paid for by the Authority on the Closing Date as provided herein, the [City CFD Bonds] [School District CFD Bonds] will be validly issued and outstanding;

(i) The Special Taxes constituting the security for the [City CFD Bonds] [School District CFD Bonds] have been duly and lawfully authorized and may be levied under and pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 and following of the Government Code of the State) and the Constitution of the State, and such Special Taxes, when levied, will constitute valid and legally binding liens on the parcels within the Community Facilities District on which they have been levied;

(j) There are no outstanding special tax liens levied by the Community Facilities District against any of the properties within the Community Facilities District which are senior to the Special Taxes referred to in paragraph (i) hereof, and the Community Facilities District has no present intention of conducting further proceedings leading to the levying of additional special taxes or assessments against any of the properties within the Community Facilities District;

(k) As of the date thereof, the information in the Preliminary Official Statement regarding the [City][School District], the [City][School District] Community Facilities District and the [City][School District] CFD Bonds (other than information with respect to The Depository Trust Company and the book-entry system, the Insurance Policy, the Reserve Policies, the Insurer and any information provided by the Underwriter as to which the [City][School District] does not express any view) did not contain any untrue statement of a material fact or omit a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and the information in the Official Statement regarding the [City][School District], the [City][School District] Community Facilities District and the [City][School District] CFD Bonds (other than information with respect to The Depository Trust Company and the book-entry system, the Insurance Policy, the Reserve Policies, the Insurer and any information provided by the Underwriter as to which the [City][School District] does not express any view) does not and, as of the Closing Date, will not contain any untrue or misleading statement of a material fact or omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(l) Until the date which is 25 days after the End Date, if any event shall occur of which the [City][School District] is aware, as a result of which it may be necessary to supplement the Official Statement in order to make the statements contained in the Official Statement, in light of the circumstances existing at such time, not misleading, the [City][School District] shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, as required by the Purchase Agreement;

(m) The [City CFD FA Agreement] [School District CFD FA Agreement] will create a valid pledge of and lien upon the Special Tax Revenues and any other amounts (including proceeds of the sale of the [City CFD Bonds] [School District CFD Bonds]), held in the Bond Fund, the Reserve Fund and the Special Tax Fund, to secure the payment of the principal of, premium, if any, and interest on the [City CFD Bonds] [School District CFD Bonds], subject in all cases to the provisions permitting the application thereof for the purposes and on the terms and conditions set forth therein;

(n) No action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending and notice of which has been served on and received by the [City][School District], or to the knowledge of the [City][School District] threatened in any way, affecting the existence of the Community Facilities

District or the titles of its officers to their respective offices or seeking to restrain or to enjoin the issuance, sale or delivery of the [City CFD Bonds] [School District CFD Bonds], the application of the proceeds thereof, or the collection or application of Special Taxes pledged or to be pledged to pay the principal of and interest on the [City CFD Bonds] [School District CFD Bonds], or the pledge thereof, or in any way contesting or affecting the validity or enforceability of the [City CFD Resolution] [School District CFD Resolution] or the CFD Documents, or any action of the Community Facilities District contemplated by any of said documents, or in any way contesting the completeness or accuracy of the Preliminary Official Statement or the Official Statement or the powers of the [City][School District] or its authority with respect to the [City CFD Resolution] [School District CFD Resolution] or the CFD Documents, or any action of the [City][School District] contemplated by any of said documents, or which would adversely affect the exemption of interest paid on the [City CFD Bonds] [School District CFD Bonds] from federal income taxation or State personal income taxation, nor to the knowledge of the [City][School District] is there any basis therefor;

(o) The [City][School District] will furnish such information, execute such instruments and take such other action in cooperation with the Underwriter, at the sole expense of the Underwriter, as the Underwriter may reasonably request in order for the Underwriter to qualify the Bonds for offer and sale under the “blue sky” or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate; *provided, however*, the [City][School District] shall not be required to register as a dealer or a broker of securities or consent to the jurisdiction of any state of the United States of America, other than the State;

(p) Any certificate signed by any authorized official of the [City][School District], acting on behalf of the Community Facilities District, authorized to do so shall be deemed a representation and warranty by the [City][School District], acting on behalf of the Community Facilities District, to the Underwriter as to the statements made therein;

(q) During the period from the date hereof until the Closing, the [City][School District], acting on behalf of its Community Facilities District, agrees to furnish the Underwriter copies of any documents it files with any regulatory authority which are requested by the Underwriter;

(r) The [City][School District], acting on behalf of the Community Facilities District, is not in default, nor has the [City][School District], acting on behalf of the Community Facilities District, been in default at any time during the past ten years, as to the payment of principal or interest with respect to an obligation issued by the [City][School District], acting on behalf of the Community Facilities District, or with respect to an obligation guaranteed by the [City][School District], acting on behalf of the Community Facilities District, as guarantor;

(s) The [City][School District], acting on behalf of the Community Facilities District, will apply the proceeds from the sale of the [City CFD Bonds] [School District CFD Bonds] as set forth in and for the purposes specified in the [City CFD FA Agreement] [School District CFD FA Agreement]; and

Very truly yours,

**[CITY OF BREA, CALIFORNIA, for and on behalf of
City of Brea Community Facilities District No. 1997-1
(Olinda Heights Public Improvements)] [BREA
OLINDA UNIFIED SCHOOL DISTRICT, for and on
behalf of Brea Olinda Unified School District
Community Facilities District No. 95-1 (Olinda
Heights)]**

By: _____
Name:

EXHIBIT C

\$ _____
**BREA PUBLIC FINANCING AUTHORITY
LOCAL AGENCY REVENUE REFUNDING BONDS,
SERIES 2019**

FORM OF ISSUE PRICE CERTIFICATE

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

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

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

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

(b) As set forth in the Bond Purchase Agreement, dated _____, 2019, by and between Stifel and the Brea Public Financing Authority (the “Authority”), Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. ***Defined Terms.***

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

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

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means the Brea Public Financing Authority.

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

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

(g) *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2019.

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

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

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By:_____

Name:_____

By:_____

Name:_____

Dated: _____, 2019

SCHEDULE A

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

(Attached)

SCHEDULE B

PRICING WIRE OR EQUIVALENT COMMUNICATION

CITY CFD LOCAL OBLIGATION PURCHASE CONTRACT

\$_____

City of Brea
Community Facilities District No. 1997-1
(Olinda Heights Public Improvements),
2019 Special Tax Refunding Bonds

July __, 2019

City of Brea, California, for and on behalf of
City of Brea Community Facilities District No. 1997-1
(Olinda Heights Public Improvements)
1 Civic Center Circle
Brea, California 92821

Ladies and Gentlemen:

The Brea Public Financing Authority (the "Authority"), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this City CFD Local Obligation Purchase Contract (this "Purchase Contract") with the City of Brea, California (the "City"), for and on behalf of City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) (the "City CFD"), which upon acceptance will be binding upon the Authority, the City and the City CFD. This offer is made subject to (i) the City's acceptance by the execution of this Purchase Contract, and (ii) withdrawal by the Authority upon notice delivered to the City at any time prior to the City's acceptance hereof. Unless context clearly requires otherwise, capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Fiscal Agent Agreement, dated as of August 1, 2019 (the "Fiscal Agent Agreement"), by and between the City, acting for and on behalf of the City CFD, and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the "Fiscal Agent").

Subject to the City's acceptance hereof and the terms and conditions herein, the Authority will issue and sell the \$_____ aggregate principal amount Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019 (the "Authority Bonds"). The Authority Bonds will be issued pursuant to the Indenture of Trust, dated as of August 1, 2019 (the "Indenture"), by and between the Authority and The Bank of New York Mellon Trust Company, N.A. (the "Trustee").

The Authority will use proceeds from the sale of the Authority Bonds to purchase (i) all of \$_____ aggregate principal amount City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds (the "City CFD Bonds"), and (ii) all of \$_____ aggregate principal amount Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) 2019 Special Tax Refunding Bonds. Delivered herewith is a Purchase Agreement (the "Authority Purchase Agreement"), by and among the Authority, the City, for and on behalf of the City CFD, and

the Brea Olinda Unified School District (the "School District"), for and on behalf of the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights), and Stifel, Nicolaus & Company Incorporated (the "Underwriter"), whereby the Underwriter has agreed to purchase the Authority Bonds upon their issuance. The agreement of the Authority to purchase the City CFD Bonds hereunder is contingent upon the Underwriter purchasing the Authority Bonds from the Authority, and upon the City and the Brea Olinda Unified School District (the "School District") satisfying all of the requirements hereof and of the School District-Authority Purchase Contract (as defined in the Authority Purchase Agreement) and performing all conditions precedent, if any, to be performed by the City and the School District pursuant to the Authority Purchase Agreement.

Section 1. Purchase, Sale and Delivery of the City CFD Bonds.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Authority hereby agrees to purchase from the City and the City hereby agrees to sell to the Authority all (but not less than all) of the City CFD Bonds, to be dated as of the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto. The purchase price for the City CFD Bonds shall \$_____ (the aggregate principal amount of the City CFD Bonds, less an original issue discount of \$_____, and less a purchaser's discount of \$_____). It is agreed that an amount not exceeding \$_____ shall be applied to pay costs of issuance of the City CFD Bonds and a pro rata share of the costs of issuance (including bond insurance premium) of the Authority Bonds.

The City CFD Bonds shall be substantially in the form described in, shall be issued and secured under the provisions of, and subject to redemption as provided in, the Fiscal Agent Agreement. The City CFD Bonds will be payable solely from and secured by Special Tax Revenues, consisting primarily of special taxes (the "City CFD Special Taxes") levied by the City CFD on taxable property in the City CFD. The net proceeds of the City CFD Bonds will be used to refund all of the remaining outstanding City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2005 Special Tax Refunding Bonds (the "Prior City CFD Bonds"). To effect such refunding, the City, for and on behalf of the City CFD, and the Authority, the School District and The Bank of New York Mellon Trust Company, as escrow agent, will enter into the Escrow Agreement, dated as of August 1, 2019 (the "Escrow Agreement").

(b) Except as the City, the Authority and the Underwriter may otherwise agree, the City will deliver to the Authority, at the offices of Quint & Thimmig LLP, as bond counsel ("Bond Counsel") in Larkspur, California, or at such other location as may be mutually agreed upon by the Underwriter, the City and the Authority, the documents hereinafter mentioned and the City will deliver to or on the order of the Authority, at such location, the City CFD Bonds, in definitive form, duly executed by the City and authenticated by the Fiscal Agent in the manner provided for in the Fiscal Agent Agreement, at 8:00 A.M., California time, August 13, 2019 (the "Closing Date"), and the Authority will accept such delivery and pay or cause to be paid the purchase price of the City CFD Bonds as set forth in paragraph (a) of this Section by wire transfer or by other means, in any case payable in federal or other immediately available funds (such delivery and payment being herein referred to as the "Closing"). The

City CFD Bonds shall be in fully registered form and shall be registered in the name of the Trustee.

Section 2. Representations, Warranties and Agreements of the City. The City represents, warrants to and covenants with, the Authority that:

(a) The City is a municipal corporation duly organized and existing under the Constitution and the laws of the State of California, and has, and on the Closing Date will have, full legal right, power and authority to, in each case for and on behalf of the City CFD, (i) enter into, execute, deliver and perform its obligations under this Purchase Contract, the Fiscal Agreement, the Escrow Agreement, the City Continuing Disclosure Certificate (as defined in the Authority Purchase Agreement) and the Authority Purchase Agreement, (ii) issue the City CFD Bonds pursuant to the Fiscal Agent Agreement and sell and deliver the City CFD Bonds to the Authority as provided herein, and (iii) carry out, give effect to and consummate the transactions on its part contemplated by this Purchase Contract and the Authority Purchase Agreement.

(b) The City has complied, and will at the Closing Date be in compliance, in all material respects with the Act, the Fiscal Agent Agreement, this Purchase Contract and the Escrow Agreement, and the conditions precedent required to be performed by the City pursuant to the Authority Purchase Agreement.

(c) The City Council of the City (the "City Council") has duly and validly: (i) adopted the City Council's Resolution No. 19-____ on July 16, 2019, and approved and authorized the execution and delivery of the City CFD Bonds, this Purchase Contract, the Fiscal Agent Agreement, the Escrow Agreement, the City Continuing Disclosure Certificate and the Authority Purchase Agreement, and (ii) authorized and approved the performance by the City, for and on behalf of the City CFD, of its obligations contained in, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by, each of such documents.

(d) Except as may be required under the "blue sky" or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the City, for and on behalf of the City CFD, of its obligations hereunder and under the Fiscal Agent Agreement, the City CFD Bonds, the Escrow Agreement, the City CFD Continuing Disclosure Certificate and the Authority Purchase Agreement, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

(e) The City CFD Special Taxes constituting the security for the City CFD Bonds have been duly and lawfully authorized under and pursuant to the Act. The City CFD Special Taxes are secured by a valid and legally binding continuing lien on the parcels subject to the City CFD Special Taxes as provided in the Act and the City CFD RMA (as defined in the Authority Purchase Agreement).

(f) The City, for and on behalf of the City CFD, has authorized and will annually levy and collect City CFD Special Taxes in amounts necessary to pay debt service on the City CFD Bonds and Administrative Expenses arising directly from the administration or enforcement of the City CFD Bonds, subject to any maximum special tax permitted by the City CFD RMA and applicable law.

(g) The Fiscal Agent Agreement creates a valid pledge of, first lien upon and security interest in, the Special Tax Revenues and in the moneys in the Special Tax Fund, the Bond Fund and the Reserve Fund, each to be established and maintained under the Fiscal Agent Agreement, on the terms and conditions set forth in the Fiscal Agent Agreement.

(h) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending and notice of which has been served on the City or the City CFD, or, and to the best of the City's knowledge, threatened, in any way (i) affecting the existence of the City CFD or the titles of its officers to their respective offices or (ii) seeking to restrain or to enjoin the issuance, sale or delivery of the City CFD Bonds, the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Tax Revenues pledged to pay the principal of, and interest on, the City CFD Bonds, or the pledge thereof, or (iii) contesting or affecting the validity or enforceability of the City CFD Bonds, the Fiscal Agent Agreement, this Purchase Contract, the Escrow Agreement, the City Continuing Disclosure Certificate, the Authority Purchase Agreement or any action of the City contemplated by any of such documents, or (iv) contesting the completeness or accuracy of the Official Statement or the powers or the authority of the City or the City CFD with respect to the City CFD Bonds, the Prior City CFD Bonds, the Fiscal Agent Agreement, this Purchase Contract, the Escrow Agreement, the City Continuing Disclosure Certificate, the Authority Purchase Agreement or any action of the City or the City CFD contemplated by any of such documents, or (v) contesting the exclusion from gross income for federal income tax purposes of interest paid on the Authority Bonds or the exemption of interest paid on the Authority Bonds from State of California personal income taxation.

(i) The City will furnish such information, execute such instruments and take such other action in cooperation with the Authority and the Underwriter as the Authority or the Underwriter may reasonably request in order for the Underwriter to qualify the Authority Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate; provided, however, that the City shall not be required to register as a dealer or broker of securities or to consent to service of process or qualify to do business in any jurisdiction where it is not now so subject. It is understood that such "blue sky" registration is the sole responsibility of the Underwriter.

(j) Any certificate signed by any officer or employee of the City authorized to do so shall be deemed a representation and warranty by the City to the Authority and the Underwriter as to the statements made therein.

(k) The City, for an on behalf of the City CFD, will apply the proceeds of the City CFD Bonds in accordance with the Fiscal Agent Agreement and the Escrow Agreement.

(l) Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding City CFD Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any, to maturity or to the date of redemption if redeemed prior to maturity, the City will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Fiscal Agent Agreement.

The execution and delivery of this Purchase Contract by the City shall constitute a representation to the Authority and the Underwriter that the representations and warranties contained in this Section 2 are true as of the date hereof.

Section 3. Conditions to the Obligations of the Authority.

(a) The obligation of the Authority to accept delivery of and pay for the City CFD Bonds on the Closing Date shall be subject, at the option of the Authority, to the sale of the Authority Bonds, to the accuracy in all material respects of the representations and warranties on the part of the City contained herein, to the accuracy in all material respects of the statements of the officers and other officials of the City made in any certificates or other documents furnished pursuant to the provisions hereof or pursuant to the Authority Purchase Agreement, and to the performance by the City of its obligations to be performed hereunder and the conditions precedent to be performed by the City, if any, under the Authority Purchase Agreement at or prior to the Closing Date. The obligations of the Authority shall be further subject to the satisfaction of the conditions contained in Section 9 of the Authority Purchase Agreement, and such conditions are incorporated herein and made a part hereof.

(b) If the City or the Authority shall be unable to satisfy the conditions to the obligations of the Authority to purchase, accept delivery of and pay for the City CFD Bonds contained in this Purchase Contract, or if the obligations of the Authority to purchase, accept delivery of and pay for the City CFD Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Authority nor the City shall be under any further obligation hereunder, except that the respective obligations of the City and the Authority set forth in Section 4 hereof shall continue in full force and effect.

Section 4. Expenses. Whether or not the Authority accepts delivery of and pays for the City CFD Bonds as set forth herein, it shall be under no obligation to pay, and the City shall pay or cause to be paid out of the proceeds of the City CFD Bonds or funds of the City CFD, all expenses incidental to the performance of the City's obligations hereunder and a pro rata share of the costs of issuance of the Authority Bonds, including but not limited to the cost of printing and delivering the City CFD Bonds to the Authority, Underwriter's discount relating to the sale of the Authority Bonds, the fees and disbursements of the Authority, Bond Counsel, special tax consultants and any other experts or consultants retained by the City in connection with the issuance and sale of the City CFD Bonds.

Section 5. Undertakings of the City. The City agrees to make available to the Authority, at the expense of the City, sufficient copies of its audited financial statements, if any, resolutions of the City Council with respect to the City CFD Bonds, the Fiscal Agent Agreement, any amendments or supplements thereto, and other documents relating to the

City CFD Bonds and pertaining to the City, to the extent that such documents are publicly available, as may be reasonably required from time to time for the prompt and efficient performance by the Authority of its obligations hereunder and under the Authority Purchase Agreement (except any portion of any such document which, by contract, is not subject to disclosure).

Section 6. Notices. Any notice or other communication to be given to the City under this Purchase Contract may be given by delivering the same in writing to the City of Brea, 1 Civic Center, Brea, California 92821, Attention: City Manager; any notice or other communication to be given to the Authority under this Purchase Contract may be given by delivering the same in writing to the Brea Public Financing Authority, 1 Civic Center, Brea, California 92821, Attention: Executive Director; any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Stifel, Nicolaus & Company Incorporated, One Montgomery Street, 35th Floor, San Francisco, CA 94104, Attention: Jim Cervantes.

Section 7. Third Party Beneficiary. Inasmuch as the Underwriter is purchasing the Authority Bonds from the Authority and will underwrite and market the Authority Bonds to investors through a public offering, thereby enabling the issuance and sale of the Authority Bonds and the City CFD Bonds and the refunding of the Prior City CFD Bonds, the Underwriter is a third party beneficiary of this Purchase Contract, and may enforce the same in all respects in the same manner and to the same extent as it may be enforced by the Authority.

Section 8. Parties in Interest. This Purchase Contract is made solely for the benefit of the City, the Authority and the Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

Section 9. Survival of Representations and Warranties. The representations and warranties of the City shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Authority or the Underwriter (or statements as to the results of such investigations) concerning such representations and statements of the City and regardless of delivery of and payment for the City CFD Bonds.

Section 10. Limited Obligation of the City. The parties hereby acknowledge that the City is entering into this Purchase Agreement and the Authority Purchase Agreement for and on behalf of the City CFD, and the City has no liability hereunder or under the Authority Purchase Agreement except from moneys and assets of the City CFD, anything to the contrary herein or in the Authority Purchase Agreement notwithstanding.

Section 11. Execution in Counterparts. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 12. No Prior Agreements. This Purchase Contract supersedes and replaces all prior negotiations, agreements and understandings among the parties hereto in relation to the sale of City CFD Bonds by the City.

Section 13. Effective Date. This Purchase Contract shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the City and shall be valid and enforceable as of the time of such acceptance.

Section 14. Governing Law. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of California.

Very truly yours,

BREA PUBLIC FINANCING
AUTHORITY

By: _____
Chair

Accepted:

CITY OF BREA, CALIFORNIA,
for and on behalf of City of Brea
Community Facilities District No. 1997-1
(Olinda Heights Public Improvements)

By: _____
Mayor

02020.02:J16142

EXHIBIT A
(City CFD Bond Purchase Contract)

Maturity Schedule

The City CFD Bonds shall mature and become payable on September 1 of each year as follows:

<u>Maturity Date (September 1)</u>	<u>Principal</u>	<u>Interest Rate</u>
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SCHOOL DISTRICT CFD LOCAL OBLIGATION PURCHASE CONTRACT

\$ _____
Brea Olinda Unified School District
Community Facilities District No. 95-1
(Olinda Heights)
2019 Special Tax Refunding Bonds

July __, 2019

Brea Olinda Unified School District, for and on behalf of
Brea Olinda Unified School District Community Facilities
District No. 95-1 (Olinda Heights)
1 Civic Center Circle, Level 2
Brea, California 92821

Ladies and Gentlemen:

The Brea Public Financing Authority (the “Authority”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this School District CFD Local Obligation Purchase Contract (this “Purchase Contract”) with the Brea Olinda Unified School District (the “School District”), for and on behalf of Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) (the “School District CFD”), which upon acceptance will be binding upon the Authority, the School District and the School District CFD. This offer is made subject to (i) the School District’s acceptance by the execution of this Purchase Contract, and (ii) withdrawal by the Authority upon notice delivered to the School District at any time prior to the School District’s acceptance hereof. Unless context clearly requires otherwise, capitalized terms not otherwise defined herein shall have the meaning ascribed to them in the Fiscal Agent Agreement, dated as of August 1, 2019 (the “Fiscal Agent Agreement”), by and between the School District, acting for and on behalf of the School District CFD, and The Bank of New York Mellon Trust Company, N.A., as fiscal agent (the “Fiscal Agent”).

Subject to the School District’s acceptance hereof and the terms and conditions herein, the Authority will issue and sell the \$ _____ aggregate principal amount Brea Public Financing Authority Local Agency Revenue Refunding Bonds, Series 2019 (the “Authority Bonds”). The Authority Bonds will be issued pursuant to the Indenture of Trust, dated as of August 1, 2019 (the “indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A. (the “Trustee”).

The Authority will use proceeds from the sale of the Authority Bonds to purchase (i) all of \$ _____ aggregate principal amount Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) 2019 Special Tax Refunding Bonds (the “School District CFD Bonds”), and (ii) all of \$ _____ aggregate principal amount City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) 2019 Special Tax Refunding Bonds. Delivered herewith is a Purchase Agreement (the “Authority Purchase

Agreement”), by and among the Authority, the City of Brea, California (the “City”) for and on behalf of the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements), and the School District, for and on behalf of the School District CFD, and Stifel, Nicolaus & Company Incorporated (the “Underwriter”), whereby the Underwriter has agreed to purchase the Authority Bonds upon their issuance. The agreement of the Authority to purchase the School District CFD Bonds hereunder is contingent upon the Underwriter purchasing the Authority Bonds from the Authority, and upon the School District and the City satisfying all of the requirements hereof and of the City-Authority Purchase Contract (as defined in the Authority Purchase Agreement) and performing all conditions precedent, if any, to be performed by the School District and the City pursuant to the Authority Purchase Agreement.

Section 1. Purchase, Sale and Delivery of the School District CFD Bonds.

(a) Subject to the terms and conditions and in reliance upon the representations, warranties and agreements set forth herein, the Authority hereby agrees to purchase from the School District and the School District hereby agrees to sell to the Authority all (but not less than all) of the School District CFD A Bonds, to be dated as of the Closing Date (as hereinafter defined), bearing interest at the rates and maturing on the dates and in the principal amounts set forth in Exhibit A hereto. The purchase price for the School District CFD Bonds shall be \$_____ (the aggregate principal amount of the School District CFD Bonds, less an original issue discount \$_____, and less a purchaser’s discount of \$_____). It is agreed that an amount not exceeding \$_____ shall be applied to pay costs of issuance of the School District CFD Bonds and a pro rata share of the costs of issuance (including bond insurance premium) of the Authority Bonds.

The School District CFD Bonds shall be substantially in the forms described in, shall be issued and secured under the provisions of, and subject to redemption as provided in, the Fiscal Agent Agreement. The School District CFD Bonds will be payable solely from and secured by Special Tax Revenues, consisting primarily of special taxes (the “School District CFD Special Taxes”) levied by the School District CFD on taxable property in the School District CFD. The net proceeds of the School District CFD Bonds will be used to refund all of the remaining outstanding Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) Special Tax Refunding Bonds, Series 2005A and Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) Special Tax Bonds, Series 2005B (collectively, the “Prior School District CFD Bonds”). To effect such refunding, the School District, for and on behalf of the School District CFD, and the City, the Authority, and The Bank of New York Mellon Trust Company, as escrow agent, will enter into the Escrow Agreement, dated as of August 1, 2019 (the “Escrow Agreement”). The net proceeds of the School District CFD B Bonds will be deposited in an Improvement Fund to be established under the Fiscal Agent Agreement. Moneys in the Improvement Fund are expected to be used for the acquisition and construction of certain school facilities that will benefit the School District CFD.

(b) Except as the School District, the Authority and the Underwriter may otherwise agree, the School District will deliver to the Authority, at the offices of Quint & Thimmig LLP, as bond counsel (“Bond Counsel”) in Larkspur, California, or at such other location as may be mutually agreed upon by the Underwriter, the School District and the Authority, the documents hereinafter mentioned and the School District will deliver to or on the order of the Authority, at

such location, the School District CFD Bonds, in definitive form, duly executed by the School District and authenticated by the Fiscal Agent in the manner provided for in the Fiscal Agent Agreement, at 8:00 A.M., California time, August 13, 2019 (the "Closing Date"), and the Authority will accept such delivery and pay or cause to be paid the purchase price of the School District CFD Bonds as set forth in paragraph (a) of this Section by wire transfer or by other means, in any case payable in federal or other immediately available funds (such delivery and payment being herein referred to as the "Closing"). The School District CFD Bonds shall be in fully registered form and shall be registered in the name of the Trustee.

Section 2. Representations, Warranties and Agreements of the School District. The School District represents, warrants to and covenants with, the Authority that:

(a) The School District is a unified school district duly formed and existing under the Constitution and the laws of the State of California, and has, and on the Closing Date will have, full legal right, power and authority to, in each case for and on behalf of the School District CFD, (i) enter into, execute, deliver and perform its obligations under this Purchase Contract, the Fiscal Agreement, the Escrow Agreement, the School District Continuing Disclosure Certificate (as defined in the Authority Purchase Agreement) and the Authority Purchase Agreement, (ii) issue the School District CFD Bonds pursuant to the Fiscal Agent Agreement and sell and deliver the School District CFD Bonds to the Authority as provided herein, and (iii) carry out, give effect to and consummate the transactions on its part contemplated by this Purchase Contract and the Authority Purchase Agreement.

(b) The School District has complied, and will at the Closing Date be in compliance, in all material respects with the Act, the Fiscal Agent Agreement, this Purchase Contract and the Escrow Agreement, and the conditions precedent required to be performed by the School District pursuant to the Authority Purchase Agreement.

(c) The Board of Education of the School District (the "School Board") has duly and validly: (i) adopted the School Board's Resolution No. 19-____ on June 24, 2019, and approved and authorized the execution and delivery of the School District CFD Bonds, this Purchase Contract, the Fiscal Agent Agreement, the Escrow Agreement, the School District Continuing Disclosure Certificate and the Authority Purchase Agreement, and (ii) authorized and approved the performance by the School District, for and on behalf of the School District CFD, of its obligations contained in, and the taking of any and all action as may be necessary to carry out, give effect to and consummate the transactions contemplated by, each of such documents.

(d) Except as may be required under the "blue sky" or other securities laws of any jurisdiction, all approvals, consents, authorizations, elections and orders of, or filings or registrations with, any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the performance by the School District, for and on behalf of the School District CFD, of its obligations hereunder and under the Fiscal Agent Agreement, the School District CFD Bonds, the Escrow Agreement, the School District CFD Continuing Disclosure Certificate and the School District pursuant to the Authority Purchase Agreement, have been or will be obtained at the Closing Date and are or will be in full force and effect at the Closing Date.

(e) The School District CFD Special Taxes constituting the security for the School District CFD Bonds have been duly and lawfully authorized under and pursuant to the Act. The School District CFD Special Taxes are secured by a valid and legally binding continuing lien on the parcels subject to the School District CFD Special Taxes as provided in the Act and the School District CFD RMA (as defined in the Authority Purchase Agreement).

(f) The School District, for and on behalf of the School District CFD, has authorized and will annually levy and collect School District CFD Special Taxes in amounts necessary to pay debt service on the School District CFD Bonds and Administrative Expenses arising directly from the administration or enforcement of the School District CFD Bonds, subject to any maximum special tax permitted by the School District CFD RMA and applicable law.

(g) The Fiscal Agent Agreement creates a valid pledge of, first lien upon and security interest in, the Special Tax Revenues and in the moneys in the Special Tax Fund, the Bond Fund and the Reserve Fund, each to be established and maintained under the Fiscal Agent Agreement, on the terms and conditions set forth in the Fiscal Agent Agreement.

(h) Except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, government agency, public board or body, pending and notice of which has been served on the School District or the School District CFD, or, and to the best of the School District's knowledge, threatened, in any way (i) affecting the existence of the School District CFD or the titles of its officers to their respective offices or (ii) seeking to restrain or to enjoin the issuance, sale or delivery of the School District CFD Bonds, the application of the proceeds thereof in accordance with the Fiscal Agent Agreement, or the collection or application of the Special Tax Revenues pledged to pay the principal of, and interest on, the School District CFD Bonds, or the pledge thereof, or (iii) contesting or affecting the validity or enforceability of the School District CFD Bonds, the Fiscal Agent Agreement, this Purchase Contract, the Escrow Agreement, the School District Continuing Disclosure Certificate, the Authority Purchase Agreement or any action of the School District contemplated by any of such documents, or (iv) contesting the completeness or accuracy of the Official Statement or the powers or the authority of the School District or the School District CFD with respect to the School District CFD Bonds, the Prior School District CFD Bonds, the Fiscal Agent Agreement, this Purchase Contract, the Escrow Agreement, the School District Continuing Disclosure Certificate, the Authority Purchase Agreement or any action of the School District or the School District CFD contemplated by any of such documents, or (v) contesting the exclusion from gross income for federal income tax purposes of interest paid on the Authority Bonds or the exemption of interest paid on the Authority Bonds from State of California personal income taxation.

(i) The School District will furnish such information, execute such instruments and take such other action in cooperation with the Authority and the Underwriter as the Authority or the Underwriter may reasonably request in order for the Underwriter to qualify the Authority Bonds for offer and sale under the "blue sky" or other securities laws and regulations of such states and other jurisdictions of the United States of America as the Underwriter may designate; provided, however, that the School District shall not be required to register as a dealer or broker of securities or to consent to service of process or qualify to do business in any jurisdiction where

it is not now so subject. It is understood that such “blue sky” registration is the sole responsibility of the Underwriter.

(j) Any certificate signed by any officer or employee of the School District authorized to do so shall be deemed a representation and warranty by the School District to the Authority and the Underwriter as to the statements made therein.

(k) The School District, for and on behalf of the School District CFD, will apply the proceeds of the School District CFD Bonds in accordance with the Fiscal Agent Agreement and the Escrow Agreement.

(1) Until such time as moneys have been set aside in an amount sufficient to pay all then outstanding School District CFD Bonds at maturity or to the date of redemption if redeemed prior to maturity, plus unpaid interest thereon and premium, if any, to maturity or to the date of redemption if redeemed prior to maturity, the School District will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Fiscal Agent Agreement.

The execution and delivery of this Purchase Contract by the School District shall constitute a representation to the Authority and the Underwriter that the representations and warranties contained in this Section 2 are true as of the date hereof.

Section 3. Conditions to the Obligations of the Authority.

(a) The obligation of the Authority to accept delivery of and pay for the School District CFD Bonds on the Closing Date shall be subject, at the option of the Authority, to the sale of the Authority Bonds, to the accuracy in all material respects of the representations and warranties on the part of the School District contained herein, to the accuracy in all material respects of the statements of the officers and other officials of the School District made in any certificates or other documents furnished pursuant to the provisions hereof or pursuant to the Authority Purchase Agreement, and to the performance by the School District of its obligations to be performed hereunder and the conditions precedent to be performed by the School District, if any, under the Authority Purchase Agreement at or prior to the Closing Date. The obligations of the Authority shall be further subject to the satisfaction of the conditions contained in Section 9 of the Authority Purchase Agreement, and such conditions are incorporated herein and made a part hereof.

(b) If the School District or the Authority shall be unable to satisfy the conditions to the obligations of the Authority to purchase, accept delivery of and pay for the School District CFD Bonds contained in this Purchase Contract, or if the obligations of the Authority to purchase, accept delivery of and pay for the School District CFD Bonds shall be terminated for any reason permitted by this Purchase Contract, this Purchase Contract shall terminate and neither the Authority nor the School District shall be under any further obligation hereunder, except that the respective obligations of the School District and the Authority set forth in Section 4 hereof shall continue in full force and effect.

Section 4. Expenses. Whether or not the Authority accepts delivery of and pays for the School District CFD Bonds as set forth herein, it shall be under no obligation to pay, and the School District shall pay or cause to be paid out of the proceeds of the School District CFD Bonds or funds of the School District CFD, all expenses incidental to the performance of the School District's obligations hereunder and a pro rata share of the costs of issuance of the Authority Bonds, including but not limited to the cost of printing and delivering the School District CFD Bonds to the Authority, Underwriter's discount relating to the sale of the Authority Bonds, the fees and disbursements of the Authority, Bond Counsel, special tax consultants and any other experts or consultants retained by the School District in connection with the issuance and sale of the School District CFD Bonds.

Section 5. Undertakings of the School District. The School District agrees to make available to the Authority, at the expense of the School District, sufficient copies of its audited financial statements, if any, resolutions of the School Board with respect to the School District CFD Bonds, the Fiscal Agent Agreement, any amendments or supplements thereto, and other documents relating to the School District CFD Bonds and pertaining to the School District, to the extent that such documents are publicly available, as may be reasonably required from time to time for the prompt and efficient performance by the Authority of its obligations hereunder and under the Authority Purchase Agreement (except any portion of any such document which, by contract, is not subject to disclosure).

Section 6. Notices. Any notice or other communication to be given to the School District under this Purchase Contract may be given by delivering the same in writing to the Brea Olinda Unified School District, 1 Civic Center, Level 2, Brea, California 92821, Attention: Superintendent; any notice or other communication to be given to the Authority under this Purchase Contract may be given by delivering the same in writing to the Brea Public Financing Authority, 1 Civic Center, Brea, California 92821, Attention: Executive Director; any notice or other communication to be given to the Underwriter under this Purchase Contract may be given by delivering the same in writing to Stifel, Nicolaus & Company Incorporated, One Montgomery Street, 35th Floor, San Francisco, CA 94104, Attention: Jim Cervantes.

Section 7. Third Party Beneficiary. Inasmuch as the Underwriter is purchasing the Authority Bonds from the Authority and will underwrite and market the Authority Bonds to investors through a public offering, thereby enabling the issuance and sale of the Authority Bonds and the School District CFD Bonds and the refunding of the Prior School District CFD Bonds, the Underwriter is a third party beneficiary of this Purchase Contract, and may enforce the same in all respects in the same manner and to the same extent as it may be enforced by the Authority.

Section 8. Parties in Interest. This Purchase Contract is made solely for the benefit of the School District, the Authority and the Underwriter (including any successors or assignees of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof.

Section 9. Survival of Representations and Warranties. The representations and warranties of the School District shall not be deemed to have been discharged, satisfied or otherwise rendered void by reason of the Closing and regardless of any investigations made by or on behalf of the Authority or the Underwriter (or statements as to the results of such

investigations) concerning such representations and statements of the School District and regardless of delivery of and payment for the School District CFD Bonds.

Section 10. Limited Obligation of School District. The parties hereby acknowledge that the School District is entering into this Purchase Contract and the Authority Purchase Agreement for and on behalf of the School District CFD, and the School District has no liability hereunder or under the Authority Purchase Agreement except from moneys and assets of the School District CFD, anything to the contrary herein or in the Authority Purchase Agreement notwithstanding.

Section 11. Execution in Counterparts. This Purchase Contract may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

Section 12. No Prior Agreements. This Purchase Contract supersedes and replaces all prior negotiations, agreements and understandings among the parties hereto in relation to the sale of School District CFD Bonds by the School District.

Section 13. Effective Date. This Purchase Contract shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the School District and shall be valid and enforceable as of the time of such acceptance.

Section 14. Governing Law. The validity, interpretation and performance of this Purchase Contract shall be governed by the laws of the State of California.

Very truly yours,

BREA PUBLIC FINANCING AUTHORITY

By: _____
Chair

Accepted:

BREA OLINDA UNIFIED SCHOOL
DISTRICT, for and on behalf of Brea Olinda
Unified School District Community
Facilities District No. 95-1 (Olinda Heights)

By: _____
Superintendent

EXHIBIT A
(School District CFD Bond Purchase Contract)

Maturity Schedule

The School District CFD Bonds shall mature and become payable on September 1 of each year as follows:

<u>Maturity Date</u> <u>(September 1)</u>	<u>Principal</u>	<u>Interest Rate</u>
--	------------------	----------------------

NEW ISSUE – BOOK ENTRY ONLY

Insured Rating: S&P: “_____”

Underlying, uninsured rating: S&P: “_____”

(See “CONCLUDING INFORMATION – Ratings.”)

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

\$6,915,000*

**BREA PUBLIC FINANCING AUTHORITY
LOCAL AGENCY REVENUE REFUNDING BONDS,
SERIES 2019
(ORANGE COUNTY, CALIFORNIA)**

Dated: Date of Delivery

Due: September 1, as shown on the inside front cover

The Brea Public Financing Authority (the “Authority”) will issue its Local Agency Revenue Refunding Bonds, Series 2019 (the “Bonds”) under an Indenture of Trust, dated as of August 1, 2019 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as Trustee. Proceeds of the Bonds will be used to acquire two series of bonds: (i) \$2,620,000* aggregate principal amount 2019 Special Tax Refunding Bonds (the “City CFD Bonds”) to be issued by the City of Brea (the “City”) for the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) (the “City CFD”), and (ii) \$4,295,000* aggregate principal amount 2019 Special Tax Refunding Bonds (the “School District CFD Bonds” and, together with the City CFD Bonds, the “Local Obligations”) to be issued by the Brea Olinda Unified School District (the “School District”) for the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) (the “School District CFD,” and together with the City CFD, the “CFDs”).

The City CFD Bonds will be issued under a Fiscal Agent Agreement, dated as of August 1, 2019 (the “City CFD FA Agreement”), by and between the City, acting for and on behalf of the City CFD, and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent. Proceeds from the sale of City CFD Bonds will be used to: (i) effect a refunding of certain special tax bonds previously issued by the City for the City CFD, (ii) purchase a debt service reserve insurance policy to be credited to a reserve fund maintained under the City CFD FA Agreement, and (iii) pay a portion of costs of issuance relating to the transaction.

The School District CFD Bonds will be issued under a Fiscal Agent Agreement, dated as of August 1, 2019 (the “School District CFD FA Agreement” and, together with the City CFD FA Agreement, the “Fiscal Agent Agreements”), by and between the School District, acting for and on behalf of the School District CFD, and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent. Proceeds from the sale of School District CFD Bonds will be used to: (i) effect a refunding of certain special tax bonds previously issued by the School District for the School District CFD, (ii) purchase a debt service reserve insurance policy to be credited to a reserve fund maintained under the School District CFD FA Agreement, and (iii) pay a portion of the costs of issuance relating to the transaction.

The Bonds will be payable from and secured by Revenues, consisting primarily of payments (including principal, interest and any redemption premium) on the Local Obligations received by the Trustee. Each CFD’s Local Obligations will be payable from and secured by Special Tax Revenues of such CFD. Special Tax Revenues, with respect to each CFD, consist primarily of special taxes levied on the property in such CFD, in accordance with such CFD’s rate and method of apportionment of special tax. The two CFDs are located in the City and have substantially overlapping boundaries. Except as described herein, the same parcels of property are subject to the special taxes levied by both CFDs.

The Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the dated date of the Official Statement in its final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

depository of the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in integral multiples of \$5,000 principal amount. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal of and interest on the Bonds will be paid directly to DTC by the Trustee. Principal of the Bonds will be payable on the maturity dates set forth on the inside cover of this Official Statement. Interest on the Bonds will be payable on March 1 and September 1 of each year, commencing March 1, 2020. Upon its receipt of payment of principal and interest, DTC in turn will be obligated to remit such principal and interest to DTC participants for subsequent disbursement to the beneficial owners of the Bonds.

The Bonds are subject to optional redemption, mandatory sinking payment redemption and extraordinary redemption prior to their stated maturities as described in this Official Statement.*

THE BONDS WILL BE LIMITED OBLIGATIONS OF THE AUTHORITY SECURED BY A PLEDGE OF AND PAYABLE SOLELY FROM REVENUES AND MONEYS IN CERTAIN ACCOUNTS PLEDGED FOR SUCH PURPOSE IN THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE CITY, THE SCHOOL DISTRICT OR THE STATE OR ANY POLITICAL SUBDIVISION THEREOF WILL BE PLEDGED TO THE PAYMENT OF THE BONDS. THE AUTHORITY HAS NO TAXING POWER. LOCAL OBLIGATIONS OF EACH CFD WILL BE LIMITED OBLIGATIONS SECURED BY AND PAYABLE SOLELY FROM SPECIAL TAX REVENUES OF SUCH CFD AND MONEYS IN CERTAIN ACCOUNTS PLEDGED UNDER THE RELATED FISCAL AGENT AGREEMENT. NEITHER THE BONDS NOR THE LOCAL OBLIGATIONS WILL CONSTITUTE AN INDEBTEDNESS OF THE AUTHORITY, THE CITY, THE SCHOOL DISTRICT, THE STATE OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMITATION OR RESTRICTION.

The scheduled payment of principal of and interest on the Bonds, when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by _____. See "BOND INSURANCE" in this Official Statement.

[BOND INSURER LOGO]

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

The Bonds will be offered when, as and if issued, subject to the approval as to their legality by Quint & Thimmig LLP, Larkspur, California, Bond Counsel. Certain legal matters will be passed on for the Authority, the City and the City CFD by Richards, Watson & Gershon, A Professional Corporation, as Authority Counsel, City Attorney and Disclosure Counsel. Certain legal matters will be passed on for the School District and the School District CFD by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Special Counsel to the School District and for the Underwriter by its counsel, Kutak Rock LLP. It is anticipated that the Bonds will be available for delivery in book-entry form through the facilities of DTC on or about _____, 2019.

STIFEL

Dated: _____, 2019

\$6,915,000*
BREA PUBLIC FINANCING AUTHORITY
LOCAL AGENCY REVENUE REFUNDING BONDS,
SERIES 2019

MATURITY SCHEDULE
\$ _____ Serial Bonds

Maturity Date (September 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP[†] (Base:)
--	-----------------------------------	--------------------------------	--------------	--------------	---

\$ _____ % Term Bonds due September 1, 20__, Yield _____%, Price: _____; CUSIP[†]: _____
\$ _____ % Term Bonds due September 1, 20__, Yield _____%, Price: _____; CUSIP[†]: _____

* Preliminary; subject to change.

† CUSIP is a registered trademark of the American Bankers Association. CUSIP data in this Official Statement is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. CUSIP alphanumeric designations ("CUSIP Numbers") are assigned by an independent company not affiliated with the City or the Underwriter. CUSIP © 2019 CUSIP Global Services. All rights reserved. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP Numbers are provided for convenience of reference only. None of the Authority, the City, the School District nor the Underwriter take any responsibility for the accuracy of such numbers. The CUSIP Number for any particular maturity is subject to change after delivery of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors applicable to all or a portion of the Bonds.

**BREA PUBLIC FINANCING AUTHORITY
ORANGE COUNTY, CALIFORNIA**

Board of Directors

Christine Marick, *Chair*
Marty Simonoff, *Vice Chair*
Cecilia Hupp, *Member*
Glenn Parker, *Member*
Steven Vargas, *Member*

CITY OF BREA

City Council

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

Elected City Official

Richard J. Rios, *City Treasurer*

City Officials and Staff

William Gallardo, *City Manager*
Lillian Harris-Neal, *City Clerk*
Cynthia Russell, *Administrative Services Director*
Lee Squire, *Financial Services Manager*
Faith Madrazo, *Revenue and Budget Manager*

**BREA OLINDA
UNIFIED SCHOOL DISTRICT**

Board of Education

Gail Lyons, *President*
Paul Ruiz, *Vice President*
Nicole Colon, *Clerk*
Carrie Flanders, *Member*
Keri Kropke, *Member*

School District Officials and Staff

Brad Mason, Ed.D., *Superintendent*
Richard Champion., *Assistant Superintendent of
Business Service* (starting August 1, 2019)
Christie Hopkins, *Financial Supervisor*

SPECIAL SERVICES

Bond Counsel

Quint & Thimmig LLP
Larkspur, California

Disclosure Counsel

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

Municipal Advisor

Fieldman Rolapp & Associates, Inc.
Irvine, California

Trustee, Fiscal Agent and Escrow Agent

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

Special Tax Consultant

Willdan Financial Services
Temecula, California

Verification Agent

Causey Demgen & Moore Inc.
Denver, Colorado

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

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

Estimates and Forecasts. Certain statements included or incorporated by reference in this Official Statement and in any continuing disclosure by the City, any press release and in any oral statement made with the approval of an authorized officer of the City or any other entity described or referenced in this Official Statement, constitute “forward-looking statements.” Such statements are generally identifiable by the terminology used such as “plan,” “expect,” “anticipate,” “estimate,” “budget” or other similar words and include, but are not limited to, statements under the caption “COMMUNITY FACILITIES DISTRICTS.” The achievement of certain results or other expectations contained in such forward-looking statements involves known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. While each of the City and the School District has undertaken to provide certain on-going financial and other data pursuant to a continuing disclosure certificate (see “CONCLUDING INFORMATION – Continuing Disclosure” and APPENDIX E), none of the Authority, the City or the School District does not plan to issue any updates or revisions to those forward-looking statements if or when there are changes to their expectations or events, conditions or circumstances on which such statements are based.

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

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

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

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

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

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

[insert area map]

[insert aerial map]

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\$6,915,000*
BREA PUBLIC FINANCING AUTHORITY
LOCAL AGENCY REVENUE REFUNDING BONDS,
SERIES 2019

INTRODUCTION

This introduction does not purport to be complete, and reference is made to the body of this Official Statement, appendices hereto and the documents referred to herein for more complete information with respect to matters concerning the Bonds. Potential investors are encouraged to read the entire Official Statement. Capitalized terms used and not defined in this Introduction shall have the meanings assigned to them elsewhere in this Official Statement.

General

This Official Statement, including the cover page, the inside cover and appendices, is provided to furnish information in connection with the sale by the Brea Public Financing Authority (the “Authority”) of its \$6,915,000* aggregate principal amount Local Agency Revenue Refunding Bonds, Series 2019 (the “Bonds”). The Bonds are being issued pursuant to the provisions of the Marks-Roos Local Bond Pooling Act of 1985 (found in Article 4 of Chapter 5 of Division 7 of Title 1 of the California Government Code), and an Indenture of Trust, dated as of August 1, 2019 (the “Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as the trustee (the “Trustee”). Proceeds of the Bonds will be used to acquire two series of bonds (collectively, the “Local Obligations”):

- (i) \$2,620,000* aggregate principal amount 2019 Special Tax Refunding Bonds (the “City CFD Bonds”) to be issued by the City of Brea (the “City”) for the City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) (the “City CFD”), and
- (ii) \$4,295,000* aggregate principal amount 2019 Special Tax Refunding Bonds (the “School District CFD Bonds”) to be issued by the Brea Olinda Unified School District (the “School District”) for the Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights) (the “School District CFD,” and together with the City CFD, the “CFDs”).

The City CFD Bonds will be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, found in Articles 1 through 6, Chapter 2.5, Division 2, Title 5 of the California Government Code (the “Mello-Roos Act”), and a Fiscal Agent Agreement, dated as of August 1, 2019 (the “City CFD FA Agreement”), by and between the City, acting for and on behalf of the City CFD, and The Bank of New York Mellon Trust Company, N.A., as Fiscal Agent (the “Fiscal Agent”). Proceeds from the sale of the City CFD Bonds will be used to (i) effect a refunding of certain special tax bonds previously issued by the City for the City CFD (the “Prior City CFD Bonds”), (ii) purchase a debt service reserve insurance policy (the “City CFD Reserve

* Preliminary; subject to change

Policy”) to be credited to a reserve fund maintained under the City CFD FA Agreement (the “City CFD Reserve Fund”), and (iii) pay a portion of costs of issuance relating to the transaction.

The School District CFD Bonds will be issued pursuant to the Mello-Roos Act and a Fiscal Agent Agreement, dated as of August 1, 2019 (the “School District CFD FA Agreement” and together with the City CFD FA Agreement, the “Fiscal Agent Agreements”), by and between the School District, acting for and on behalf of the School District CFD, and the Fiscal Agent. Proceeds from the sale of the School District CFD Bonds will be used to: (i) effect a refunding of certain special tax bonds previously issued by the School District for the School District CFD (the “Prior School District CFD Bonds,” and together with the Prior City CFD Bonds, the “Prior CFD Bonds”), (ii) purchase a debt service reserve insurance policy (the “School District CFD Reserve Policy,” and together with the School District CFD Reserve Policy, the “Reserve Policies”) to be credited to a reserve fund maintained under the City CFD FA Agreement (the “School District CFD Reserve Fund,” and together with the City CFD Reserve Fund, the “Reserve Funds”), for the School District CFD Bonds, and (iii) pay a portion of the costs of issuance relating to the transaction.

Interest on the Bonds will be payable on March 1 and September 1 of each year, commencing March 1, 2020. The Bonds will mature in the amounts and on the dates and bear interest at rates shown on the inside cover of this Official Statement. The Bonds will be issued in fully registered book-entry form only and, when issued and delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (“DTC”). DTC will act as the depository for the Bonds and all payments due on the Bonds will be made to Cede & Co. Ownership interests in the Bonds may be purchased only in book-entry form. *So long as the Bonds are registered in the name of Cede & Co., or any other nominee of DTC, references in this Official Statement to the Owners of the Bonds shall mean Cede & Co. or such other nominee of DTC, and shall not mean the beneficial owners of the Bonds.*

See “BONDS – Book-Entry Only System” and “APPENDIX G – DTC’S BOOK-ENTRY ONLY SYSTEM.”

Bond Insurance

The scheduled payment of principal of and interest on the Bonds, when due will be guaranteed under an insurance policy (the “Bond Insurance Policy”) to be issued concurrently with the delivery of the Bonds by _____ (the “Bond Insurer”). See “BOND INSURANCE” and “APPENDIX H – SPECIMEN BOND INSURANCE POLICY.”

City of Brea

The City encompasses approximately 11.2 square miles and is located at the northern end of Orange County, California (the “County”), just south of the Los Angeles County line. The City’s population was 45,606 as of January 1, 2019, according to State of California Department of Finance estimates. See “APPENDIX A – GENERAL INFORMATION REGARDING CITY OF BREA.”

Community Facilities Districts

The CFDs generally encompass a 276-acre master planned residential community in the northeastern part of the City, known as Olinda Ranch. Residential development at Olinda Ranch began in 1998. Olinda Ranch is now fully developed with single family homes, ranging from 1,050 to 4,267 square feet on lots ranging from 2,370 to 15,601 square feet.

In fiscal year 2018-19, the City CFD and the School District CFD levied special taxes on 639 of the same parcels in Olinda Ranch. In addition, the City CFD special tax was levied on 19 parcels on which there were no School District CFD special tax levy. Based on information from the County, the total fiscal year 2018-19 secured assessed value for the 639 parcels subject to the levy of both of the City CFD and the School District CFD was \$446,196,695. The total 2018-19 secured assessed value for the 19 parcels subject to the City CFD special tax levy only was \$17,953,079. See “COMMUNITY FACILITIES DISTRICTS – Olinda Ranch Overview.”

The City CFD was formed in 1997. The City Council of the City adopted a resolution of intention on October 21, 1997 to establish the City CFD. In a special election held on December 16, 1997, the then sole qualified voter with respect to the City CFD approved the levy of special taxes pursuant to the rate and method of apportionment of special tax for the City CFD (the “City CFD RMA”) and authorized the City to issue bonds for and on behalf of the City CFD in the maximum aggregate principal amount of \$7,000,000. The text of the City CFD RMA is reprinted in Appendix B. Because the City has previously issued bonds (not including refunding bonds) for and on behalf of the City CFD in the aggregate principal amount of \$7,000,000, the existing voter authorization does not permit the City CFD to incur additional bonds, except for refunding purposes.

The School District CFD was also formed in 1997. The Board of Education (the “School Board”) of the School District adopted a resolution of intention on July 7, 1997 to establish the School District CFD. In a special election held on October 20, 1997, the then only two qualified voters with respect to the School District CFD approved the levy of special taxes pursuant to a rate and method of apportionment of special tax for the School District CFD (the “Original School District CFD RMA”) and authorized the School District to issue bonds for and on behalf of the School District CFD in the maximum aggregate principal amount of \$10,000,000 (“School District CFD Bond Authorization”). Subsequently, the Original School District CFD RMA was superseded by an amended and restated rate and method of apportionment of special tax (the “School District CFD RMA” and together with the City CFD RMA, the “Rates and Methods”; each being a “Rate and Method”), which was approved by the then qualified voters of the School District CFD in a special election held on October 2, 2000, without any change to the School District CFD Bond Authorization. Under the existing School District CFD Bond Authorization, because of prior bond issuances, any incurrence of additional School District CFD bonds is limited to a maximum principal amount of up to \$1,035,000, except for refunding purposes. See “SECURITY FOR BONDS – Issuance of Parity School District CFD Bonds.”

Security for Bonds

The Bonds will be limited obligations of the Authority as described in this Official Statement. The Local Obligations of each CFD will be limited obligations of such CFD as described in this Official Statement. Neither the faith and credit nor the taxing power of the City, the School District or the State or any political subdivision thereof will be pledged to the payment of the Bonds. The Authority has no taxing power.

Sources of Payment.

The Bonds will be secured by a pledge of and payable solely from Revenues, which primarily consist of amounts payable by the CFDs as principal of, and interest and redemption premium (if any) on, the Local Obligations and moneys in certain accounts held under the Indenture.

The Local Obligations of each CFD will be secured by a pledge of and payable solely from Special Tax Revenues of such CFD, consisting primarily of the Special Taxes levied and collected by such CFD, and amounts in certain accounts maintained under the related Fiscal Agent Agreement. Special Tax Revenues of the City CFD consist primarily of special taxes (the “City CFD Special Taxes”) levied on property in the City CFD, in accordance with the City CFD RMA. Special Tax Revenues of the School District CFD consist primarily of special taxes (the “School District CFD Special Taxes,” and together with the City CFD Special Taxes, the “Special Taxes”) levied on property in the School District CFD, in accordance with the School District CFD RMA.

Pursuant to each Fiscal Agent Agreement, all Special Taxes Revenues received by each CFD will be deposited in a Special Tax Fund. Moneys in a CFD’s Special Tax Fund will be used and disbursed in accordance with the provisions of the applicable Fiscal Agent Agreement.

Pursuant to the Indenture, the Authority will assign to the Trustee, for the benefit of the Owners of the Bonds, all of the Revenues and all of the Authority’s right, title and interest in the Local Obligations. All Revenues received by the Trustee (as the Authority’s assignee) from the CFDs as payment on the Local Obligations will be deposited in the Revenue Fund. At the times prescribed by the Indenture, the Trustee will transfer money from the Revenue Fund to the Interest Account and the Principal Account to pay interest on, principal of, and premium (if any) on the Bonds when due. Excess Revenues remaining in the Revenue Fund, if any, after the required transfers to the Interest Account and the Principal Account are deposited in the Surplus Fund. Moneys in the Surplus Fund are not pledged to pay the Bonds and will be disbursed by the Trustee to the City and the School District pursuant to the Indenture.

See “SECURITY FOR BONDS” and “APPENDIX D – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

Reserve Funds.

A Reserve Fund will be established under each Fiscal Agent Agreement. The initial Reserve Requirement (defined below, see “SECURITY FOR BONDS – Reserve Funds”) for the City CFD Bonds will be \$_____. Concurrently with the issuance of the Bonds, the Bond Insurer will issue the City CFD Reserve Policy, in the face amount equal to such Reserve Requirement, respectively to be credited to the City CFD Reserve Fund. The initial Reserve Requirement for the School District CFD Bonds will be \$_____. Concurrently with the issuance of the Bonds, the Bond Insurer will issue the School District CFD Reserve Policy, in the face amount equal to such Reserve Requirement, respectively to be credited to the School District CFD Reserve Fund.

On any Interest Payment Date, if the amount in the Bond Fund established under a CFD’s Fiscal Agent Agreement is not sufficient to pay principal, interest or redemption premium (if any) with respect to such CFD’s Local Obligations when due, the Fiscal Agent will disburse money from such CFD’s Reserve Fund to make up for the deficiency, to the extent available. ***Moneys in a CFD’s Reserve Fund are available only to make up a deficiency with respect to the payment of such CFD’s Local Obligations and are not available to make up any deficiency with respect to the other CFD’s Local Obligations.***

See “SECURITY FOR BONDS – Reserve Funds” and “APPENDIX D – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS.”

Rates and Methods; Levy of Special Taxes. The CFDs levy Special Taxes each fiscal year in accordance with the applicable Rate and Method. Generally, the Special Taxes are collected in the same manner and at the same time as the *ad valorem* property taxes.

The City CFD Special Taxes include annual Special Taxes levied on taxable property in the City CFD. Subject to the limitations set forth in the City CFD RMA, the City CFD is authorized to levy City CFD Special Taxes each fiscal year in an amount equal to the Special Tax Liability. The Special Tax Liability, as calculated pursuant to the City CFD RMA, includes, among other items, an amount sufficient to pay interest and principal scheduled to become due on bonds issued by the City for the City CFD, to replenish the reserve fund, if necessary, for such bonds, and to pay Administrative Expenses (each, as defined in the City CFD RMA).

The School District CFD Special Taxes include annual Special Taxes levied on taxable property in the School District CFD. Subject to the limitations set forth in the School District CFD RMA, the School District CFD is authorized to levy School District CFD Special Taxes each fiscal year in an amount equal to the Special Tax Requirement. The Special Tax Requirement, as calculated pursuant to the School District CFD RMA, includes, among other items, an amount sufficient to pay interest and principal scheduled to become due on bonds issued by the School District for the School District CFD, to replenish the reserve fund, if necessary, for such bonds, and to pay Administrative Expenses (each, as defined in the School District CFD RMA).

The amount of the Special Taxes which may be levied by a CFD each year is limited by the maximum rates set forth in the applicable Rate and Method and by the Mello-Roos Act.

The Special Taxes levied by each CFD may only be applied to pay debt service on the Local Obligations of such CFD and are not cross-pledged or available to pay debt service on the Local Obligations of the other CFD.

See “SECURITY FOR BONDS – Payment of Local Obligations,” “– Special Taxes” and “– Rates and Methods,” “APPENDIX B – CITY CFD RATE AND METHOD” and “APPENDIX C – SCHOOL DISTRICT CFD RATE AND METHOD.”

Professionals Involved in the Offering

The Bank of New York Mellon Trust Company, N.A., will act as Trustee with respect to the Bonds, as Fiscal Agent with respect to the Local Obligations, and as Escrow Agent with respect to the Prior Bonds. Willdan Financial Services, Temecula, California, has acted as Special Tax Consultant to the CFDs with respect to the financing. Fieldman Rolapp & Associates, Inc., Irvine, California, has acted as Municipal Advisor to the City and the School District with respect to the issuance of the Bonds. The legality of the proceedings in connection with the issuance of the Bonds and the Local Obligations are subject to the approval of Quint & Thimmig LLP, Larkspur, California, Bond Counsel. Certain legal matters will be passed on for the Authority, the City and the City CFD by Richards, Watson & Gershon, A Professional Corporation, as City Attorney, Authority Counsel and Disclosure Counsel, and for the School District and the School District CFD by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Special Counsel to the School District. Kutak Rock LLP has served as counsel to Stifel, Nicolaus & Company, Incorporated, the Underwriter, in connection with the Bonds.

Other Information

This Official Statement contains descriptions of the Bonds, the Indenture, the Fiscal Agent Agreements, the Rates and Methods, and various other agreements and documents. The descriptions and summaries of documents in this Official Statement do not purport to be comprehensive or definitive, and reference is made to each such document for the complete details of all terms and conditions. All statements in this Official Statement are qualified in their entirety by reference to each such document and, with respect to certain rights and remedies, to laws and principles of equity relating to or affecting creditors’ rights generally. Unless clearly otherwise indicated, capitalized terms which are not defined in this Official Statement have the meanings set forth in the Indenture. Copies of the Indenture and the Fiscal Agent Agreements are available for inspection during business hours at the corporate trust office of the Trustee in Los Angeles, California.

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

Unless otherwise expressly noted, all references to internet websites in this Official Statement are shown for reference and convenience only, and none of their content is incorporated in this Official Statement by reference. The information contained within such websites has not

been reviewed by the Authority, the City or the School District, and none of them makes any representation regarding the information therein.

PLAN OF REFUNDING

Refunding of Prior Bonds

Prior Authority Bonds and Prior CFD Bonds

In 2005, the Authority issued its \$15,405,000 (original principal amount) Local Agency Revenue Bonds (Community Facilities Districts Refinancing), 2005 Series A (the “Prior Authority Bonds”), of which \$9,355,000 remains outstanding as of July 1, 2019. Pursuant to the indenture for the Prior Authority Bonds (the “Prior Indenture”) and the fiscal agent agreements for the Prior CFD Bonds (the “Prior FA Agreements”), the proceeds from the sale of the Prior Authority Bonds were used by the Authority to acquire the Prior CFD Bonds. Since their issuance, debt service on the Prior Authority Bonds has been paid using: (i) payments made by the City on behalf of the City CFD for the Prior City CFD Bonds and (ii) payments made by the School District on behalf of the School District CFD for the Prior School District Bonds.

The Prior City CFD Bonds were issued to refund bonds previously issued by the City CFD to finance public improvements including road improvements, public parks, storm drains, water and sewer improvements, oil field accommodation and remediation (see “BONDOWNERS’ RISKS – Hazardous Substances”) and other improvements within or in the vicinity of Olinda Ranch. The Prior School District bonds were issued to finance and refinance school facilities and improvements.

Refunding Escrow

Pursuant to the Indenture, a portion of the proceeds from sale of the Bonds will be used to acquire the City CFD Bonds and the School District CFD Bonds. Pursuant to the Escrow Agreement (the “Escrow Agreement”), by and among the Authority, the City, the School District and The Bank of New York Mellon Trust Company, N.A., in its capacities as trustee, fiscal agent and escrow agent (the “Escrow Agent”), a portion of the proceeds of the City CFD Bonds and a portion of the proceeds of the School District CFD Bonds, together with certain moneys from funds and accounts maintained for the Prior CFD Bonds, will be deposited into an escrow fund (the “Refunding Fund”) to be maintained by the Escrow Agent.

Such deposits into the Refunding Fund, together, will be in an amount sufficient to allow the Escrow Agent to: (i) make the scheduled payments of principal and interest due on the Prior Authority Bonds to and including September 1, 2019 (the “Redemption Date”), and (ii) pay the redemption price to redeem all other remaining Prior Authority Bonds. (Because September 1, 2019 is a Sunday and September 2, 2019 is a bank holiday, payment of such debt service and Redemption Price will be made on the immediately succeeding business day, being September 3, 2019.) As the result of the deposits and application of funds pursuant to the Escrow Agreement, the Prior Authority Bonds, the Prior City CFD Bonds and the Prior School District CFD Bonds will be deemed paid and defeased as of the date of issuance of the Bonds, and will no longer be secured by the pledge of revenues pursuant to the Prior Indenture or the Prior FA Agreements.

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

Sources and Uses of Funds

The following tables show the estimated sources and uses of the proceeds from the sale of the Bonds and each series of Local Obligations:

Bonds

Sources:

Par amount	\$6,915,000*
[Less/Plus]: Original issue [discount/premium]	
Less: Underwriter’s discount	
Total Sources	<hr/>

Uses:

Purchase of City CFD Bonds	(1)
Purchase of School District CFD Bonds	(1)
Total Uses	<hr/>

- (1) Equal to the aggregate principal amount of such series of Local Obligations, less an allocable portion of the original issue discount and underwriter’s discount.

* Preliminary; subject to change.

Local Obligations

Sources:	City CFD Bonds	School District CFD Bonds
Par amount	\$2,620,000*	\$4,295,000*
Less: Original issue discount		
Less: Initial purchaser's discount		
Plus: Transfers from Prior Bonds funds ⁽¹⁾		
Total Sources		
Uses:		
Refunding Fund ⁽²⁾		
Costs of Issuance ⁽³⁾		
Total Uses		

- (1) Includes moneys released from debt service reserve funds and Special Tax Funds.
- (2) Fund established under the Escrow Agreement. See "Refunding of Prior Bonds – *Refunding Escrow*."
- (3) Include the premium for the related Reserve Policy and a *pro rata* portion of the premium for the Bond Insurance Policy, fees and expenses of Bond Counsel, Disclosure Counsel, Municipal Advisor, Trustee/Fiscal Agent/Escrow Agent, Special Tax Consultant and Verification Agent, printing expenses and other costs.

BONDS

General

The Bonds will be issued in the aggregate principal amount and will mature on the dates and bear interest at the rates per annum as set forth on the inside front cover of this Official Statement. The Bonds will be issued in multiple integrals of \$5,000 principal amount and will be dated their date of delivery. Interest on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months and will be payable on March 1 and September 1 of each year, commencing March 1, 2020 (each an "Interest Payment Date"), until maturity or earlier redemption.

Interest on any Bond will be payable from the Interest Payment Date next preceding the date of authentication of that Bond, unless (i) such Bond is authenticated after a Record Date (*i.e.*, the 15th calendar day of the month preceding an Interest Payment Date) and on or before the following Interest Payment Date, in which event interest will be payable from such Interest Payment Date, or (ii) such Bond is authenticated on or before February 15, 2020, in which event interest will be payable from the issuance of the Bonds (the "Closing Date"); provided, however, that if, as of the date of authentication of any Bond, interest thereon is in default, such Bond will bear interest from the Interest Payment Date to which the interest has previously been paid or made available for payment thereon, or from the Closing Date if no interest has been paid or made available for payment.

The Bonds will be initially delivered as one fully registered certificate for each maturity (unless the Bonds of such maturity bear different interest rates, then one certificate for each interest rate among such maturity) and will be delivered by means of the book-entry system of DTC. While

* Preliminary; subject to change.

the Bonds are held in DTC's book-entry only system, all payments of principal of, interest and premium (if any) on the Bonds will be made to Cede & Co., as the registered owner of the Bonds. See "Book-Entry Only System" below and "APPENDIX G – DTC'S BOOK-ENTRY ONLY SYSTEM."

Redemption

*Optional Redemption.** The Bonds maturing on or before September 1, 20__ will not be subject to optional redemption prior to maturity. The Bonds maturing on or after September 1, 20__ may be redeemed at the option of the Authority, from any source of available funds, on any date on or after September 1, 20__, as a whole, or in part (from such maturities as are selected by the Authority, and by lot within a maturity); provided that the principal and interest on the Bonds to remain Outstanding immediately after such optional redemption will not be in excess of the remaining principal and interest payable on the Local Obligations to remain outstanding immediately after such optional redemption. In the event of an optional redemption, the Bonds will be redeemed at the following redemption prices (expressed as a percentage of the principal amount to be redeemed), together with accrued interest to the date of redemption:

Redemption Dates	Redemption Price
September 1, 20__ through and including August 31, 20__	
September 1, 20__ through and including August 31, 20__	
September 1, 20__ and any date thereafter	

Extraordinary Redemption. The Bonds are also subject to extraordinary redemption on any Interest Payment Date on or after March 1, 2020, from the proceeds of an early redemption of Local Obligations (from prepayment of Special Taxes or with respect to the School District CFD Bonds, any excess Special Tax Funds as contemplated in the School District CFD FA Agreement). Such extraordinary redemption of the Bonds may be as a whole, or in part, from such maturities as are selected by the Authority (consistent with the maturities of the respective Local Obligations being redeemed), and by lot within a maturity. In the event of an extraordinary redemption, the Bonds will be redeemed at the following redemption prices (expressed as a percentage of the principal amount to be redeemed), together with accrued interest to the date of redemption:

Redemption Dates	Redemption Price
March 1, 2020 through and including August 31, 20__	
September 1, 20__ through and including August 31, 20__	
September 1, 20__ through and including August 31, 20__	
September 1, 20__ and any date thereafter	

Mandatory Sinking Payment Redemption. The Bonds maturing on September 1, 20__ and on September 1, 20__, will be subject to mandatory sinking payment redemption in part on September 1, 20__, September 1, 20__, respectively, and on each September 1 thereafter, as set

* Preliminary; subject to change.

forth in the applicable tables below, by lot, at a redemption price equal to the principal amount thereof to be redeemed, together with accrued interest to the date fixed for redemption, without premium, from sinking payments as follows:

Bonds maturing September 1, 20__

Redemption Date <u>(September 1)</u>	Sinking <u>Payment</u>
---	---------------------------

20__*

* maturity

Bonds maturing September 1, 20__

Redemption Date <u>(September 1)</u>	Sinking <u>Payment</u>
---	---------------------------

20__*

* maturity

In the event of any prior partial redemption of the Bonds as described above under “*Optional Redemption*” or “*Extraordinary Redemption*,” the amounts in the foregoing tables will be reduced in the manner specified in the Indenture.

Notice of Redemption. Notice of redemption will be sent by the Trustee not more than 60 and not less than 30 days before any redemption date, to the respective registered Owners of any Bonds designated for redemption at their addresses appearing on the registration books maintained by the Trustee and to the Securities Depositories and the Information Services. Neither the failure to receive any notice of redemption nor any defect therein will affect the proceedings for such redemption or the cessation of the accrual of interest thereon.

In the case of an optional redemption of the Bonds as described above, the notice of redemption will state that the optional redemption is conditioned upon receipt by the Trustee of sufficient moneys to redeem the Bonds on the anticipated redemption date, and that the optional redemption will not occur if, by no later than the scheduled redemption date, sufficient moneys to redeem the Bonds have not been deposited with the Trustee. In the event that the Trustee does not receive sufficient funds by the scheduled redemption date to so optionally redeem the Bonds, the Trustee will send written notice to the Owners of the Bonds, to the Securities Depositories and to one or more of the Information Services to the effect that the optional redemption did not occur as anticipated, and the Bonds for which notice of redemption was given will remain Outstanding for all purposes of the Indenture.

Notwithstanding the foregoing, so long as the Bonds are held in book-entry form, any notice of redemption or notice described in the immediately preceding paragraph will be sent by the Trustee only to DTC as the registered Owner of the Bonds. See “Book-Entry Only System” below.

Selection of Bonds for Redemption. For purposes of the selection by the Authority of Bonds among maturities for redemption, the Bonds will be selected for redemption among maturities by the Authority on such basis that the remaining scheduled payments of principal and interest on the Local Obligations, together with other available Revenues, will be sufficient on a timely basis to pay debt service on the Bonds, as shall be demonstrated in a report of an Independent Financial Consultant filed with the Trustee. Unless otherwise provided in the Indenture, if less than all of a maturity are to be redeemed, the Trustee will select the Bonds to be redeemed from all Bonds of such maturity not previously called for redemption, by lot in any manner which the Trustee in its sole discretion will deem fair and appropriate. For purposes of such selection, all Bonds will be deemed to be comprised of separate \$5,000 authorized denominations, and such separate authorized denominations shall be treated as separate Bonds which may be separately redeemed.

Effect of Redemption. From and after the date fixed for redemption, if funds available for the payment of the principal of and interest (and premium, if any) on the Bonds so called for redemption have been duly provided, such Bonds will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon from and after the redemption date specified in the notice. All Bonds which are redeemed will be cancelled and destroyed.

Purchase in Lieu of Redemption. In lieu of redemption of Bonds as described above, amounts held by the Trustee for such redemption will, at the written request of the Authority received by the Trustee before the selection of Bonds for redemption, be applied by the Trustee to the purchase of Bonds at public or private sale as and when and at such prices (including brokerage, accrued interest and other charges) as the Authority may in its discretion direct, but not to exceed the redemption price which would be payable if such Bonds were redeemed. The aggregate principal amount of Bonds of the same maturity purchased in lieu of redemption pursuant to the Indenture will not exceed the aggregate principal amount of Bonds of such maturity which would otherwise be subject to such redemption. Any Bonds so purchased in lieu of redemption shall be treated as if such Bonds were redeemed, for all purposes of the Indenture.

Book-Entry Only System

The Bonds will be issued as one fully registered bond without coupons for each maturity of the Bonds (unless there are different interest rates within such maturity, then one certificate for each interest rate within such maturity) and, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Individual purchases of the Bonds may be made in book-entry form only, in integral multiples of \$5,000 principal amount. Purchasers will not receive certificates representing their interest in the Bonds purchased. Principal of and interest on the Bonds will be paid to the account of Cede & Co., which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the Bonds as described herein. So long as DTC’s book-entry system is in

effect with respect to the Bonds, notices to Owners of the Bonds by the City or the Fiscal Agent will be sent to DTC. Notices and communication by DTC to its participants, and then to the beneficial owners of the Bonds, will be governed by arrangements among them, subject to then effective statutory or regulatory requirements. See “APPENDIX G – DTC’S BOOK-ENTRY ONLY SYSTEM.”

In the event that such book-entry system is discontinued with respect to the Bonds, the Authority will execute and deliver replacements in the form of registered certificates and, thereafter, the Bonds will be transferable and exchangeable on the terms and conditions provided in the Indenture. In addition, the following provisions would then apply: The principal of, and redemption premium, if any, on the Bonds will be payable only upon the presentation and surrender thereof at maturity or the redemption date, as applicable, at the corporate trust office of the Trustee in Los Angeles, California, or such other location as designated by the Trustee. The interest on the Bonds will be payable to the registered Owners as shown on the registration books of the Trustee as of the related Record Date (*i.e.*, the 15th calendar day of the month preceding such Interest Payment Date), either (i) by check mailed, first class, postage prepaid, on each Interest Payment Date, or (ii) by wire transfer to an account in the continental United States of America on such Interest Payment Date upon instructions of any Owner of \$1,000,000 or more in aggregate principal amount of Bonds provided to the Trustee in writing at least five Business Days before the Record Date for such Interest Payment Date, with any such written instructions to remain in effect until rescinded in writing by the Owner submitting such instructions.

Annual Debt Service

The following table shows the annualized debt service for the Bonds, assuming no optional or extraordinary redemption prior to their respective maturity dates:

<u>Bonds Year Ending September 1</u>	<u>Principal</u>	<u>Interest</u>	<u>Annual Debt Service</u>
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
TOTAL			

BOND INSURANCE

The following information has been furnished by _____, as the Bond Insurer, for use in this Official Statement. Such information has not been independently confirmed or verified by the Authority, the City, the School District or the Underwriter. The Authority, the City, the School District and the Underwriter do not make any representation as to the accuracy or adequacy of such information or as to the absence of material adverse changes in such information subsequent to the date of this Official Statement. Reference is made to Appendix H for a specimen of the Bond Insurance Policy.

[to come]

SECURITY FOR BONDS

General

The Bonds will be secured by a pledge of and payable solely from Revenues, which are primarily made up of amounts payable by the CFDs as debt service (including interest and principal payments, and redemption premium, if any) with respect to the Local Obligations and moneys in certain accounts held under the Indenture. The Local Obligations of each CFD will be secured by a pledge of and payable solely from Special Tax Revenues of such CFD, consisting primarily of the Special Taxes levied and collected by such CFD, and moneys in certain accounts maintained under the related Fiscal Agent Agreement. Pursuant to the Indenture, the Authority will assign to the Trustee, for the benefit of the Owners of the Bonds, all of the Revenues and all of the Authority's right, title and interest in the Local Obligations. The Trustee will be entitled to and will, subject to the provisions of the Indenture, take all steps, actions and proceedings reasonably necessary in its judgment to enforce, either jointly with the Authority or separately, all of the rights of the Authority and all of the obligations of the CFDs under the Local Obligations.

The Bonds will be limited obligations of the Authority payable from and secured solely by a pledge of Revenues and moneys in certain accounts pledged for such purpose in the Indenture. Neither the faith and credit nor the taxing power of the City, the School District or the State or any political subdivision thereof will be pledged to the payment of the Bonds. The Authority has no taxing power. Local Obligations of each CFD will be limited obligations payable from and secured solely by a pledge of the Special Tax Revenues of such CFD and moneys in certain accounts pledged under the related Fiscal Agent Agreement. Neither the Bonds nor the Local Obligations will constitute an indebtedness of the Authority, the City, the School District, the State or any political subdivision thereof within the meaning of any constitutional or statutory debt limitation or restriction.

Application of Revenues under Indenture

The Trustee will establish and maintain a Revenue Fund and a Surplus Fund under the Indenture. Within the Revenue Fund, the Trustee will establish a Principal Account and an Interest Account. All Revenues constituting payments on the Local Obligations received by the Authority or the Trustee after the Closing Date will be deposited into the Revenue Fund. Amounts, once transferred in the Surplus Fund, will not be considered Revenues and will not be pledged to repay the Bonds.

Revenues, as defined under the Indenture, will include the following: (a) all payments on the Local Obligations received by the Trustee; (b) any proceeds of the Bonds originally deposited with the Trustee and all moneys deposited and held from time to time by the Trustee in the funds and accounts established under the Indenture with respect to the Bonds (other than the Costs of Issuance Fund and the Surplus Fund); and (c) investment income with respect to any moneys held by the Trustee in the funds and accounts established under Indenture with respect to the Bonds (other than investment income on moneys held in the Costs of Issuance Fund and the Surplus Fund).

On each Interest Payment Date and redemption date of the Bonds, amounts in the Revenue Fund will be deposited by the Trustee, in the following order of priority, into the accounts and funds relating to the Bonds. First, the Trustee will deposit in the Interest Account an amount necessary to increase the balance of the Interest Account to the amount of interest due on the Bonds on such Interest Payment Date or redemption date. Second, the Trustee will deposit in the Principal Account an amount necessary to increase the balance of the Principal Account to the amount of principal of, and premium, if any, of the Bonds coming due on such Interest Payment Date or redemption date.

On September 2 of each year, after the above described transfers to the Interest Account and the Principal Account have been made, all amounts remaining in the Revenue Fund will be deposited in the Surplus Fund. Amounts deposited in the Surplus Fund will be disbursed by the Trustee to the City and the School District in accordance with the Indenture.

See “SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Indenture.”

Local Obligations Generally

Pursuant to the Fiscal Agent Agreements, a CFD’s Local Obligations will be secured by a first pledge of Special Tax Revenues of such CFD. Special Tax Revenues, with respect to each CFD, include: (i) the proceeds of the Special Taxes received by such CFD, including any scheduled payments and any prepayments thereof, interest and penalties thereon and (ii) proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Taxes of such CFD to the amount of said interest, but shall not include any interest or penalties in excess of the interest due on such CFD’s Local Obligations collected in connection with any such foreclosure.

A Special Tax Fund, an Administrative Expense Fund, a Bond Fund (and a Special Tax Prepayments Account therein) and a Reserve Fund will be established under each Fiscal Agent Agreement. The Special Tax Fund and the Administrative Expense Fund will be held by the City or the School District, as applicable, for its CFD. The Fiscal Agent will maintain the Bond Fund and the Reserve Fund. The Local Obligations of a CFD will be secured by such CFD’s Special Tax Revenues, the moneys in the related Bond Fund and Reserve Fund and, until disbursed as provided in the Fiscal Agent Agreement, the CFD’s Special Tax Fund. ***Except for the Bond Fund (and the Special Tax Prepayments Account maintained within the Bond Fund), the Reserve Fund and the Special Tax Fund (but only until money therein is disbursed pursuant to the Fiscal Agent Agreement), moneys in no other fund or account established or held under a CFD’s Fiscal Agent Agreement will be pledged to the payment of such CFD’s Local Obligations.***

Scheduled principal and interest payments on the Local Obligations have been established so that the aggregate dollar amount of debt service payable by the CFDs with respect to the Local Obligations on each Interest Payment Date is equal to the amount of debt service scheduled to be paid by the Authority with respect to the Bonds on the same date. The table below shows the scheduled debt service on the Bonds and each series Local Obligations for each Bond Year.

Authority Bonds Debt Service Payments from Local Obligations Debt Service ⁽¹⁾

Bond Year Ending Sept. 1	City CFD Bonds*	School District CFD Bonds*	Local Obligations Total*	Authority Bonds*
2020	\$370,083	\$448,125	\$818,208	\$818,208
2021	369,250	448,500	817,750	817,750
2022	371,750	451,250	823,000	823,000
2023	368,500	443,250	811,750	811,750
2024	369,750	445,000	814,750	814,750
2025	365,250	446,000	811,250	811,250
2026	370,250	446,250	816,500	816,500
2027	369,250	445,750	815,000	815,000
2028	367,500	449,500	817,000	817,000
2029		297,250	297,250	297,250
2030		301,750	301,750	301,750
2031		305,500	305,500	305,500
2032		303,500	303,500	303,500
2033		301,000	301,000	301,000
2034		298,000	298,000	298,000
2035		304,500	304,500	304,500
TOTAL ⁽²⁾	\$3,321,583	\$6,135,125	\$9,456,708	\$9,456,708

* Preliminary; subject to change.

- (1) Does not take into account any optional or extraordinary redemption of the Bonds or any of the Local Obligations. Pursuant to the Indenture, proceeds derived from an optional or extraordinary redemption of the Local Obligations will be used to redeem Bonds. See “BONDS – Redemption.”
- (2) Totals may not add due to rounding.

As shown above, absent any optional redemption or extraordinary redemption prior to maturity, between the Closing Date and September 1, 2028, approximately 45 percent* of Revenues for payment of the Bonds each Bond Year will be derived from debt service on the City CFD Bonds and approximately 55* percent of Revenues will be derived from debt service on the School District CFD Bonds. The percentage of Revenues to be covered by the Local Obligations of a CFD each year may change over time, however, under certain circumstances, such as an extraordinary redemption or an optional redemption of all or some of such CFD’s Local Obligations. After September 1, 2028, 100 percent of the Revenues will be covered by debt service on the School District CFD Bonds.

Special Taxes

Each of the City and the School District will covenant in the related Fiscal Agent Agreement that its CFD will levy Special Taxes each fiscal year, subject to the maximum permitted Special Tax rates (see “Rates and Methods” below), in an amount at least sufficient to pay the following, taking into account the balances in the applicable funds held under such Fiscal Agent Agreement: (i) principal of and interest on such CFD’s outstanding Local Obligations becoming due in the ensuing year, including any past due debt service on such CFD’s Local Obligations and (ii) an amount estimated to be sufficient to pay the Administrative Expenses (as defined in each Fiscal Agent Agreement), including amounts necessary to discharge any rebate obligation to the United States pursuant to Section 148(f) of the Internal Revenue Code during such year. See “APPENDIX D – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Fiscal Agent

Agreements.” The Rates and Methods provide that the annual Special Taxes are to be collected in the same manner and at the same time interval as ordinary *ad valorem* property taxes; provided the City Council or the School Board may by resolution change the manner of collection of its CFD’s Special Taxes. Each of the City and the School District will covenant in the related Fiscal Agent Agreement that it will not consent or conduct proceedings to reduce the maximum Special Taxes that may be levied by its CFD, if such reduction would result in the maximum Special Taxes permitted to be levied by such CFD, for any fiscal year, to an amount to be less than 110 percent of Maximum Debt Service with respect to such CFD’s outstanding Local Obligations.

Each CFD will be responsible only for the payment of the Local Obligations of such CFD. The Special Taxes levied by each CFD will not be cross-pledged or available to pay debt service on the Local Obligations of the other CFD.

The Special Taxes constitute a lien on parcels subject to taxation within the CFDs (subject, however, to the qualification described under “Rates and Methods – *Qualification Regarding Lien on Delinquent Parcels*” below). ***Special Taxes do not constitute a personal indebtedness of the owners of property within the CFDs.*** There is no assurance that the owners of real property in the CFDs will be financially able to pay the Special Taxes or that they will pay such tax even if financially able to do so. See “BONDOWNERS’ RISKS” for a discussion of certain factors which may affect property owners’ ability or willingness to pay Special Taxes.

Rates and Methods

The following are summaries of the Rates and Methods, which are qualified by the complete text reprinted in “APPENDIX B – CITY CFD RATE AND METHOD” and “APPENDIX C – SCHOOL DISTRICT CFD RATE AND METHOD.” Please refer to Appendix B for definitions of capitalized terms used but not defined in the summary of the City CFD RMA below. Please refer to Appendix C for definitions of capitalized terms used but not defined in the summary of the School District CFD RMA below.

City CFD RMA. The types of Special Taxes which may be levied by the City CFD include: (a) Annual Special Taxes on each Parcel of Developed Property improved with a Dwelling Unit, (b) Annual Special Taxes on a per acre basis for Undeveloped Property, and (c) if necessary, Annual Special Taxes on a per acre basis on certain other specified categories of property as described below. (The City CFD RMA also provides for the levy of certain Mandatory Supplemental Prepayments, which are no longer applicable because of Olinda Ranch’s developed status.)

The City CFD is authorized to levy Annual Special Taxes each fiscal year in an amount necessary to meet the Special Tax Liability, subject to the maximum rates set forth in the City CFD RMA and applicable law. Special Tax Liability, as defined in the City CFD RMA, means the sum of the following for each fiscal year: (i) an amount sufficient to pay Debt Service for the calendar year which commences in such fiscal year, (ii) Administrative Expenses for such fiscal year, (iii) an amount necessary to replenish any reserve fund for the bonds issued by the City for the City CFD, (iv) an amount determined by the City Finance Director to offset past or projected future special tax delinquencies, and (v) an amount determined by the City Finance Director as

necessary to make any other payments required to be made in the applicable fiscal year by the City or the CFD under the City CFD FA Agreement and any supplements thereto.

Under the City CFD RMA, Annual Special Taxes are levied each fiscal year, first, Proportionately on each Parcel of Developed Property at the applicable maximum Annual Special Tax; provided, that such Annual Special Taxes for each Parcel are reduced if the aggregated amount to be levied on all Parcels of Developed Property at the maximum rate is greater than the Special Tax Liability. If the Annual Special Taxes levied on Developed Property are insufficient to satisfy the Special Tax Liability, then Annual Special Taxes are levied Proportionately on each Parcel of Undeveloped Property, up to the applicable maximum Annual Special Tax, to satisfy the Special Tax Liability. If the Annual Special Taxes levied on Developed Property and Undeveloped Property as described above are insufficient to satisfy the Special Tax Liability, Annual Special Taxes then are levied on, in the order set forth in the City CFD RMA, Taxable Homeowner Association Property, Taxable Religious Property and Taxable Public Property.

Because the City CFD Special Taxes levied on Developed Property have been sufficient to meet the Special Tax Liability, no City CFD Special Taxes have been levied on any Parcel of Undeveloped Property, Taxable Homeowner Association Property, Taxable Religious Property or Taxable Public Property for over fifteen years.

The Annual Special Tax obligation for any Parcel of Developed Property may be prepaid, in whole or in part, at the option of the Owner of such Parcel under the procedures and formulas set forth in the City CFD RMA. Upon such a prepayment, a portion of the City CFD Bonds will be redeemed with proceeds of such prepayment and a transfer from the applicable Reserve Fund pursuant to the related Fiscal Agent Agreement. Such a redemption of the City CFD Bonds will trigger a corresponding extraordinary redemption of the Bonds pursuant to the Indenture. See “BONDS – Redemption – *Extraordinary Redemption*.”

The City CFD RMA provides that the following are exempt from the levy of City CFD Special Taxes: (i) up to a total of 126 acres of Public Property, except as otherwise provided in certain sections of the Mello-Roos Act; (ii) up to 10 acres of Homeowner Association Property; and (iii) Lot 4 of Tract 14884 (which is an open space reserved for oil production and related facilities, see “COMMUNITY FACILITIES DISTRICTS”).

The levy of City CFD Special Taxes on each Parcel in any fiscal year is subject to the maximum rates set forth in the City CFD RMA and the Mello-Roos Act. The maximum Annual Special Tax for any Parcel of Developed Property is not permitted to exceed the Parcel’s Proportioned share of the Special Tax Liability. For this purpose, the Special Tax Liability for each fiscal year is an amount not in excess of 110 percent of Debt Service, plus Administrative Expenses, for such fiscal year. The maximum Annual Special Tax for any Parcel of Undeveloped Property, Taxable Homeowner Association Property, Taxable Religious Property and Taxable Public Property is \$20,000 per acre. The Mello-Roos Act contains provisions which may limit the City’s ability to increase the City CFD Special Taxes levied on a residential property by more than 10 percent in any given fiscal year as the result of a delinquency or default by the owner of another parcel. The Mello-Roos Act also limits the ability for the levy of City CFD Special Taxes on properties owned by governmental entities. See “BONDOWNERS’ RISKS – Exempt Property.”

School District CFD RMA. Pursuant to the School District RMA, Annual Taxes are levied on a per Dwelling Unit basis for Developed Property, on a per acre basis for Undeveloped Property, and if necessary, on a per acre basis on certain other specified categories of property as described below. The School District CFD RMA also provides for the levy of a Per-Unit Special Tax and certain Mandatory Supplemental Prepayments, which are generally no longer applicable because of the Olinda Ranch's developed and built-out status.

The School District CFD is authorized to levy Annual Special Taxes each fiscal year in order to meet the Special Tax Requirement, subject to the maximum rates set forth in the School District CFD RMA and applicable law. Special Tax Requirement, as defined in the School District CFD RMA, means an amount required in any fiscal year for the School District CFD to (i) pay Debt Service on Outstanding bonds issued by the School District for the School District CFD which is scheduled for payment in the calendar year which begins in such fiscal year, (ii) pay periodic costs on such bonds, including but not limited to, credit enhancement on such bonds, (iii) pay for any delinquencies in the payment of Annual Special Taxes levied for the prior fiscal year and any reasonably anticipated delinquent Annual Special Taxes in the current fiscal year, and (iv) pay for any Administrative Expenses.

Under the School District CFD RMA, Annual Special Taxes are levied each fiscal year, first, on each Parcel of Developed Property at the maximum Annual Special Tax applicable to such Parcel. If the Annual Special Taxes levied on Developed Property are insufficient to satisfy the Special Tax Requirement, Annual Special Taxes then are levied Proportionately on each Parcel of Undeveloped Property, up to the applicable maximum Annual Special Tax, to satisfy the Special Tax Requirement. If the Annual Special Taxes levied on Developed Property and Undeveloped Property as described above are insufficient to satisfy the Special Tax Requirement, Annual Special Taxes then are levied on, in the order set forth in the School District CFD RMA, Taxable Homeowner Association Property, Taxable Religious Property and Taxable Public Property. Because the School District CFD Special Taxes levied on Developed Property have been sufficient to meet the Special Tax Requirement, no School District CFD Special Taxes have been levied on any Parcel of Undeveloped Property, Taxable Homeowner Association Property, Taxable Religious Property or Taxable Public Property for over fifteen years.

The Annual Special Tax obligation for any Parcel of Developed Property or for a Parcel of Undeveloped Property for which a Building Permit has been issued may be prepaid, in whole or in part, at the option of the Owner of such Parcel under the procedures and formulas set forth in the School District CFD RMA. Upon such a prepayment, a portion of the School District CFD Bonds will be redeemed with proceeds of such prepayment and a transfer from the applicable Reserve Fund pursuant to the related Fiscal Agent Agreement. Such a redemption of the School District CFD Bonds will trigger a corresponding extraordinary redemption of the Bonds pursuant to the Indenture. See "BONDS – Redemption – *Extraordinary Redemption*."

The School District CFD RMA provides that the following are exempt from the levy of School District CFD Special Taxes: (i) up to a total of 170.4 acres of Public Property, except as otherwise provided in certain sections of the Mello-Roos Act; (ii) up to a total number of acres of Homeowner Association Property equal to the number of acres designated by the master tentative tract map as Homeowner Association Property; and (iii) Lot 4 of Tract 14884 (which is an open space reserved for oil production and related facilities, see "COMMUNITY FACILITIES

DISTRICTS – Olinda Ranch Overview”). In addition, there is a 7.9 acre site (the “Prior School Site”) on which the School District had originally acquired for the construction of an elementary school but was later sold to a private developer. The Prior School Site has been subdivided into 19 parcels and developed into single family homes. The School District has determined that, pursuant to the School District CFD RMA, no Annual Special Taxes are levied on these 19 parcels on the Prior School Site. (In contrast, the City CFD Annual Special Taxes are levied on these 19 parcels.)

The levy of the Annual Tax on each Parcel by the School District CFD in any fiscal year is subject to the maximum rates set forth in the School District CFD RMA and the Mello-Roos Act. The maximum Annual Special Tax for any Parcel of Developed Property varies based on the “Planning Area” in which such Parcel is located. The School District CFD RMA sets forth a dollar amount for the maximum Annual Special Tax generally applicable to a Parcel in each Planning Area as of fiscal year 2000-01 and provides that such maximum Annual Special Tax increases each fiscal year based on a construction cost index). However, pursuant to the provisions of the School District CFD RMA, the actual dollar amount of maximum Annual Special for a particular Parcel is frozen at an amount equal to the maximum Annual Special Tax in effect with respect to such Parcel for the fiscal year in which such Parcel first became classified as Developed Property. The maximum Annual Special Tax on each Parcel of Undeveloped Property, Taxable Homeowner Association Property, Taxable Religious Property and Taxable Public Property is the same throughout the School District CFD and increases each fiscal year based on the Index. The Mello-Roos Act contains provisions which may limit the School District’s ability to increase the School District CFD Special Taxes levied on a residential property by more than 10 percent in any given fiscal year as the result of a delinquency or default by the owner of another parcel. The Mello-Roos Act also limits the ability for the levy of School District CFD Special Taxes on properties owned by governmental entities. See “BONDOWNERS’ RISKS – Exempt Property.”

Qualification Regarding Lien on Delinquent Parcels. The Rates and Methods of both CFDs recognize that, in the event of there is a delinquency of Annual Tax on a Parcel, the CFD may pursue foreclosure in accordance with the Mello-Roos Act. See “Covenant to Foreclose.” However, the Rate and Methods expressly provide that no lien of Special Taxes on a Parcel shall attach to (i) oil, gas or other minerals in, under and produced from that portion of the subsurface of the Parcel located below a depth of 200 feet beneath the surface of the Parcel or (ii) the perpetual right to enter and occupy or to grant to others the right to enter and occupy, at all times that portion of the subsurface of the Parcel located below a depth of 200 feet beneath the surface of the Parcel for the purpose of exploring and drilling (including the right to whipstock or directionally drill and mine from lands other than those described in the Rates and Methods) for developing, producing and removing oil, gas and other minerals from said portion of the subsurface beneath the Parcel and other land adjacent thereto, and for the purpose of producing and removing oil, gas and other minerals from said portion of the Parcel, or (iii) portions of the surface of the Parcel that will be subject to both exclusive and joint use easements retained by Santa Fe Energy Resources, Inc. (and any of its successors) for the purpose of exploring, drilling, developing, producing, transporting and storing oil, gas and other minerals, such exclusive and joint use easements to be defined in each Final Map.

Application of Special Tax Revenues under Fiscal Agent Agreements

Except with respect to proceeds of Special Tax Prepayments or delinquency collections as provided below, as soon as practicable after receipt, all Special Tax Revenues of a CFD will be deposited in such CFD's Special Tax Fund. Proceeds of Special Tax Prepayments will be transferred to the Fiscal Agent for deposit in such CFD's Special Tax Prepayments Account. Any Special Tax Revenues constituting the collection of delinquencies in payment of Special Taxes will be transferred: *first*, to the Fiscal Agent for deposit by the Fiscal Agent in the Bond Fund to the extent needed to pay any past due debt service on the Bonds; *second*, to the Fiscal Agent (a) to the repayment of draws and payment of expenses and accrued interest on the related Reserve Policy ("Policy Costs"), if any, and (b) for the Fiscal Agent to deposit in the Reserve Fund the amount, if any, needed to restore the balance on deposit or credited to the Reserve Fund to the then Reserve Requirement; and *third*, will be retained in the Special Tax Fund.

Moneys deposited in a CFD's Special Tax Fund will be transferred to the related Bond Fund and Reserve Fund no later than the Business Day before each Interest Payment Date or the date of redemption of such CFD's Local Obligations, in the following amount and order of priority:

(i) to the Bond Fund, an amount, taking into account any amounts then on deposit in the Bond Fund and any expected transfers from the Reserve Fund (see "Reserve Funds" below) or the Special Tax Prepayments Account pursuant the Fiscal Agent Agreement, such that the amount in the Bond Fund will equal the principal, premium, if any, and interest due on the such CFD's Local Obligations on the next Interest Payment Date or redemption date, (ii) to the Fiscal Agent in respect of the Reserve Fund, an amount, (a) sufficient to pay any Policy Costs then due and owing, and (b) taking into account amounts then on deposit in or credited to the Reserve Fund, such that the balance of the Reserve Fund is restored to the Reserve Requirement, to the extent possible. Amounts in a CFD's Special Tax Fund will also be transferred from time to time to the Administrative Expense Fund as necessary to pay Administrative Expenses (as defined in the related Fiscal Agent Agreement), but any such transfers may not exceed, in any fiscal year, the amount included in the Special Tax levy for such fiscal year for Administrative Expenses.

Moneys in a CFD's Special Tax Prepayments Account will be transferred to the related Bond Fund on the next date that a redemption of such CFD's Local Obligations can timely occur under such CFD's Fiscal Agent Agreement.

With respect to the Local Obligations of each CFD, on each Interest Payment Date or redemption date, the Fiscal Agent will withdraw from the related Bond Fund and pay first, interest on, and second, principal of and any redemption premium then due on, such CFD's Local Obligations. Any payment not made in full as scheduled will continue to bear interest at the interest rate on such Local Obligations until paid, and will be paid from amounts transferred to the Bond Fund from the Special Tax Fund, promptly following any such transfer.

Reserve Funds

The Fiscal Agent will establish and maintain a Reserve Fund under each Fiscal Agent Agreement. The Reserve Requirement, with respect to each CFD's Local Obligations, means an amount equal to the least of: (i) 10 percent of the outstanding principal amount of such CFD's

Local Obligations and any additional parity bonds of such CFD issued under the related Fiscal Agent Agreement, (ii) Maximum Annual Debt Service, or (iii) 125 percent of average Annual Debt Service. On the Business Day before each Interest Payment Date, if the balance of a CFD's Reserve Fund is less than the related Reserve Requirement, an amount – after the required deposits to the Bond Fund for the purposes of paying principal, interest and premium, if any, due on such CFD's Local Obligations – will be transferred from such CFD's Special Tax Fund to the Reserve Fund, such that the balance of such Reserve Fund will be restored to the Reserve Requirement to the extent possible.

Upon their issuance, the Reserve Requirement for the City CFD Bonds will be \$_____, and the Reserve Requirement for the School District CFD Bonds will be \$_____. Each Fiscal Agent Agreement provides that the Reserve Requirement may be satisfied at any time, in whole or in part, by one or more Qualified Reserve Fund Credit Instrument that meet the criteria set forth in such Fiscal Agent Agreement. Concurrently with the issuance the Bonds, the Bond Insurer will issue: (i) the City CFD Reserve Policy, in a face amount which satisfy the related Reserve Requirement, to be credited to City CFD Reserve Fund, and (ii) the School District CFD Reserve Policy, in a face amount which satisfy the Reserve Requirement, to be credited to School District CFD Reserve Fund.

Moneys in a CFD's Reserve Fund are available only to make up a deficiency with respect to the payment of such CFD's Local Obligations and are not available to make up any deficiency resulting with respect to the other CFD's Local Obligations.

Moneys in a CFD's Reserve Fund may be used solely for the purposes permitted under the related Fiscal Agent Agreement. In the event of a deficiency at any time in the Bond Fund for the required payment of principal of, or interest or redemption premium (if any) on, such CFD's Local Obligations, the Fiscal Agent will transfer money from the Reserve Fund, to the extent available, to the Bond Fund to make up for such deficiency.

The Fiscal Agent Agreement will provide that, if there is a prepayment of such CFD's Special Taxes and such CFD's Local Obligations are to be redeemed with the proceeds of such prepayment, the Fiscal Agent will transfer a proportionate amount of the funds (not including the amount available under the Reserve Policy), if any, in the Reserve Fund (determined on the basis of the principal of such CFD's Local Obligations to be redeemed and the original principal of such CFD's Local Obligations) on the Business Day before the redemption date to the Bond Fund to be applied to the redemption of such CFD's Local Obligations. Amounts in a CFD's Reserve Fund may also be used for to make payment to the federal government for arbitrage rebate purposes in accordance with the related Fiscal Agent Agreement.

Whenever, on or before any Interest Payment Date, the balance in a CFD's Reserve Fund (without regard to the related Reserve Policy), exceeds the amount required to redeem or pay such CFD's then outstanding Local Obligations, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Fiscal Agent will transfer the amount in such CFD's Reserve Fund to the related Bond Fund to be applied, on the next succeeding Interest Payment Date to the payment and redemption, of all of such CFD's remaining outstanding Local Obligations.

Whenever, on or before any Interest Payment Date, or on any other date at the request of City or the School District (as applicable), the amount in a CFD's Reserve Fund, taking into account the amount available under the related Reserve Policy, exceeds the related Reserve Requirement, the Fiscal Agent will transfer an amount equal to the excess from the Reserve Fund to the Bond Fund to be used for the payment of interest on such CFD's Local Obligations on the next Interest Payment Date in accordance with the Fiscal Agent Agreement.

See "SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Fiscal Agent Agreements."

Covenant to Foreclose

Pursuant to the Mello-Roos Act, if the special taxes on a parcel become delinquent, a community facilities district may order the institution of a court action to foreclose the lien on such parcel. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. This foreclosure sale procedure is not mandatory. However, in the Fiscal Agent Agreements, the City and the School District will covenant that on or about September 1 of each fiscal year, upon a comparison of the Special Taxes levied by its CFD to the Special Taxes received, and subject to any constraints of the Teeter Plan (defined below, see "County Teeter Plan"):

Individual Delinquencies. If any single parcel subject to such CFD's Special Taxes is delinquent in the payment of the CFD's Special Taxes in the aggregate amount of \$2,500 or more, then a notice of delinquency (and a demand for immediate payment) will be sent to the property owner within 45 days of such determination, and (if the delinquency remains uncured), the CFD will commence foreclosure proceedings within 90 days of such determination. Notwithstanding the foregoing, such action may be deferred if the amount in the Reserve Fund is at least equal to the Reserve Requirement.

Aggregate Delinquencies. If the total amount of delinquent Special Taxes for the prior fiscal year for the entire CFD (including the total of individual delinquencies described above), exceeds five percent of the total Special Taxes levied by such CFD that are due and payable for the prior fiscal year, the CFD will notify or cause to be notified property owners who are then delinquent in the payment of such CFD's Special Taxes (and demand immediate payment) within 45 days of such determination, and will commence foreclosure proceedings within 90 days of such determination against each parcel of land with delinquency of such CFD's Special Taxes.

In the event that either the City on behalf of the City CFD or the School District on behalf of the School District CFD undertakes a foreclosure action, there could be delays in collection of the delinquent Special Tax levy pending the prosecution of foreclosure proceedings. No assurance can be given that real property subject to sale or foreclosure will be sold or, if sold, that the proceeds of sale will be sufficient to pay any delinquent Special Tax installment. Any foreclosure proceedings, once commenced, could be stayed because of bankruptcy proceedings by or against the owner of the delinquent property. See "BONDOWNERS' RISKS – Levy and Collection of Special Tax – *Foreclosure Delays; Sufficiency of Foreclosure Proceeds*," "– Depletion of Reserve Funds," "– Bankruptcy Limiting Remedies" and "– Interest of Federal Agencies or Government Sponsored Enterprises in Properties."

County Teeter Plan

The County has adopted an Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the “Teeter Plan”), pursuant to Sections 4701 through 4717 of the California Revenue and Taxation Code and has elected to include special taxes levied within community facilities districts within the Teeter Plan. Pursuant to the Teeter Plan, the County apportions to the local agencies 100 percent of the amount of the secured taxes which are levied regardless of the amount collected from property owners. The County retains all penalties and interest which are collected with delinquent taxes. Thus, so long as the Special Taxes levied on taxable property within a CFD are subject to the Teeter Plan, such CFD will receive 100 percent of the Special Taxes that such CFD levies in each fiscal year.

A CFD’s Special Taxes are allocated and distributed by the County to such CFD in installments as they are collected, beginning in November and ending in January with respect to the first installment of the Special Taxes which is due on December 10 of each year, and beginning in April and ending in May with respect to the second installment of the Special Taxes which is due on each April 10 of the following year. The CFD receives reports from the County Tax Collector regarding delinquent Special Taxes in February and May of each year. In the third week of July of each year, the CFD receives a final distribution of all delinquent Special Taxes levied for the preceding fiscal year.

Each CFD must comply with the following requirements, among others, in order to have such CFD’s Special Taxes apportioned and distributed pursuant to the Teeter Plan: (a) the CFD must participate in the County Tax Collector’s Special Tax Monitoring System; (b) the CFD may not separately collect Special Taxes before August 1 following the end of each tax year; provided that if judicial foreclosure before June 30 is required due to bond covenants or debt service payment requirements and the CFD must remove the Special Taxes from the tax bill before June 30 for separate collection, the CFD must require that the entire amount of the unpaid Special Taxes (both the first and the second installments) be removed from the tax bill; and (c) if it collects Special Taxes separately after July 31 in any tax year, it must collect penalties and interest at the correct rates (*i.e.*, 10 percent plus 1.5 percent of the principal amount per month after June 30) and forward such amounts together with the delinquent Special Taxes to the Tax Collector.

The above-mentioned restrictions on a CFDs’ separate collection of Special Taxes before August 1 following the end of each tax year could preclude the CFDs from commencing foreclosure proceedings to collect delinquent Special Taxes before that date. The CFDs’ covenants to foreclose on delinquent parcels described above under “Covenant to Foreclose” are subject to the extent permissible under the County’s Teeter Plan program and applicable law.

Once adopted, a county’s Teeter Plan will remain in effect unless (i) such county’s Board of Supervisors orders its discontinuance or (ii) before the commencement of a fiscal year a petition for discontinuance is received and joined in by resolutions of the governing bodies of not less than two-thirds of the participating districts in the county. However, if the rate of secured tax delinquency in a participating levying agency in any year exceeds three percent of the total of all taxes and assessments levied on the secured roll by that agency, such county’s Board of Supervisors, by resolution adopted not later than July 15 of the fiscal year, after a public hearing may discontinue the Teeter Plan procedure with respect to such levying agency. (As shown in

Tables 3 and 4 under “COMMUNITY FACILITIES DISTRICTS – Special Tax Levy and Delinquency History,” the delinquency rates for the Annual Special Tax levy for both CFDs in fiscal years 2014-15 through 2017-18 was less than one percent each year and, as of May 23, 2019, the delinquency rates for the Annual Special Tax levy for both CFDs in fiscal year 18-19 was less than 1.5 percent.)

See “BONDOWNERS’ RISKS – Special Levy and Collection of Special Taxes – *Teeter Plan Termination.*”

Issuance of Parity School District CFD Bonds

Pursuant to the School District CFD Bond Authorization (see “INTRODUCTION – Community Facilities Districts”), the School District CFD may incur additional bonded indebtedness up to the principal amount of \$1,035,000 under the existing voter authorization, in addition to bonds that may be issued for refunding purposes. (In contrast, without additional voter approval, the additional City CFD bonds may be issued only for refunding purposes.) In the Fiscal Agent Agreement for the School District CFD Bonds, the School District covenants that additional bonds on a parity with the School District CFD Bonds (the “Parity School District CFD Bonds”) will be issued only upon satisfaction of certain conditions precedent which include, among other things, the following:

- (a) The Supplemental Agreement providing for the issuance of such Parity School District CFD Bonds may provide for the establishment of separate funds and accounts, and will provide for a deposit to the School District CFD Reserve Fund (which may be satisfied in whole or in part by a reserve fund surety policy) in an amount necessary so that the amount on deposit therein, following the issuance of such Parity School District CFD Bonds, is equal to the Reserve Requirement;
- (b) The District Value (defined below) will be at least eight times the sum of: (i) the aggregate principal amount of all of the School District CFD Bonds and Parity School District CFD Bonds then Outstanding, plus (ii) the aggregate principal amount of the series of Parity School District CFD Bonds proposed to be issued, plus (iii) the aggregate principal amount of any fixed assessment liens on the parcels in the School District CFD subject to the levy of School District CFD Special Taxes, plus (iv) a portion of the aggregate principal amount of any and all other community facilities district bonds then outstanding and payable at least partially from special taxes to be levied on parcels of land within the School District CFD (the “Other District Bonds”) equal to the aggregate principal amount of the Other District Bonds multiplied by a fraction, the numerator of which is the amount of special taxes levied for the Other District Bonds on parcels of land within the School District CFD, and the denominator of which is the total amount of special taxes levied for the Other District Bonds on all parcels of land against which the special taxes are levied to pay the Other District Bonds (such fraction to be determined based upon the maximum special taxes which could be levied in the year in which maximum annual debt service on the Other District Bonds occurs), based upon information from the most recent available fiscal year;

- (c) The School District will obtain a certificate of a Tax Consultant to the effect that the amount of the maximum School District CFD Special Taxes that may be levied in each fiscal year, less an amount sufficient to pay annual Administrative Expenses of the School District CFD (as determined by the School District's Finance Officer), shall be at least 110 percent of the total Annual Debt Service for each such fiscal year on the School District CFD Bonds, then outstanding Parity School District CFD Bonds and the proposed Parity School District CFD Bonds.

For the purposes of paragraph (b) above, "District Value" means the market value, as of the date of the appraisal described below and/or the date of the most recent County real property tax roll, as applicable, of all parcels of real property in the School District CFD subject to the levy of the School District CFD Special Taxes, as determined with respect to any parcel or group of parcels by reference to (i) an appraisal performed within six months of the date of issuance of any proposed Parity School District CFD Bonds by an MAI appraiser (the "Appraiser") selected by the School District, or (ii), in the alternative, the assessed value of all or any of such parcels as shown on the then current County real property tax roll available to the School District's Finance Officer. In determining the District Value, the School District may rely on an appraisal to determine the value of some or all of the parcels in the School District CFD and/or the most recent County real property tax roll as to the value of some or all of the parcels in the District. Neither the School District nor its Finance Officer will be liable in respect of any appraisal provided for purposes of this definition or by reason of any exercise of discretion made by any Appraiser pursuant to this definition.

Notwithstanding the foregoing, the School District, acting for and on behalf of the School District CFD, may at any time issue additional parity bonds to refund any of its outstanding Local Obligations issued under the School District CFD FA Agreement without the need to satisfy the value-to-lien requirement or the coverage ratio requirement described above.

See "APPENDIX D – SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – Fiscal Agent Agreements" for a more complete summary of the conditions precedent to the issuance of Parity School District CFD Bonds.

No Acceleration

The Bonds will not be subject to acceleration under the Indenture and there will be no provision for acceleration of the Local Obligations under the Fiscal Agent Agreements.

Sale of Local Obligations

The Authority may cause the Trustee to sell, from time to time, all or a portion of an issue of the Local Obligations owned by the Authority, provided that the Authority delivers to the Trustee: (i) a certificate of an Independent Accountant to the effect that, following the sale of such Local Obligations, the Revenues (assuming timely receipt thereof), together with interest and principal due on any noncallable Federal Securities pledged to the repayment of the Bonds and the Revenues then on deposit under the Indenture, will be sufficient to pay the principal of and interest on the Bonds when due; and (ii) an opinion of Bond Counsel that the sale is authorized by the Indenture and will not adversely affect the exclusion of interest on the Bonds from gross income

for purposes of federal income taxation. The proceeds of any such sale will be disbursed as directed by the Authority.

COMMUNITY FACILITIES DISTRICTS

Olinda Ranch Overview

The CFDs encompass approximately 276 acres in a development known as Olinda Ranch. Construction of homes at Olinda Ranch began in 1998. The community is now fully developed. Olinda Ranch is a master planned residential community with a total area of 284.3 acres (including an area for community trail corridors at the corner of Carbon Canyon and Valencia Avenue that is not within the boundaries of the CFDs).

Within Olinda Ranch, there are approximately 124.2 acres of residential development, 34.2 acres of community facilities (including community parks and the Santa Fe Historical Center), 111.5 acres of open space and 15.4 acres of roadways. By agreement between the City and the developers of Olinda Ranch, 64 homes distributed throughout the community are designated as affordable homes available to qualified median- and moderate-income families. The residences in Olinda Ranch consist of single family homes, ranging from 1,050 to 4,267 square feet in building size, on lots ranging from 2,370 to 15,601 square feet.

Olinda Ranch is located in the northeast portion of City, at the northeast corner of Valencia Avenue and Carbon Canyon Road, 1-1/2 miles east of the State Highway 57. The CFDs are characterized by a topography that slopes upward from Carbon Canyon generally in a northwest direction. There are prominent off-site ridgelines and small and steep sloping canyons with drainage courses throughout. Prior to mass grading, there were four seasonally active streams on the site. An earthquake fault zone (also known as an Alquist-Priolo special studies zone) extends diagonally through the northern portion of the CFDs, which is an open space area, from northwest to southeast. Surrounding Olinda Ranch are vacant lands to the east and to the west, Carbon Canyon Regional Park and oil production lands to the south, and vacant lands to the north. Land within Olinda Ranch was formerly used for oil production. Tar seeps and methane gas, often associated with oil fields, were found in the Olinda Ranch area. Remediation and mitigation measures have been implemented in connection with the development of Olinda Ranch. See “BONDOWNERS’ RISKS – Hazardous Substance.” A landfill site, known as the Olinda Alpha Landfill, also sits to the north of Olinda Ranch, over a ridge from the residential areas. See “BONDOWNERS’ RISKS – Earthquakes and Other Natural Disasters” and “– Hazardous Substance – *Olinda Alpha Landfill Expansion.*”

Environmental Review

Pursuant to the California Environmental Quality Act (“CEQA”), a Final Environment Report for the Revised Olinda Heights Specific Plan & Vesting “A” Tentative Tract Map 14884 (the “FEIR”) was prepared in conjunction with the City’s approval of the Specific Plan. The FEIR addressed environmental issues associated with the development of Olinda Ranch. The City certified the FEIR on October 17, 1995. A Notice of Determination in compliance with CEQA was filed on October 19, 1995.

Assessed Valuation

In fiscal year 2018-19, the City CFD and the School District CFD levied Annual Special Taxes on 639 of the same parcels in Olinda Ranch. In addition, the City CFD levied its Special Taxes on 19 parcels at the Prior School Site (which was formerly owned by the School District). The School District has determined that, pursuant to the School District RMA, there would be no School District CFD Annual Special Tax levy on those 19 parcels.

Based on information obtained from the County, the total fiscal year 2018-19 secured assessed value for the 639 parcels subject to the levy of both of the City CFD and the School District CFD was \$446,196,695. The total 2018-19 secured assessed value for the 19 parcels subject to the City CFD Special Taxes levy only was \$17,953,079.

The tables below regarding the assessed value of the 658 parcels subject to the City CFD Special Tax (*i.e.*, including the 19 parcels with no School District CFD Annual Special Tax levy) is compiled from information obtained from the County, based on the fiscal year 2018-19 tax roll.

Table 1
City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) and
Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights)
Secured Assessed Valuation⁽¹⁾
Fiscal Years 2012-13 through 2018-19

Fiscal Year	Secured Assessed Value			% Change in Total Secured Assessed Value
	Land	Structure	Total	
2012-13	\$168,852,775	\$201,785,851	\$370,638,626	N/A
2013-14	171,614,324	203,346,747	374,961,071	1.17%
2014-15	195,056,347	206,094,399	401,150,746	6.98
2015-16	208,650,952	210,622,335	419,273,287	4.52
2016-17	218,966,258	213,597,847	432,564,105	3.17
2017-18	228,895,669	217,538,777	446,434,446	3.21
2018-19	241,760,728	222,389,046	464,149,774	3.97

(1) Inclusive of the 19 parcels not subject to the levy of the School District CFD Annual Special Tax. See “SECURITY FOR BONDS – Rates and Methods – *School District RMA*.” For reference, 2018-19 secured assessed value of such 19 parcels is \$17,953,079 (or 0.04 percent of the total secured assessed value of all parcels in the CFDs).

Source: Orange County Secured Roll as compiled by Willdan Financial Services.

Table 2
City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements)
and Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights)
Average Secured Assessed Value⁽¹⁾
by Building Square Footage

Dwelling Unit Building Size (in square feet)	Number of Parcels⁽¹⁾	Average 2018-19 Secured Assessed Value⁽²⁾
1,000 to 1,999	169	\$510,880
2,000 to 2,999	273	648,272
3,000 to 3,999	182	888,803
4,000 or greater	34	1,149,142
	658	\$705,395

(1) Inclusive of the 19 parcels at the Prior School Site not subject to the levy of the School District CFD Annual Special Tax. See “SECURITY FOR BONDS – Rates and Methods – *School District RMA*.”

(2) Equals the total secured assessed value of the parcels in such category divided by the number of parcels in such category. Represents a mathematical average only. Actual assessed value and assessed value-to-Special Tax burden for each parcel in the CFDs may vary significantly. See “Assessed Value to Special Tax Burden Ratios” below.

Source: Orange County Secured Roll as compiled by Willdan Financial Services.

The top ten largest property owners of the CFDs (by assessed value) own parcels that represent approximately only three percent of the total 2018-19 assessed value of the CFDs. Because the amount of Annual Special Tax levy on a parcel by each CFD depends not on the assessed value but other factors (see “APPENDIX B – CITY CFD RATE AND METHOD” and “APPENDIX C – SCHOOL DISTRICT CFD RATE AND METHOD”), the top ten largest property owners by assessed value do not coincide with the top Special Tax payers in any given year. For fiscal year 2018-19, no single parcel was responsible for more than 0.24 percent of the total Annual Special Tax levy by the City CFD, and no single parcel was responsible for more than 0.45 percent of the total Annual Special Tax levy by the School District CFD.

Special Tax Levy and Delinquency History

The following tables summarize the Special Taxes levy and delinquency for the City CFD and School District CFD for the years shown (but see “SECURITY FOR BONDS – County Teeter Plan.”)

Table 3
City of Brea
Community Facilities District No. 1997-1 (Olinda Heights Public Improvements)
Historical Levy and Delinquencies
Fiscal Years 2014-15 through 2018-19

Fiscal Year	Annual Special Tax Levy	Late or Delinquent (in dollars)⁽¹⁾	Late or Delinquent (by percentage)⁽¹⁾
2014-15	\$500,318	\$ 467	0.09%
2015-16	509,711	951	0.19
2016-17	515,195	961	0.19
2017-18	499,929	0	0.00
2018-19	492,351	4,992 ⁽²⁾	1.01 ⁽²⁾

(1) Reflects delinquency information as of May 23, 2019. Does not include any penalties, interest or fees.

(2) Per observations by Special Tax Consultant, assuming that the collection will follow the trend of recent years, while the delinquency rate appears to be higher for the current fiscal year, most property owners will pay the delinquent Special Tax over time.

Source: Orange County Tax Collector, as compiled by Willdan Financial Services.

Table 4
Brea Olinda Unified School District
Community Facilities District No. 95-1 (Olinda Heights)
Historical Levy and Delinquencies
Fiscal Years 2014-15 through 2018-19

Fiscal Year	Annual Special Tax Levy	Late or Delinquent (in dollars)⁽¹⁾	Late or Delinquent (by percentage)⁽¹⁾
2014-15	\$596,412	\$ 762	0.13%
2015-16	596,412	1,524	0.26
2016-17	596,412	1,524	0.26
2017-18	596,412	0	0.00
2018-19	596,412	8,186 ⁽²⁾	1.37 ⁽²⁾

(1) Reflects delinquency information as of May 23, 2019. Does not include any penalties, interest or fees.

(2) Per observations by Special Tax Consultant, assuming that the collection will follow the trend of recent years, while the delinquency rate appears to be higher for the current fiscal year, most property owners will pay the delinquent Special Tax over time.

Source: Orange County Tax Collector, as compiled by Willdan Financial Services.

Assessed Value to Special Tax Burden Ratios

Neither the City nor the School District are aware of any community facilities district or assessment district formed by other agencies that have areas overlapping the CFDs. The following table shows based secured assessed value to Special Tax burden ratio of the taxable property in the CFDs.

Table 5
City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) and
Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights)
Secured Assessed Value to Special Tax Burden Ratio⁽¹⁾
Based on Fiscal Year 2018-19 Tax Roll

Total Secured Assessed Value⁽¹⁾	City CFD Special Tax Burden ⁽²⁾	School District CFD Special Tax Burden⁽³⁾	Combined Special Tax Burden ^{(4)*}	Assessed Value to Special Tax Burden Ratio^{(5)*}
\$446,196,695	\$2,620,000*	\$4,295,000*	\$6,915,000*	64.5:1*

* Preliminary; subject to change.

(1) Secured Assessed Value of 19 Parcels at Prior School Site excluded for the purposes of this table only. 2018-19 secured assessed value of the 19 Parcels at the Prior School Site: \$17,953,079.

(2) Equals the principal amount of City CFD Bonds.

(3) Equals the principal amount of School District CFD Bonds.

(4) Equals the combined principal amount of the City CFD Bonds and the School District CFD Bonds.

(5) Equals total secured assessed value divided by combined special tax burden.

Source: Willdan Financial Services, based on information provided by Orange County.

The following table shows the estimated assessed value to Special Tax burden ratios (taking into account the Special Taxes of both CFDs and inclusive of the 19 parcels at the Prior School Site) by aggregating parcels within given ranges of ratios:

Table 6
City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) and
Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights)
Distribution of 2018-19 Assessed Value to Special Tax Burden Ratios
(based on number of parcels in each ratio range)

Assessed Value to Special Tax Burden^{*(1)}	No. of Parcels⁽¹⁾	% of Total	Total Assessed Value ⁽¹⁾⁽²⁾	% of Total	Estimated Special Tax Burden ^{(3)*}	% of Total
Less than 49.99:1	126	19	\$ 90,899,763	20%	\$2,060,949	30%
50:1 to 74.99:1	243	37	194,326,733	42	3,169,453	46
75:1 to 99.99:1	124	19	73,705,797	16	852,755	12
100:1 to 149.99:1 ⁽¹⁾	148	22	89,239,162	19	734,577	11
More than 150:1 ⁽¹⁾	17	3	15,978,319	3	97,266	1
Total	658	100%	\$464,149,774⁽⁴⁾	100%	\$6,915,000	100%

* Preliminary; subject to change.

(1) 19 Parcels at Prior School Site included under these categories. See “SECURITY FOR BONDS – Rates and Methods – School District RMA.” 2018-19 secured assessed value of the 19 Parcels at the Prior School Site: \$17,953,079.

(2) Includes value for land and improvements. Based on 2018-19 County of Orange secured tax roll.

(3) Equals the combined principal amount of the City CFD Bonds and the School District CFD Bonds attributable to such parcels.

(4) Differs from total assessed value shown in Table 5 because of inclusion of parcels at Prior School District Site. See footnote 1 above.

Source: Willdan Financial Services, based on information provided by Orange County.

Local Obligations Debt Service Coverage

Pursuant to the City CFD RMA, the Special Tax levy by the City CFD each fiscal year may not exceed 110 percent of the debt service of the outstanding City CFD Bonds, plus Administrative Expense for such fiscal year. See “APPENDIX B – CITY CFD RATE AND METHOD.”

According to projections made by Willdan Financial Services (the “Special Tax Consultant”), assuming no optional or extraordinary redemption prior to maturity, the annual Coverage Ratio (defined below) for the School District CFD Bonds ranges from 132 percent to 135 percent* in the fiscal years 2019-20 through 2027-28 and from 195 percent to 200 percent* in fiscal year 2028-29 through the final maturity of the School District CFD Bonds.

As used above, the “Coverage Ratio” for each fiscal year is equal to: (i) the estimated maximum amount of the Special Taxes that the CFD may levy during such fiscal year pursuant to the related Rate and Method, divided by (ii) the sum of the scheduled principal and interest coming due on the Local Obligations of such CFD during the corresponding Bond Year (*i.e.*, the 12 months

* Preliminary; subject to change.

ending on September 1 following the end of such fiscal year). The Coverage Ratio projections embody certain assumptions (including, for example, future increases of the Index relative to the calculation of the School District CFD Special Taxes). The maximum amounts of Special Tax levy used for such projections do not represent the actual amount of Special Taxes that the CFDs will collect each year. As discussed under “SECURITY FOR BONDS – Rates and Methods,” the levy by a CFD on each Parcel in any fiscal year is subject to the maximum rates set forth in the related Rate and Method and the provisions of the Mello-Roos Act. In any fiscal year, the amount of Special Taxes actually collected by the CFDs may turn out to be materially different from the maximum permitted amount of the levy as currently projected by the Special Tax Consultant. See also “BONDOWNERS’ RISKS.”

Direct and Overlapping Tax and Assessment Debt

Properties in the CFDs are within the jurisdiction of a number of overlapping local agencies providing public governmental services. In addition to paying the Special Tax levied by the City CFD and the School District CFD, property owners within the CFDs are obligated to pay *ad valorem* property taxes and other existing and future additional special taxes, assessments and fees imposed by the overlapping agencies. The table below is a summary of the direct and overlapping tax and assessment debt (the “Debt Report”) payable from taxes or special assessments for properties in the District as of June 1, 2019. The Debt Report generally includes long term obligations sold in the public credit markets by local agencies whose boundaries overlap the boundaries of the District in whole or in part. In certain cases, the percentages of debt calculations are based on County’s assessed values, which will change significantly as sales occur and assessed values increase to reflect housing values. The Debt Report is included for general information purposes only. None of the Authority, the City, the School District nor the Underwriter has verified, and neither makes any representation regarding, the completeness or accuracy of the Debt Report.

Table 7
City of Brea Community Facilities District No. 1997-1 (Olinda Heights Public Improvements) and
Brea Olinda Unified School District Community Facilities District No. 95-1 (Olinda Heights)⁽¹⁾
Direct and Overlapping Tax and Assessment Debt
As of June 1, 2019

2018-19 Local Secured Assessed Valuation: \$464,149,774⁽¹⁾

<u>DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>% Applicable</u>	<u>Debt</u>
Metropolitan Water District General Obligation Bonds	0.016%	\$ 7,648
North Orange County Joint Community College District General Obligation Bonds	0.353	601,262
Brea-Olinda Unified School District General Obligation Bonds	4.878	541,930
City of Brea Community Facilities District No. 1997-1	100.	3,590,000⁽²⁾
Brea-Olinda Unified School District Community Facilities District No. 95-1	100.	5,765,000⁽³⁾
TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT		\$10,505,840

Ratios to 2018-19 Assessed Valuation:

Total Direct (\$9,355,000) ⁽⁴⁾	2.02%
Total Direct and Overlapping Tax and Assessment Debt	2.26%

- (1) Secured Assessed Value of 19 Parcels at Prior School Site excluded for the purposes of this table. 2018-19 secured assessed value of the 19 parcels at the Prior School Site: \$17,953,079.
- (2) Represents the Prior City CFD Bonds to be refunded, and not proposed refunding bonds.
- (3) Represents the Prior School District CFD Bonds to be refunded, and not proposed refunding bonds.
- (4) Represents the sum of the Prior City CFD Bonds and Prior School District CFD Bonds to be refunded, and not proposed refunding bonds.

Source: California Municipal Statistics, Inc.

Effective Tax Rate

The effective tax rate of a parcel of property in the CFDs is likely to be different from the effective tax rate of another parcel in the CFDs. The difference is attributable to a number of factors, including, but not limited to, the assessed value of the particular property. The table below sets forth the fiscal year 2018-19 tax rate for two residential parcels in Olinda Ranch. The 2018-19 secured assessed value of one of the two parcels was \$673,356 (before homeowner exemption), which was below the average assessed value of all parcels in the CFDs. The 2018-19 assessed value of the other parcel was \$787,403 (before homeowner exemption), which was above the average assessed value of all parcels in the CFDs. See Table 2 under “Assessed Valuation” above. The table shows those entities with fees, charges, *ad valorem* taxes and special taxes regardless of whether those entities have issued debt.

TABLE 8
Tax Rates for Two Sample Residential Parcels in Olinda Ranch⁽¹⁾
Fiscal Year 2018-19

	<u>Parcel 1</u>	<u>Parcel 2</u>
Building/living area size	3,252 sq. ft.	3,462 sq. ft.
<u>Net taxable value</u>		
Assessed value	\$673,356.00	\$787,403.00
Less: <u>Homeowner exemption</u>	(7,000.00)	(7,000.00)
Net taxable value	<u>\$666,356.00</u>	<u>\$780,403.00</u>
 <i>Basic levy rate @1%</i>	 \$6,663.56	 \$7,804.02
 <u>Voter approved taxes, direct and special assessments, user fees</u>		
Brea Paramedics	\$299.86	\$351.18
North Orange County Community College	188.51	220.77
Brea Olinda Unified School District	157.92	184.96
Municipal Water District of Orange County	23.33	27.31
Mosquito, Fire Ant Assessment	7.48	7.48
Vector Control Charge	1.92	1.92
Metropolitan Water District Standby Charge	10.08	10.08
Orange County Sanitation District Sewer User Fee	335.00	335.00
 <u>City of Brea and Brea Olinda USD CFDs</u>		
Brea Olinda USD CFD 95-1 (Olinda Heights)	1,523.88	1,523.88
City of Brea CFD 1997-1 (Olinda Heights Public Improvements)	918.68	918.68
 <i>Subtotal: Assessments, Special Taxes and Parcel Charges</i>	 <u>\$3,466.66</u>	 <u>\$3,581.26</u>
 Total property taxes and levies ⁽²⁾	 \$10,130.22	 \$11,385.28
Tax rate as % of assessed value	1.52%	1.46%

(1) Single family detached units with median size and median assessed values selected to represent the median effective tax rate for a home within the CFDs.

(2) Totals may not add due to rounding.

Source: Willdan Financial Services, based on information published by Orange County.

The Authority, the City and the School District do not have any control over the amount of taxes, charges or assessments on properties in the CFDs which may be imposed in the future by other governmental agencies with jurisdiction over all or a portion of the CFDs. Such additional taxes, charges or assessments may be imposed without any corresponding increase in the value of such property and could reduce the willingness or the ability of property owners in the CFDs to pay the City CFD Special Taxes, the School District CFD Special Taxes, or both, when due. See “BONDOWNERS’ RISKS – Cumulative Burden of Liens, Taxes, Special Assessments.”

BONDOWNERS' RISKS

Investment in the Bonds involves elements of risk. The following section describes certain specific risk factors affecting the payment and security of the Bonds. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the Bonds and the order of discussion of such risks does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this official statement in evaluating the Bonds. There can be no assurance that other risk factors not discussed under this caption will not become material in the future.

Limited Obligations with Respect to Bonds and Local Obligations

Funds for the payment of the principal of and the interest on the Bonds will be derived primarily from debt service payments on the Local Obligations which, in turn, are derived from the Special Taxes levied in the CFDs. While a projected coverage factor has been considered in structuring the annual debt service on the Local Obligations (see “SECURITY FOR BONDS – Local Obligations Generally” and “COMMUNITY FACILITIES DISTRICTS – Local Obligations Debt Service Coverage”), the amount of Special Taxes that will be collected by a CFD could be insufficient to pay principal of or interest on such CFD’s Local Obligations in certain circumstances. If the Teeter Plan is terminated with respect to a CFD and there is a non-payment by property owners or insufficient proceeds are received from the sales of land due to delinquencies, a default on such CFD’s Local Obligations may occur upon the depletion of such CFD’s Reserve Fund. Consequently, a default on the Bonds may follow. The Bonds will be limited obligations of the Authority pursuant to the terms of the Indenture. The Local Obligations of a CFD will be limited obligations of such CFD pursuant to the terms of the related Fiscal Agent Agreement. Neither the full faith and credit nor the taxing power of the City or the School District will be pledged to the payment of the Bonds. The Authority has no taxing power.

Special Taxes Not Personal Obligations of Property Owners

An owner of property subject to the levy of Special Taxes in a CFD is not personally obligated to pay such Special Taxes. Rather, the Special Taxes represent an obligation only against the parcels of property subject to the Special Taxes. If, after a default in the payment of the Special Taxes and a foreclosure sale by the related CFD, the resulting proceeds are insufficient, taking into account other obligations also constituting a parity lien against the parcels of such property, the CFD has no recourse against the owner for the delinquency.

Levy and Collection of Special Taxes

Rate and Method and Mello-Ross Act Limitations. The principal source of revenues to pay scheduled debt service payment on each CFD’s Local Obligations will be the proceeds of the annual levy and collection of the Special Taxes by such CFD against property within the CFDs. Each CFD’s levy of Special Taxes, however, will be limited to the maximum rates set forth in the related Rate and Method and the Mello-Ross Act. See “SECURITY FOR BONDS – Rates and Methods.” In the event of significant delinquencies of Special Taxes in a CFD and if the Teeter Plan is terminated, no assurance can be given that the Special Taxes will in fact be collected by

such CFD in sufficient amounts in any given year to pay the Local Obligations of such CFD when due.

Termination of Teeter Plan. The County implemented the Teeter Plan in 1993. So long as the Teeter Plan remains in effect with respect to a CFD, debt service payments with respect to such CFD's Local Obligations are protected from the risk of Special Tax delinquencies. However, the County is entitled, and under certain circumstances could be required, to terminate its Teeter Plan with respect to all or part of the local agencies, including the CFDs. See "SECURITY FOR BONDS – County Teeter Plan." A termination of the Teeter Plan with respect to a CFD would eliminate such protection from delinquent Special Taxes.

No Cross-Collateralization between CFDs. The Special Taxes levied within one CFD (and moneys in the Special Tax Fund, the Bond Fund and the Reserve Fund relating to such CFD's Local Obligations) may only be applied to pay debt service on such CFD's Local Obligations. A CFD's Special Taxes are not cross-pledged to the payment of the other CFD's Local Obligation, and, therefore, are not available to make up any deficiency in Revenues pledged to the Bonds resulting from a default of the other CFD's Local Obligations.

No Relationship between Levy of Special Taxes and Value of Property. Because the levies of Special Taxes by the CFDs are not based on property value, the amount of the Special Taxes levied rarely, if ever, results in a uniform relationship between the value of a particular parcel of property and the amount of the levy of the Special Taxes against such parcel. Thus, there is rarely, if ever, a uniform relationship between the value of the parcels of property in the CFDs subject to the Special Taxes and their proportionate share of debt service on the Local Obligations, and certainly not a direct relationship.

The following are some of the factors that might cause the levy of the Special Taxes on any particular parcel of property to vary from the Special Taxes that might otherwise be expected:

- Failure of the property owners to pay the Special Taxes and delays in the collection of or inability to collect the Special Taxes by tax sale or foreclosure and sale of the delinquent parcels, thereby resulting in an increased tax burden on the remaining parcels (however the Mello-Roos Act contains provisions which may limit the increase the levy on the Special Taxes of a CFD levied on a residential property by more than 10 percent in any given fiscal year as the result of a delinquency or default by the owner of another parcel).
- Reduction in the number of parcels of property subject to the levy of Special Taxes for such reasons as acquisition by a governmental entity and failure (or refusal) of such governmental entity to pay the Special Taxes based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining taxed parcels.

Generally, the Special Taxes are collected in the same manner as ordinary *ad valorem* property taxes are collected. The Special Taxes are generally subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary *ad valorem*

property taxes. Under these procedures, if taxes are unpaid for a period of five years or more, the property is deeded to the State and then is subject to sale by the County.

Foreclosure Delays; Sufficiency of Foreclosure Proceeds. Generally, the Special Tax is to be collected in the same manner as ordinary *ad valorem* property taxes are collected and are subject to the same penalties and the same procedure, sale and lien priority in case of delinquency as is provided for ordinary *ad valorem* property taxes. As discussed under “SECURITY FOR BONDS – Covenant to Foreclose,” the Fiscal Agent Agreement will contain a covenant by the City or the School District, as applicable, subject to any constraints of the County’s Teeter Plan (so long as the CFD is a participant in the Teeter Plan), provide notice of delinquency and, if the delinquency remains uncured, commence foreclosure proceedings. If an installment of Special Tax of a CFD becomes delinquent, the City or the School District, as applicable, can foreclose only upon the parcel or parcels with respect to which the Special Tax is delinquent.

No assurance can be given that a judicial foreclosure action, once commenced, will be completed or that it will be completed in a timely manner. If a judgment of foreclosure and an order of sale are obtained, the judgment creditor (i.e., the City or the School District commencing such action) must cause a notice of levy to be issued. Under current law, a judgment debtor (i.e., the property owner) has 120 days (or in some cases a shorter period) from the date of service of the notice of levy and 20 days from the subsequent notice of sale in which to redeem the property to be sold. If a judgment debtor fails to so redeem and the property is sold, such debtor’s only remedy is an action to set aside the sale, which must be brought within 90 days of the date of sale. If, as a result of such action, a foreclosure sale is set aside, the judgment is revived and the judgment creditor is entitled to interest on the revived judgment as if the sale had not been made.

No assurance can be given that real property subject to sale or foreclosure will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. The Mello-Roos Act does not require the City or the School District to purchase or otherwise acquire any real property offered for sale or subject to foreclosure if there is no other purchaser at such sale. The Mello-Roos Act specifies that the Special Tax will have the same lien priority in the case of delinquency as for *ad valorem* property taxes. See “Cumulative Burden of Parity Liens, Taxes and Special Assessments.”

In the event that a Reserve Fund with respect to a CFD’s Local Obligations is depleted and delinquencies in the payments of Special Taxes of such CFD continue, there could be a default or delay in the debt service payment with respect to such Local Obligations, pending prosecution of foreclosure proceedings and receipt of foreclosure sale proceeds, if any. Within the limits of the related Rate and Method and the Mello-Roos Act, the City or School District, as applicable may adjust its Special Taxes levy in future years to provide any amount, taking into account such delinquencies, required to pay debt service on the related Local Obligations and to replenish the Reserve Fund. There is, however, no assurance that the maximum Special Tax rates, as subject to the Rate and Method and the Mello-Roos Act, will be at all times sufficient to collect the amounts required to be paid on related Local Obligations. See “SECURITY FOR BONDS – Rates and Methods.”

Risks of Real Estate Secured Investments Generally; Land Values

Owners of the Bonds will be subject to the risks generally incident to an investment secured by real estate, including but not limited to: (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the CFDs, the supply of or demand for competitive properties in such area, and the market value of the properties in the event of sale or foreclosure, (ii) changes in real estate tax rates and other operating expenses, government rules (including, without limitation, zoning laws, growth control initiatives and laws relating to threatened and endangered species) and fiscal policies and (iii) natural and manmade disasters (including, without limitation, earthquakes, floods and fire), which may result in uninsured losses. These risks affect the value of the property, as well as the property owners' willingness and/or ability to pay the Special Tax when due.

In evaluating the investment risks with respect to the Bonds, prospective investors in the Bonds should keep in mind that the fiscal year 2018-19 assessed values shown in this Official Statement, which are based on the County's fiscal year 2018-19 secured tax roll, may not reflect actual market values of such property.

In the event that the Teeter Plan is terminated and a property owner defaults in the Special Tax payment and the City or the School District commences foreclosure action on such property, prospective purchasers of the Bonds should not assume that such property could be sold for its assessed value at a foreclosure sale or for an amount adequate to pay delinquent Special Tax payments. Reductions in property values within the CFDs due to economic conditions or the real estate market or other events may adversely impact the security underlying the revenues from collection of the Special Tax, and therefore, may adversely impact the security for the Bonds.

The real estate market in the State of California experienced significant fluctuations during the past two decades. None of the City, the School District or the Authority can make any representation regarding the future trend of the value of the property in the District.

Depletion of Reserve Funds

Upon issuance of each CFD's Local Obligations, a portion of the proceeds from the sale of such Local Obligations will be deposited in such CFD's Reserve Fund, such that the balance of such Reserve Fund will equal the initial Reserve Requirement. See "SECURITY FOR BONDS – Reserve Funds." Moneys in a Reserve Fund may be used to pay principal of and interest on the related CFD's Local Obligations in the event the proceeds of the levy and collection of such CFD's Special Taxes is insufficient for such purpose. If the amount on deposit in a CFD's Reserve Fund is reduced or depleted, the Reserve Fund can be replenished from the Special Taxes collected by such CFD that are in excess of the amount required for principal and interest payments coming due on such CFD's Local Obligations. However, no Reserve Fund replenishment from the CFD's Special Taxes can occur if such CFD is already levying the CFD's Special Taxes on the taxable parcels at the maximum permitted rates and the proceeds from such levy remain insufficient to pay the full debt service on such Local Obligations. Thus it is possible for a Reserve Fund to be depleted and not be replenishable by the levy of the Special Taxes.

Hazardous Substances

Claims regarding hazardous substances can have an adverse impact on the value of property within the CFDs and the security for the Bonds. In general, the owners and operators of a parcel may be required by law to remedy conditions relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERLA” or the “Superfund Act,” is one of the most well-known and widely applicable of these laws, but California laws with respect to hazardous substances are also generally regarded as stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. Consequently, the marketability and value of a contaminated parcel may be reduced by the costs of remedying the condition, because the purchaser, upon becoming the owner, will become obligated to remedy the condition. Such liabilities may arise not simply from the existence of a hazardous substance but also from the method of handling it. All of these possibilities could significantly affect the financial and legal liability of a property owner (and thus affect such owners’ ability or willingness to pay the Special Taxes when due), as well as the value of the property that is realized upon foreclosure.

The assessed values set forth in this Official Statement do not take into account the possible reduction in marketability and value of any property by reason of possible liability of the owner or operator for the remedy of a hazardous substance condition of the parcel. The City and the School District are not aware of any owner (or operator) of property in the CFDs that is subject to a current liability under hazardous substance law with respect to any of the parcels in the CFDs. However, the Authority, the City and the School District do not make any representation nor give any assurance that such hazardous substance liabilities or conditions do not currently exist or will not arise in the future.

Land Formerly Used for Oil and Gas Production; Mitigation Measures

Land within Olinda Ranch was formerly used for oil production. Oil wells and related oil and gas production remain in two of the open space areas. In one open space area where oil wells are currently in operation, fuel modification zones adjacent to residential areas provide wild land fire protection between residential development and natural open space. In the other open space area with oil wells, enclosures and walls have been constructed for security and safety purposes. Tar seeps and methane gas, often associated with oil fields, were found in the Olinda Ranch area. Remediation and mitigation measures have been implemented in connection with the development of Olinda Ranch.

Safety and security measures that have been implemented with respect to these facilities include fuel modification zones between residential development and the open space with active oil wells. Pursuant to the requirements of the County, the City and the Division of Oil, Gas and Geothermal Resources of the State’s Department of Conservation, oil wells that were known to have been located in the Residential Planning Areas have been capped and abandoned. There are naturally occurring tar seeps in Olinda Ranch. Tar seeps in the Residential Planning Areas were remediated prior to development. Methane gas, which is often associated with oil fields, has been found in Olinda Ranch. If methane seeps from the ground, it can become trapped in structures.

Sufficient concentrated methane gas in poorly ventilated areas can cause explosions. For mitigation measures, the City required builders to meet the standards set forth by the City and the Orange County Fire Authority's "Guideline for Combustible Soil Gas Hazard Mitigation." These standards include the preparation of a soil gas investigation report to identify any anomalous levels of methane gas and the corresponding installation of underground piping and venting systems and methane monitoring wells. In addition, each home in Olinda Ranch was equipped with a passive venting system incorporating a methane vapor barrier beneath the concrete slab foundation and a minimum of two release ducts to vent methane gas from under the house. Once sold by the builder, the homeowners are responsible for the care, upkeep and maintenance of the passive venting systems and the methane monitoring wells. The Olinda Ranch Homeowners Association contracts with an engineering company to monitor the methane mitigation system's 56 methane monitoring wells annually. In that connection, test probes have been installed. If the levels of methane become elevated at the test probes locations, additional monitoring would be conducted. If a test probe located five feet below the surface detects 5,000 parts per million, then additional monitoring and gas survey would be required. To the City's knowledge, there has not been any incidents of elevated methane level requiring additional surveys. While the City believes that these mitigation measures are adequate based on current knowledge and technology, no assurance can be given that future liability will not arise, whether with respect to presently existing substances or future discoveries, or a substance not presently classified as hazardous but which may in the future be so classified.

Olinda Alpha Landfill

The Olinda Alpha Landfill is located north of Olinda Ranch over a ridge from the residential areas. The landfill encompasses an area of approximately 565 acres with about 420 acres permitted for refuse disposal. It is owned and operated by OC Waste & Recycling ("OCWR"), a department of the County of Orange. The Olinda Alpha Landfill serves the northern part of the County and also receives wastes imported from Los Angeles, San Bernardino and Riverside counties. The landfill currently accepts non-hazardous waste only, including municipal solid waste and exempt commodity such as soil, asphalt and processed green materials, as well as tires as limited special waste. It is operational year-round. OCWR has implemented environmental programs and control systems to address potential issues arising from methane gas and odors, and in some cases, subsurface combustion and smoldering. These programs and systems include air, groundwater and surface/storm water quality programs and hazardous water, litter, vector odor and dust control systems, as well as methane gas collection systems and a final soil caps.

The Olinda Alpha Landfill opened in 1960. Pursuant to a Cooperative Agreement between the City and County, dated July 14, 2009, together with an amendment executed on April 20, 2016 (as amended, the "OA Landfill Cooperative Agreement"), the closure of the landfill will take place when the landfill reaches elevation of 1,415 above mean sea level. The Olinda Alpha Landfill is currently permitted to receive a daily maximum of 8,000 tons per day. According to OCWR publications, the Olinda Alpha Landfill is currently estimated to have enough capacity to serve until 2030. According to the OA Landfill Cooperative Agreement, the County Master Plan of Regional Recreational Facilities identifies the Olinda Alpha Landfill, upon closure, as the site for a proposed passive use wilderness park.

The Broadrock Renewable Olinda Alpha Landfill LFG facility, owned and operated by Broadrock Renewables LLC, has been installed and in operation since 2012. According to OCWR publications, the facility is designed to capture methane (which is a gas produced by the natural decomposition of trash buried in the landfill) and use it to produce electricity. Further, the facility is designed to produce sufficient renewable energy to power over 22,000 average homes to be delivered to the regional grid and bought by the City of Anaheim Public Utilities.

Natural Calamities and Other Disasters

The value of the property subject to the Special Taxes can be adversely affected by a variety of natural or other disaster occurrences, particularly those that may affect infrastructure and other public improvements and private improvements on such property and the continued habitability and enjoyment of such private improvements. Such occurrences include earthquakes, landslides, floods, wildfires, droughts or tornadoes. The occurrence of one or more natural or other disasters could occur and could result in serious damage to improvements.

The City, like most communities in California, is in an area of unpredictable seismic activity, and therefore, is subject to potentially destructive earthquakes. Two major faults traverse the City, the Whittier fault and the Elysian Park thrust fault. The Whittier fault cuts across the hills and through the eastern half of the City in a northwesterly direction, crossing diagonally through the northern portion of the CFDs at an open space area. Several traces of the Whittier fault are still active. The Elysian Park thrust fault is buried approximately six to ten miles below ground surface. The San Andreas fault lies 33 miles from the City.

Drought conditions in Southern California, combined with higher than average temperatures and Santa Ana winds, have created conditions that are from time to time conducive to wildfires. For example, Olinda Ranch was affected in 2008 as part of the wildfire in Santa Ana Canyon area of the County. The northern edge of the City abutting the foothills is identified as an urban-open space interface area, which is subject to risk of wild fires. In these areas, additional conditions are imposed on developments to mitigate potential fire hazard. These conditions include: fuel modification plan to a depth of 170 feet surrounding the perimeter of developments, automatic fire sprinklers in all buildings, a minimum road width of 40 feet, hydrant spacing throughout the development, hydrant marker plan to ease visibility, restriction of cul-de-sac lengths, ignition resistant construction, and the proper selection of plant pallet.

According to the City's General Plan (last prepared in 2003), because of variable rainfall in the area, it is difficult to predict and plan for floods in and around the City. Any flood that occurs is expected to be short in duration, high in peak volume and high in velocity. Flood insurance rate maps prepared by the Federal Emergency Management Agency ("FEMA") show potential flood zones (100-year floodplain and 500 year floodplain) in the western portion of the City (between Puente Street and Brea Boulevard) and areas along Carbon Canyon Road and Carbon Canyon Regional Park. Potential flood risks are also associated with the Orange County Reservoir and nearby Carbon Canyon Dam. However, according to FEMA, flooding in the City is considered lower than other parts of the County. This can be attributed to the flood control structures that have been established in and around the area. According to FEMA's flood hazard map number 06059C0062J dated December 3, 2009, all of the Olinda Ranch homes are located within Zone X (outside the 500-year flood plain).

Property damage from a natural or other disaster may entail significant repair or replacement costs, and this along with other factors could discourage owners from undertaking any repairs or replacement. The end result could be significant delinquencies in the payment of the Special Taxes, and severe depreciation of property values.

Interest of Federal Agencies or Government Sponsored Enterprises in Properties

The ability of the City or the School District to foreclose the lien of delinquent unpaid Special Tax installments may be limited with regard to properties in which the Federal Deposit Insurance Corporation (the “FDIC”), the Drug Enforcement Agency, the Internal Revenue Service, or other federal agency or a federal government sponsored enterprise (such as the Federal National Mortgage Association and the Federal Home Loan Mortgage Corporation, commonly known as “Fannie Mae” and “Freddie Mac”) has or obtains an interest. In the event that any financial institution making any loan which is secured by real property within the District is taken over by the FDIC or another federal agency or a federal government sponsored enterprise, and prior thereto or thereafter the loan or loans go into default, then the ability of the District to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited. According to information available from the County’s assessment records, as of January 2019, none of the properties subject to the Special Tax levy by a CFD was owned by the FDIC, Fannie Mae or Freddie Mac, but no information is available with respect to any loans by any of such agencies on properties in the CFDs.

The FDIC’s policy statement regarding the payment of state and local real property taxes (the “Policy Statement”) provides that property owned by the FDIC is subject to state and local real property taxes only if those taxes are assessed according to the property’s value, and that the FDIC is immune from real property taxes assessed on any basis other than property value. According to the Policy Statement, the FDIC will pay its property tax obligations when they become due and payable and will pay claims for delinquent property taxes as promptly as is consistent with sound business practice and the orderly administration of the institution’s affairs, unless abandonment of the FDIC’s interest in the property is appropriate. The FDIC will pay claims for interest on delinquent property taxes owed at the rate provided under state law, to the extent the interest payment obligation is secured by a valid lien. The FDIC will not pay any amounts in the nature of fines or penalties and will not pay nor recognize liens for such amounts. If any property taxes (including interest) on FDIC-owned property are secured by a valid lien (in effect before the property became owned by the FDIC), the FDIC will pay those claims. The Policy Statement further provides that no property of the FDIC is subject to levy, attachment, garnishment, foreclosure or sale without the FDIC’s consent. In addition, the FDIC will not permit a lien or security interest held by the FDIC to be eliminated by foreclosure without the FDIC’s consent.

The Policy Statement states that the FDIC generally will not pay non-ad valorem taxes, including special assessments, on property in which it has a fee interest unless the amount of tax is fixed at the time that the FDIC acquires its fee interest in the property, nor will it recognize the validity of any lien to the extent it purports to secure the payment of any such amounts. Special taxes imposed under the Mello-Roos Act and a special tax formula which determines the special tax due each year are specifically identified in the Policy Statement as being imposed each year and therefore covered by the FDIC’s federal immunity. The Ninth Circuit issued a ruling on

August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from Mello-Roos special taxes, such as the Special Taxes.

The Authority, the City and the School District are unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the CFDs in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at foreclosure sale. Such an outcome could cause a draw on a Reserve Fund and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the Bonds.

Exempt Property

Certain properties are exempt from Special Taxes in accordance with the Rates and Methods (see “SECURITY FOR BONDS – Rates and Methods”). The Rate and Method of each CFD provides that up to a certain number of acres of Public Property (including properties that are owned by, or conveyed or irrevocably offered for dedication to, entities of the state, federal or local government) are exempt from such CFD’s Special Taxes, except as otherwise provided in certain provisions of the Mello-Roos Act. Pursuant to Section 53317.3 of the Mello-Roos Act, property within a CFD acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from such CFD’s Special Taxes, will continue to be subject to such Special Taxes. It is possible, however, that property in the CFDs acquired by a public entity following a tax sale or foreclosure based upon failure to pay taxes could become exempt from the Special Taxes. In addition, although Section 53317.5 of the Mello-Roos Act provides that if property subject to Special Taxes is acquired by a public entity through eminent domain proceedings, the obligation to pay Special Taxes with respect to that property is to be treated as if it were a special assessment, the constitutionality and operation of these provisions of the Mello-Roos Act have not been tested, meaning that such property could become exempt from Special Taxes. In the event that additional property is dedicated to public entities, this additional property could become exempt from Special Taxes.

Disclosure to Future Purchasers

The City and the School District have caused notices of the Special Tax lien to be recorded in the Office of the County Recorder with respect to the City CFD and the School District CFD. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such special tax obligation in the purchase of a parcel of land or a home in the CFDs or the lending of money secured by property in the CFDs. The Mello-Roos Act requires the subdivider of a subdivision (or its agent or representative) to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello-Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with these requirements, or failure by a purchaser or lessor to consider or understand the nature and existence

of the Special Taxes, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Taxes when due.

Cumulative Burden of Liens, Taxes and Special Assessments

While the Special Taxes are secured by the property in the CFDs subject to the levy of the Special Taxes, the security only extends to the value of such property that is not subject to prior and parity liens and similar claims. Certain direct and overlapping indebtedness payable from taxes and assessments on land within the CFDs are currently outstanding. See Table 7 (Direct and Overlapping Tax and Assessment Debt) and Table 8 (Tax Rates for Two Sample Residential Parcels) under “COMMUNITY FACILITIES DISTRICTS.” The Authority, the City and the School District do not have any control over the ability of other governmental entities to incur indebtedness secured by *ad valorem* taxes, special taxes or assessments payable from all or a portion of the property within the CFDs.

In general, as long as the Special Taxes are collected on the County tax roll, the Special Tax and all other taxes, assessments and charges also collected on the tax roll are on a parity, that is, are of equal priority. Questions of priority become significant when collection of one or more of the taxes, assessments or charges is sought by some other procedure, such as foreclosure and sale. In the event of proceedings to foreclose for delinquency of the Special Taxes securing the Local Obligations of a CFD, the Special Taxes will be subordinate only to existing prior governmental liens, if any. Otherwise, in the event of such foreclosure proceedings, the Special Taxes will generally be on a parity with the other taxes, assessments and charges, and will share the proceeds of such foreclosure proceedings on a *pro rata* basis. Although the Special Taxes will generally have priority over nongovernmental liens on a parcel of property, regardless of whether the non-governmental liens were in existence at the time of the levy of the Special Tax or not, this result may not apply in the case of bankruptcy. The existence of other property taxes, special taxes and special assessments may reduce the value-to-tax burden ratio of the affected parcels and increases the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Taxes or the principal of and interest on the related Local Obligations when due.

2017 Federal Tax Cuts and Jobs Act

H.R. 1 of the 115th U.S. Congress, known as the “Tax Cuts and Jobs Act,” was enacted into law on December 22, 2017 (the “Tax Act”). The Tax Act makes significant changes to many aspects of the Internal Revenue Code. For example, the Tax Act reduces the maximum amount of mortgage interest expense and state and local income tax and property tax expense that individuals may deduct from their gross income for federal income tax purposes, which could increase the cost of home ownership within the CFDs and could adversely affect the re-sale of homes. The Authority, the City and the School District cannot predict the effect, if any, that the Tax Act or any future changes to the tax law may have on the cost of home ownership or the price of homes in the CFDs or the ability or willingness of homeowners to pay Special Taxes or property taxes.

Proposition 218 and Other Voter Initiatives

The California Constitution reserves the power of initiatives to the voters for the purposes of enacting amendments to the State Constitution and statutes. Any such initiatives may affect the collection of fees, taxes and other types of revenues by local agencies. Subject to overriding federal constitutional principles, an initiative affecting the collection of fees, taxes and other types of revenues by local agencies may materially impact the collection of Special Taxes in a CFD and, ultimately, the cash-flow in the payment of Bonds.

Since 1978, California voters have exercised the power of initiatives in numerous occasions. One measure that qualified for the ballot pursuant to California's constitutional initiative process is commonly referred to as the "Right to Vote on Taxes Act" ("Proposition 218"). Proposition 218 was approved by the voters of California at the November 5, 1996 general election. Proposition 218 added Article XIIC and Article XIID to the California Constitution. According to the "Title and Summary" of Proposition 218 prepared by the California Attorney General, Proposition 218 limits "the authority of local governments to impose taxes and property-related assessments, fees and charges."

Among other things, Section 3 of Article XIII states that "... the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Mello-Roos Act provides for a procedure, which includes notice hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Mello-Roos Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Mello-Roos Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, a bill signed into law by the Governor of California enacting Government Code Section 5854, which states that:

"Section 3 of Article XIIC of the California Constitution, as adopted at the November 5, 1996, general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protected by Section 10 of Article I of the United States Constitution."

Accordingly, although the matter is not free from doubt, it is likely that Proposition 218 has not conferred on the voters the power to repeal or reduce a CFD's Special Taxes if such reduction would interfere with the timely retirement of the related Local Obligations. It may be possible, however, for voters or the legislative body of a CFD (*i.e.*, the City Council with respect to the City CFD or the School Board with respect to the School District CFD), to reduce the Special Taxes of such CFD in a manner which does not interfere with the timely repayment of the respective Local Obligations but which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Therefore, no assurance can be given with respect to the levy of Special Taxes for administrative expenses for a CFD. Furthermore, no assurance can be given with respect to the future levy of a CFD's Special Taxes in amounts greater than the amount necessary for the timely retirement of the respective Local Obligations.

The provisions of Proposition 218 described above have not yet been interpreted by the courts, although a number of lawsuits have been filed requesting the courts to interpret various aspects of Proposition 218. Certain provisions of Proposition 218 may be examined by the courts for their constitutionality under both State and federal constitutional law in the future. The Authority, the City and the School District cannot predict the outcome of such examination and the resulting effect, if any, on the levy and collection of the Special Tax in the CFDs. The Authority, the City and the School District cannot predict the impact of any future initiative that may affect the collection of fees, taxes and other types of revenues by local agencies.

Bankruptcy Limiting Remedies

The payment of the Special Tax and the ability of the City or the School District to foreclose the lien of a delinquent unpaid Special Tax, as discussed in “SECURITY FOR BONDS – Covenant to Foreclose,” may be limited or delayed by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the State of California relating to judicial foreclosure. In addition, the prosecution of a foreclosure action could be delayed due to crowded local court calendars or delays in the legal process. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel’s approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the lien of a CFD’s Special Tax to become extinguished, bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings. The federal bankruptcy laws provide for an automatic stay of foreclosure and sale of tax sale proceedings, thereby delaying such proceedings perhaps for an extended period. Any such delays would increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent tax installments not being paid in full. Further, should remedies be exercised under the federal bankruptcy laws against parcels in the CFDs, payment of the Special Tax may be subordinated to bankruptcy law priorities. Thus, certain claims may have priority over the Special Tax in a bankruptcy proceeding even though they would not outside of a bankruptcy proceeding.

Certain Recent Court Rulings

In *City of San Diego v. Melvin Shapiro et al.*, 228 Cal.App.4th 756 (2014), the California Court of Appeal, Fourth Appellate District, Division One, considered whether the City of San Diego may impose a special tax levied solely on hotel properties within a Convention Center Facilities District (the “CCFD”), where the special tax was approved pursuant to an election limited to landowners and lessees of properties on which the special tax would be levied, and not an election by all registered voters.

The CCFD was a financing district established under the City of San Diego’s Charter and was intended to function much like a community facilities district established under the Mello-Roos Act. The CCFD was comprised of the entire City of San Diego. The Court held that, because the electors in such an election were not the registered voters residing within such district, the CCFD special tax election did not comply with: (i) Proposition 13 (which added Article XIII A to

the California Constitution and states that cities, counties and special districts, by a two-thirds vote of the qualified electors of such district, may impose special taxes on such district), (ii) Proposition 218, which added Article XIII C and XIID to the California Constitution (which provides that “no local government may impose, extend or increase any special tax unless and until that tax is submitted to the electorate and approved by a two-thirds vote”), or (iii) applicable provisions of the City Charter.

The *Shapiro* Court was unwilling to defer to the Mello-Roos Act as legal authority to provide local governments more flexibility in complying with the State’s constitutional requirement to obtain voter approval for taxes. The Court held that the tax was invalid because the registered voters of San Diego did not approve it. However, the *Shapiro* Court expressly stated that it was not addressing the validity of landowners voting to impose special taxes pursuant to the Mello-Roos Act in situations where there are fewer than 12 registered voters.

In May 2019, in *Horizon Capital Investments LLC et al. v. City of Sacramento*, Superior Court of California of the County of Sacramento Case No. 34-2017-80002661, the trial court issued a ruling invalidating a special tax sought to be imposed by the City of Sacramento pursuant to the Mello-Roos Act. The City of Sacramento formed a community facilities district designated the “Sacramento Street Car Community Facilities District No. 2017-01 (the “Street Car CFD”). The boundary line of the Street Car CFD was drawn around 366 or so separate parcels selected based on their proximity to the city’s street car system and the perceived benefits from the enhanced transit choices. The Street Car CFD included only non-residential parcels that were greater than 12,600 square feet or with a building greater than 40,000 square feet. Upon the City’s determination that there were fewer than 12 registered voters within the Street Car CFD’s territory, the Street Car CFD special tax was approved in an election by only landowners pursuant to the Mello-Roos Act (in particular, California Government Code Section 53326). The *Horizon* trial court concluded that, based on the *Shapiro* opinion, the Street Car CFD special tax is invalid because it was approved by landowners within the territory of the Street Car CFD, rather than by registered voters. *[To be updated, if applicable, before printing]*

The *Horizon* ruling is a trial court opinion without precedential effect (i.e., not binding on other trial court decisions). At this time, it is unclear how California Courts will address the issue regarding the validity of a special tax authorized in a landowner only election, if the occasion arises in the future. However, the Authority, the City and the School District believe that such development would affect only special taxes approved in future elections because the Mello-Roos Act provides a relatively short time to challenge such taxes. Specifically, Section 53341 of Mello-Roos Act provides that any “action or proceeding to attack, review, set aside, void or annul the levy of a special tax ... shall be commenced within 30 days after the special tax is approved by the voters.” Similarly, Section 53359 of the Mello-Roos Act provides that any action to determine the validity of bonds issued pursuant to the Mello-Roos Act or the levy of special taxes authorized pursuant to the Mello-Roos Act be brought within 30 days of the voters approving the issuance of such bonds or the special tax. The levy of the City CFD Special Tax and the School District Special Tax and the issuance of bonds by the CFDs were approved in 1997 and 2000. Therefore, the statutes of limitations period to challenge the validity of the City CFD Special Tax and the School District Special Tax have long expired.

Limitations on Remedies; No Acceleration

Remedies available to Bond holders may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest on the Bonds or to preserve the tax-exempt status of the Bonds. See “Bankruptcy and Foreclosure Delays.” There is no provision in the Indenture or the Fiscal Agent Agreements for acceleration of the payment of principal of or interest on the Bonds or the Local Obligations in the event of default or in the event interest on the Bonds becomes included in gross income for federal income tax purposes.

Investment of Funds

The Reserve Funds and other funds held by the Trustee and the Fiscal Agent under the Indenture and the Fiscal Agent Agreements are required to be invested in certain Permitted Investments as provided under the Indenture and the Fiscal Agent Agreements, respectively. See “APPENDIX D – SUMMARY OF PRINCIPAL DOCUMENTS.” All investments, including Permitted Investments, authorized by law from time to time for investments by the Authority and the CFDs contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected, decline in market value and loss or delayed receipt of principal. The occurrence of these events with respect to amounts held under the Indenture and the Fiscal Agent Agreements could have a material adverse effect on the security for the Bonds.

Loss of Tax Exemption

In order to maintain the exclusion from gross income for federal income tax purposes of the interest on the Bonds, the Authority and the City and the School Districts, acting on behalf of the CFDs, have covenanted to comply with the applicable requirements of Section 148 and certain other sections of the Internal Revenue Code of 1986, as amended, relative to arbitrage and avoidance of characterization as private activity bonds, among other things. The interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance of the Bonds as a result of acts or omissions of the Authority, the City or the School District in violation of their covenants. Should such an event of taxability occur, the Bonds are not subject to acceleration, redemption or any increase in interest rates and will remain Outstanding until maturity or until redeemed under one of the redemption provisions contained in the Indenture. See “CONCLUDING INFORMATION – Tax Matters.”

Secondary Market

There can be no assurance that there will be a secondary market for the Bonds, or if a secondary market exists, that such Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, pricing of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could substantially differ from the original purchase price.

AUTHORITY, CITY AND SCHOOL DISTRICT

The Authority is a joint powers authority, organized pursuant to a Joint Exercise of Powers Agreement, executed in March 1988 (the “Joint Powers Agreement”) by and between the City and the Brea Redevelopment Agency, as now succeeded by the Successor Agency to the Brea Redevelopment Agency (the “Successor Agency”). (The Successor Agency has issued bonds with maturity dates that extend to August 2036, after the final maturity date of the Bonds. The Successor Agency is expected to remain in existence so long as bonds issued by the Successor Agency remain outstanding. Further, the Indenture will include a covenant that, in the event of any impairment of the Authority’s existence by the termination of the Successor Agency, the Authority will take or cause to be taken all actions reasonably necessary to continue its existence until such time as the Bonds have been paid in full.) Pursuant to an Associate Membership Agreement between the Authority and the School District, the School District is an associate member of the Authority. The Joint Powers Agreement was entered into pursuant to the provisions of Article 1 of Chapter 5 of Division 7 of Title 1 of the California Government Code (the “Act”). The governing body of the Authority consists of the same individuals who comprise the City Council of the City. The Authority was created for the purpose of providing financing for public capital improvements for its members through the acquisition by the Authority of such public capital improvements or the purchase by the Authority of local obligations within the meaning of the Act. Under the Act, the Authority has the power to issue bonds to finance the cost of certain public capital improvements.

The City, a general law city, was incorporated in 1917, the eighth city in the County. The City has a Council-Manager form of municipal government. The City Council is composed of five members elected bi-annually at large to four-year alternating terms. The Mayor is selected by the City Council from among its members. On June 20, 2019, the City Council adopted Resolution No. 2019-049 declaring the intent to transition to district-based elections after receipt of the 2020 Census results (which results are currently expected to be released by the U.S. Census Bureau in spring 2021). The City Council appoints the City Manager who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. The City encompasses 11.2 square miles and is located at the northern end of the County, just south of the Los Angeles County line. From a population of approximately 18,450 in 1970, the City has grown to a population of approximately 45,000 as of January 1, 2019, according to State of California Department of Finance estimates. See “APPENDIX A – GENERAL INFORMATION REGARDING CITY OF BREA.”

The School District was established in 1966 and covers an area of about 21 square miles. Located in the northwest portion of the County, the School District serves the City as well as a small area of the cities of Fullerton, Yorba Linda and LaHabra. The School Board is the governing board of the School District and is composed of five voting members elected at large by the voters of the School District. On May 6, 2019, the School Board adopted Resolution No. 19-17 directing the initiation of processes to establish trustee areas within the School District and to change the method of electing members of the School Board from the current at-large system to, beginning with the November 2020 election, a method which provides that the School Board members residing in each trustee area will be elected by the registered voters of that particular trustee area. The Superintendent of the School District, appointed by the School Board, is responsible for the management of day-to-day operations and supervises the work of other School District

administrators. The School District currently operates six elementary schools, one junior high school, one continuation high school and one high school and serves a population of approximately 6,000 students.

CONCLUDING INFORMATION

Absence of Litigation

To the knowledge of the Authority, the City and the School District, there is no litigation pending or threatened to restrain or enjoin the issuance, execution or delivery of the Bonds, to contest the validity of the Bonds, the Indenture, or any proceedings of the Authority with respect thereto. In the opinion of counsel to the Authority, there is no lawsuit or claim pending against the Authority, with respect to which the Authority has been served with process, which will materially impair the Authority's ability to enter into the Indenture or restrain or enjoin the collection of Revenues as contemplated therein.

To the knowledge of the City, there is no litigation pending or threatened to restrain or enjoin the issuance, execution or delivery of the City CFD Bonds, to contest the validity of the City CFD Bonds or the related Fiscal Agreement, or any proceedings of the City with respect thereto. In the opinion of counsel to the City, there is no lawsuit or claim pending against the City or the City CFD, with respect to which the City has been served with process, which will materially impair the ability of the City, acting for and on behalf of the City CFD, to enter into the Fiscal Agent Agreement relating to the City CFD Bonds or restrain or enjoin the collection of Special Taxes Revenues to be derived from the City CFD Special Taxes as contemplated therein.

To the knowledge of the School District, there is no litigation pending or threatened to restrain or enjoin the issuance, execution or delivery of the School District CFD Bonds, to contest the validity of the School District CFD Bonds or the related Fiscal Agreement, or any proceedings of the City with respect thereto. In the opinion of counsel to the School District, there is no lawsuit or claim pending against the School District or the School District CFD, with respect to which the School District has been served with process, which will materially impair the ability of the School District, acting for and on behalf of the School District CFD, to enter into the Fiscal Agent Agreement relating to the School District CFD Bonds or restrain or enjoin the collection of Special Taxes Revenues to be derived from the School District CFD Special Taxes as contemplated therein.

Continuing Disclosure

Each of the City and the School District has undertaken in a continuing disclosure certificate (the "City Continuing Disclosure Certificate" and the "School District Continuing Disclosure Certificate" respectively) for the benefit of Owners and beneficial owners of the Bonds. This undertaking has been made in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) (the "Rule") promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

Under the City Continuing Disclosure Certificate, the City will covenant to provide certain financial information and operating data relating to the City CFD and the balances of funds relating to the City CFD Bonds, by not later than by not later than nine months after the close of each fiscal

year (which currently would be March 31, with the fiscal year ending on each June 30) commencing with the report for the 2019-20 fiscal year (the “City Annual Report”), and to provide notices of the occurrence of certain enumerated events. The City Annual Report and notices will be filed by the City or The Bank of New York Mellon Trust Company, N.A., as the Dissemination Agent on behalf of the City, with the Municipal Securities Rulemaking Board (the “MSRB”), via its Electronic Municipal Market Access (“EMMA”) system. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in “APPENDIX B – FORM OF CITY CONTINUING DISCLOSURE CERTIFICATE.”

Under the School District Continuing Disclosure Certificate, the School District will covenant to provide certain financial information and operating data relating to the School District CFD and the balances of funds relating to the School District CFD Bonds, by not later than by not later than nine months after the close of each fiscal year (which currently would be March 31, with the fiscal year ending on each June 30) commencing with the report for the 2019-20 fiscal year (the “School District Annual Report”), and to provide notices of the occurrence of certain enumerated events. The School District Annual Report and notices will be filed by the School District or The Bank of New York Mellon Trust Company, N.A., as the Dissemination Agent on behalf of the School District, with the MSRB, via EMMA. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in “APPENDIX C – FORM OF SCHOOL DISTRICT CONTINUING DISCLOSURE CERTIFICATE.”

A failure by the City or the School District to comply with the provisions of its respective Continuing Disclosure Certificate is not an event of default under the Indenture (although the Owners and beneficial owners of the Bonds do have remedies at law and in equity). However, a failure to comply with the provisions of the Continuing Disclosure Certificate must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds. Therefore, a failure by the City or the School District to comply with the provisions of its Continuing Disclosure Certificate may adversely affect the marketability of the Bonds on the secondary market.

Before the printing of this Official Statement, an independent examination (the “City CD Examination”) of the City’s continuing disclosure filings during the five years ending June 28, 2019, was made. The City CD Examination found that: (i) a notice for a 2014 rating upgrade of bonds relating to a City CFD was filed in 2017, (ii) the audited financial statements and certain other information pertaining to fiscal years 2015-16, 2016-17 and 2017-18 annual reports for multiple bond issues were filed after the deadline, and (iii) with respect to the fiscal year 2018-19 annual reports for certain lease revenues bonds, a summary of the General Fund budget was missing and, additionally, a “Page 2” was missing from the EMMA posting. [Before the printing of this Official Statement, the City has re-filed such 2018-19 annual reports with the previously missing information.] The City has taken steps to ensure future compliance with its continuing disclosure obligations in a timely manner. Before the printing of this Official Statement, the City Council adopted Resolution No. 2019-046, which among other things, approved a set of continuing disclosure procedures.

Before the printing of this Official Statement, an independent examination (the “School District CD Examination”) of the School District’s continuing disclosure filings between the during the five years ending June 28, 2019, was made. The School District CD Examination found

that: (i) the fiscal year 2015-16 annual report for the Prior Authority Bonds was filed after the applicable deadlines, (ii) a notice for a 2014 rating upgrade of the Prior Authority Bonds was filed in 2017, and (iii) certain information for the 2017-18 annual report for a series of general obligation bonds was missing. [The School District has filed the missing information for that 2017-18 annual report before the printing of this Official Statement.]. The School District has taken steps to ensure future compliance with its continuing disclosure obligations in a timely manner.

Legal Matters

The legality of the issuance of the Bonds and the Local Obligations is subject to the approval of Quint & Thimmig LLP, Larkspur, California, Bond Counsel. Bond Counsel's opinion with respect to the Bonds will be substantially in the form set forth in Appendix F of this Official Statement. Certain legal matters will be passed on for the Authority, the City and the City CFD by Richards, Watson & Gershon, A Professional Corporation, as City Attorney, Authority Counsel and Disclosure Counsel, and for the School District and the School District CFD by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Special Counsel to the School District. Kutak Rock LLP has served as counsel to Stifel, Nicolaus & Company, Incorporated, the Underwriter, in connection with the Bonds.

Tax Matters

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The Authority, and the City and the School District, have covenanted in the Indenture and the Fiscal Agent Agreements, respectively, to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

Subject to the Authority's, the City's and the School District's compliance with the above-referenced covenants, under present law, in the opinion of Quint & Thimmig LLP, Bond Counsel, interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes, and is not included as an item of tax preference in computing the federal alternative minimum tax under the Internal Revenue Code of 1986, as amended (the "Code").

In rendering its opinion, Bond Counsel will rely upon certifications of the Authority, the City and the School District with respect to certain material facts within their respective knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The issue price (the "Issue Price") for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page of this Official Statement.

If the Issue Price of a maturity of the Bonds is less than the principal amount payable at maturity, the difference between the Issue Price of each such maturity, if any, of the Bonds (the “OID Bonds”) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the Authority comply with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludable from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Code, but is taken into account in computing an adjustment used in determining the alternative minimum tax for certain corporations under the Code, as described above; and (d) the accretion of original issue discount in each year may result in an alternative minimum tax liability for corporations or certain other collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of Bonds who dispose of Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Bonds in the initial public offering, but at a price different from the Issue Price or purchase Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Bond is purchased at any time for a price that is less than the Bond’s stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original issue discount reduced by payments of interest included in the computation of original issue discount and previously paid (the “Revised Issue Price”), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price even if the purchase price exceeds par. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

An investor may purchase a Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as “bond premium” and must be amortized by an investor on a constant yield basis over the remaining term of the Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor’s basis in the Bond. Investors who purchase a Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Bond.

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Internal Revenue Service (the “Service”) has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includable in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the Bonds. If an audit is commenced, under current procedures the Service may treat the Authority as a taxpayer and the Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax exempt obligations, including the Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

In the further opinion of Bond Counsel, interest on the Bonds is exempt from personal income taxation imposed by the State of California.

Owners of the Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the Bonds may have federal or state tax consequences other than as described above. Bond Counsel expresses no opinion regarding federal tax consequences arising with respect to the ownership, sale or disposition of the Bonds, or the amount, accrual or receipt of interest on the Bonds.

The complete text of the final opinion that Bond Counsel expects to deliver upon issuance of the Bonds is set forth in Appendix F.

Municipal Advisor

Fieldman, Rolapp & Associates, Inc., Irvine, California, has served as municipal advisor (the “Municipal Advisor”) to the Authority, the City and the School District in connection with the issuance of the Bonds. The Municipal Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other securities public or otherwise.

Underwriting

Pursuant to a bond purchase contract (the “Purchase Contract”), Stifel, Nicolaus & Company, Incorporated, the Underwriter, has agreed, subject to certain conditions, to purchase the Bonds at a purchase price of \$_____ (which is equal to the principal amount of the Bonds, [plus/net] a net original issue [premium/discount] of \$_____, and less an Underwriter’s discount of \$_____). The Purchase Contract provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract. The Underwriter intends to offer the Bonds to the public initially at the prices set forth on the inside cover of this Official Statement, which prices may subsequently change without any requirement of prior notice.

Ratings

S&P Global Ratings (“S&P”) is expected to assign a rating of “_____” to the Bonds, conditioned on the issuance by the Bond Insurer of the Bond Insurance Policy at the time of delivery of the Bonds. In addition, S&P has assigned an underlying rating of “_____” to the Bonds based on their assessment of the Authority’s ability to make payments with respect to the Bonds without giving effect to the Bond Insurance Policy. S&P’s rating reflects only the views of such organization and any desired explanation of the significance of such rating may be obtained from S&P. There is no assurance such rating will continue for any given period of time or that such rating will not be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Miscellaneous

All of the preceding description and summaries of the Bonds, the Indenture, the Local Obligations, the Fiscal Agent Agreements, the Rates and Methods, the Mello-Roos Act and other applicable agreements, legislation and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the Trustee for further information in connection therewith.

Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The Authority, the City (acting for and on behalf of the City CFD), and the School District (acting for and on behalf of the School District CFD) have duly authorized the execution and delivery of this Official Statement.

BREA PUBLIC FINANCING AUTHORITY

By: _____
Chair

**CITY OF BREA,
for and on behalf of City of Brea Community
Facilities district No. 1997-1 (Olinda Heights
Public Improvements)**

By: _____
Mayor

**BREA OLINDA UNIFIED SCHOOL DISTRICT,
for and on behalf of Brea Olinda Unified School
District Community Facilities District No. 95-1
(Olinda Heights)**

By: _____
Superintendent

APPENDIX A

GENERAL INFORMATION REGARDING CITY OF BREA

The following information in this Appendix is included only for the purpose of supplying general demographic and economic information regarding the City of Brea. The City has no obligation to pay principal of or interest on the Bonds or the School District CFD Bonds, and the City is not contingently liable on the City CFD Bonds.

Geography

The City encompasses 11.2 square miles and is located at the northern end of Orange County (the “County”), just south of the Los Angeles County line. It is approximately 25 miles southeast of downtown Los Angeles, 15 miles north of Santa Ana, the County Seat, and 22 miles inland of the Pacific Ocean. Neighboring communities include Fullerton, Placentia, La Habra and Yorba Linda.

Municipal Government

The City, a general law city, was incorporated in 1917, the eighth city in the County. The City has a Council-Manager form of municipal government. The City Council appoints the City Manager who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. The City Council is composed of five members elected every two years at large to four-year alternating terms. The Mayor is selected by the City Council from among its members. As of June 18, 2019, the City had approximately 280 full-time employees. On June 20, 2019, the City Council adopted Resolution No. 2019-049 declaring the intent to transition to district-based elections after receipt of the 2020 Census results (which results are currently expected to be released by the U.S. Census Bureau in spring 2021).

Population

The following table shows the estimated population growth for the City, the County and the State of California for the years shown.

City of Brea
City, County and State Population Growth⁽¹⁾
Calendar Years 2000, 2010 and 2015 through 2019

Calendar Year	City of Brea	% Change from Prior Period	County of Orange	% Change from Prior Period	State of California	% Change from Prior Period
2000	35,176	--	2,831,799	--	33,721,583	--
2010	39,259	11.61%	3,008,855	6.25%	37,223,900	10.39%
2015	43,414	10.58	3,155,578	4.88	38,952,462	4.64
2016	43,821	0.94	3,174,945	0.61	39,214,803	0.67
2017	44,468	1.48	3,199,509	0.77	39,504,609	0.74
2018	44,539	0.16	3,213,275	0.43	39,740,508	0.60
2019	45,606	2.40	3,222,498	0.29	39,927,315	0.47

(1) As of January 1 of each year, with 2010 census benchmark.
Source: State of California Department of Finance.

City's Taxable Valuation

Below is a summary of the City's taxable valuation for the fiscal years set forth below. These figures are presented for historical comparison, with reference only to the time frame of the years shown:

City of Brea Assessed Values of All Taxable Property Fiscal Years 2014-15 through 2018-19

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property ⁽¹⁾	Total Taxable Assessed Value ⁽²⁾	Percent Change
2014-15	\$4,377,268,712	\$1,580,151,775	\$1,167,513,932	\$826,734,462	\$7,951,668,881	6.76%
2015-16	4,945,219,822	1,670,210,797	1,168,849,914	740,725,273	8,525,005,806	7.21
2016-17	5,359,064,633	1,725,644,969	1,264,334,778	775,342,859	9,124,387,239	7.03
2017-18	5,598,174,721	1,844,339,813	1,437,177,754	774,675,165	9,654,367,453	5.81
2018-19	N/A	N/A	N/A	N/A	10,286,668,026	6.55

(1) Other property includes recreational, institutional, vacant, and miscellaneous property.

(2) Tax-exempt property is excluded from the total taxable assessed value.

Source: Fiscal years 2014-15 through 2017-18 information from City of Brea Comprehensive Annual Financial Reports, for years ended June 30, 2018; based on information from Orange County Assessor; fiscal year 2018-19 assessed value from Orange County Auditor-Controller.

Construction Activity

The table below shows the number of construction permits issued in the City and the related values for the years shown:

City of Brea Construction Permits Calendar Years 2014-2018

Calendar Year	No. of Permits Issued	Percent Change	Estimated Valuation	Percent Change
2014	2,189	23.81%	\$101,885,541	37.32%
2015	2,486	13.57	166,698,338	63.61
2016	2,117	-14.84	126,779,527	-23.95
2017	1,197	-43.46	145,792,928	14.99
2018	1,304	8.94	69,051,322	-52.64

Source: City of Brea Development Services Department.

The fluctuation in building permits issued often reflects large scale tract development which is cyclical and, given the City's size (approximately 11 square miles), occurs intermittently.

Employment

According to the State of California Employment Development Department, the [May] 2019 preliminary, estimated unemployment rates for the City, the County and the State were [2.3] percent, [2.4] percent and [3.5] percent, respectively. The following table shows certain employment statistics for the City and the County for calendar years shown:

City of Brea
City, County and State Employment Statistics
Calendar Years 2014 through 2018⁽¹⁾

Year	City			County	State
	Labor Force	Employed	Unemployment Rate	Unemployment Rate	Unemployment Rate
2014	21,800	20,600	5.3%	5.5%	7.5%
2015	22,000	21,100	4.3	4.5	6.2
2016	22,200	21,300	3.9	4.0	5.4
2017	21,900	21,100	3.3	3.5	4.8
2018	22,800	22,100	2.9	2.9	4.2

(1) Not seasonally adjusted. March 2018 benchmark.

Source: State of California, Employment Development Department.

The following table lists the major employers within the City and their estimated number of employees:

City of Brea
Top Ten Employers
as of June 18, 2019

Company	Product or Service	Estimated No. of Employees
Mercury Insurance Group	insurance services	1,675
Bank of America	financial services	1,500
Albertson's, Inc.	retail – grocer	1,335
Beckmans Coulter, Inc.	manufacturing - biomedical instruments	1,000
Kirkhill - TA Company	manufacturing - aircraft parts	779
Brea Olinda Unified School District	public agency	709
Bristol Industries	manufacturing - machinery components	413
City of Brea	public agency	401
Nationwide, formerly Veterinary Pet Insurance	insurance services	400
Nordstrom Department Stores	retail	352

Source: City of Brea.

Median Household Income

The following table shows the estimated median household income for the City, the County, the State and the United States for the years shown:

City of Brea, Orange County, California and the United States Estimated Median Household Income Calendar Years 2013 through 2017

Year	City	County	State	U.S.
2013	\$79,124	\$75,422	\$61,094	\$53,046
2014	81,857	75,998	61,489	53,482
2015	83,717	76,509	61,818	53,889
2016	85,555	78,145	63,783	55,322
2017	90,214	81,851	67,169	57,652

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates.

Commercial Activity

The following table summarizes the annual volume of taxable transactions within the City for the calendar years shown:

City of Brea Taxable Transactions Calendar Years 2012 through 2016 (in Thousands of Dollars)

	2012	2013	2014	2015 ⁽¹⁾	2016 ⁽¹⁾
Retail and food services					
Motor vehicle and parts dealers	\$27,932	\$45,182	\$59,035	\$67,309	\$79,555
Home furnishings and appliances	51,740	59,143	58,504	57,973	54,983
Bldg matrl and garden equip and supplies	106,278	113,833	109,130	120,608	125,790
Food and beverage stores	41,187	43,479	44,995	46,580	56,114
Gasoline stations	102,184	101,912	95,707	81,127	66,836
Clothing and clothing accessories stores	287,305	293,004	290,140	296,032	281,477
General merchandise stores	203,886	204,457	204,562	204,043	198,845
Food services & drinking places	196,966	205,803	211,174	226,712	240,418
Other retail group	148,812	151,942	154,233	153,322	150,909
Subtotal⁽²⁾	\$1,166,290	\$1,218,754	\$1,227,480	\$1,253,706	\$1,254,928
All Other Outlets	469,349	487,873	488,917	534,145	526,511
All Outlets⁽²⁾	<u>\$1,635,639</u>	<u>\$1,706,627</u>	<u>\$1,716,397</u>	<u>\$1,787,851</u>	<u>\$1,781,439</u>

(1) Beginning in 2015, the outlet counts show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 and 2016 are not comparable to that of prior years.

(2) Detail may not compute to total due to rounding.

Source: Compiled from data published by State of California Board of Equalization.

Transportation

The City is well served by area transportation routes. The Orange Freeway (State Highway 57), a major north-south corridor, crosses centrally through the City. The City is also within minutes of the Pomona Freeway (State Route 60), the Riverside Freeway (State Route 91) and the Santa Ana Freeway (Interstate 5). The City is close to several airports: Orange County Airport (17 miles from the City), Ontario Airport (25 miles from the City) and LAX (48 miles from the City). An Amtrak/Metrolink station located approximately five miles from the City provides passenger rail access. The Orange County Transportation Authority operates a regional bus system with routes that serves the City and other areas throughout the County.

Public Utilities

Electrical service is provided by Southern California Edison. Southern California Gas provides natural gas.

Water services are provided by the City's Water Department. The City's drinking water is a blend of surface water imported by the Metropolitan Water District of Southern California and ground water imported from California Domestic Water Company in Whittier. Metropolitan's imported water sources are the Colorado River and the State Water Project, which draws water from the San Francisco-San Joaquin Bay Delta. California Domestic water originates from the San Gabriel Basin.

Sewer services are provided by the City's Maintenance Services Department, which maintains over 108 miles of sewer main lines. The sewer distribution system flows into Orange County Sanitation District trunk system until it is treated at their secondary treatment facility in Fountain Valley. Trash collection services are provided by the City through Brea Disposal, a private contractor.

Education

The City's students are served by the Brea Olinda Unified School District presided over by a separately elected board. The system includes six elementary schools, one junior high school, one high school and one alternative high school. Brea-Olinda High School has a professional performing arts center and complete athletic facilities. The City also has several private pre-schools, two Christian schools and a Roman Catholic school serving grades K-8. Colleges, universities and a number of technical and vocational schools are located in and around Brea. California State University, Fullerton College, Pacific Christian College, Hope University, an optometry school and a law school are located in nearby Fullerton, and the University of California at Irvine, Chapman College, and Cal Poly Pomona are within easy freeway access.

Community Facilities

St. Jude Medical Center in Fullerton and Placentia-Linda Hospital in Placentia are full-service hospitals that are located within five miles of the City.

The City maintains parks and recreation facilities within its boundaries. The Brea Community Services Department coordinates park activities and the City owns Brea Creek Golf Course, operated by the Chapman Investment Company in partnership with Billy Casper Golf.

The City has senior and family resource center operated by the City with participation by charitable, non-profit corporations.

Public Safety

Law enforcement services are provided by the Brea Police Department which provides full services to the City. Fire services are provided by the Brea Fire Services Department, which has three fire stations and one annex located throughout the City.

Street and highway maintenance is provided for under the supervision of the City's Maintenance Services Department.

APPENDIX B
CITY CFD RATE AND METHOD

APPENDIX C

SCHOOL DISTRICT CFD RATE AND METHOD

APPENDIX D

SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

APPENDIX E
FORMS OF CONTINUING DISCLOSURE CERTIFICATES

APPENDIX F

FORM OF BOND COUNSEL OPINION

Upon issuance and delivery of the Bonds, Bond Counsel, proposes to render its final approving opinion in substantially the following form:

APPENDIX G

DTC'S BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the Authority, the City and the School District believe to be reliable, and the Authority, the City and the School District do not take any responsibility for the accuracy thereof. The Authority, the City and the School District give no assurances that (i) DTC, the Direct and Indirect Participants or others will distribute payments of principal, premium (if any) or interest with respect to the Bonds paid to DTC or its nominee as, the registered owner, to the Beneficial Owners, (ii) such entities will distribute redemption notices or other notices, to the Beneficial Owners, or (iii) an error or delay relating thereto will not occur.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing

details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMD Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any) and interest payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Authority or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Authority or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any) and interest payments with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Authority or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the Authority or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

The Authority may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered in accordance with the provisions of the Indenture.

APPENDIX H
SPECIMEN BOND INSURANCE POLICY

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 07/16/2019

SUBJECT: Authorization of an Escrow Agreement Relating to the Refunding of the Outstanding 2009 Series A and B Water Revenue Bonds and the 2010 Series B Water Revenue Bonds

RECOMMENDATION

Adopt the Resolution, authorizing the execution and delivery of an Escrow Agreement relating to the refunding of the outstanding 2009, Series A and B Water Revenue Bonds and the 2010, Series B Water Revenue Bonds, and approving related actions.

BACKGROUND/DISCUSSION

In 2009 and 2010, the Brea Public Financing Authority (the "Authority") in conjunction with the City of Brea (the "City") issued the following Bonds to finance improvements to the City's Water System that are now eligible to be refunded:

- \$12,855,000 (original principal amount) 2009 Water Revenue Refunding Bonds, Series A (the "2009A Bonds"), of which \$8,135,000 remain outstanding and will be refunded;
- \$12,945,000 (original principal amount) 2009 Water Revenue Bonds, Series B (Federally Taxable - Build America Bonds - Direct Payment) (the "2009B Bonds" and together with the 2009A Bonds, the "2009 Bonds"), all of which remain outstanding and will be refunded;
- \$2,410,000 (original principal amount) 2010 Water Revenue Bonds (Solar and Energy Efficient Projects), Series A, all of which have been paid off; and
- \$9,885,000 (original principal amount) 2010 Water Revenue Bonds (Solar and Energy Efficient Projects), Series B (Federally Taxable - Build America Bonds - Direct Payment) (the "2010B Bonds"), of which \$9,610,000 remain outstanding and will be refunded ;

On May 21, 2019, staff recommended and the City Council adopted Resolution 2019-033 approving the institution of proceedings to refinance the outstanding 2009 (Series A & B) and 2010 (Series B) Water Revenue Bonds of the Authority (the “2009 and 2010 Water Bonds”) by issuing refunding bonds. On July 16, 2019, the City Council will consider the authorization and sale of The City of Brea 2019 Water Revenue Refunding Bonds (the “2019 Water Refunding Bonds”) which would be issued under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the “Refunding Bond Law”).

The 2009 Authority Bonds are subject to prepayment and redemption on any date on or after July 1, 2019, and the 2010 Authority Bonds are subject to prepayment and redemption on any date on or after July 1, 2020. If authorized for issuance by the City Council, the proceeds of the 2019 Water Refunding Refunding Bonds will be deposited with The Bank of New York Mellon Trust, N.A., as trustee for the 2009 Authority Bonds and the 2010 Authority Bonds and escrow agent (the “Escrow Agent”) under an Escrow Agreement. Therefore, staff recommends the Authority Board of Directors adopt the attached Resolution which approves the refunding of the 2009 Authority Bonds and the 2010 Authority Bonds in accordance with the provisions of the Escrow Agreement among the City, the Authority and the Escrow Agent.

FISCAL IMPACT/SUMMARY

The outstanding 2009 and 2010 Water Bonds total \$30,690,000. Staff is recommending that the City refinance the outstanding 2009 and 2010 Water Bonds bonds by issuing \$26,645,000 in City of Brea 2019 Water Revenue Refunding Bonds in order to reduce the City's average annual debt service payments by \$216,829. These are estimated savings based on current market conditions and subject to change. Additionally the 2009 and 2010 Water Bonds are being refunded within their existing term (final maturity). The anticipated savings from this refunding are expected to be used to stabilize water rates by offsetting future operational cost increases. There is no impact to the City's General Fund.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Cindy Russell, Administrative Services Director

Attachments

Resolution

Escrow Agreement

RESOLUTION NO. A-2019-04

RESOLUTION OF THE BOARD OF DIRECTORS OF THE BREA PUBLIC FINANCING AUTHORITY AUTHORIZING THE EXECUTION AND DELIVERY OF AN ESCROW AGREEMENT RELATING TO THE REFUNDING OF OUTSTANDING 2009 AND 2010 WATER REVENUE BONDS OF THE AUTHORITY, AND APPROVING RELATED ACTIONS

A. RECITALS:

(i) The City of Brea (the “City”) owns and operates a public enterprise for the supply, treatment and distribution of water (the “Water System”), and in order to finance and refinance improvements to the Water System the Brea Public Financing Authority (the “Authority”) has previously issued its Brea Public Financing Authority 2009 Water Revenue Refunding Bonds, Series A in the aggregate original principal amount of \$12,855,000 and its Brea Public Financing Authority 2009 Water Revenue Bonds, Series B (Federally Taxable - Build America Bonds – Direct Payment) in the aggregate original principal amount of \$12,945,000 (collectively, the “2009 Authority Bonds”), which are secured by installment payments made by the City under an Installment Sale Agreement dated as of May 1, 2009 (the “2009 Installment Sale Agreement”), between the Authority and the City; and

(ii) In order to provide additional financing for the Water System, the Authority has also previously issued its Brea Public Financing Authority 2010 Water Revenue Bonds (Solar and Energy Efficiency Projects) Series B (Federally Taxable – Build America Bonds – Direct Payment) in the aggregate original

principal amount of \$9,885,000 (the “2010 Authority Bonds”), which are secured by installment payments made by the City under an Installment Sale Agreement dated as of April 1, 2010 (the “2010 Installment Sale Agreement”), between the Authority and the City; and

(iii) The installment payment obligations of the City under the 2009 Installment Sale Agreement and the 2009 Authority Bonds are subject to prepayment and redemption on any date on or after July 1, 2019, and the installment payment obligations of the City under the 2010 Installment Sale Agreement and the 2010 Authority Bonds are subject to prepayment and redemption on any date on or after July 1, 2020; and

(iv) In order to provide funds to refinance the installment payments of the City under the 2009 Installment Sale Agreement and the 2010 Installment Sale Agreement, and thereby provide funds to refinance the 2009 Authority Bonds and the 2010 Authority Bonds, and thereby realize debt service savings to the City, the City Council of the City has authorized the issuance of its City of Brea 2019 Water Revenue Refunding Bonds (the “Refunding Bonds”); and

(v) The proceeds of the Refunding Bonds will be deposited with The Bank of New York Mellon Trust, N.A., as trustee for the 2009 Authority Bonds and the 2010 Authority Bonds and escrow agent (the “Escrow Agent”) under an Escrow Agreement among the City, the Authority and the Escrow Agent; and

(vi) The Board of Directors of the Authority (the “Board”) wishes at this time to approve the execution and delivery of the Escrow Agreement and official actions relating to the refunding of the 2009 Authority Bonds and the 2010 Authority Bonds;

B. RESOLUTION:

NOW, THEREFORE, it is found, determined and resolved by the Board of Directors of the Brea Public Financing Authority as follows:

1. Approval of Escrow Agreement. The Board hereby approves the refunding of the 2009 Authority Bonds and the 2010 Authority Bonds in accordance with the provisions of the Escrow Agreement among the City, the Authority and the Escrow Agent. The Board hereby approves the Escrow Agreement in substantially the form on file with the Secretary together with any changes therein or additions thereto deemed advisable by the Executive Director or the Assistant Treasurer (each, an “Authorized Officer”), and the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed to execute the final form of the Escrow Agreement on behalf of the Authority.

2. Official Actions. The Chair, the Executive Director, the Assistant Treasurer, the Secretary and all other officers of the Authority are each authorized and directed in the name and on behalf of the Authority to make any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they or any of them might deem necessary or appropriate in order to consummate any of the transactions

RESO NO. A-2019-04
July 16, 2019

contemplated by the agreements and documents approved under this Resolution. Whenever in this Resolution any officer of the Authority is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf in the case such officer is absent or unavailable.

3. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

APPROVED AND ADOPTED this 16th day of July, 2019.

Christine Marick, Chair

ATTEST: _____
Lillian Harris-Neal, City Clerk

RESO NO. A-2019-04
July 16, 2019

I, Lillian Harris-Neal, Secretary of the Brea Public Financing Authority, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the Board of Directors of the Brea Public Financing Authority on the 16th day of July, 2019 by the following vote:

AYES: BOARD MEMBERS:

NOES: BOARD MEMBERS:

ABSENT: BOARD MEMBERS:

ABSTAIN: BOARD MEMBERS:

DATED:

Lillian Harris-Neal, City Clerk

ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Agreement"), dated August __, 2019, is between the CITY OF BREA, a municipal corporation organized and existing under the laws of the State of California (the "City"), the BREA PUBLIC FINANCING AUTHORITY, a public agency and joint powers authority organized and existing under the laws of the State of California (the "Authority"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as escrow agent (the "Escrow Agent") and as trustee for the 2009 Bonds and the 2010 Bonds described below.

BACKGROUND:

1. In order to provide financing and refinancing for improvements to the water supply and distribution system of the City, the City and the Authority have previously entered into the following Installment Sale Agreements under which the City is obligated to pay semiannual installment payments which are secured by a pledge of and lien on the net revenues of the water system and which are pledged to the payment of the following bonds of the Authority:

- (a) the Installment Sale Agreement dated as of May 1, 2009 (the "2009 Installment Sale Agreement"), which secures the Brea Public Financing Authority 2009 Water Revenue Refunding Bonds, Series A issued by the Authority in the aggregate original principal amount of \$12,855,000 (the "2009 Series A Bonds") and the Brea Public Financing Authority 2009 Water Revenue Bonds, Series B (Federally Taxable - Build America Bonds – Direct Payment) issued by the Authority in the aggregate original principal amount of \$12,945,000 (the "2009 Series B Bonds"); and
- (b) the Installment Sale Agreement dated as of April 1, 2010 (the "2010 Installment Sale Agreement"), which secures the Brea Public Financing Authority 2010 Water Revenue Bonds (Solar and Energy Efficiency Projects) Series A issued by the Authority in the aggregate original principal amount of \$2,410,000 (the "2010 Series A Bonds"), and the Brea Public Financing Authority 2010 Water Revenue Bonds (Solar and Energy Efficiency Projects) Series B (Federally Taxable – Build America Bonds – Direct Payment) issued by the Authority in the aggregate original principal amount of \$9,885,000 (the "2010 Series B Bonds").

2. The 2010 Series A Bonds have previously matured and been paid in full, and are no longer outstanding.

3. The installment payments which are payable by the City under the 2009 Installment Agreement (the "2009 Installment Payments") may be prepaid on any date on or after July 1, 2019, at a prepayment price equal to 100% of the principal amount thereof, without premium.

4. The installment payments which are payable by the City under the 2010 Installment Sale Agreement (the "2010 Installment Payments") may be prepaid and redemption on any date on or after July 1, 2020, at a prepayment price equal to 100% of the principal amount thereof, without premium.

5. In order to provide funds to prepay the 2009 Installment Payments in full and thereby provide funds to redeem the 2009 Series A Bonds and the 2009 Series B Bonds in full on September __, 2019 (the "2019 Redemption Date"), and in order to provide funds to pay and prepay the 2010 Installment Payments in full and thereby provide funds to pay and redeem the 2010 Series B Bonds in full on July 1, 2020 (the "2020 Redemption Date"), the City has issued its City of Brea 2019 Water Revenue Refunding Bonds in the aggregate principal amount of \$_____ (the "2019 Bonds").

6. The Bank of New York Mellon Trust Company, N.A. serves as trustee for the 2009 Bonds (the "2009 Trustee") under an Indenture of Trust dated as of May 1, 2009 (the "2009 Bond Indenture"), and also serves as trustee for the 2010 Bonds (the "2010 Trustee") under an Indenture of Trust dated as of April 1, 2010 (the "2010 Bond Indenture").

7. The City and the Authority wish to appoint the Escrow Agent for the purpose of establishing an irrevocable escrow fund to be funded, invested, held and administered as set forth herein.

A G R E E M E N T :

In consideration of the premises and the material covenants contained herein, the City, the Authority and the Escrow Agent hereby agree as follows:

SECTION 1. *Appointment of Escrow Agent; Establishment of Escrow Fund.* The City and the Authority hereby appoint the Escrow Agent to act as escrow agent for purpose of administering the funds required for the following purposes:

- (a) to prepay the 2009 Installment Payments in full on the 2019 Redemption Date in accordance with Section 7.2 of the 2009 Installment Sale Agreement and thereby discharge the 2009 Installment Sale Agreement in accordance with Section 7.1 of the 2009 Installment Sale Agreement;
- (b) to redeem the 2009 Bonds in full on the 2019 Redemption Date in accordance with Section 4.01(a) of the 2009 Bond Indenture and thereby discharge the 2009 Bonds and the 2009 Bond Indenture in accordance with Section 10.01 of the 2009 Bond Indenture;
- (c) to prepay the 2010 Installment Payments in full on the 2020 Redemption Date in accordance with Section 7.2 of the 2010 Installment Sale Agreement and thereby discharge the 2010 Installment Sale Agreement in accordance with Section 7.1 of the 2010 Installment Sale Agreement; and
- (d) to pay and redeem the 2010 Series B Bonds in full on the 2020 Redemption Date, in accordance with Section 4.01(a) of the 2010

Bond Indenture and thereby discharge the 2010 Series B Bonds in accordance with Section 10.01 of the 2010 Bond Indenture and thereby discharge the 2010 Bonds and the 2010 Bond Indenture in accordance with Section 10.01 of the 2010 Bond Indenture.

The Escrow Agent is hereby directed to establish an escrow fund (the "Escrow Fund") to be held by the Escrow Agent in trust as an irrevocable escrow. If at any time the Escrow Agent receives actual knowledge that the cash in the Escrow Fund will not be sufficient to make any payment required by Section 4, the Escrow Agent shall notify the City of such fact and the City shall immediately cure such deficiency from any source of legally available funds. The Escrow Agent has no liability for any such insufficiency.

SECTION 2. *Deposit of Amounts in Escrow Fund.* On August __, 2019 (the "Closing Date"), the City shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of \$_____ in immediately available funds. Such amount shall be derived from the following sources:

- (a) from the proceeds of the 2019 Bonds in the amount of \$_____;
- (b) from amounts held by the 2009 Trustee in the Reserve Account which has been established under the Indenture of Trust dated as of May 1, 2009, under which the 2009 Series A Bonds and the 2009 Series B Bonds have been issued; and
- (c) from amounts held by the 2010 Trustee in the Series B Subaccount within the Reserve Account which has been established under the Indenture of Trust dated as of April 1, 2010, under which the 2010 Series A Bonds and the 2010 Series B Bonds have been issued.

SECTION 3. *Investment of Amounts in Escrow Fund.* On the Closing Date, the Escrow Agent shall invest the amount of \$_____ held by it in the Escrow Fund in the following United States Treasury Certificates of Indebtedness, State and Local Government Series:

<u>Par Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
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The Escrow Agent shall hold the remaining amount of \$_____ in the Escrow Fund in cash, uninvested.

SECTION 4. *Application of Amounts in Escrow Fund.* The Escrow Agent shall transfer amounts in the Escrow Fund to the 2009 Trustee to prepay the 2009 Installment Payments and thereby redeem all of the outstanding 2009 Series A Bonds and the 2009 Series B Bonds in accordance with the following schedule:

<u>Payment Date</u>	<u>Interest Payment</u>	<u>Redeemed Principal</u>	<u>Total Payment</u>
September __, 2019	\$	\$	\$

The Escrow Agent shall transfer amounts in the Escrow Fund to the 2010 Trustee to pay and prepay the 2010 Installment Payments and thereby pay and redeem all of the outstanding 2010 Series B Bonds in accordance with the following schedule:

<u>Payment Date</u>	<u>Interest Payment</u>	<u>Maturing Principal</u>	<u>Redeemed Principal</u>	<u>Total Payment</u>
January 1, 2020	\$	\$	\$	\$
July 1, 2020				

Following the payment and redemption of the 2010 Series B Bonds in full on the 2020 Redemption Date, the Escrow Agent shall transfer any amounts remaining on deposit in the Escrow Fund to The Bank of New York Mellon Trust Company, N.A., as trustee for the 2019 Bonds (the "2019 Bond Trustee") to be applied to pay interest next coming due and payable on the 2019 Bonds.

SECTION 5. *Irrevocable Election.* The City hereby irrevocably elects to prepay the 2009 Installment payments in full on the 2019 Redemption Date in accordance with Section 7.2 of the 2009 Installment Sale Agreement. The City hereby irrevocably elects to prepay the 2010 Installment payments relating to the 2010 Series B Bonds in full on the 2020 Redemption Date in accordance with Section 7.2 of the 2010 Installment Sale Agreement.

The Authority hereby irrevocably elects to redeem the 2009 Bonds in full on the 2019 Redemption Date in accordance with Section 4.01(a) of the 2009 Indenture. The 2009 Trustee shall give notice of redemption of the 2009 Bonds in accordance with Section 4.03 of the 2009 Bond Indenture, at the expense of the City.

The Authority hereby irrevocably elects to redeem the 2010 Bonds in full on the 2020 Redemption Date in accordance with Section 4.01(a) of the 2010 Indenture. The 2010 Trustee shall give notice of redemption of the 2010 Bonds in accordance with Section 4.03 of the 2010 Bond Indenture, at the expense of the City.

SECTION 6. *Transfer of 2009 Bond Funds and 2010 Bond Funds.* Any amounts held in the funds and accounts established under the 2009 Bond Indenture and the 2010 Bond Indenture by the Escrow Agent, in its capacity as 2009 Trustee and 2010 Trustee, shall be withdrawn therefrom on the Closing Date and transferred to the 2019 Bond Trustee to be applied to pay interest next coming due and payable on the 2019 Bonds.

SECTION 7. *Compensation to Escrow Agent.* The City shall pay the Escrow Agent full compensation for its services under this Agreement, including out-of-pocket costs such as publication costs, prepayment expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes. The Escrow Agent has no lien upon or right of set off against the cash at any time on deposit in the Escrow Fund.

The City shall indemnify, defend and hold harmless the Escrow Agent and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Agent directly or indirectly relating to, or arising from, claims against the Escrow Agent by reason of its participation in the transactions contemplated hereby, except to the extent caused by the Escrow Agent's gross negligence or willful misconduct. The provisions of this Section shall survive the termination of this Agreement or the earlier resignation or removal of the Escrow Agent.

SECTION 8. *Immunities and Liability of Escrow Agent.* The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties, covenants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall not have any liability hereunder except to the extent of its gross negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special, indirect or consequential damages. The Escrow Agent shall not be permitted to make any investments of amounts held by it in the Escrow Fund. The Escrow Agent may consult with Bond Counsel or legal counsel to the City, and in such case the Escrow Agent shall not be liable for any action taken or not taken by it in good faith in reliance upon the opinion or advice of such counsel. The Escrow Agent shall not be liable for the recitals or representations contained in this Agreement and shall not be responsible for the validity of this Agreement, the sufficiency of the Escrow Fund or the moneys for the purposes set forth in this Agreement.

Whenever in the administration of this Agreement the Escrow Agent deems it necessary or desirable that a matter be proved or established prior to taking or not taking any action, such matter may be deemed to be conclusively proved and established by a certificate of an authorized representative of the City and shall be full protection for any action taken or not taken by the Escrow Agent in good faith reliance thereon.

The Escrow Agent may conclusively rely as to the truth and accuracy of the statements and correctness of any opinions or calculations provided to it in connection with this Agreement and shall be protected in acting, or refraining from acting, upon any notice, instruction, request, certificate, document, opinion or other writing furnished to the Escrow Agent in connection with this Agreement and believed by the Escrow Agent to be signed by the proper party, and it need not investigate any fact or matter stated therein.

None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed. The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

Any bank, corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

SECTION 9. *Furnishing of Statements.* The Escrow Agent shall furnish the City periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the City. Upon the City's election, such statements will be delivered via the Escrow Agent's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Escrow Agent will be available upon request and at no additional cost.

SECTION 10. *Electronic Communications.* The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means. For purposes of this paragraph, the term "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder). The City shall provide to the Escrow Agent an incumbency certificate listing officers with the City to provide such Instructions (the "Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate may be amended by the City from time to time. If the City elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more

secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 11. *Termination of Agreement.* Upon payment and prepayment in full of the 2007 Authority Bonds, and upon payment of all fees, expenses and charges of the Escrow Agent as described above, this Agreement shall terminate and the Escrow Agent shall be discharged from any further obligation or responsibility hereunder.

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

SECTION 13. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

CITY OF BREa

By: _____
City Manager

BREA PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

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

By _____
Authorized Officer

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 07/16/2019

SUBJECT: Authorization for the Issuance and Sale of the 2019 Water Revenue Refunding Bonds to Refinance the Outstanding 2009 and 2010 Water Revenue Bonds of the Brea Public Financing Authority, and Approving Related Documents and Actions

RECOMMENDATION

Adopt the Resolution approving the issuance and sale of the City of Brea 2019 Water Revenue Refunding Bonds to refinance the 2009 Water Revenue Bonds, Series A and B and the 2010 Water Revenue Bonds, Series B of the Brea Public Financing Authority and approving related documents and actions.

BACKGROUND/DISCUSSION

In 2009 and 2010, the City/Authority issued the following Bonds to finance improvements to the City's Water System that are now eligible to be refunded:

- \$12,855,000 (original principal amount) 2009 Water Revenue Refunding Bonds, Series A (the "2009A Bonds"), of which \$8,135,000 remain outstanding and will be refunded;
- \$12,945,000 (original principal amount) 2009 Water Revenue Bonds, Series B (Federally Taxable - Build America Bonds - Direct Payment) (the "2009B Bonds" and together with the 2009A Bonds, the "2009 Bonds"), all of which remain outstanding and will be refunded;
- \$2,410,000 (original principal amount) 2010 Water Revenue Bonds (Solar and Energy Efficient Projects), Series A, all of which have been paid off; and
- \$9,885,000 (original principal amount) 2010 Water Revenue Bonds (Solar and Energy Efficient Projects), Series B (Federally Taxable - Build America Bonds - Direct Payment) (the "2010B Bonds"), of which \$9,610,000 remain outstanding and will be refunded ;

City Staff has determined in consultation with its Municipal Advisor, Fieldman, Rolapp & Associates, Inc, and its bond underwriter, Stifel, Nicolaus & Company, Incorporated, that current market conditions allow for the issuance of refunding bonds which will generate savings to the City's Water Enterprise Fund in the form of lower annual debt payments through refinancing the prior bonds. The City's Local Debt Policy requires a threshold of at least 3% net present value

savings to be met in order to refund bonds. Based on current market conditions and subject to change, the projected 2019 Refunding Bonds have a projected net present value savings of 11.33%, and will produce an average annual reduction in bond payments of \$216,829.

Therefore, on May 21, 2019, staff recommended and the City Council adopted Resolution 2019-033 approving the institution of proceedings to refinance the outstanding 2009 (Series A & B) and 2010 (Series B) Water Revenue Bonds of the Brea Public Finance Authority (the "2009 and 2010 Water Bonds") by issuing refunding bonds. The City of Brea 2019 Water Revenue Refunding Bonds (the "2019 Water Refunding Bonds") will be issued under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Refunding Bond Law"). The 2019 Bonds will be secured by a pledge of and payable from "Net Revenues", which consist of certain revenues of the Water System less operations and maintenance costs. It is noted the Brea Community Benefit Financing Authority also has 2014 Water Revenue Bonds (the "2014 Water Bonds") outstanding. The 2019 Water Refunding Bonds will be on parity with the outstanding 2014 Water Bonds.

Below is a table summarizing the detail for each series of Bonds to refunded and the anticipated savings:

Refunding Statistics	2009 Series A Water Revenue Bonds	2009 Series B Water Revenue BABs	2010 Series B Water Revenue BABs	Total
Prior Bonds				
Amount of Refunded Bonds	\$8,135,000	\$12,945,000	\$9,610,000	\$30,690,000
Call Date	7/1/2019 @ 100	7/1/2019 @ 100	7/1/2020 @ 100	--
Rating	"AA-"	"AA-"	"AA-"	"AA-"
Refunding Type	Tax-Exempt Current	Tax-Exempt Current	Tax-Exempt Advance	--
Avg. Coupon of Refunded Bonds	4.55%	6.75%	6.63%	--
Final Maturity	7/1/2029	7/1/2039	7/1/2036	--
Refunding Statistics				
Amount of Refunding Bonds	\$6,645,000	\$11,200,000	\$8,800,000	\$26,645,000
True Interest Cost	1.68%	3.18%	2.68%	--
Avg. Annual Savings	\$91,135	\$120,310	\$61,974	\$216,829
Total Savings	\$911,350	\$2,526,520	\$1,115,531	\$4,553,401
Net PV Savings	\$831,112	\$1,822,482	\$824,236	\$3,477,830
% Savings of Refunded Bonds	10.22%	14.08%	8.58%	11.33%

Approval of the attached Resolution will approve the following documents in substantially the form presented which are required to issue the 2019 Bonds:

- **Indenture of Trust** – document between the City and BNY Mellon Trust setting up required accounts and providing the terms and provisions relating to the 2019 Bonds
- **Escrow Agreement** – document between the City and BNY Mellon Trust acting as an escrow agent to provide for the refunding of the outstanding 2009 and 2010 bonds
- **Bond Purchase Agreement** – document between the City and Stifel, Nicolaus & Company whereby the underwriter agrees to buy the 2019 Bonds from the City and resell them to bond investors
- **Preliminary Official Statement** – offering statement used to provide bond investors material information about the 2019 Bonds, to allow them to make an informed decision on

buying the 2019 Bonds

- **Continuing Disclosure Agreement** – document requiring the City to provide annually updated information related to the 2019 Bonds until bonds are paid off
- **Closing Documents** – authorizing City officers and staff to execute and deliver all documents required for the closing of the bond issue.

COMMISSION/COMMITTEE RECOMMENDATION

This item was reviewed by the Finance Committee at its regular meeting on May 14, 2019 and was recommended for approval by the City Council.

FISCAL IMPACT/SUMMARY

The outstanding 2009 and 2010 Water Bonds total \$30,690,000. Staff is recommending that the City refinance the outstanding 2009 and 2010 Water Bonds bonds by issuing \$26,645,000 in 2019 Water Refunding Bonds in order to reduce the average annual bond payments by \$216,829. These are estimated savings based on current market conditions and subject to change. Additionally the 2009 and 2010 Water Bonds are being refunded within their existing term (final maturity). The anticipated savings from this refunding are expected to be used to stabilize water rates by offsetting future operational cost increases.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Cindy Russell, Administrative Services Director

Attachments

Resolution

Indenture of Trust

Escrow Agreement

Bond Purchase Agreement

Preliminary Official Statement

Continuing Disclosure Certificate

RESOLUTION NO. 2019-051

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA AUTHORIZING THE ISSUANCE AND SALE OF WATER REVENUE REFUNDING BONDS TO REFINANCE OUTSTANDING 2009 AND 2010 WATER REVENUE BONDS OF THE BREA PUBLIC FINANCING AUTHORITY, AND APPROVING RELATED DOCUMENTS AND ACTIONS

A. RECITALS:

(i) The City of Brea (the “City”) owns and operates a public enterprise for the supply, treatment and distribution of water (the “Water System”), and in order to finance and refinance improvements to the Water System the Brea Public Financing Authority (the “Authority”) has previously issued its Brea Public Financing Authority 2009 Water Revenue Refunding Bonds, Series A in the aggregate original principal amount of \$12,855,000 and its Brea Public Financing Authority 2009 Water Revenue Bonds, Series B (Federally Taxable - Build America Bonds – Direct Payment) in the aggregate original principal amount of \$12,945,000 (collectively, the “2009 Authority Bonds”), which are secured by installment payments made by the City under an Installment Sale Agreement dated as of May 1, 2009 (the “2009 Installment Sale Agreement”), between the Authority and the City; and

(ii) In order to provide additional financing for the Water System, the Authority has also previously issued its Brea Public Financing Authority 2010 Water Revenue Bonds (Solar and Energy Efficiency Projects) Series B (Federally Taxable – Build America Bonds – Direct Payment) in the aggregate original

principal amount of \$9,885,000 (the “2010 Authority Bonds”), which are secured by installment payments made by the City under an Installment Sale Agreement dated as of April 1, 2010 (the “2010 Installment Sale Agreement”), between the Authority and the City; and

(iii) The installment payment obligations of the City under the 2009 Installment Sale Agreement and the 2009 Authority Bonds are subject to prepayment and redemption on any date on or after July 1, 2019, and the installment payment obligations of the City under the 2010 Installment Sale Agreement and the 2010 Authority Bonds are subject to prepayment and redemption on any date on or after July 1, 2020; and

(iv) In order to provide funds to refinance the installment payments of the City under the 2009 Installment Sale Agreement and the 2010 Installment Sale Agreement, and thereby provide funds to refinance the 2009 Authority Bonds and the 2010 Authority Bonds, and thereby realize debt service savings to the City, the City wishes to authorize the issuance of its City of Brea 2019 Water Revenue Refunding Bonds (the “Refunding Bonds”) under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the “Refunding Bond Law”); and

(v) As required by Government Code Section 5852.1 enacted January 1, 2018 by Senate Bill 450, attached hereto as Exhibit A is the information relating to the Refunding Bonds that has been obtained by the City Council and is hereby disclosed and made public; and

(vi) The City Council has previously approved a Debt Issuance and Management Policy which complies with Government Code Section 8855, and the delivery of the Refunding Bonds will be in compliance with said policy; and

(vii) The City Council of the City has duly considered such transactions and wishes at this time to approve said transactions in the public interests of the City.

B. RESOLUTION:

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

1. Authorization of Refunding Bonds. The City Council hereby authorizes the issuance of the Refunding Bonds under the Refunding Bond Law and any other applicable law, for the purpose of providing funds to refinance its installment payment obligations under the 2009 Installment Sale Agreement and the 2010 Installment Sale Agreement, and thereby provide funds to refinance the 2009 Authority Bonds and the 2010 Authority Bonds. The Refunding Bonds shall be revenue bonds which are payable from and secured by a pledge of and lien on the net revenues of the Water System, on a parity with the obligations of the City under the Installment Sale Agreement dated as of August 1, 2014, between the City and the Brea Community Benefit Financing Authority, which secure the Brea Community Benefit Financing Authority 2014 Water Revenue Bonds issued in the aggregate original principal amount of \$18,555,000. The Refunding Bonds shall be issued in a principal amount which is sufficient to provide the funds required to pay and prepay the installment payment obligations under the 2009 Installment

Sale Agreement and the 2010 Installment Sale Agreement, and thereby provide funds to pay and redeem the 2009 Authority Bonds and the 2010 Authority Bonds.

2. Approval of Indenture of Trust. The Refunding Bonds shall be issued upon the terms and conditions set forth in the Indenture of Trust between the City and The Bank of New York Mellon Trust Company, N.A., as trustee, which is hereby approved in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by the Administrative Services Director or the City Manager (each, an "Authorized Officer"), provided that the execution thereof by an Authorized Officer shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to attest to, the final form of the Indenture of Trust on behalf of the City.

3. Approval of Escrow Agreement. The installment payment obligations of the City under the 2009 Installment Sale Agreement and the 2010 Installment Sale Agreement, and the 2009 Authority Bonds and the 2010 Authority Bonds, shall be refunded under and in accordance with the provisions of the Escrow Agreement among the City, the Authority and The Bank of New York Mellon Trust Company, N.A., as escrow bank, which is hereby approved in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by an Authorized Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed to execute the final form of the Escrow Agreement on behalf of the City.

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4. Sale of the Refunding Bonds. In accordance with Section 53583 of the Refunding Bond Law, the City Council hereby authorizes and directs that the Refunding Bonds shall be sold on a negotiated basis to Stifel, Nicolaus & Company, Incorporated, as underwriter (the "Underwriter"). The Refunding Bonds shall be sold pursuant to the terms and provisions of the Bond Purchase Agreement between the City and the Underwriter, in substantially the form on file with the City Clerk together with any changes therein or additions thereto deemed advisable by an Authorized Officer, whose execution thereof shall be conclusive evidence of the approval of any such changes or additions. An Authorized Officer is hereby authorized and directed to execute the final form of the Bond Purchase Agreement on behalf of the City. The Underwriter's discount on the Refunding Bonds shall not exceed 1.00% of the par amount thereof, and the true interest rate on the Refunding Bonds shall not exceed 5.00%.

As set forth in Section 53583 of the Refunding Bond Law, an Authorized Officer of the City shall send a written statement, within two weeks after the Refunding Bonds are sold, to the California Debt Advisory Commission explaining the reasons why the City has determined to sell the Refunding Bonds on a negotiated sale basis instead of at public sale.

5. Official Statement. The City Council hereby approves and deems final within the meaning of Rule 15c2-12 of the Securities Exchange Act of 1934, the Preliminary Official Statement describing the Refunding Bonds in the form on file

with the City Clerk. An Authorized Officer is individually authorized, at the request of the Underwriter, to execute an appropriate certificate affirming the City Council's determination that the Preliminary Official Statement has been deemed final within the meaning of such Rule. Distribution of the Preliminary Official Statement by the Underwriter is hereby approved. An Authorized Officer is hereby authorized and directed to approve any changes in or additions to a final form of said Official Statement, and the execution thereof by an Authorized Officer shall be conclusive evidence of approval of any such changes and additions. The City Council hereby authorizes the distribution of the Final Official Statement by the Underwriter. The Final Official Statement shall be executed in the name and on behalf of the City by an Authorized Officer.

6. Continuing Disclosure Certificate. The City Council hereby approves the Continuing Disclosure Certificate in substantially the form attached as an exhibit to the Preliminary Official Statement, together with any changes therein or additions thereto deemed advisable by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. An Authorized Officer is hereby authorized and directed to execute, and the City Clerk is hereby authorized and directed to execute the final form of the Continuing Disclosure Certificate, for and in the name and on behalf of the City. The City Council hereby authorizes the delivery and performance of the Continuing Disclosure Certificate.

7. Official Actions. The Mayor, the City Manager, the Administrative Services Director, the City Clerk and any and all other officers of the City are hereby authorized and directed, for and in the name and on behalf of the City, to

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do any and all things and take any and all actions, including execution and delivery of any and all assignments, certificates, requisitions, agreements, notices, consents, instruments of conveyance, warrants and other documents, which they, or any of them, may deem necessary or advisable in order to consummate the transactions described herein. Any such actions previously taken by such officers are hereby ratified and confirmed. Whenever in this Resolution any officer of the City is authorized to execute or countersign any document or take any action, such execution, countersigning or action may be taken on behalf of such officer by any person designated by such officer to act on his or her behalf if such officer is absent or unavailable.

8. Effective Date. This Resolution shall take effect immediately upon its passage and adoption.

APPROVED AND ADOPTED this 16th day of July, 2019.

Christine Marick, Mayor

ATTEST: _____
Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a meeting of the City Council of the City of Brea held on the 16th day of July, 2019, by the following vote:

AYES: COUNCIL MEMBERS:

NOES: COUNCIL MEMBERS:

ABSENT: COUNCIL MEMBERS:

ABSTAIN: COUNCIL MEMBERS:

DATED: _____

Lillian Harris-Neal, City Clerk

Exhibit A

REQUIRED DISCLOSURES PURSUANT TO GOVERNMENT CODE SECTION 5852.1

1. True Interest Cost of the Refunding Bonds (Estimated): 2.96%.
2. Finance charge of the Refunding Bonds, being the sum of all fees and charges paid to third parties, in the amount of approximately \$388,289.
3. Proceeds of the Refunding Bonds expected to be received by the City, net of proceeds for Costs of Issuance in (2) above to paid, capitalized interest and reserves (if any) from the principal amount of the Refunding Bonds (Estimated): \$27,173,044.
4. Total Payment Amount for the Refunding Bonds, being the sum of all debt service to be paid on the Refunding Bonds to final maturity (Estimated): \$36,092,979.

**All amounts and percentages are estimates, and are made in good faith by the City based on information available as of the date of adoption of this Resolution. Estimates include certain assumptions regarding tax-exempt rates available in the bond market at the time of pricing the Refunding Bonds.*

INDENTURE OF TRUST

between the

CITY OF BREA

and

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

Dated as of August 1, 2019

Relating to

\$ _____
City of Brea
2019 Water Revenue Refunding Bonds

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APPENDIX A:	DEFINITIONS
APPENDIX B:	FORM OF BOND

INDENTURE OF TRUST

This INDENTURE OF TRUST, dated as of August 1, 2019, is between the CITY OF BREA, a municipal corporation organized and existing under the laws of the State of California (the “City”), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, with a corporate trust office in San Francisco, California, and being qualified to accept and administer the trusts hereby created (the “Trustee”).

B A C K G R O U N D :

1. The City owns and operates a public enterprise for the supply, treatment and distribution of water within the service area of the City (the “Water System”), and in order to finance and refinance improvements to the Water System the City has previously entered into the following Installment Sale Agreements with the Brea Public Financing Authority (the “Authority”), under which the City is obligated to pay semiannual installment payments which are secured by a pledge of and lien on the net revenues of the Water System:

- (a) the Installment Sale Agreement dated as of May 1, 2009 (the “2009 Installment Sale Agreement”), which secures the Brea Public Financing Authority 2009 Water Revenue Refunding Bonds, Series A issued by the Authority in the aggregate original principal amount of \$12,855,000 and the Brea Public Financing Authority 2009 Water Revenue Bonds, Series B (Federally Taxable - Build America Bonds – Direct Payment) issued by the Authority in the aggregate original principal amount of \$12,945,000 (collectively, the “2009 Bonds”); and
- (b) the Installment Sale Agreement dated as of April 1, 2010 (the “2010 Installment Sale Agreement”), which secures the Brea Public Financing Authority 2010 Water Revenue Bonds (Solar and Energy Efficiency Projects) Series A issued by the Authority in the aggregate original principal amount of \$2,410,000 (the “2010 Series A Bonds”), and the Brea Public Financing Authority 2010 Water Revenue Bonds (Solar and Energy Efficiency Projects) Series B (Federally Taxable – Build America Bonds – Direct Payment) issued by the Authority in the aggregate original principal amount of \$9,885,000 (collectively, the “2010 Series B Bonds”).

2. The City has also entered into an Installment Sale Agreement dated as of August 1, 2014 (the “2014 Installment Sale Agreement”), with the Brea Community Benefit Financing Authority, under which the City is obligated to pay semiannual installment payments which are secured by a pledge of and lien on the net revenues of the water system, for the security of the Brea Community Benefit Financing Authority 2014 Water Revenue Bonds in the aggregate principal amount of \$18,555,000.

3. The 2010 Series A Bonds have previously matured and been paid in full, and are no longer outstanding.

4. The obligations of the City under the 2009 Installment Agreement are subject to prepayment on any date on or after July 1, 2019, at a prepayment price equal to 100% of the principal amount thereof, without premium.

5. The obligations of the City under the 2010 Installment Sale Agreement are subject to prepayment and redemption on any date on or after July 1, 2020, at a prepayment price equal to 100% of the principal amount thereof, without premium.

6. In order to provide funds to prepay the obligations of the City under the 2009 Installment Sale Agreement with respect to the 2009 Bonds, and in order to provide funds to prepay the portion of the obligations of the City under the 2010 Installment Sale Agreement with respect to the 2010 Series B Bonds, and thereby realize debt service savings to the City, the City Council has authorized the issuance of the City of Brea 2019 Water Revenue Refunding Bonds in the aggregate principal amount of \$_____ (the "Bonds") under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Bond Law").

7. The Bonds shall be secured by a pledge of and lien on the net revenues of the Water System on a parity with pledge and lien which secures the obligations of the City under the 2014 Installment Sale Agreement.

8. The Bonds shall be insured by a policy of municipal bond insurance which is issued by _____.

9. In order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof and the interest thereon, the City Council of the City has authorized the execution of this Indenture.

A G R E E M E N T :

In order to secure the payment of the principal of and interest on all the Bonds under this Indenture according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued and received, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable considerations, the receipt of which is hereby acknowledged, the City and the Trustee hereby covenant and agree with one another, for the benefit of the respective Owners from time to time of the Bonds, as follows:

ARTICLE I

DEFINITIONS; RULES OF CONSTRUCTION

Section 1.01. Definitions. Unless the context clearly otherwise requires or unless otherwise defined herein, the capitalized terms defined in Appendix A attached to this Indenture have the respective meanings specified in Appendix A when used in this Indenture.

Section 1.02. Authorization. Each of the parties hereby represents and warrants that it has full legal authority and is duly empowered to enter into this Indenture, and has taken all actions necessary to authorize the execution hereof by the officers and persons signing it.

Section 1.03. Interpretation.

(a) Unless the context otherwise indicates, words expressed in the singular include the plural and vice versa and the use of the neuter, masculine, or feminine gender is for convenience only and include the neuter, masculine or feminine gender, as appropriate.

(b) Headings of articles and sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and do not affect the meaning, construction or effect hereof.

(c) All references herein to "Articles," "Sections" and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Indenture; the words "herein," "hereof," "hereby," "hereunder" and other words of similar import refer to this Indenture as a whole and not to any particular Article, Section or subdivision hereof.

ARTICLE II

ISSUANCE OF BONDS

Section 2.01. Authorization and Purpose of Bonds. The City has reviewed all proceedings heretofore taken and has found, as a result of such review, and hereby finds and determines that all things, conditions and acts required by law to exist, happen or be performed precedent to and in connection with the issuance of the Bonds do exist, have happened and have been performed in due time, form and manner as required by law, and the City is now duly empowered, under each and every requirement of law, to issue the Bonds in the manner and form provided in this Indenture.

The City hereby authorizes the issuance of Bonds in the aggregate principal amount of \$_____ under the Bond Law for the purpose of providing funds to pay and prepay the Refunded Installment Payments in full, thereby providing funds to pay and redeem the Refunded Bonds in full. The Bonds shall be authorized and issued under, and shall be subject to the terms of, this Indenture and the Bond Law. The Bonds shall be designated the "City of Brea 2019 Water Revenue Refunding Bonds".

Section 2.02. Terms of the Bonds. The Bonds are issuable in fully registered form without coupons in denominations of \$5,000 or any integral multiple thereof, so long as no Bond has more than one maturity date. The Bonds shall be dated as of the Closing Date and shall mature on July 1 in the years and in the respective principal amounts and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) at the respective rates per annum as set forth in the following table:

<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>	<u>Maturity Date</u> <u>(July 1)</u>	<u>Principal</u> <u>Amount</u>	<u>Interest</u> <u>Rate</u>
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Interest on the Bonds shall accrue from the Interest Payment Date next preceding the date of authentication thereof unless:

- (a) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event it shall bear interest from such Interest Payment Date,
- (b) a Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date, or
- (c) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

Interest shall be payable on each Interest Payment Date to the persons in whose names the ownership of the Bonds is registered on the Registration Books at the close of business on the immediately preceding Record Date, except as provided below. Interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date is payable to the person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date for the payment of such defaulted interest to be fixed by the Trustee, notice of which is given to such Owner by first-class mail not less than 10 days prior to such special record date.

The Trustee shall pay interest on the Bonds by check or draft of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date; *provided, however*, that at the written request of the Owner of Bonds in an aggregate principal amount of at least \$1,000,000, which written

request is on file with the Trustee as of any Record Date, the Trustee shall pay interest on such Bonds on each succeeding Interest Payment Date by wire transfer in immediately available funds to such account of a financial institution within the United States of America as specified in such written request, which written request shall remain in effect until rescinded in writing by the Owner. The Trustee shall pay principal of the Bonds in lawful money of the United States of America by check of the Trustee upon presentation and surrender thereof at the Office of the Trustee.

Section 2.03. Redemption of Bonds.

(a) Optional Redemption. The Bonds maturing on or before July 1, 20__, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after July 1, 20__, are subject to redemption in whole, or in part among maturities on such basis and in such respective principal amounts as set forth in a Certificate of the City filed with the Trustee, and by lot within a maturity as provided in subsection (e) below, at the option of the City, from any available source of funds, on any Business Day on or after July 1, 20__, at a redemption price equal to 100% of the principal amount thereof to be redeemed together with accrued interest to the redemption date, without premium.

The City shall give the Trustee written notice of its intention to redeem Bonds under this subsection (a), and the manner of selecting such Bonds for redemption from among the maturities thereof and the redemption price thereof, at least 45 days prior to the redemption date.

(b) Mandatory Sinking Fund Redemption. The Term Bonds are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on July 1 in the respective years as set forth in the following tables; *provided, however*, that if some but not all of the Term Bonds of any maturity have been redeemed under subsection (a) of this Section, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the City to the Trustee).

Term Bonds Maturing July 1, 20__

Sinking Fund
Redemption Date
(July 1)

Principal Amount
To Be Redeemed

In the event any of the Bonds are redeemed pursuant to the optional redemption provisions set forth in the foregoing subsection (a), the City shall deliver to the Trustee with a revised schedule for the mandatory sinking fund redemption of the Term Bonds under this subsection (b), which revised schedule gives effect to such optional redemption of the Bonds.

(c) Notice of Redemption. The Trustee on behalf and at the expense of the City shall give notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books, to the Municipal Securities Rulemaking Board and to the Securities Depositories, at least 20 but not more than 60 days prior to the date fixed for redemption; *provided, however,* that neither failure to receive any such notice so given nor any defect therein will affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Such notice shall state the date of the notice, the redemption date, the redemption place and the redemption price and shall designate the CUSIP numbers, the Bond numbers and the maturity or maturities (in the event of redemption of all of the Bonds of such maturity or maturities in whole) of the Bonds to be redeemed, and shall require that such Bonds be then surrendered at the Office of the Trustee identified in such notice for redemption at the redemption price, giving notice also that further interest on such Bonds will not accrue from and after the redemption date.

(d) Selection of Bonds of the Same Maturity for Redemption. Whenever provision is made in this Section for the redemption of less than all of the Bonds of a single maturity, the Trustee shall select the Bonds of such maturity to be redeemed by lot. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 denominations and such separate denominations shall be treated as separate Bonds which may be separately redeemed.

(e) Partial Redemption of a Particular Bond. If only a portion of any Bond is called for redemption, then upon surrender of such Bond the City shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the City, a new Bond or Bonds of the same series and maturity date, of authorized denominations in aggregate principal amount equal to the unredeemed portion of the Bond to be redeemed.

(f) Effect of Redemption. From and after the date fixed for redemption, if notice of redemption has been duly mailed and funds available for the payment of the principal of and interest on the Bonds so called for redemption have been duly provided, such Bonds so called shall cease to be entitled to any benefit under this Indenture other than the right to receive payment of the redemption price, and no interest shall accrue thereon from and after the redemption date specified in such notice. The Trustee shall cancel and destroy all Bonds redeemed under this Section.

(g) Right to Rescind Notice of Optional Redemption. The City has the right to rescind any notice of the optional redemption of Bonds under subsection (a) of this Section by written notice to the Trustee on or prior to the date fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default. The City and the Trustee have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee shall cause notice of such rescission to be given to the respective Owners of any Bonds designated for redemption, at their addresses appearing on the Registration Books, and to the Municipal Securities Rulemaking Board and the Securities Depositories.

Section 2.04. Book Entry System.

(a) Original Delivery. The Bonds shall be initially delivered in the form of a separate single fully registered bond (which may be typewritten) for each maturity of the Bonds. Upon initial delivery, the Trustee shall register the ownership of each Bond on the Registration Books in the name of the Nominee. Except as provided in subsection (c), the ownership of all of the Outstanding Bonds shall be registered in the name of the Nominee on the Registration Books.

With respect to Bonds the ownership of which shall be registered in the name of the Nominee, the City and the Trustee has no responsibility or obligation to any Depository System Participant or to any person on behalf of which the Nominee holds an interest in the Bonds. Without limiting the generality of the immediately preceding sentence, the City and the Trustee has no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Depository System Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository of the beneficial interests in the Bonds to be redeemed if the City elects to redeem the Bonds in part, (iv) the payment to any Depository System Participant or any other person, other than a Bond Owner as shown in the Registration Books, of any amount with respect to principal or interest on the Bonds or (v) any consent given or other action taken by the Depository as Owner of the Bonds. The City and the Trustee may treat and consider the person in whose name each Bond is registered as the absolute owner of such Bond for the purpose of payment of principal of and interest on such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers of ownership of such Bond, and for all other purposes whatsoever. The Trustee shall pay the principal of and the interest on the Bonds only to the respective Owners or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge all obligations with respect to payment of principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a Bond Owner shall receive a Bond evidencing the obligation of the City to make payments of principal and interest under this Indenture. Upon delivery by the Depository to the City of written notice to the effect that the Depository has determined to substitute a new Nominee in its place, and subject to the provisions herein with respect to Record Dates, such new nominee shall become the Nominee hereunder for all purposes; and upon receipt of such a notice the City shall promptly deliver a copy of the same to the Trustee.

(b) Representation Letter. In order to qualify the Bonds for the Depository's book-entry system, the City has previously executed and delivered to such Depository a letter representing such matters as shall be necessary to so qualify the Bonds. The execution and delivery of such letter shall not in any way limit the provisions of subsection (a) above or in any other way impose upon the City or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Bond Owners. Upon the written acceptance by the Trustee, the Trustee shall agree to take all action reasonably necessary for all representations of the Trustee in such letter with respect to the Trustee to at all times be complied with. In addition to the execution and delivery of such letter, the City may take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

(c) Transfers Outside Book-Entry System. If either (i) the Depository determines not to continue to act as Depository for the Bonds, or (ii) the City determines to terminate the Depository as such, then the City shall thereupon discontinue the book-entry system with such Depository. In such event, the Depository shall cooperate with the City and the Trustee in the issuance of replacement Bonds by providing the Trustee with a list showing the interests of the Depository System Participants in the Bonds, and by surrendering the Bonds, registered in the name of the Nominee, to the Trustee on or before the date such replacement Bonds are to be issued. The Depository, by accepting delivery of the Bonds, agrees to be bound by the provisions of this subsection (c). If, prior to the termination of the Depository acting as such, the City fails to identify another Securities Depository to replace the Depository, then the Bonds shall no longer be required to be registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging Bonds shall designate, in accordance with the provisions hereof.

If the City determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the City may notify the Depository System Participants of the availability of such certificated Bonds through the Depository. In such event, the Trustee will issue, transfer and exchange Bonds as required by the Depository and others in appropriate amounts; and whenever the Depository requests, the Trustee and the City shall cooperate with the Depository in taking appropriate action (i) to make available one or more separate certificates evidencing the Bonds to any Depository System Participant having Bonds credited to its account with the Depository, or (ii) to arrange for another Securities Depository to maintain custody of a single certificate evidencing such Bonds, all at the City's expense.

(d) Payments to the Nominee. Notwithstanding any other provision of this Indenture to the contrary, so long as any Bond is registered in the name of the Nominee, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the letter described in subsection (b) of this Section or as otherwise instructed by the Depository.

Section 2.05. Form and Execution of Bonds. The Bonds, the form of Trustee's certificate of authentication, and the form of assignment to appear thereon, are set forth in Appendix B attached hereto and by this reference incorporated herein, with necessary or appropriate variations, omissions and insertions, as permitted or required by this Indenture.

The Mayor of the City shall execute and the City Clerk of the City shall attest each Bond. Either or both of such signatures may be made manually or may be affixed by facsimile thereof. If any officer whose signature appears on any Bond ceases to be such officer before the Closing Date, such signature will nevertheless be as effective as if the officer had remained in office until the Closing Date. Any Bond may be signed and attested on behalf of the City by such persons as at the actual date of the execution of such Bond are the proper officers of the City, duly authorized to execute debt instruments on behalf of the City, although on the date of such Bond any such person was not an officer of the City.

Only those Bonds bearing a certificate of authentication in the form set forth in Appendix B, manually executed and dated by the Trustee, are valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee is

conclusive evidence that such Bonds have been duly authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

Section 2.06. Transfer and Exchange of Bonds.

(a) Transfer. Any Bond may, in accordance with its terms, be transferred, upon the Registration Books, by the person in whose name it is registered, in person or by a duly authorized attorney of such person, upon surrender of such Bond to the Trustee at its Office for cancellation, accompanied by delivery of a written instrument of transfer in a form acceptable to the Trustee, duly executed. The Trustee shall collect any tax or other governmental charge on the transfer of any Bonds under this Section. Whenever any Bond or Bonds shall be surrendered for transfer, the City shall execute and the Trustee shall authenticate and deliver to the transferee a new Bond or Bonds of like series, interest rate, maturity and aggregate principal amount. The City shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any transfer of Bonds.

(b) Exchange. The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of other authorized denominations and of the same series, interest rate and maturity. The Trustee shall collect any tax or other governmental charge on the exchange of any Bonds under this subsection (b). The City shall pay the cost of printing Bonds and any services rendered or expenses incurred by the Trustee in connection with any exchange of Bonds.

(c) Limitations. The Trustee may refuse to transfer or exchange, under the provisions of this Section, any Bonds selected by the Trustee for redemption under Section 2.03, or any Bonds during the period established by the Trustee for the selection of Bonds for redemption.

Section 2.07. Registration Books. The Trustee shall keep or cause to be kept, at its Office, sufficient records for the registration and registration of transfer of the Bonds, which shall at all times during normal business hours, and upon reasonable notice, be open to inspection by the City; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on the Registration Books, Bonds as hereinbefore provided.

Section 2.08. Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond becomes mutilated, the City, at the expense of the Owner of such Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. The Trustee shall cancel every mutilated Bond surrendered to it and deliver such mutilated Bond to, or upon the order of, the City. If any Bond is lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory and if indemnity satisfactory to the Trustee is given, the City, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of like tenor in lieu of and in substitution for the Bond so lost, destroyed or stolen. The Trustee may require payment of a sum not exceeding the actual cost of preparing each new Bond issued under this Section and of the expenses which may be incurred by the Trustee in connection therewith. Any Bond issued under the provisions of this Section in lieu of any Bond alleged to be lost, destroyed or stolen will constitute an original additional contractual obligation

on the part of the City whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be equally and proportionately entitled to the benefits of this Indenture with all other Bonds issued under this Indenture.

Notwithstanding any other provision of this Section, in lieu of delivering a new Bond for which principal has become due for a Bond which has been mutilated, lost, destroyed or stolen, the Trustee may make payment of such Bond in accordance with its terms upon receipt of indemnity satisfactory to the Trustee.

ARTICLE III

ISSUE OF BONDS; APPLICATION OF PROCEEDS

Section 3.01. Issuance of Bonds. Upon the execution and delivery of this Indenture, the City shall execute and deliver Bonds in the aggregate principal amount of \$_____ to the Trustee and the Trustee shall authenticate and deliver the Bonds to the Original Purchaser upon receipt of a Request of the City therefor.

Section 3.02. Deposit and Application of Proceeds. On the Closing Date, the Trustee shall deposit the proceeds of the Bonds into a temporary account deposit called the Proceeds Fund which the Trustee shall establish, maintain and hold in trust and which shall be applied on the Closing Date (whereupon said temporary account shall be closed) as follows:

- (a) The Trustee shall deposit the amount of \$_____ in the Costs of Issuance Fund.
- (b) The Trustee shall transfer the amount of \$_____, constituting the remainder of the Bond proceeds, to the Escrow Bank for deposit and application in accordance with the Escrow Agreement.

Section 3.03. Costs of Issuance Fund. There is hereby established a separate fund to be known as the "Costs of Issuance Fund", to be held by the Trustee in trust. The Trustee shall disburse moneys in the Costs of Issuance Fund from time to time to pay Costs of Issuance upon submission of a Request of the City stating (a) the person to whom payment is to be made, (b) the amounts to be paid, (c) the purpose for which the obligation was incurred, (d) that such payment is a proper charge against the Costs of Issuance Fund, and (e) that such amounts have not been the subject of a prior Request of the City; in each case together with a statement or invoice for each amount requested thereunder. On October 1, 2019, the Trustee shall transfer any amounts remaining in the Costs of Issuance Fund to the Bond Fund to be applied to pay a portion of the interest next coming due and payable on the Bonds and the Trustee shall thereupon close the Costs of Issuance Fund.

Section 3.04. Refunding of Prior Obligations. The City shall cause the proceeds of the Bonds to be applied to the payment and prepayment of the Refunded Installment Payments in full, thereby providing funds to pay and redeem the Refunded Bonds in full, in accordance with the provisions of the Escrow Agreement. From and after the Closing Date, the Refunded Installment Payments and the Refunded Bonds shall be

fully discharged and satisfied, and the Refunded Installment Payments shall no longer be secured by a pledge of or lien on the Net Revenues, or any portion thereof.

Section 3.05. Validity of Bonds. The recital contained in the Bonds that they are issued pursuant to the laws of the State of California is conclusive evidence of their validity and of the regularity of their issuance.

ARTICLE IV

REVENUES; FLOW OF FUNDS

Section 4.01. Pledge of Net Revenues. The Bonds shall be secured by a first pledge of, lien on and security interest in all of the Net Revenues, on a parity with the pledge which secures the 2014 Installment Payments and all Parity Debt. In addition, the Bonds shall be secured by a pledge of, lien on and security interest in all of the moneys in the Bond Fund, including all amounts derived from the investment of such moneys. The Bonds, the 2014 Installment Payments and all Parity Debt are equally secured by a pledge of, lien on and security interest in the Net Revenues and such other moneys without priority for series, issue, number or date. So long as any of the Bonds are Outstanding, the Net Revenues and such moneys may not be used for any other purpose; except that out of the Net Revenues there may be apportioned such sums, for such purposes, as are expressly permitted by Section 4.02.

Section 4.02. Deposit and Application of Gross Revenues by the City. The City has previously established the Water Utility Fund, which the City will continue to hold and maintain for the purposes and uses set forth herein. The City shall deposit all of the Gross Revenues in the Water Utility Fund immediately upon receipt. The City shall apply amounts in the Water Utility Fund as set forth in this Indenture, the 2014 Installment Sale Agreement and any Parity Debt Documents. Amounts on deposit in the Water Utility Fund will be applied by the City to pay when due the following amounts in the following order of priority:

- (a) all Operation and Maintenance Costs;
- (b) the Bonds, the 2014 Installment Payments and all payments of principal of and interest on any Parity Debt; and
- (c) any other payments required to comply with the provisions of this Indenture, the 2014 Installment Sale Agreement and any Parity Debt Documents

The City shall manage, conserve and apply the Net Revenues on deposit in the Water Utility Fund in such a manner that all deposits required to be made under this Section will be made at the times and in the amounts so required. Subject to the foregoing sentence, so long as no Event of Default has occurred and is continuing, the City may use and apply moneys in the Water Utility Fund for (i) the payment of any subordinate obligations or any unsecured obligations, (ii) the acquisition and construction of improvements to the Water System, (iii) the prepayment or redemption of any obligations of the City relating to the Water System, or (iv) any other lawful purposes of the City.

Section 4.03. Bond Fund; Application to Pay Debt Service. In accordance with Section 4.02(b), at least three Business Days prior to each Interest Payment Date the City shall withdraw from the Water Utility Fund and transfer to the Trustee an amount which, together with other available amounts then on deposit in the Bond Fund, is at least equal to the aggregate amount of principal and interest coming due on the Bonds on such Interest Payment Date. The Trustee shall deposit such amounts upon receipt thereof in a special fund designated as the "Bond Fund" which the Trustee shall establish, maintain and hold in trust, to be held, disbursed, allocated and applied by the Trustee only as provided in this Indenture. On or before each Interest Payment Date, the Trustee shall transfer from the Bond Fund and deposit into the following respective accounts (each of which the Trustee shall establish and maintain within the Bond Fund), the following amounts in the following order of priority:

- (a) Deposit to Interest Account. The Trustee shall deposit in the Interest Account an amount required to cause the aggregate amount on deposit in the Interest Account to be at least equal to the amount of interest becoming due and payable on such Interest Payment Date on all Bonds then Outstanding. All amounts in the Interest Account shall be used and withdrawn by the Trustee solely for the purpose of paying interest on the Bonds as it comes due and payable (including accrued interest on any Bonds purchased or redeemed prior to maturity).
- (b) Deposit to Principal Account. The Trustee shall deposit in the Principal Account an amount required to cause the aggregate amount on deposit in the Principal Account to equal the principal amount of the Bonds coming due and payable on such Interest Payment Date, including the principal amount of Term Bonds which are subject to mandatory sinking fund redemption on such Interest Payment Date under Section 2.03(b). All amounts in the Principal Account shall be used and withdrawn by the Trustee solely to pay the principal amount of the Bonds at their respective maturity dates, and the principal amount of Term Bonds which are subject to mandatory sinking fund redemption on such Interest Payment Date under Section 2.03(b).

Section 4.04. Redemption Fund. Upon the determination by the City to redeem any Bonds under Section 2.03(a), the Trustee shall establish and maintain the Redemption Fund, into which the Trustee shall deposit amounts received by it from the City for that purpose. Amounts in Redemption Fund shall be used and withdrawn by the Trustee solely for the purpose of paying the principal of the Bonds to be redeemed under Section 2.03(a). At any time prior to the selection of Bonds for redemption, the Trustee may apply such amounts to the purchase of Bonds at public or private sale, when and at such prices (including brokerage and other charges, but excluding accrued interest, which is payable from the Interest Account) as shall be directed under a Request of the City, except that the purchase price (exclusive of accrued interest) may not exceed the redemption price then applicable to the Bonds. The Trustee is entitled to conclusively rely on any Request of the City received under this Section, and is fully protected in relying thereon.

Section 4.05. Investments.

(a) Investment of Funds Held by City. Amounts on deposit in the Water Utility Fund shall be invested by the City from time to time in any securities in which the City may legally invest funds subject to its control.

(b) Investment of Funds Held by Trustee. The Trustee shall invest moneys in the funds and accounts held by it hereunder in Permitted Investments specified in the Request of the City delivered to the Trustee at least two Business Days in advance of the making of such investments. In the absence of any such direction from the City, the Trustee shall invest any such moneys solely in Permitted Investments described in clause (f) of the definition thereof; *provided, however*, that any such investment shall be made by the Trustee only if, prior to the date on which such investment is to be made, the Trustee has received a Certificate from the City specifying a specific money market fund and, if no such Certificate of the City is received, the Trustee shall hold such moneys uninvested.

(c) General Investment Provisions. Obligations purchased as an investment of moneys in any fund or account shall be deemed to be part of such fund or account. Whenever in this Indenture the City is required to transfer any moneys to the Trustee, such transfer may be accomplished by transferring a like amount of Permitted Investments. All interest or gain derived from the investment of amounts in any of the funds or accounts held by the Trustee hereunder shall be retained in the respective fund or account from which such investment was made. For purposes of acquiring any investments hereunder, the Trustee may commingle funds held by it hereunder upon receipt by the Trustee of the Request of the City. The Trustee may act as principal or agent in the acquisition or disposition of any investment and may impose its customary charges therefor. The Trustee shall incur no liability for losses arising from any investments made under this Section.

The Trustee shall furnish the City periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the City. Upon the City's election, such statements shall be delivered via the Trustee's online service and upon electing such service, paper statements shall be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Trustee shall be available upon request and at no additional cost and other trade confirmations may be obtained from the applicable broker. The Trustee or any of its affiliates may act as sponsor, advisor or manager in connection with any investments made by the Trustee hereunder.

Section 4.06. Valuation and Disposition of Investments.

(a) Except as otherwise provided in subsection (b) of this Section, the City covenants that all investments of amounts deposited in any fund or account created by or under this Indenture, or otherwise containing gross proceeds of the Bonds (within the meaning of Section 148 of the Tax Code) shall be acquired, disposed of and valued (as of the date that valuation is required by this Indenture or the Tax Code) at Fair Market Value as such term is defined in subsection (d) below. The Trustee has no duty in connection with the determination of Fair Market Value other than to follow the investment directions of the City in any Certificate or Request of the City.

(b) Investments in funds or accounts (or portions thereof) that are subject to a yield restriction under applicable provisions of the Tax Code shall be valued at cost thereof (consisting of present value thereof within the meaning of Section 148 of the Tax Code); provided that the City shall inform the Trustee which funds are subject to a yield restriction, and shall provide the Trustee with any necessary valuation criteria or formulae.

(c) Except as provided in the proceeding subsection (b), for the purpose of determining the amount in any fund, the Trustee shall value Permitted Investments credited to such fund at least annually at the Fair Market Value thereof. The Trustee may utilize computerized securities pricing services that may be available to it, including those available through its regular accounting system. If and as directed by the City in writing, the Trustee shall sell or present for redemption any Permitted Investment so purchased by the Trustee whenever it is necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investment is credited, and the Trustee has no liability or responsibility for any loss resulting therefrom.

(d) For purposes of this Section, the term "Fair Market Value" means the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction (determined as of the date the contract to purchase or sell the investment becomes binding) if the investment is traded on an established securities market (within the meaning of Section 1273 of the Tax Code) and, otherwise, the term "Fair Market Value" means the acquisition price in a bona fide arm's length transaction (as referenced above) if (i) the investment is a certificate of deposit that is acquired in accordance with applicable regulations under the Tax Code, (ii) the investment is an agreement with specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate (for example, a guaranteed investment contract, a forward supply contract or other investment agreement) that is acquired in accordance with applicable regulations under the Tax Code, or (iii) the investment is a United States Treasury Security -- State and Local Government Series which is acquired in accordance with applicable regulations of the United States Bureau of Public Debt.

ARTICLE V

COVENANTS OF THE CITY

Section 5.01. Punctual Payment; Compliance With Documents. The City shall punctually pay or cause to be paid the interest and principal to become due with respect to all of the Bonds in strict conformity with the terms of the Bonds and of this Indenture, and will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures.

Section 5.02. Discharge of Claims. The City covenants that in order to fully preserve and protect the priority and security of the Bonds the City shall pay from the Net Revenues and discharge all lawful claims for labor, materials and supplies furnished for or in connection with the Water System which, if unpaid, may become a lien or charge upon the Net Revenues prior or superior to the lien of the Bonds and impair the security of the Bonds. The City shall also pay from the Net Revenues all taxes and assessments or other governmental charges lawfully levied or assessed upon or in respect of the Water System or upon any part thereof or upon any of the Net Revenues therefrom.

Section 5.03. Operation of Water System in Efficient and Economical Manner. The City covenants and agrees to operate the Water System in an efficient and economical manner and to operate, maintain and preserve the Water System in good repair and working order.

Section 5.04. Sale or Eminent Domain of Water System. Except as provided herein, the City covenants that the Water System will not be encumbered, sold, leased, pledged, any charge placed thereon, or otherwise disposed of, as a whole or substantially as a whole if such encumbrance, sale, lease, pledge, charge or other disposition would materially impair the ability of the City to pay the Bonds, the 2014 Installment Payments or the principal of or interest on any Parity Debt, or would materially adversely affect its ability to comply with the terms of this Indenture, the 2014 Installment Sale Agreement or any Parity Debt Documents. The City may not enter into any agreement which impairs the operation of the Water System or any part of it necessary to secure adequate Net Revenues to pay the Bonds, the 2014 Installment Payments or any Parity Debt, or which otherwise would impair the rights of the Bond Owners or the Trustee with respect to the Net Revenues.

If any substantial part of the Water System is sold or taken in eminent domain proceedings, the payment therefor shall either (a) be used for the acquisition or construction of improvements to the Water System, or (b) be applied at the election of the City to prepay or redeem the Bonds, the 2014 Installment Payments or any Parity Debt.

Section 5.05. Insurance. The City shall at all times maintain all such insurance on the Water System as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to the Water System. The City shall apply any amounts collected from insurance against accident to or destruction of any portion of the Water System, at its option, either (a) to repair or rebuild such damaged or destroyed portion of the Water System, or (b) to prepay or redeem the Bonds, the 2014 Installment Payments or any Parity Debt pursuant to the optional redemption provisions in the related documents.

The City shall also maintain worker's compensation insurance and insurance against public liability and property damage to the extent reasonably necessary to protect the City, the Trustee and the Owners of the Bonds.

Any policy of insurance required under this Section may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of self-insurance by the City or in the form of the participation by the City in a joint powers agency or other program providing pooled insurance.

Section 5.06. Records and Accounts. The City shall keep proper books of record and accounts of the Water System in which complete and correct entries are made of all transactions relating to the Water System. Said books shall, upon prior request, be subject to the reasonable inspection of the Owners of not less than 10% of the Outstanding Bonds, or their representatives authorized in writing, upon not less than two Business Days' prior notice to the City.

The City shall cause the books and accounts of the Water System to be audited annually by an Independent Accountant not more than nine months after the close of each Fiscal Year, and shall make a copy of such report available for inspection by the Bond Owners at the office of the City and at the Trust Office of the Trustee. Such report may be part of a combined financial audit or report covering all or part of the City's finances.

Section 5.07. Rates and Charges.

(a) Covenant Regarding Gross Revenues. To the fullest extent permitted by law, the City shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Water System during each Bond Year, which are at least sufficient, after making allowances for contingencies and error in the estimates, to yield Gross Revenues sufficient to pay the following amounts in the following order of priority:

- (i) All Operation and Maintenance Costs estimated by the City to become due and payable in such Bond Year;
- (ii) The principal of and interest on the Bonds, the 2014 Installment Payments and any Parity Debt as they become due and payable during such Bond Year, without preference or priority, except to the extent any of such payments are payable from bond proceeds or from any other source of legally available funds of the City which have been deposited with the Trustee (or another fiduciary with respect to the related issue of Parity Debt) for such purpose prior to the commencement of the related Bond Year; and
- (iii) All payments required to meet any other obligations of the City which are charges, liens, encumbrances upon, or which are otherwise payable from, the Gross Revenues or the Net Revenues during such Bond Year.

(b) Covenant Regarding Net Revenues. In addition, the City shall fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the

Water System during each Bond Year which are sufficient to yield Net Revenues which are at least equal to 125% of the amount described in the preceding clause (a)(ii) for such Bond Year. For purposes of this paragraph, the amount of Net Revenues for a Bond Year will be computed on the basis that (1) any transfers into the Water Utility Fund in such Bond Year from the Rate Stabilization Fund are included in the calculation of Net Revenues, as provided in Section 5.10, and (2) any deposits into the Rate Stabilization Fund in such Bond Year are deducted from the amount of Net Revenues, but only to the extent such deposits are made from Gross Revenues received by the City during such Bond Year.

Section 5.07. Superior and Subordinate Obligations. To the fullest extent permitted by law, the City shall not issue or incur any additional bonds or other obligations so long as any Bonds remain Outstanding which have any priority in payment of principal or interest out of the Gross Revenues or the Net Revenues over the Bonds. Nothing herein limits or affects the ability of the City to issue or incur (a) Parity Debt under Section 5.08, or (b) obligations which are either unsecured or which are secured by an interest in the Net Revenues which is junior and subordinate to the pledge of and lien upon the Net Revenues established hereunder.

Section 5.08. Issuance of Parity Debt. Except for obligations issued or incurred to prepay, redeem or discharge the Bonds, the 2014 Installment Payments or any Parity Debt (which may be issued or incurred without meeting the following requirements of this Section, so long as the amount of debt service coming due in each Bond Year is reduced as a result thereof), the City shall not issue or incur any Parity Debt during the Term hereof unless all of the following conditions are satisfied:

- (a) No Event of Default has occurred and is continuing.
- (b) The Net Revenues, calculated in accordance with sound accounting principles, as shown by the books of the City for the most recent completed Fiscal Year for which audited financial statements are available, or for any more recent consecutive 12-month period selected by the City at its option, in either case verified by a certificate or opinion of an Independent Accountant or Fiscal Consultant, plus the Additional Revenues, at least equal 125% of the amount of Maximum Annual Debt Service with respect to the Bonds, the 2014 Installment Payments and all Parity Debt then outstanding (including the Parity Debt then proposed to be issued).
- (c) The City shall deliver to the Trustee a Written Certificate of the City certifying that the conditions precedent to the issuance of such Parity Debt set forth in this Section have been satisfied.

Section 5.09. Operation of Water System in Efficient and Economical Manner. The City covenants and agrees to operate the Water System in an efficient and economical manner and to operate, maintain and preserve the Water System in good repair and working order.

Section 5.10. Establishment of Rate Stabilization Fund. The City has the right at any time to establish a fund to be held by it and administered in accordance with this Section, for the purpose of stabilizing the rates and charges imposed by the City with

respect to the Water System. From time to time the City may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues which are released from the pledge and lien established hereunder, as the City may determine. The Rate Stabilization Fund shall be accounted for as a separate fund, although amounts credited to it may be commingled with other funds of the City.

The City may, but is not be required to, withdraw amounts on deposit in the Rate Stabilization Fund and deposit such amounts in the Water Utility Fund in any Fiscal Year for the purpose of paying the principal of and interest on the Bonds, the 2014 Installment Payments and any Parity Debt coming due and payable in such Fiscal Year. Amounts so transferred from the Rate Stabilization Fund to the Water Utility Fund in any Fiscal Year constitute Gross Revenues for that Fiscal Year (except as otherwise provided herein), and will be applied for the purposes of the Water Utility Fund. Amounts on deposit in the Rate Stabilization Fund are not pledged to and do not otherwise secure the Bonds, the 2014 Installment Payments or any Parity Debt. All interest or other earnings on deposits in the Rate Stabilization Fund will be retained therein or, at the option of the City, be applied for any other lawful purposes. The City has the right at any time to withdraw any or all amounts on deposit in the Rate Stabilization Fund and apply such amounts for any other lawful purposes of the City.

Section 5.11. Superior and Subordinate Obligations. The City shall not issue or incur any additional bonds or other obligations having any priority in payment of principal or interest out of the Gross Revenues or the Net Revenues over the Bonds. Nothing herein limits or affects the ability of the City to issue or incur (a) Parity Debt under Section 5.08, or (b) obligations which are either unsecured or which are secured by an interest in the Net Revenues which is junior and subordinate to the pledge of and lien upon the Net Revenues established hereunder.

Section 5.12. Tax Covenants Relating to Bonds.

(a) Generally. The City shall not take any action or permit to be taken any action within its control which would cause or which, with the passage of time if not cured would cause, interest on the Bonds to become includable in gross income for federal income tax purposes.

(b) Private Activity Bond Limitation. The City shall assure that the proceeds of the Bonds are not used in a manner which would cause the Bonds to become "private activity bonds" within the meaning of section 141(a) of the Tax Code or to meet the private loan financing test of Section 141(c) of the Tax Code.

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

(d) No Arbitrage. The City shall not take, or permit or suffer to be taken by the Trustee or otherwise, any action with respect to the Bond proceeds which, if such action had been reasonably expected to have been taken, or had been deliberately and intentionally taken, on the Closing Date, would have caused the Bonds to be "arbitrage bonds" within the meaning of Section 148 of the Tax Code.

(e) **Rebate of Excess Investment Earnings.** The City shall calculate or cause to be calculated all amounts of excess investment earnings with respect to the Bonds which are required to be rebated to the United States of America under Section 148(f) of the Tax Code, at the times and in the manner required under the Tax Code. The City shall pay when due an amount equal to excess investment earnings to the United States of America in such amounts, at such times and in such manner as may be required under the Tax Code, such payments to be made from any source of legally available funds of the City. The City shall keep or cause to be kept, and retain or cause to be retained for a period of six years following the retirement of the Bonds, records of the determinations made under this subsection (e).

The Trustee has no duty to monitor the compliance by the City with any of the covenants contained in this Section.

Section 5.13. Compliance With Parity Debt Documents. The City will observe and perform all of the covenants, agreements and conditions on its part required to be observed and performed under the 2014 Installment Sale Agreement and any Parity Debt Documents. The City will not take or omit to take any action within its control which would, or which if not corrected with the passage of time would, constitute an event of default under and within the meaning of the 2014 Installment Sale Agreement or any Parity Debt Documents.

Section 5.14. Continuing Disclosure. The City will comply with and carry out all of the provisions of the Continuing Disclosure Certificate which has been executed and delivered by the City on the Closing Date. Notwithstanding any other provision hereof, failure of the City to comply with the Continuing Disclosure Certificate does not constitute an Event of Default hereunder; *provided, however,* that any Participating Underwriter (as such term is defined in the Continuing Disclosure Certificate) or any Owner or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking specific performance by court order, to cause the City to comply with its obligations under this Section.

Section 5.15. Further Assurances. The City will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture, and for the better assuring and confirming unto the Owners of the Bonds, the Trustee and the Bond Insurer the rights and benefits provided in this Indenture.

ARTICLE VI

THE TRUSTEE

Section 6.01. Duties, Immunities and Liabilities of Trustee.

(a) Performance of Duties. The Trustee shall, prior to the occurrence of an Event of Default, and after the curing or waiving of all Events of Default which may have occurred, perform such duties and only such duties as are specifically set forth in this Indenture and no implied covenants or duties shall be read into this Indenture against the Trustee. The Trustee shall, during the existence of any Event of Default (which has not been cured or waived), exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a reasonable corporate trustee would exercise or use.

(b) Removal of Trustee. The City may remove the Trustee at any time, and shall remove the Trustee (i) if at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing) or (ii) if at any time the Trustee ceases to be eligible in accordance with subsection (e) of this Section, or becomes incapable of acting, or is adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property is appointed, or any public officer takes control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation. The City may accomplish such removal by giving 30 days written notice to the Trustee, whereupon the City will appoint a successor Trustee by an instrument in writing.

(c) Resignation by Trustee. The Trustee may at any time resign by giving written notice of such resignation to the City, and by giving notice of such resignation by first class mail, postage prepaid, to the Bond Owners at their respective addresses shown on the Registration Books. Upon receiving such notice of resignation, the City will promptly appoint a successor Trustee by an instrument in writing.

(d) Appointment of Successor Trustee. Any removal or resignation of the Trustee and appointment of a successor Trustee becomes effective upon acceptance of appointment by the successor Trustee. If no successor Trustee has been appointed and accepted appointment within 45 days following giving notice of removal or notice of resignation as aforesaid, the resigning Trustee, any Owner (on behalf of such Owner and all other Owners) may petition any federal or state court for the appointment of a successor Trustee, and such court may thereupon, after such notice (if any) as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the City and to its predecessor Trustee a written acceptance thereof, and to the predecessor Trustee an instrument indemnifying the predecessor Trustee for any costs or claims arising during the time the successor Trustee serves as Trustee hereunder, and such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless, upon the receipt by the predecessor Trustee of the Request of the City or the request of the successor Trustee, such predecessor Trustee shall execute and deliver

any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon request of the successor Trustee, the City will execute and deliver any and all instruments as may be reasonably required for more fully and certainly vesting in and confirming to such successor Trustee all such moneys, estates, properties, rights, powers, trusts, duties and obligations. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the City shall mail or cause the successor Trustee to mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to each Rating Agency, and to the Owners at the addresses shown on the Registration Books. If the City fails to mail such notice within 15 days after acceptance of appointment by the successor Trustee, the successor Trustee shall cause such notice to be mailed at the expense of the City.

(e) Qualifications of Trustee. Any Trustee appointed under the provisions of this Section in succession to the Trustee shall:

- (i) be a company or bank having trust powers,
- (ii) have a corporate trust office in the State of California,
- (iii) have (or be part of a bank holding company system whose bank holding company has) a combined capital and surplus of at least \$75,000,000, and
- (iv) be subject to supervision or examination by federal or state authority.

If such bank or company publishes a report of condition at least annually, under law or to the requirements of any supervising or examining authority above referred to, then for the purpose of this subsection the combined capital and surplus of such bank or company shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of this subsection (e), the Trustee shall resign immediately in the manner and with the effect specified in subsection (c) of this Section.

The City will maintain a Trustee which is qualified under the provisions of the foregoing provisions of this subsection (e), so long as any Bonds are Outstanding.

Section 6.02. Merger or Consolidation. Any bank or company into which the Trustee may be merged or converted or with which either of them may be consolidated or any bank or company resulting from any merger, conversion or consolidation to which it shall be a party or any bank or company to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such bank or company shall be eligible under subsection (e) of Section 6.01, shall be the successor to such Trustee without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

Section 6.03. Rights and Liabilities of Trustee.

(a) The recitals of facts herein and in the Bonds contained are taken as statements of the City, and the Trustee has no responsibility for the correctness of the same, nor does it have any liability whatsoever therefor, nor make any representations as to the validity or sufficiency of this Indenture or of the Bonds nor shall it incur any responsibility in respect thereof, other than as expressly stated herein. The Trustee is, however, responsible for its representations contained in its certificate of authentication on the Bonds. The Trustee is not liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee is not liable for the acts of any agents of the Trustee selected by it with due care. The Trustee may become the Owner of any Bonds with the same rights it would have if it were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of the Owners, whether or not such committee shall represent the Owners of a majority in principal amount of the Bonds then Outstanding. The Trustee, either as principal or agent, may engage in or be entrusted in any financial or other transaction with the City.

(b) The Trustee has no liability with respect to any action taken or omitted to be taken by it in accordance with the direction of the Owners of a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(c) The Trustee has no liability for any action taken by it in good faith and believed by it to be authorized or within the discretion or rights or powers conferred upon it by this Indenture, except for actions arising from the negligence or willful misconduct of the Trustee. The permissive right of the Trustee to do things enumerated hereunder is not construed as a mandatory duty.

(d) The Trustee will not be deemed to have knowledge of any Event of Default hereunder unless and until a responsible officer of the Trustee has actual knowledge thereof, or unless and until a responsible officer of the Trustee has received written notice thereof at its Office. Except as otherwise expressly provided herein, the Trustee is not bound to ascertain or inquire as to the performance or observance of any of the terms, conditions, covenants or agreements herein or of any of the documents executed in connection with the Bonds, or as to the existence of an Event of Default hereunder or thereunder. The Trustee is not responsible for the City's payment of principal and interest on the Bonds, the City's observance or performance of any other covenants, conditions or terms contained herein, or the validity or effectiveness of any collateral given to or held by it. Without limiting the generality of the foregoing, and notwithstanding anything herein to the contrary, the Trustee is not responsible for reviewing the contents of any financial statements furnished to the Trustee under Section 5.06 and may rely conclusively on the Certificate of the City accompanying such financial statements to establish the City's compliance with its financial covenants hereunder, including, without limitation, its covenants regarding the deposit of Gross Revenues into the Water Utility Fund and the investment and application of moneys on deposit in the Water Utility Fund (other than its covenants to transfer such moneys to the Trustee when due hereunder).

(e) No provision in this Indenture requires the Trustee to risk or expend its own funds or otherwise incur any financial liability hereunder. The Trustee is entitled to receive interest on any moneys advanced by it hereunder, at the maximum rate permitted by law.

(f) The Trustee may establish additional accounts or subaccounts of the funds established hereunder as the Trustee deems necessary or prudent in furtherance of its duties under this Indenture.

(g) The Trustee has no responsibility or liability whatsoever with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds, nor shall the Trustee have any obligation to review any such material, and any such review by the Trustee will not be deemed to create any obligation, duty or liability on the part of the Trustee.

(h) At any and all reasonable times the Trustee, and its duly authorized agents, attorneys, experts, engineers, accountants and representatives, have the right (but not the duty) fully to inspect the Water System, including all books, papers and records of the City pertaining to the Water System and the Bonds, and to take such memoranda from and with regard thereto as may be desired but which is not privileged by statute or by law.

(i) Before taking any action under Article VIII the Trustee may require indemnity satisfactory to the Trustee be furnished to it to hold the Trustee harmless from any expenses whatsoever and to protect it against any liability it may incur hereunder.

(j) The immunities extended to the Trustee also extend to its directors, officers, employees and agents.

(k) The permissive right of the Trustee to do things enumerated in this Indenture is not construed as a duty.

(l) The Trustee may execute any of the trusts or powers hereof and perform any of its duties through attorneys, agents and receivers and is not answerable for the conduct of the same if appointed by it with reasonable care.

(m) The Trustee shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means. For purposes of this paragraph, the term "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder). The City shall provide to the Trustee an incumbency certificate listing officers with the City to provide such Instructions (the "Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate may be amended by the City from time to time. If the City elects to give the Trustee Instructions using Electronic Means and the Trustee in its discretion elects to act upon such Instructions, the Trustee's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Trustee cannot determine the identity of the actual sender of such Instructions and that the Trustee shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Trustee have

been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Trustee and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Trustee and that there may be more secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures.

Section 6.04. Right to Rely on Documents. The Trustee shall be protected in acting upon any notice, resolution, requisition, request, consent, order, certificate, report, opinion or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Trustee may consult with Bond Counsel or other counsel of or to the City, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by the Trustee hereunder in accordance therewith.

The Trustee is not bound to recognize any person as the Owner of a Bond unless and until such Bond is submitted for inspection, if required, and such person's title thereto is established to the satisfaction of the Trustee.

Whenever in the administration of the trusts imposed upon it by this Indenture the Trustee deems it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Certificate of the City, which shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Certificate, but in its discretion the Trustee may (but has no duty to), in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may deem reasonable. The Trustee may conclusively rely on any certificate or report of any Independent Accountant appointed by the City.

Section 6.05. Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession in accordance with its record retention policies and shall be subject during normal business hours, and upon reasonable prior written notice, to the inspection of the City and any Owner, and their agents and representatives duly authorized in writing.

Section 6.06. Compensation and Indemnification. Absent any agreement to the contrary, the City shall pay to the Trustee from time to time compensation for all services rendered under this Indenture and also all expenses, charges, legal and consulting fees and other disbursements and those of its attorneys (including any

allocated costs of internal counsel), agents and employees, incurred in and about the performance of its powers and duties under this Indenture. The Trustee has a first lien on the Net Revenues and all funds and accounts held by the Trustee hereunder to secure the payment to the Trustee of all fees, costs and expenses, including compensation to its experts, attorneys and counsel incurred in declaring such Event of Default and in exercising the rights and remedies set forth in Article VIII. Any such expenses incurred by the Trustee shall be deemed to constitute a substantial contribution to the trust estate which secures the Bonds.

The City further covenants and agrees to indemnify and save the Trustee and its officers, directors, agents and employees, harmless against any loss, expense and liabilities, whether or not litigated, which it may incur arising out of or in the exercise and performance of its powers and duties hereunder, including the costs and expenses of defending against any claim of liability and of enforcing any remedies hereunder and under any related documents, but excluding any and all losses, expenses and liabilities which are due to the negligence or willful misconduct of the Trustee, its officers, directors, agents or employees. The obligations of the City under this Section shall survive resignation or removal of the Trustee under this Indenture and payment of the Bonds and discharge of this Indenture.

Section 6.07. Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with industry standards, in which complete and accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds and all funds and accounts established and held by the Trustee under this Indenture. Such books of record and account shall be available for inspection by the City at reasonable hours, during regular business hours, with reasonable prior notice and under reasonable circumstances. The Trustee shall furnish to the City, at least semiannually, an accounting (which may be in the form of its customary statements) of all transactions relating to the proceeds of the Bonds and all funds and accounts held by the Trustee under this Indenture.

ARTICLE VII

MODIFICATION AND AMENDMENT OF THIS INDENTURE

Section 7.01. Amendments Permitted.

(a) Amendment With Bond Owner Consent. This Indenture and the rights and obligations of the City and of the Owners of the Bonds may be modified or amended by the City and the Trustee upon Request of the City at any time by the execution of a Supplemental Indenture, but only with the written consent of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding with respect to all Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 9.05. Any such Supplemental Indenture becomes effective upon the execution and delivery thereof by the parties thereto and upon consent of the requisite Bond Owners. No such modification or amendment shall:

- (i) extend the maturity of any Bond or reduce the interest rate thereon, or otherwise alter or impair the obligation of the City to pay the

principal thereof, or interest thereon, at the time and place and at the rate and in the currency provided therein, without the written consent of the Owner of such Bond, or

- (ii) permit the creation by the City of any mortgage, pledge or lien upon the Gross Revenues or the Net Revenues superior to or on a parity with the pledge and lien created for the benefit of the Bonds (except as expressly permitted by this Indenture), or reduce the percentage of Bonds required for the affirmative vote or written consent to an amendment or modification, or
- (iii) modify any of the rights or obligations of the Trustee without its written consent.

(b) Amendment Without Bond Owner Consent. This Indenture and the rights and obligations of the City and of the Owners of the Bonds may also be modified or amended at any time by a Supplemental Indenture, without the consent of any Owners of the Bonds, but only for any one or more of the following purposes:

- (i) to add to the covenants and agreements of the City contained in this Indenture, other covenants and agreements thereafter to be observed, or to limit or surrender any rights or power herein reserved to or conferred upon the City;
- (ii) to cure any ambiguity, or to cure, correct or supplement any defective provision contained in this Indenture, or in any other respect whatsoever as the City deems necessary or desirable, provided under any circumstances that such modifications or amendments do not materially adversely affect the interests of the Owners in the opinion of Bond Counsel filed with the City and the Trustee;
- (iii) to provide for the issuance of Parity Debt under Section 5.08, and to provide the terms and conditions under which such Parity Debt may be issued, including but not limited to the establishment of special funds and accounts relating thereto and any other provisions relating solely thereto, subject to and in accordance with the provisions of Section 5.08; or
- (iv) to amend any provision hereof to assure the exclusion from gross income of interest on the Bonds for federal income tax purposes under the Tax Code, in the opinion of Bond Counsel filed with the City and the Trustee.

(c) Notice of Amendments. The City shall deliver or cause to be delivered a draft of any Supplemental Indenture to each Rating Agency, at least 10 days prior to the effective date of such Supplemental Indenture under this Section.

Section 7.02. Effect of Supplemental Indenture. From and after the time any Supplemental Indenture becomes effective under this Article VII, this Indenture shall be deemed to be modified and amended in accordance therewith, the respective rights, duties and obligations of the parties hereto or thereto and all Owners, as the case may

be, shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

Section 7.03. Endorsement or Replacement of Bonds After Amendment.

After the effective date of any amendment or modification hereof under this Article VII, the City may determine that any or all of the Bonds shall bear a notation, by endorsement in form approved by the City, as to such amendment or modification and in that case upon demand of the City the Owners of such Bonds shall present such Bonds for that purpose at the Office of the Trustee, and thereupon a suitable notation as to such action shall be made on such Bonds. In lieu of such notation, the City may determine that new Bonds shall be prepared and executed in exchange for any or all of the Bonds and in that case upon demand of the City the Owners of the Bonds shall present such Bonds for exchange at the Office of the Trustee without cost to such Owners.

Section 7.04. Amendment by Mutual Consent. The provisions of this Article VII shall not prevent any Owner from accepting any amendment as to the particular Bond held by such Owner.

Section 7.05. Trustee's Reliance. The Trustee may conclusively rely, and is protected in relying, upon a Certificate of the City and an opinion of counsel stating that all requirements of this Indenture relating to the amendment or modification hereof have been satisfied and that such amendments or modifications do not materially adversely affect the interests of the Owners.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES OF BOND OWNERS

Section 8.01. Events of Default and Remedies. Each of the following events constitutes an Event of Default hereunder:

- (a) Failure to pay any installment of the principal of any Bonds when due, whether at maturity as therein expressed, by proceedings for redemption or otherwise.
- (b) Failure to pay any installment of interest on the Bonds when due.
- (c) Failure by the City to observe and perform any of the other covenants, agreements or conditions on its part contained in this Indenture or in the Bonds, if such failure has continued for a period of 60 days after written notice thereof, specifying such failure and requiring the same to be remedied, has been given to the City by the Trustee; *provided, however*, if in the reasonable opinion of the City the failure stated in the notice can be corrected, but not within such 60-day period, such failure shall not constitute an Event of Default if the City institutes

corrective action within such 60-day period and thereafter diligently and in good faith cures the failure in a reasonable period of time.

- (d) The City commences a voluntary case under Title 11 of the United States Code or any substitute or successor statute.
- (e) The occurrence and continuation of an event of default under and as defined in the 2014 Installment Sale Agreement or in any Parity Debt Documents.

For purposes of determining whether any event of default has occurred under and as described in the preceding clauses (a) or (b), no effect shall be given to payments made by the Bond Insurer under the Bond Insurance Policy.

If an Event of Default occurs and is continuing, the Trustee may, and at the written direction of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding the Trustee shall, subject to the provisions of Section 8.06, exercise any remedies available to the Trustee and the Bond Owners in law or at equity to enforce the rights of the Bond Owners under this Indenture.

Immediately upon obtaining actual knowledge of the occurrence of an Event of Default, but in no event later than five Business Days following obtaining actual knowledge of such occurrence, the Trustee shall give notice of such Event of Default to the City by telephone confirmed in writing. With respect to any Event of Default described in clauses (a) or (b) above the Trustee shall, and with respect to any Event of Default described in clause (c) above the Trustee in its sole discretion may, also give such notice to the Owners in the same manner as provided herein for notices of redemption of the Bonds.

Section 8.02. Application of Funds Upon Event of Default. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

- (a) *First*, to the payment of any fees, costs and expenses incurred by the Trustee to protect the interests of the Owners of the Bonds; payment of the fees, costs and expenses of the Trustee (including fees and expenses of its counsel, including any allocated costs of internal counsel) incurred in and about the performance of its powers and duties under this Indenture and the payment of all fees, costs and expenses owing to the Trustee under Section 6.06, together with interest on all such amounts advanced by the Trustee at the maximum rate permitted by law.
- (b) *Second*, to the payment of the whole amount then owing and unpaid upon the Bonds for interest and principal, with interest on such overdue amounts at the respective rates of interest borne by those Bonds, and in case such moneys shall be insufficient to pay in full the whole amount so owing and unpaid upon the Bonds, then to the payment of such interest, principal and interest on overdue amounts without preference or priority among such interest, principal and

interest on overdue amounts ratably to the aggregate of such interest, principal and interest on overdue amounts.

- (c) *Third*, to the payment of any amounts owed to the Bond Insurer hereunder.

Section 8.03. Power of Trustee to Control Proceedings. If the Trustee, upon the happening of an Event of Default, takes any action, by judicial proceedings or otherwise, in the performance of its duties hereunder, whether upon its own discretion, upon the request of the Owners of a majority in aggregate principal amount of the Bonds then Outstanding, it has full power, in the exercise of its discretion for the best interests of the Owners of the Bonds, with respect to the continuance, discontinuance, withdrawal, compromise, settlement or other disposal of such action. The Trustee shall not, unless there no longer continues an Event of Default, discontinue, withdraw, compromise or settle, or otherwise dispose of any litigation pending at law or in equity, if at the time there has been filed with it a written request signed by the Owners of a majority in principal amount of the Outstanding Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other disposal of such litigation.

Section 8.04. Limitation on Owners' Right to Sue. No Owner of any Bond has the right to institute any suit, action or proceeding at law or in equity, for any remedy under or upon this Indenture, unless:

- (a) said Owner has previously given to the Trustee written notice of the occurrence of an Event of Default;
- (b) the Owners of a majority in aggregate principal amount of all the Bonds then Outstanding have requested the Trustee in writing to exercise the powers hereinbefore granted or to institute such action, suit or proceeding in its own name;
- (c) said Owners have tendered to the Trustee indemnity reasonably acceptable to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request; and
- (d) the Trustee has failed to comply with such request for a period of 60 days after such written request has been received by, and said tender of indemnity has been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder; it being understood and intended that no one or more Owners has any right in any manner whatever by his or their action to enforce any right under this Indenture, except in the manner herein provided, and that all proceedings at law or in equity to enforce any provision of this Indenture shall be instituted, had and maintained in the manner herein provided and for the equal benefit of all Owners of the Outstanding Bonds.

The right of any Owner of any Bond to receive payment of the principal of and interest on such Bond as herein provided, shall not be impaired or affected without the

written consent of such Owner, notwithstanding the foregoing provisions of this Section or any other provision of this Indenture.

SECTION 8.05. *Non-waiver.* Nothing in this Article VIII or in any other provision of this Indenture or in the Bonds, affects or impairs the obligation of the City, which is absolute and unconditional, to pay from the Net Revenues and other amounts pledged hereunder, the principal of and interest on the Bonds to the Bond Owners when due and payable as herein provided, or affects or impairs the right of action, which is also absolute and unconditional, of the Bond Owners to institute suit to enforce such payment by virtue of the contract embodied in the Bonds.

A waiver of any default by any Owner does not affect any subsequent default or impair any rights or remedies on the subsequent default. No delay or omission of any Owner to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver of any such default or an acquiescence therein, and every power and remedy conferred upon the Owners by the Bond Law or by this Article VIII may be enforced and exercised from time to time and as often as shall be deemed expedient by the Bond Owners.

If a suit, action or proceeding to enforce any right or exercise any remedy is abandoned or determined adversely to the Bond Owners, the City the Bond Owners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

Section 8.06. *Actions by Trustee as Attorney-in-Fact.* Any suit, action or proceeding which any Owner has the right to bring to enforce any right or remedy hereunder may be brought by the Trustee for the equal benefit and protection of all Owners similarly situated and the Trustee is hereby appointed (and the successive respective Owners by taking and holding the Bonds shall be conclusively deemed so to have appointed it) the true and lawful attorney-in-fact of the respective Owners for the purpose of bringing any such suit, action or proceeding and to do and perform any and all acts and things for and on behalf of the respective Owners as a class or classes, as may be necessary or advisable in the opinion of the Trustee as such attorney-in-fact, subject to the provisions of Article VI. Notwithstanding the foregoing provisions of this Section, the Trustee has no duty to enforce any such right or remedy unless it has been indemnified to its satisfaction for any additional fees, charges and expenses of the Trustee related thereto, including without limitation, fees and charges of its attorneys and advisors.

Section 8.07. *Remedies Not Exclusive.* No remedy herein conferred upon or reserved to the Owners is intended to be exclusive of any other remedy. Every such remedy shall be cumulative and shall be in addition to every other remedy given hereunder or now or hereafter existing, at law or in equity or by statute or otherwise, and may be exercised without exhausting and without regard to any other remedy conferred by the Bond Law or any other law.

Section 8.09. *Rights of the Bond Insurer.* Anything in this Indenture to the contrary notwithstanding, upon the occurrence and continuation of an Event of Default, the Bond Insurer (solely in its capacity as provider of the Bond Insurance Policy) is entitled to control and direct the enforcement of all rights and remedies granted hereunder to the Bond Owners, or to the Trustee for the benefit of the Bond Owners, including but not limited to rights and remedies granted under Section 8.01 and including but not limited to

the right to approve all waivers of any Events of Default. The rights granted to the Bond Insurer hereunder shall be deemed terminated and may not be exercisable by the Bond Insurer during any period during which the Bond Insurer is in default under the Bond Insurance Policy.

ARTICLE IX

MISCELLANEOUS

Section 9.01. Limited Liability of City. Notwithstanding anything contained in this Indenture, the City is not required to advance any moneys derived from any source of income other than the Net Revenues for the payment of the principal of or interest on the Bonds, or for the performance of any covenants herein contained (except to the extent any such covenants are expressly payable hereunder from the Gross Revenues). The City may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose and may be used by the City for such purpose without incurring indebtedness.

The Bonds are revenue bonds, payable exclusively from the Net Revenues and other funds as provided herein. The general fund of the City is not liable, and the credit of the City is not pledged, for the payment of the interest on or principal of the Bonds. The Owners of the Bonds have no right to compel the forfeiture of any property of the City. The principal of and interest on the Bonds are not a debt of the City, or a legal or equitable pledge, charge, lien or encumbrance upon any property of the City or upon any of its income, receipts or revenues except the Net Revenues and other funds pledged to the payment thereof as provided in this Indenture.

Section 9.02. Benefits of Indenture Limited to Parties. Nothing in this Indenture, expressed or implied, gives to any person other than the City, the Trustee, the Bond Insurer and the Owners of the Bonds, any right, remedy or claim under or by reason of this Indenture. Any covenants, stipulations, promises or agreements in this Indenture contained by and on behalf of the City shall be for the sole and exclusive benefit of the Trustee, the Bond Insurer and the Owners of the Bonds.

Section 9.03. Defeasance of Bonds. If the City pays and discharges the entire indebtedness on any Bonds in any one or more of the following ways:

- (a) by paying or causing to be paid the principal of and interest on such Bonds, as and when the same become due and payable;
- (b) by irrevocably depositing with the Trustee or an escrow bank, in trust, at or before maturity, an amount of cash which, together with the available amounts then on deposit in the funds and accounts established under this Indenture, in the opinion or report of an Independent Accountant is fully sufficient to pay such Bonds, including all principal and interest;
- (c) by irrevocably depositing with the Trustee or an escrow bank, in trust, Federal Securities in such amount as an Independent Accountant

determines will, together with the interest to accrue thereon and available moneys then on deposit in any of the funds and accounts established under this Indenture, be fully sufficient to pay and discharge the indebtedness on such Bonds (including all principal and interest) at or before maturity; or

- (d) by purchasing such Bonds prior to maturity and tendering such Bonds to the Trustee for cancellation;

and if such Bonds are to be redeemed prior to the maturity thereof notice of such redemption has been duly given or provision satisfactory to the Trustee has been made for the giving of such notice, then, at the election of the City, and notwithstanding that any such Bonds have not been surrendered for payment, the pledge of the Net Revenues and other funds provided for in this Indenture and all other obligations of the Trustee and the City under this Indenture with respect to such Bonds shall cease and terminate, except only:

- (a) the obligations of the City under Section 5.11,
- (b) the obligation of the Trustee to transfer and exchange Bonds hereunder,
- (c) the obligation of the City to pay or cause to be paid to the Owners of such Bonds, from the amounts so deposited with the Trustee, all sums due thereon, and
- (d) the obligations of the City to compensate and indemnify the Trustee under Section 6.06.

The City shall file notice of such election with the Trustee. The Trustee shall pay any funds thereafter held by it, which are not required for said purpose, to the City.

In the case of a defeasance or payment of all of the Bonds Outstanding in accordance with this Section, the Trustee shall pay all amounts held by it in any funds or accounts hereunder, which are not required for said purpose or for payment of amounts due the Trustee under Section 6.06, to the City.

Notwithstanding the foregoing provisions of this Section, in the event that the principal of and interest on by the Bonds are paid by the Bond Insurer in connection with the Bond Insurance Policy, the obligations of the Trustee and the City shall continue in full force and effect and the Bond Insurer shall be fully subrogated to the rights of all Owners of the Bonds so paid. In addition, the obligations of the Trustee and the City hereunder shall continue in full force and effect, and shall not be terminated, until such time as the City shall have paid all amounts (if any) as shall be due and owing to the Bond Insurer in connection with the Bond Insurance Policy; and the Trustee shall not distribute any funds to the City under the preceding paragraph unless the City shall have certified to the Trustee that there are no obligations then due and owing by the City to the Bond Insurer under the Bond Insurance Policy.

Section 9.04. Execution of Documents and Proof of Ownership by Owners.

Any request, consent, declaration or other instrument which this Indenture may require or

permit to be executed by any Owner may be in one or more instruments of similar tenor, and shall be executed by such Owner in person or by their attorneys appointed in writing.

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

The ownership of Bonds and the amount, maturity, number and date of ownership thereof are conclusively proved by the Registration Books.

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

Section 9.05. Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds which are owned or held by or for the account of the City (but excluding Bonds held in any employees' retirement fund) shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. The Trustee will not be deemed to have knowledge that any Bond is owned or held by the City unless the City is the Registered Owner or the Trustee has received written notice to that effect.

Section 9.06. Waiver of Personal Liability. No member, officer, agent or employee of the City shall be individually or personally liable for the payment of the principal of or interest on the Bonds; but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by law.

Section 9.07. Destruction of Canceled Bonds. Whenever in this Indenture provision is made for the surrender to the City of any Bonds which have been paid or canceled under the provisions of this Indenture, a certificate of destruction duly executed by the Trustee shall be deemed to be the equivalent of the surrender of such canceled Bonds and the City shall be entitled to rely upon any statement of fact contained in any certificate with respect to the destruction of any such Bonds therein referred to. The City shall pay all costs of any microfilming of Bonds to be destroyed.

Section 9.08. Funds and Accounts. Any fund or account required by this Indenture to be established and maintained by the City or the Trustee may be established and maintained in the accounting records of the City or the Trustee, as the case may be, either as a fund or an account, and may, for the purpose of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account. All such records with respect to all such funds and accounts held by the City shall at all times be maintained in accordance with generally accepted accounting principles and all such records with respect to all such funds and accounts held by the Trustee shall be at all times maintained in accordance with industry practices; in each

case with due regard for the protection of the security of the Bonds and the rights of every Owner thereof.

Section 9.09. Notices. All written notices to be given under this Indenture shall be given by first class mail or personal delivery to the party entitled thereto at its address set forth below, or at such address as the party may provide to the other party in writing from time to time. Notice shall be effective either (a) upon transmission by email or other form of electronic transmission, (b) 48 hours after deposit in the United States mail, postage prepaid, or (c) in the case of personal delivery to any person, upon actual receipt. The City or the Trustee may, by written notice to the other parties, from time to time modify the address or number to which communications are to be given hereunder.

If to the City: City of Brea
Number One Civic Center Circle, 3rd Floor
Brea, California 92821-5758
Attention: Administrative Services Director
Fax: (714) 671-4484

If to the Trustee: The Bank of New York Mellon Trust Company, N.A.
400 South Hope Street, Suite 500
Los Angeles, California 90071
Attention: Corporate Trust Administration
Fax: (213) 630-6480

Section 9.10. Unclaimed Moneys. Anything contained herein to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of the interest on or principal of the Bonds which remains unclaimed for two years after the date when the payments of such interest and principal have become payable, if such money was held by the Trustee at such date, or for two years after the date of deposit of such money if deposited with the Trustee after the date when the interest on and principal of such Bonds have become payable, shall be repaid by the Trustee to the City as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the City for the payment of the principal of and interest on such Bonds.

Section 9.11. Execution in Several Counterparts. This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original; and all such counterparts, or as many of them as the City and the Trustee shall preserve undestroyed, shall together constitute but one and the same instrument.

Section 9.12. Third-Party Beneficiary. The Bond Insurer shall be deemed to be a third-party beneficiary of this Indenture, with all rights of a third-party beneficiary.

Section 9.13. Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

IN WITNESS WHEREOF, the CITY OF BREa has caused this Indenture to be signed in its name by its City Manager and to be attested by its City Clerk, and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., in token of its acceptance of the trust created hereunder, has caused this Indenture to be signed in its corporate name by its officer identified below, all as of the day and year first above written.

CITY OF BREa

By _____
City Manager

Attest

City Clerk

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

By _____
Authorized Officer

APPENDIX A

DEFINITIONS

“Additional Revenues” means, with respect to the issuance of any Parity Debt, any or all of the following amounts:

- (a) An allowance for Net Revenues from any additions or improvements to or extensions of the Water System to be financed from the proceeds of such Parity Debt or from any other source but in any case which, during all or any part of the most recent completed Fiscal Year for which audited financial statements are available or for any other 12-month period selected by the City under Section 5.08(b), were not in service, all in an amount equal to 90% of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period in which each addition, improvement or extension is to be in operation, all as shown by the certificate or opinion of a qualified independent engineer or Fiscal Consultant employed by the City.
- (b) An allowance for Net Revenues arising from any increase in the charges made for service from the Water System which has become effective prior to the incurring of such Parity Debt but which, during all or any part of such Fiscal Year or such other 12-month period selected by the City under Section 5.08(b), was not in effect, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year or such other 12-month period, all as shown by the certificate or opinion of an Independent Accountant or Fiscal Consultant employed by the City.

“Authority” means the Brea Public Financing Authority, a public agency and joint powers authority organized and existing under the laws of the State of California, and any successor thereto.

“Bond Counsel” means (a) Jones Hall, A Professional Law Corporation, or (b) any other attorney or firm of attorneys appointed by or acceptable to the City of nationally-recognized experience in the issuance of obligations the interest on which is excludable from gross income for federal income tax purposes under the Tax Code.

“Bond Insurance Policy” means the Municipal Bond Insurance Policy issued by the Bond Insurer with respect to the Bonds.

“Bond Insurer” means _____, a mutual insurance company organized under the laws of the State of New York, its successors and assigns, as issuer of the Bond Insurance Policy.

“Bond Law” means the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570

of said Code, as in effect on the Closing Date or as thereafter amended in accordance with its terms.

"Bond Fund" means the fund by that name established and held by the Trustee under Section 4.02(b).

"Bond Year" means any twelve-month period commencing on July 2 in a year and ending on the next succeeding July 1, both dates inclusive; except that the first Bond Year commences on the Closing Date and ends on July 1, 2020.

"Bonds" means the City of Brea 2019 Water Revenue Refunding Bonds issued in the aggregate principal amount of \$_____ and at any time Outstanding hereunder.

"Business Day" means a day (other than a Saturday or a Sunday) on which banks are not required or authorized to remain closed in the city in which the Office of the Trustee is located, and on which the Federal Reserve Bank system is not closed.

"Certificate" of the City means a certificate in writing signed by the City Manager, the Administrative Services Director or any other officer of the City duly authorized by the City Council for that purpose.

"City" means the City of Brea, a municipal corporation organized and existing under the laws of the State of California, and any successor thereto.

"Closing Date" means August 14, 2019, being the date of delivery of the Bonds to the Original Purchaser.

"Costs of Issuance" means all items of expense directly or indirectly payable by or reimbursable to the City relating to the authorization, issuance, sale and delivery of the Bonds and the refunding of the Refunded Installment Payments and the Refunded Bonds, including but not limited to: printing expenses; rating agency fees; filing and recording fees; initial fees, expenses and charges of the Trustee and its counsel, including the Trustee's first annual administrative fee; premiums for the Bond Insurance Policy; fees, charges and disbursements of attorneys, financial advisors, accounting firms, consultants and other professionals; fees and charges for preparation, execution and safekeeping of the Bonds; and any other cost, charge or fee in connection with the original issuance of the Bonds and the refunding of the Refunded Installment Payments and the Refunded Bonds.

"Costs of Issuance Fund" means the fund by that name established and held by the Trustee under Section 3.03.

"Depository" means (a) initially, DTC, and (b) any other Securities Depository acting as Depository under Section 2.04.

"Depository System Participant" means any participant in the Depository's book-entry system.

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

“Escrow Agreement” means the Escrow Agreement dated as of the Closing Date, between the City, the Authority and the Escrow Bank, relating to the payment and prepayment of the Refunded Installment Payments in full, and the corresponding redemption of the Refunded Bonds in full.

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

“Event of Default” means any of the events described in Section 8.01.

“Federal Securities” means: (a) any direct general non-callable obligations of the United States of America, including obligations issued or held in book entry form on the books of the Department of the Treasury of the United States of America; and (b) any obligations the timely payment of principal of and interest on which are fully guaranteed by the United States of America or which are secured by obligations described in the preceding clause (a).

“Fiscal Consultant” means any consultant or firm of such consultants appointed by the City and who, or each of whom: (a) is judged by the City to have experience in matters relating to the financing of water enterprises; (b) is in fact independent and not under domination of the City; (c) does not have any substantial interest, direct or indirect, with the City; and (d) is not connected with the City as an officer or employee of the City, but who may be regularly retained to make reports to the City.

“Fiscal Year” means the period commencing on July 1 of each year and terminating on the next succeeding June 30, or such other period as may be established by the City as its official fiscal year period (written notice of which shall be given by the City to the Trustee).

“Gross Revenues” means all gross charges received for, and all other gross income and receipts derived by the City from, the ownership and operation of the Water System or otherwise arising from the Water System, including but not limited to investment earnings thereon; but excluding (a) connection charges, (b) the proceeds of any *ad valorem* property taxes levied for the purpose of paying general obligation bonds of the City relating to the Water System, and (c) the proceeds of any special assessments or special taxes levied upon real property within any improvement district served by the City levied for the purpose of paying special assessment bonds or special tax obligations of the City relating to the Water System.

“Indenture” means this Indenture of Trust, as originally executed or as it may from time to time be supplemented, modified or amended by any Supplemental Indenture pursuant to the provisions hereof.

“Independent Accountant” means any certified public accountant or firm of certified public accountants appointed and paid by the City, and who, or each of whom (a) is in fact independent and not under domination of the City; (b) does not have any substantial interest, direct or indirect, in the City; and (c) is not connected with the City as an officer or employee of the City but who may be regularly retained to make annual or other audits of the books of or reports to the the City.

"Interest Payment Date" means January 1 and July 1 in each year, beginning January 1, 2020, and continuing so long as any Bonds remain Outstanding.

"Maximum Annual Debt Service" means, as of the date of any calculation, the maximum sum obtained for the current or any future Bond Year so long as any of the Bonds remain Outstanding by totaling the following amounts for such Bond Year:

- (a) the principal amount of the Bonds, the 2014 Installment Payments and all outstanding Parity Debt, if any, coming due and payable by their terms in such Bond Year; and
- (b) the amount of interest which would be due during such Bond Year on the aggregate principal amount of the Bonds, the 2014 Installment Payments and all outstanding Parity Debt, if any, which would be outstanding in such Bond Year if the Bonds, the 2014 Installment Payments and such Parity Debt are retired as scheduled.

"Net Revenues" means, for any period, an amount equal to all of the Gross Revenues received during such period minus the amount required to pay all Operation and Maintenance Costs becoming payable during such period.

"Nominee" means (a) initially, Cede & Co. as nominee of DTC, and (b) any other nominee of the Depository designated pursuant to Section 2.04(a).

"Office" means, with respect to the Trustee, the corporate trust office of the Trustee at the address set forth in Section 9.09, or at such other or additional offices as may be specified by the Trustee in writing to the City; except that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term means the office or agency of the Trustee at which, at any particular time, its corporate trust agency business is conducted.

"Operation and Maintenance Costs" means the reasonable and necessary costs and expenses paid by the City for maintaining and operating the Water System, including but not limited to (a) costs of acquisition of water to be supplied by the Water System, (b) costs of electricity and other forms of energy supplied to the Water System, (c) the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Water System in good repair and working order, and (d) the reasonable administrative costs of the City attributable to the operation and maintenance of the Water System; but in all cases excluding (i) debt service payable on obligations incurred by the City with respect to the Water System, including but not limited to the Installment Payments, the 2014 Installment Payments and any Parity Debt, (ii) depreciation, replacement and obsolescence charges or reserves therefor, and (iii) amortization of intangibles or other bookkeeping entries of a similar nature.

"Original Purchaser" means Stifel, Nicolaus and Company, Inc., as the original purchaser of the Bonds upon their delivery by the Trustee on the Closing Date.

"Outstanding", when used as of any particular time with reference to Bonds, means all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except: (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation; (b) Bonds with respect to which all liability of the City has

been discharged in accordance with Section 9.03; (c) Bonds for the transfer or exchange of or in lieu of or in substitution for which other Bonds shall have been authenticated and delivered by the Trustee pursuant to this Indenture; and (d) Bonds which are required to be disregarded and not deemed Outstanding under Section 9.05.

“Owner”, when used with respect to any Bond, means the person in whose name the ownership of such Bond shall be registered on the Registration Books.

“Parity Debt” means any bonds, notes, leases, installment sale agreements or other obligations of the City payable from and secured by a pledge of and lien upon any of the Net Revenues on a parity with the Bonds, entered into or issued under and in accordance with Section 5.08.

“Parity Debt Documents” means, collectively, the indenture of trust, trust agreement or other document authorizing the issuance of any Parity Debt or any securities which evidence Parity Debt.

“Permitted Investments” means any of the following which at the time of investment are legal investments under the laws of the State of California for the moneys proposed to be invested therein:

- (a) Federal Securities;
- (b) Any direct or indirect obligations of an agency or department of the United States of America whose obligations represent the full faith and credit of the United States of America, or which are rated A or better by S&P.
- (c) Interest-bearing deposit accounts (including certificates of deposit) in federal or State chartered savings and loan associations or in federal or State of California banks (including the Trustee), provided that: (i) the unsecured obligations of such commercial bank or savings and loan association are rated A or better by S&P; (ii) such deposits are fully insured by the Federal Deposit Insurance Corporation; or (iii) such deposits are collateralized by Federal Securities in the amount exceeding FDIC insurance.
- (d) Commercial paper rated in the highest short-term rating category by S&P.
- (e) Federal funds or bankers acceptances with a maximum term of one year of any bank which an unsecured, uninsured and unguaranteed obligation rating in the highest rating category of S&P.
- (f) Money market funds registered under the Federal Investment Company Act of 1940, whose shares are registered under the Federal Securities Act of 1933, and having a rating in the highest rating category of S&P (such funds may include funds for which the Trustee, its affiliates, parent or subsidiaries provide investment advisory or other management services).

- (g) Obligations the interest on which is excludable from gross income pursuant to Section 103 of the Tax Code and which are either (a) rated A or better by S&P, or (b) fully secured as to the payment of principal and interest by Federal Securities.
- (h) Bonds or notes issued by any state or municipality which are rated by S&P in one of the two highest rating categories assigned by S&P.
- (i) Any investment agreement with, or guaranteed by, a financial institution the long-term unsecured obligations or the claims paying ability of which are rated A or better by S&P at the time of initial investment.
- (j) the Local Agency Investment Fund of the State of California, created under Section 16429.1 of the California Government Code, to the extent the Trustee is authorized to register such investment in its name.

"Rate Stabilization Fund" means any fund established and held by the City as a fund for the stabilization of rates and charges imposed by the City with respect to the Water System, which fund is established, held and maintained in accordance with Section 5.10.

"Record Date" means, with respect to any Interest Payment Date, the 15th calendar day of the month preceding such Interest Payment Date.

"Redemption Fund" means the fund by that name established and held by the Trustee under Section 4.02(c).

"Refunded Bonds" means all of the following outstanding bonds which have been issued by the Authority and which will be refunded from amounts held under the Escrow Agreement:

- (a) the Brea Public Financing Authority 2009 Water Revenue Refunding Bonds, Series A issued by the Authority in the aggregate original principal amount of \$12,855,000;
- (b) the Brea Public Financing Authority 2009 Water Revenue Bonds, Series B (Federally Taxable - Build America Bonds – Direct Payment) issued by the Authority in the aggregate original principal amount of \$12,945,000; and
- (c) the Brea Public Financing Authority 2010 Water Revenue Bonds (Solar and Energy Efficiency Projects) Series B (Federally Taxable – Build America Bonds – Direct Payment) issued by the Authority in the aggregate original principal amount of \$9,885,000.

"Refunded Installment Payments" means, collectively:

- (a) the obligation of the City to pay installment payments under and as defined in that certain Installment Sale Agreement dated as of May 1, 2009, between the City and the Brea Public Financing Authority; and
- (b) the obligation of the City to pay a portion of the installment payments under and as defined in that certain Installment Sale Agreement dated as of April 1, 2010, between the City and the Brea Public Financing Authority, to the extent such installment payments are allocable to the Brea Public Financing Authority 2010 Water Revenue Bonds (Solar and Energy Efficiency Projects) Series B (Federally Taxable – Build America Bonds – Direct Payment).

"Registration Books" means the books maintained by the Trustee under Section 2.07 for the registration and transfer of ownership of the Bonds.

"Request of the City" means a request in writing signed by the City Manager, the Administrative Services Director or any other officer of the City duly authorized by the City Council for that purpose.

"Securities Depositories" means DTC; and, in accordance with then current guidelines of the Securities and Exchange Commission, such other addresses and/or such other securities depositories as the City may designate in a Request of the City delivered by the City to the Trustee.

"S&P" means Standard & Poor's Global Ratings, business unit of Standard & Poor's Financial Services LLC, of New York, New York, and its successors.

"Supplemental Indenture" means any indenture, agreement, resolution or other instrument hereafter duly adopted or executed in accordance with the provisions of Section 7.01.

"Tax Code" means the Internal Revenue Code of 1986 as in effect on the Closing Date or (except as otherwise referenced herein) as it may be amended to apply to obligations issued on the Closing Date, together with applicable temporary and final regulations promulgated, and applicable official public guidance published, under said Code.

"Term Bonds" means the Bonds maturing on July 1, 20__.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., as Trustee hereunder, or any successor thereto appointed as Trustee hereunder in accordance with the provisions of Article VI.

"2014 Installment Payments" means the installment payments of the City under and as defined in the 2014 Installment Sale Agreement, as more particularly identified in Appendix A thereto.

"2014 Installment Sale Agreement" means the Installment Sale Agreement dated as of August 1, 2014, between the City and the Brea Community Benefit Financing

Authority, relating to the Brea Community Benefit Financing Authority 2014 Water Revenue Bonds which have been issued in the aggregate original principal amount of \$18,555,000.

“Water System” means the entire water treatment, production, storage and distribution system owned or operated by the City, including but not limited to all facilities, properties and improvements at any time owned or operated by the City for the collection, treatment and supply of water within the service area of such system, and any necessary lands, rights, entitlements and other property useful in connection therewith, together with all extensions thereof and improvements thereto hereafter acquired, constructed or installed by the City.

“Water Utility Fund” means the existing fund by that name established and held by the City with respect to the Water System.

APPENDIX B
FORM OF BOND

No. R-1

***\$_____**

CITY OF BREA
2019 WATER REVENUE REFUNDING BOND

INTEREST RATE: **MATURITY DATE:** **ISSUE DATE:** **CUSIP:**
 July 1, _____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT:

The CITY OF BREA, a municipal corporation organized and existing under the laws of the State of California (the "City") for value received, hereby promises to pay (but only out of the Net Revenues and other assets pledged therefor as hereinafter mentioned) to the Registered Owner stated above, or registered assigns, on the Maturity Date stated above (subject to any right of prior redemption hereinafter mentioned), the Principal Amount stated above, in lawful money of the United States of America; and to pay interest thereon in like lawful money from the Interest Payment Date next preceding the date of authentication of this Bond (unless this Bond is authenticated as of a day during the period commencing after the fifteenth day of the month preceding an Interest Payment Date and ending on or before such Interest Payment Date, in which event it shall bear interest from such Interest Payment Date, or unless this Bond is authenticated on or before December 15, 2020, in which event it shall bear interest from the Issue Date stated above) until payment of such principal sum shall be discharged as provided in the Indenture hereinafter mentioned, at the Interest Rate per annum stated above, payable semiannually on each January 1 and July 1, commencing January 1, 2020 (each, an "Interest Payment Date").

The principal (or redemption price) hereof is payable by check at the Office (as defined in the Indenture referred to below) of The Bank of New York Mellon Trust Company, N.A. (together with any successor trustee under the Indenture, the "Trustee"). Interest hereon is payable by check of the Trustee mailed on each Interest Payment Date to the Registered Owner as of the 15th day of the month preceding each Interest Payment Date (except with respect to payment of defaulted interest as provided in the Indenture hereinafter referred to) at the address shown on the registration books maintained by the Trustee. Payment of interest shall be made by wire transfer in immediately available funds to an account in the United States of America to any Owner of Bonds in the aggregate

principal amount of \$1,000,000 or more who shall furnish written wire instructions to the Trustee before the 15th day of the month preceding the applicable Interest Payment Date.

This Bond is one of a duly authorized issue of bonds of the City designated as its "City of Brea 2019 Water Revenue Refunding Bonds" (the "Bonds"), in the aggregate principal amount of \$_____, authorized under the provisions of Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570 of said Code (the "Bond Law"), and issued under an Indenture of Trust dated as of August 1, 2019 (the "Indenture"), between the City and the Trustee. The Bonds have been issued for the purpose of refunding outstanding obligations of the City issued to finance improvements to the City's Water collection, treatment and disposal system (the "Water System").

Reference is hereby made to the Indenture (a copy of which is on file at said Office of the Trustee) and all indentures supplemental thereto and to the Bond Law for a description of the rights thereunder of the owners of the Bonds, of the nature and extent of the security, of the rights, duties and immunities of the Trustee and of the rights and obligations of the City thereunder. The Registered Owner of this Bond, by acceptance hereof, assents and agrees to all the provisions of the Indenture.

The Bonds and the interest thereon are payable from Net Revenues of the Water System (as such terms are defined in the Indenture) and are secured by a pledge and assignment of said Net Revenues and of amounts held in the Bond Fund established under the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture. The City has the right under the Indenture to issue additional obligations on a parity with the Bonds, subject to the specific conditions set forth in the Indenture. The Bonds are special obligations of the City and are not a lien or charge upon the funds or property of the City, except to the extent of the aforesaid pledge and assignment.

The Bonds maturing on or before July 1, 20____, are not subject to redemption prior to their respective stated maturities. The Bonds maturing on or after July 1, 20____, are subject to redemption in whole, or in part among maturities on such basis as set forth in a Certificate of the City filed with the Trustee, and in any event by lot within a maturity, at the option of the City, from any available source of funds, on any Business Day on or after July 1, 20____, at a redemption price equal to 100% of the principal amount thereof to be redeemed together with accrued interest to the redemption date, without premium.

The Bonds maturing on July 1, 20____, are subject to mandatory redemption in part by lot, at a redemption price equal to 100% of the principal amount thereof to be redeemed, without premium, in the aggregate respective principal amounts and on July 1 in the respective years as set forth in the following table; *provided, however*, that if some but not all of such Bonds have been redeemed under the redemption provision described in the preceding paragraph, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of the Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the City to the Trustee).

**Term Bonds Maturing
July 1, 20__**

Sinking Fund
Redemption Date
(July 1)

Principal Amount
To Be Redeemed

Whenever provision is made in the Indenture for the redemption of Bonds of more than one maturity, the Bonds to be redeemed shall be selected among maturities on such basis as shall be set forth in a written certificate of the City filed with the Trustee, and the Trustee shall select the Bonds to be redeemed within any maturity by lot in any manner which the Trustee in its sole discretion shall deem appropriate. For purposes of such selection, all Bonds shall be deemed to be comprised of separate \$5,000 portions and such portions shall be treated as separate Bonds which may be separately redeemed.

The Trustee on behalf and at the expense of the City shall give notice of any redemption to the respective Owners of any Bonds designated for redemption, at least 20 but not more than 60 days prior to the redemption date, at their respective addresses appearing on the Registration Books. Neither the failure to receive any such notice so given nor any defect therein shall affect the validity of the proceedings for the redemption of such Bonds or the cessation of the accrual of interest thereon. Interest on the Bonds called for redemption will not accrue from and after the redemption date.

The City has the right to rescind any notice of the optional redemption of Bonds by written notice to the Trustee on or prior to the dated fixed for redemption. Any notice of optional redemption shall be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the Bonds then called for redemption, and such cancellation shall not constitute an Event of Default.

The Bonds are issuable as fully registered Bonds in denominations of \$5,000 and any integral multiple thereof. Subject to the limitations provided in the Indenture, Bonds may be exchanged, at said Office of the Trustee, for a like aggregate principal amount of Bonds of other authorized denominations of the same maturity.

This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at said office of the Trustee, but only in the manner, subject to the limitations provided in the Indenture, and upon surrender and cancellation of this Bond. Upon such transfer, a new Bond or Bonds, of authorized denomination or denominations, of the same maturity and for the same aggregate principal amount, shall be issued to the transferee in exchange herefor. The City and the Trustee may treat the Registered Owner hereof as the absolute owner hereof for all purposes, and the City and the Trustee shall not be affected by any notice to the contrary.

The Indenture and the rights and obligations of the City and of the owners of the Bonds and of the Trustee may be modified or amended from time to time and at any time

in the manner, to the extent, and upon the terms provided in the Indenture; provided that no such modification or amendment shall (a) extend the maturity of or reduce the interest rate on any Bond or otherwise alter or impair the obligation of the City to pay the principal, interest or redemption premiums at the time and place and at the rate and in the currency provided therein of any Bond without the express written consent of the owner of such Bond, (b) reduce the percentage of Bonds required for the written consent to any such amendment or modification, or (c) without its written consent thereto, modify any of the rights or obligations of the Trustee, all as more fully set forth in the Indenture.

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

It is hereby certified and recited that any and all things, conditions and acts required to exist, to have happened and to have been performed precedent to and in the issuance of this Bond do exist, have happened and have been performed in due time, form and manner as required by the Bond Law, and by the laws of the State of California, and that the amount of this Bond, together with all other indebtedness of the City, does not exceed any limit prescribed by the Bond Law and is not in excess of the amount of Bonds permitted to be issued under the Indenture.

This Bond is not entitled to any benefit under the Indenture, or is not valid or obligatory for any purpose, until the certificate of authentication hereon endorsed has been signed by the Trustee.

IN WITNESS WHEREOF, City of Brea has caused this Bond to be executed in its name and on its behalf by the facsimile signature of its Mayor and attested to by the facsimile signature of its City Clerk, all as of the Issue Date stated above.

CITY OF BREA

By _____
Mayor

Attest

City Clerk

TRUSTEE'S CERTIFICATE OF AUTHENTICATION

This is one of the Bonds described in the within-mentioned Indenture.

Dated:

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

By _____
Authorized Signatory

ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto _____ whose address and social security or other tax identifying number is _____, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) _____ attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature Guaranteed

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

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

APPENDIX C

PROVISIONS RELATING TO THE BOND INSURANCE POLICY

The following terms and provisions are hereby incorporated into the Indenture by this reference. Such provisions shall control and supersede any conflicting or inconsistent provisions in this Indenture.

ESCROW AGREEMENT

This ESCROW AGREEMENT (this "Agreement"), dated August __, 2019, is between the CITY OF BREA, a municipal corporation organized and existing under the laws of the State of California (the "City"), the BREA PUBLIC FINANCING AUTHORITY, a public agency and joint powers authority organized and existing under the laws of the State of California (the "Authority"), and THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A., a national banking association organized and existing under the laws of the United States of America, acting as escrow agent (the "Escrow Agent") and as trustee for the 2009 Bonds and the 2010 Bonds described below.

BACKGROUND:

1. In order to provide financing and refinancing for improvements to the water supply and distribution system of the City, the City and the Authority have previously entered into the following Installment Sale Agreements under which the City is obligated to pay semiannual installment payments which are secured by a pledge of and lien on the net revenues of the water system and which are pledged to the payment of the following bonds of the Authority:

- (a) the Installment Sale Agreement dated as of May 1, 2009 (the "2009 Installment Sale Agreement"), which secures the Brea Public Financing Authority 2009 Water Revenue Refunding Bonds, Series A issued by the Authority in the aggregate original principal amount of \$12,855,000 (the "2009 Series A Bonds") and the Brea Public Financing Authority 2009 Water Revenue Bonds, Series B (Federally Taxable - Build America Bonds – Direct Payment) issued by the Authority in the aggregate original principal amount of \$12,945,000 (the "2009 Series B Bonds"); and
- (b) the Installment Sale Agreement dated as of April 1, 2010 (the "2010 Installment Sale Agreement"), which secures the Brea Public Financing Authority 2010 Water Revenue Bonds (Solar and Energy Efficiency Projects) Series A issued by the Authority in the aggregate original principal amount of \$2,410,000 (the "2010 Series A Bonds"), and the Brea Public Financing Authority 2010 Water Revenue Bonds (Solar and Energy Efficiency Projects) Series B (Federally Taxable – Build America Bonds – Direct Payment) issued by the Authority in the aggregate original principal amount of \$9,885,000 (the "2010 Series B Bonds").

2. The 2010 Series A Bonds have previously matured and been paid in full, and are no longer outstanding.

3. The installment payments which are payable by the City under the 2009 Installment Agreement (the "2009 Installment Payments") may be prepaid on any date on or after July 1, 2019, at a prepayment price equal to 100% of the principal amount thereof, without premium.

4. The installment payments which are payable by the City under the 2010 Installment Sale Agreement (the "2010 Installment Payments") may be prepaid and redemption on any date on or after July 1, 2020, at a prepayment price equal to 100% of the principal amount thereof, without premium.

5. In order to provide funds to prepay the 2009 Installment Payments in full and thereby provide funds to redeem the 2009 Series A Bonds and the 2009 Series B Bonds in full on September __, 2019 (the "2019 Redemption Date"), and in order to provide funds to pay and prepay the 2010 Installment Payments in full and thereby provide funds to pay and redeem the 2010 Series B Bonds in full on July 1, 2020 (the "2020 Redemption Date"), the City has issued its City of Brea 2019 Water Revenue Refunding Bonds in the aggregate principal amount of \$_____ (the "2019 Bonds").

6. The Bank of New York Mellon Trust Company, N.A. serves as trustee for the 2009 Bonds (the "2009 Trustee") under an Indenture of Trust dated as of May 1, 2009 (the "2009 Bond Indenture"), and also serves as trustee for the 2010 Bonds (the "2010 Trustee") under an Indenture of Trust dated as of April 1, 2010 (the "2010 Bond Indenture").

7. The City and the Authority wish to appoint the Escrow Agent for the purpose of establishing an irrevocable escrow fund to be funded, invested, held and administered as set forth herein.

A G R E E M E N T :

In consideration of the premises and the material covenants contained herein, the City, the Authority and the Escrow Agent hereby agree as follows:

SECTION 1. *Appointment of Escrow Agent; Establishment of Escrow Fund.* The City and the Authority hereby appoint the Escrow Agent to act as escrow agent for purpose of administering the funds required for the following purposes:

- (a) to prepay the 2009 Installment Payments in full on the 2019 Redemption Date in accordance with Section 7.2 of the 2009 Installment Sale Agreement and thereby discharge the 2009 Installment Sale Agreement in accordance with Section 7.1 of the 2009 Installment Sale Agreement;
- (b) to redeem the 2009 Bonds in full on the 2019 Redemption Date in accordance with Section 4.01(a) of the 2009 Bond Indenture and thereby discharge the 2009 Bonds and the 2009 Bond Indenture in accordance with Section 10.01 of the 2009 Bond Indenture;
- (c) to prepay the 2010 Installment Payments in full on the 2020 Redemption Date in accordance with Section 7.2 of the 2010 Installment Sale Agreement and thereby discharge the 2010 Installment Sale Agreement in accordance with Section 7.1 of the 2010 Installment Sale Agreement; and
- (d) to pay and redeem the 2010 Series B Bonds in full on the 2020 Redemption Date, in accordance with Section 4.01(a) of the 2010

Bond Indenture and thereby discharge the 2010 Series B Bonds in accordance with Section 10.01 of the 2010 Bond Indenture and thereby discharge the 2010 Bonds and the 2010 Bond Indenture in accordance with Section 10.01 of the 2010 Bond Indenture.

The Escrow Agent is hereby directed to establish an escrow fund (the "Escrow Fund") to be held by the Escrow Agent in trust as an irrevocable escrow. If at any time the Escrow Agent receives actual knowledge that the cash in the Escrow Fund will not be sufficient to make any payment required by Section 4, the Escrow Agent shall notify the City of such fact and the City shall immediately cure such deficiency from any source of legally available funds. The Escrow Agent has no liability for any such insufficiency.

SECTION 2. *Deposit of Amounts in Escrow Fund.* On August __, 2019 (the "Closing Date"), the City shall cause to be transferred to the Escrow Agent for deposit into the Escrow Fund the amount of \$_____ in immediately available funds. Such amount shall be derived from the following sources:

- (a) from the proceeds of the 2019 Bonds in the amount of \$_____;
- (b) from amounts held by the 2009 Trustee in the Reserve Account which has been established under the Indenture of Trust dated as of May 1, 2009, under which the 2009 Series A Bonds and the 2009 Series B Bonds have been issued; and
- (c) from amounts held by the 2010 Trustee in the Series B Subaccount within the Reserve Account which has been established under the Indenture of Trust dated as of April 1, 2010, under which the 2010 Series A Bonds and the 2010 Series B Bonds have been issued.

SECTION 3. *Investment of Amounts in Escrow Fund.* On the Closing Date, the Escrow Agent shall invest the amount of \$_____ held by it in the Escrow Fund in the following United States Treasury Certificates of Indebtedness, State and Local Government Series:

<u>Par Amount</u>	<u>Interest Rate</u>	<u>Maturity Date</u>
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The Escrow Agent shall hold the remaining amount of \$_____ in the Escrow Fund in cash, uninvested.

SECTION 4. *Application of Amounts in Escrow Fund.* The Escrow Agent shall transfer amounts in the Escrow Fund to the 2009 Trustee to prepay the 2009 Installment Payments and thereby redeem all of the outstanding 2009 Series A Bonds and the 2009 Series B Bonds in accordance with the following schedule:

<u>Payment Date</u>	<u>Interest Payment</u>	<u>Redeemed Principal</u>	<u>Total Payment</u>
September __, 2019	\$	\$	\$

The Escrow Agent shall transfer amounts in the Escrow Fund to the 2010 Trustee to pay and prepay the 2010 Installment Payments and thereby pay and redeem all of the outstanding 2010 Series B Bonds in accordance with the following schedule:

<u>Payment Date</u>	<u>Interest Payment</u>	<u>Maturing Principal</u>	<u>Redeemed Principal</u>	<u>Total Payment</u>
January 1, 2020	\$	\$	\$	\$
July 1, 2020				

Following the payment and redemption of the 2010 Series B Bonds in full on the 2020 Redemption Date, the Escrow Agent shall transfer any amounts remaining on deposit in the Escrow Fund to The Bank of New York Mellon Trust Company, N.A., as trustee for the 2019 Bonds (the "2019 Bond Trustee") to be applied to pay interest next coming due and payable on the 2019 Bonds.

SECTION 5. *Irrevocable Election.* The City hereby irrevocably elects to prepay the 2009 Installment payments in full on the 2019 Redemption Date in accordance with Section 7.2 of the 2009 Installment Sale Agreement. The City hereby irrevocably elects to prepay the 2010 Installment payments relating to the 2010 Series B Bonds in full on the 2020 Redemption Date in accordance with Section 7.2 of the 2010 Installment Sale Agreement.

The Authority hereby irrevocably elects to redeem the 2009 Bonds in full on the 2019 Redemption Date in accordance with Section 4.01(a) of the 2009 Indenture. The 2009 Trustee shall give notice of redemption of the 2009 Bonds in accordance with Section 4.03 of the 2009 Bond Indenture, at the expense of the City.

The Authority hereby irrevocably elects to redeem the 2010 Bonds in full on the 2020 Redemption Date in accordance with Section 4.01(a) of the 2010 Indenture. The 2010 Trustee shall give notice of redemption of the 2010 Bonds in accordance with Section 4.03 of the 2010 Bond Indenture, at the expense of the City.

SECTION 6. *Transfer of 2009 Bond Funds and 2010 Bond Funds.* Any amounts held in the funds and accounts established under the 2009 Bond Indenture and the 2010 Bond Indenture by the Escrow Agent, in its capacity as 2009 Trustee and 2010 Trustee, shall be withdrawn therefrom on the Closing Date and transferred to the 2019 Bond Trustee to be applied to pay interest next coming due and payable on the 2019 Bonds.

SECTION 7. *Compensation to Escrow Agent.* The City shall pay the Escrow Agent full compensation for its services under this Agreement, including out-of-pocket costs such as publication costs, prepayment expenses, legal fees and other costs and expenses relating hereto. Under no circumstances shall amounts deposited in or credited to the Escrow Fund be deemed to be available for said purposes. The Escrow Agent has no lien upon or right of set off against the cash at any time on deposit in the Escrow Fund.

The City shall indemnify, defend and hold harmless the Escrow Agent and its officers, directors, employees, representatives and agents, from and against and reimburse the Escrow Agent for any and all claims, obligations, liabilities, losses, damages, actions, suits, judgments, reasonable costs and expenses (including reasonable attorneys' and agents' fees and expenses) of whatever kind or nature regardless of their merit, demanded, asserted or claimed against the Escrow Agent directly or indirectly relating to, or arising from, claims against the Escrow Agent by reason of its participation in the transactions contemplated hereby, except to the extent caused by the Escrow Agent's gross negligence or willful misconduct. The provisions of this Section shall survive the termination of this Agreement or the earlier resignation or removal of the Escrow Agent.

SECTION 8. *Immunities and Liability of Escrow Agent.* The Escrow Agent undertakes to perform only such duties as are expressly set forth in this Agreement and no implied duties, covenants or obligations shall be read into this Agreement against the Escrow Agent. The Escrow Agent shall not have any liability hereunder except to the extent of its gross negligence or willful misconduct. In no event shall the Escrow Agent be liable for any special, indirect or consequential damages. The Escrow Agent shall not be permitted to make any investments of amounts held by it in the Escrow Fund. The Escrow Agent may consult with Bond Counsel or legal counsel to the City, and in such case the Escrow Agent shall not be liable for any action taken or not taken by it in good faith in reliance upon the opinion or advice of such counsel. The Escrow Agent shall not be liable for the recitals or representations contained in this Agreement and shall not be responsible for the validity of this Agreement, the sufficiency of the Escrow Fund or the moneys for the purposes set forth in this Agreement.

Whenever in the administration of this Agreement the Escrow Agent deems it necessary or desirable that a matter be proved or established prior to taking or not taking any action, such matter may be deemed to be conclusively proved and established by a certificate of an authorized representative of the City and shall be full protection for any action taken or not taken by the Escrow Agent in good faith reliance thereon.

The Escrow Agent may conclusively rely as to the truth and accuracy of the statements and correctness of any opinions or calculations provided to it in connection with this Agreement and shall be protected in acting, or refraining from acting, upon any notice, instruction, request, certificate, document, opinion or other writing furnished to the Escrow Agent in connection with this Agreement and believed by the Escrow Agent to be signed by the proper party, and it need not investigate any fact or matter stated therein.

None of the provisions of this Agreement shall require the Escrow Agent to expend or risk its own funds or otherwise to incur any liability, financial or otherwise, in the performance of any of its duties hereunder. The Escrow Agent may execute any of the trusts or powers hereunder or perform any duties hereunder either directly or by or through agents, attorneys, custodians or nominees appointed with due care, and shall not be responsible for any willful misconduct or negligence on the part of any agent, attorney, custodian or nominee so appointed. The Escrow Agent shall not be liable to the parties hereto or deemed in breach or default hereunder if and to the extent its performance hereunder is prevented by reason of force majeure. The term "force majeure" means an occurrence that is beyond the control of the Escrow Agent and could not have been avoided by exercising due care. Force majeure shall include acts of God, terrorism, war, riots, strikes, fire, floods, earthquakes, epidemics or other similar occurrences.

Any bank, corporation or association into which the Escrow Agent may be merged or converted or with which it may be consolidated, or any bank, corporation or association resulting from any merger, conversion or consolidation to which the Escrow Agent shall be a party, or any bank, corporation or association succeeding to all or substantially all of the corporate trust business of the Escrow Agent shall be the successor of the Escrow Agent hereunder without the execution or filing of any paper with any party hereto or any further act on the part of any of the parties hereto except on the part of any of the parties hereto where an instrument of transfer or assignment is required by law to effect such succession, anything herein to the contrary notwithstanding.

SECTION 9. *Furnishing of Statements.* The Escrow Agent shall furnish the City periodic cash transaction statements which include detail for all investment transactions effected by the Escrow Agent or brokers selected by the City. Upon the City's election, such statements will be delivered via the Escrow Agent's online service and upon electing such service, paper statements will be provided only upon request. The City waives the right to receive brokerage confirmations of security transactions effected by the Escrow Agent as they occur, to the extent permitted by law. The City further understands that trade confirmations for securities transactions effected by the Escrow Agent will be available upon request and at no additional cost.

SECTION 10. *Electronic Communications.* The Escrow Agent shall have the right to accept and act upon instructions, including funds transfer instructions ("Instructions") given pursuant to this Indenture and delivered using Electronic Means. For purposes of this paragraph, the term "Electronic Means" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Escrow Agent, or another method or system specified by the Escrow Agent as available for use in connection with its services hereunder). The City shall provide to the Escrow Agent an incumbency certificate listing officers with the City to provide such Instructions (the "Authorized Officers") and containing specimen signatures of such Authorized Officers, which incumbency certificate may be amended by the City from time to time. If the City elects to give the Escrow Agent Instructions using Electronic Means and the Escrow Agent in its discretion elects to act upon such Instructions, the Escrow Agent's understanding of such Instructions shall be deemed controlling. The City understands and agrees that the Escrow Agent cannot determine the identity of the actual sender of such Instructions and that the Escrow Agent shall conclusively presume that directions that purport to have been sent by an Authorized Officer listed on the incumbency certificate provided to the Escrow Agent have been sent by such Authorized Officer. The City shall be responsible for ensuring that only Authorized Officers transmit such Instructions to the Escrow Agent and that the City and all Authorized Officers are solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt by the City. The Escrow Agent shall not be liable for any losses, costs or expenses arising directly or indirectly from the Escrow Agent's reliance upon and compliance with such Instructions notwithstanding such directions conflict or are inconsistent with a subsequent written instruction. The City agrees: (i) to assume all risks arising out of the use of Electronic Means to submit Instructions to the Escrow Agent, including without limitation the risk of the Escrow Agent acting on unauthorized Instructions, and the risk of interception and misuse by third parties; (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Instructions to the Escrow Agent and that there may be more

secure methods of transmitting Instructions than the method(s) selected by the City; (iii) that the security procedures (if any) to be followed in connection with its transmission of Instructions provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances; and (iv) to notify the Escrow Agent immediately upon learning of any compromise or unauthorized use of the security procedures.

SECTION 11. *Termination of Agreement.* Upon payment and prepayment in full of the 2007 Authority Bonds, and upon payment of all fees, expenses and charges of the Escrow Agent as described above, this Agreement shall terminate and the Escrow Agent shall be discharged from any further obligation or responsibility hereunder.

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

SECTION 13. *Applicable Law.* This Agreement shall be governed by and construed in accordance with the laws of the State of California.

CITY OF BRE A

By: _____
City Manager

BREA PUBLIC FINANCING AUTHORITY

By: _____
Executive Director

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

By _____
Authorized Officer

\$ _____
CITY OF BREA
2019 WATER REVENUE REFUNDING BONDS
(ORANGE COUNTY, CALIFORNIA)

BOND PURCHASE AGREEMENT

_____, 2019

City of Brea
Number One Civic Center Circle, 3rd Floor
Brea, California 92821-5758
Attention: Assistant City Manager/Administrative Services Director

Ladies and Gentlemen:

The undersigned, Stifel, Nicolaus & Company, Incorporated (the “**Underwriter**”), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (which, together with the appendices attached hereto, is referred to as the “**Purchase Agreement**”) with the City of Brea (the “**City**”), which will be binding upon the the City and the Underwriter upon the acceptance hereof by the City. This offer is made subject to its acceptance by the the City by execution of this Purchase Agreement and its delivery to the Underwriter on or before 11:59 P.M., Pacific Daylight Savings Time, on the date hereof. All terms used herein and not otherwise defined shall have the respective meanings given to such terms in the Indenture of Trust, dated as of _____ 1, 2019 (the “**Indenture**”), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “**Trustee**”).

1. Purchase and Sale. Upon the terms and conditions and upon the basis of the representations, warranties and agreements hereinafter set forth, the Underwriter hereby agrees to purchase from the City, and the City hereby agrees to sell to the Underwriter, all (but not less than all) of the \$_____ aggregate principal amount of the City of Brea 2019 Water Revenue Refunding Bonds (the “**Bonds**”). The purchase price for the Bonds shall be \$_____ (being the aggregate principal amount thereof [plus] [minus] a [net] original issue [premium] [discount] of \$_____ and less an Underwriter’s discount of \$_____).

The City acknowledges and agrees that: (a) the purchase and sale of the Bonds pursuant to this Purchase Agreement is an arm’s length commercial transaction between the City and the Underwriter, and the only obligations that the Underwriter has to the City with respect to the transaction that is contemplated hereby expressly are set forth in this Purchase Agreement; (b) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and is not acting as a Municipal Advisor (as such term is defined in Section 15B of The Securities Exchange Act of 1934, as amended) to the City; (c) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the City with respect to the offering that is contemplated hereby or the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter

has provided other services or is currently providing other services to the City on other matters); (d) the Underwriter has financial and other interests that may differ from and be adverse to those of the City; and (e) the City has consulted its own legal, financial, accounting, tax and other advisors to the extent that it has deemed appropriate.

2. Description of the Bonds; Authorizing Instruments.

(a) The Bonds shall be issued and sold to the Underwriter by the City pursuant to the Indenture, the Constitution and the laws of the State of California (the “**State**”) and Resolution No. _____ of the City adopted on _____, 2019 (the “**City Resolution**”). The Bonds shall be as described in the Indenture and the Official Statement (defined herein) relating to the Bonds and shall mature and bear interest as set forth in Exhibit A attached hereto and incorporated herein by this reference.

(b) The Bonds will be issued pursuant to California Government Code Sections 53570 *et seq.* and 53580 *et seq.* The Bonds are payable from and secured by the City’s pledge of Net Revenues under and as defined in the Indenture.

(c) Proceeds of the Bonds will be applied: (i) effect a refunding of the Brea Public Financing Authority (the “**Authority**”) 2009 Water Revenue Refunding Bonds, Series A, 2009 Water Revenue Bonds, Series B (Federally Taxable – Build America Bonds – Direct Payment and 2010 Water Revenue Bonds (Solar and Energy Efficient Projects, Series B (Federally Taxable – Build America Bonds – Direct Payment) (collectively, the “**Refunded Bonds**”), and (ii) pay costs of issuance of the 2019 Bonds.

(d) This Purchase Agreement, the Indenture, the Escrow Agreement, dated as of _____, 2019 (the “**Escrow Agreement**”) by and among the City, the Brea Community Benefit Financing Authority (the “**Authority**”) and The Bank of New York Mellon Trust Company, N.A., acting as escrow agent (the “**Escrow Agent**”) and the Continuing Disclosure Certificate of the City dated the Closing Date (as such term is defined herein) (the “**Continuing Disclosure Certificate**”), are collectively referred to herein as the “**City Documents**.”

3. Public Offering and Establishment of Issue Price.

(a) The Underwriter agrees to make a bona fide public offering of the Bonds at the initial public offering price or prices set forth on the inside cover page of the Final Official Statement and in Exhibit A hereto and subject Section 3(c) and 3(d) hereof, the Underwriter reserves the right to change such initial public offering prices as the Underwriter deems necessary or desirable, in its sole discretion, in connection with the marketing of the Bonds, and to sell the Bonds to certain dealers (including dealers depositing the Bonds into investment trusts) and others at prices lower than the initial offering prices set forth in the Final Official Statement. A “bona fide public offering” shall include an offering to institutional investors or registered investment companies, regardless of the number of such investors to which the Bonds are sold.

(b) The Underwriter agrees to assist the City in establishing the issue price of the Bonds and shall execute and deliver to the City at Closing (defined below) an “issue price” or similar certificate, together with copies of supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the City and Bond Counsel to accurately

reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by the City under this section to establish the issue price of the Bonds may be taken on behalf of the City by the City's municipal advisor, Fieldman Rolapp & Associates, Inc. (the "**Municipal Advisor**") and any notice or report to be provided to the City may be provided to the City's Municipal Advisor.

(c) [Except as otherwise set forth in Exhibit A attached hereto,] the City will treat the first price at which 10% of each maturity of the Bonds (the "**10% test**"), identified under the column "10% Test Used" in Exhibit A, is sold to the public as the issue price of that maturity. At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the City the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the City the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until either (i) the Underwriter has sold all Bonds of that maturity or (ii) the 10% test has been satisfied as to the Bonds of that maturity, provided that, the Underwriter's reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the City or Bond Counsel. For purposes of this section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds.

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

- (i) the close of the fifth (5th) business day after the sale date; or
- (ii) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

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

- (e) The Underwriter confirms that:
- (i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of

the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A) (1) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (2) to comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing Date has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the Closing Date may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(f) The City acknowledges that, in making the representations set forth in this section, the Underwriter will rely on (1) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (2) in the event that a third-party distribution agreement was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The City further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds.

(g) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

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

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

(iii) a purchaser of any of the Bonds is a “**related party**” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other)[; and

(h) “**sale date**” means the date of execution of this Purchase Agreement by the City and the Underwriter].

4. Delivery of Official Statement; Continuing Disclosure Undertaking. The City has delivered or caused to be delivered to the Underwriter prior to the execution of this Purchase Agreement or the first offering of the Bonds, whichever first occurs, copies of the Preliminary Official Statement relating to the Bonds (the “**Preliminary Official Statement**”). Such Preliminary Official Statement is the official statement deemed final by the City for purposes of Rule 15c2-12 under the Securities Exchange Act of 1934, as amended (the “**Rule**”), except for information permitted to be omitted therefrom pursuant to the Rule, and approved for delivery pursuant to the Resolution.

Within seven (7) Business Days from the date hereof, the City shall deliver to the Underwriter a final Official Statement, executed on behalf of the City by an authorized representative of the City, respectively, and dated the date hereof, which shall include information permitted to be omitted by paragraph (b)(1) of the Rule and with such other amendments or supplements as shall have been approved by the City and the Underwriter (the “**Final Official Statement**”). The Preliminary Official Statement and the Final Official Statement, including the cover pages, the appendices thereto and all information incorporated therein by reference are hereinafter referred to collectively as the “**Official Statement.**” The Underwriter agrees that it will not confirm the sale of any Bonds unless the confirmation of sale is accompanied or preceded by the delivery of a copy of the Final Official Statement. The Underwriter agrees to deliver a copy of the Final Official

Statement to the Municipal Securities Rulemaking Board (the “**MSRB**”) through the Electronic Municipal Marketplace Access website of the MSRB, currently maintained on the Internet at <http://emma.msrb.org/>, on or before the Closing Date, and the Underwriter agrees to comply with the requirements of MSRB Rule G-32 for delivery of a copy of the Final Official Statement, upon request of any customer who purchases a Bond, and otherwise to comply with all applicable statutes and regulations in connection with the sale of the Bonds.

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

5. The Closing. At 8:30 a.m., Pacific Daylight Savings Time, on _____, 2019 (the “**Closing Date**”), or at such other time or on such earlier or later Business Day as shall have been mutually agreed upon by the City and the Underwriter, the City will deliver to the Trustee the Bonds in definitive form, registered in the name of Cede & Co., as the nominee of the Depository Trust Company (“**DTC**”) so that the Bonds may be authenticated by the Trustee and credited to the account specified by the Underwriter under DTC’s FAST procedures. Concurrently with the delivery of the Bonds, the City will deliver the documents hereinafter mentioned at the offices of Jones Hall, A Professional Law Corporation (“**Bond Counsel**”), in San Francisco, California, or another place to be mutually agreed upon by the the City and the Underwriter. The Underwriter shall order CUSIP identification numbers and the City shall cause such CUSIP identification numbers to be printed on the Bonds, but neither the failure to print any such number on any Bond nor any error with respect thereto shall constitute cause for failure or refusal by the Underwriter to accept delivery of and pay for the Bonds in accordance with the terms of this Purchase Agreement. The Underwriter will accept such delivery and pay the purchase price of the Bonds as set forth in Section 1 hereof by federal wire transfer to the order of the Trustee on behalf of the City. This payment and delivery, together with the delivery of the aforementioned documents, is herein called the “**Closing**.”

6. City Representations, Warranties and Covenants. The City represents and covenants to the Underwriter that:

(a) The City is a municipal corporation and general law city, duly organized and existing under the Constitution and laws of the State.

(b) The City has full right, power and authority to adopt or enter into, as the case may be, and to carry out and consummate the transactions on its part contemplated by the City Documents.

(c) By all necessary official action, the City has duly authorized and approved the City Documents, has duly authorized and approved the Preliminary Official Statement and the Official Statement and has duly authorized and approved the execution and delivery of, and the performance by the City of the obligations on its part contained in, the City Documents and the consummation by it of all other transactions contemplated by the City Documents in connection with the issuance of the Bonds. As of the date hereof, such authorizations and approvals are in full force and effect and have not been amended, modified or rescinded. When executed and delivered, and assuming due execution and delivery by the other parties thereto, if applicable, the City Documents will constitute the legally valid and binding obligations of the City enforceable in accordance with

their respective terms, except as enforcement may be limited by bankruptcy, insolvency, reorganization, moratorium or similar laws or equitable principles relating to or affecting creditors' rights generally, or by the exercise of judicial discretion and the limitations on legal remedies against municipal corporations in the State. The City has complied, and will at the Closing be in compliance in all material respects, with the terms of the City Documents.

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

(e) All material authorizations, approvals, licenses, permits, consents and orders of any governmental authority, legislative body, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by the City of its obligations in connection with the City Documents have been duly obtained or, when required for future performance, are expected to be obtained, other than such approvals, consents and orders as may be required under the Blue Sky or securities laws of any state in connection with the offering and sale of the Bonds; except as described in or contemplated by the Preliminary Official Statement, all authorizations, approvals, licenses, permits, consents and orders of any governmental authority, board, agency or commission having jurisdiction of the matter which are required for the due authorization by, or which would constitute a condition precedent to or the absence of which would materially adversely affect the due performance by, the City of its obligations under the City Documents have been duly obtained.

(f) The Preliminary Official Statement was as of its date, and the Final Official Statement is, and at all times subsequent to the date of the Final Official Statement up to and including the Closing will be, true and correct in all material respects, and the Preliminary Official Statement and the Final Official Statement do not and will not contain and up to and including the Closing will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements contained therein, in the light of the circumstances under which they were made, not misleading (except that this representation does not include information regarding The Depository Trust Company and its book-entry only system, CUSIP numbers, prices and yields for the Bonds and any other information provided by the Underwriter, as to which no view is expressed).

(g) The City will advise the Underwriter promptly of any proposal to amend or supplement the Official Statement and will not effect or consent to any such amendment or supplement without the consent of the Underwriter, which consent will not be unreasonably withheld. The City will advise the Underwriter promptly of the institution of any proceedings known to it by any governmental authority prohibiting or otherwise affecting the use of the Official Statement in connection with the offering, sale or distribution of the Bonds.

(h) As of the time of acceptance hereof and the Closing, except as disclosed in the Official Statement, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, governmental authority, public board or body, pending, with service of process having been accomplished and received by the City, or, to the best of the City's knowledge, threatened in writing to the City: (i) in any way questioning the corporate existence of the City or the titles of the officers of the City to their respective offices; (ii) affecting, contesting or seeking to prohibit, restrain or enjoin the issuance or delivery of any of the Bonds, or the payment or collection of Net Revenues pledged or to be pledged to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity of the Bonds or the City Documents or the consummation of the transactions contemplated thereby or hereby, or the exclusion of the interest on the Bonds from taxation or contesting the powers of the City or its authority to issue the Bonds; (iii) which would be likely to result in any material adverse change relating to the business, operations or financial condition of the Water System; and (iv) contesting the completeness or accuracy of the Preliminary Official Statement or the Final Official Statement or any supplement or amendment thereto or asserting that the Preliminary Official Statement or the Final Official Statement contained any untrue statement of a material fact or omitted to state any material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(i) Until the date which is twenty-five (25) days after the "end of the underwriting period" (as such term is defined herein), if any event shall occur of which the City is aware that would cause the Official Statement to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements in the Official Statement, in light of the circumstances under which they were made, not misleading, the City shall forthwith notify the Underwriter of any such event of which it has knowledge and shall cooperate fully in furnishing any information available to it for any supplement to the Official Statement necessary, in the Underwriter's reasonable opinion, so that the statements therein as so supplemented will not be misleading in light of the circumstances existing at such time, and the City shall promptly furnish to the Underwriter a reasonable number of copies of such supplement. As used herein, the term "end of the underwriting period" means the later of such time as: (i) the City delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. As used herein, the term "**end of the underwriting period**" means the later of such time as: (i) the City delivers the Bonds to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Notwithstanding the foregoing, unless the Underwriter gives notice to the contrary, the "end of the underwriting period" will be the date of the Closing. Any notice that is delivered pursuant to this provision will be written notice delivered to the City at or prior to the date of the Closing and will specify a date (other than the date of the Closing) to be deemed the "end of the underwriting period."

(j) Except as disclosed in the Preliminary Official Statement and the Official Statement, the City has not within the last five years failed to comply in any material respect with

any continuing disclosure undertakings with regard to the Rule, to provide annual reports or notices of material events specified in such rule.

(k) Except as disclosed in the Preliminary Official Statement, since June 30, 2018 there has not been a material adverse change in the financial condition of the Water System.

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

7. Closing Conditions. The obligations of the Underwriter to accept delivery of and pay for the Bonds on the Closing Date shall be subject, at the option of the Underwriter, to the accuracy in all material respects of the representations and warranties on the part of the City that are contained herein, as of the date hereof and as of the Closing Date, to the accuracy in all material respects of the statements of the officers and other officials of the City made in any certificates or other documents that are furnished pursuant to the provisions hereof, to the performance by the City of its obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

(a) At the Closing Date, the City Documents shall be in full force and effect, and shall not have been amended, modified or supplemented, except as may have been agreed to in writing by the Underwriter, and there shall have been taken in connection therewith, with the issuance of the Bonds and with the transactions contemplated thereby and by this Purchase Agreement, all such actions as, in the opinion of Bond Counsel and Stradling Yocca Carlson & Rauth, a Professional Corporation, counsel to the Underwriter, shall be necessary and appropriate;

(b) The information that is contained in the Official Statement will, as of the Closing Date and as of the date of any supplement or amendment thereto pursuant to this Purchase Agreement, be true, correct and complete in all material respects and will not, as of the Closing Date or as of the date of any supplement or amendment thereto pursuant to this Purchase Agreement, contain any untrue statement of a material fact or omit to state a material fact that is required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(c) Between the date hereof and the Closing Date, the market price or marketability of the Bonds at the initial offering prices that are set forth in the Official Statement shall not have been materially adversely affected, in the reasonable judgment of the Underwriter (evidenced by a written notice to the City terminating the obligation of the Underwriter to accept delivery of and pay for the Bonds), by reason of any of the following:

(i) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America or recommended to the Congress by the President of the United States, the Department of the Treasury, the Internal Revenue Service, or any member of Congress, or favorably reported for passage to either House of Congress by any committee of such House to which such legislation had been referred for consideration or a decision rendered by a court established under Article III of the Constitution of the United States of America or by the Tax Court of the United States of America, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the Treasury Department or the Internal Revenue Service of the United States of America, with the purpose or effect, directly or indirectly, of imposing

federal or State income taxation upon the interest that would be received by the holders of the Bonds;

(ii) legislation introduced in or enacted (or resolution passed) by the Congress of the United States of America, or an order, decree or injunction issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary or proposed), press release or other form of notice issued or made by or on behalf of the SEC, or any other governmental agency having jurisdiction of the subject matter, to the effect that obligations of the general character of the Bonds, or the Bonds, including any or all underlying arrangements, are not exempt from registration under or from other requirements of the Securities Act of 1933, as amended, or that the Indenture is not exempt from qualification under or from other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, or of the Bonds, including any or all underwriting arrangements, as contemplated hereby or by the Official Statement or otherwise is or would be in violation of the federal securities laws, rules or regulations as amended and then in effect;

(iii) any amendment to the federal or State Constitution or action by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the City, its property, income, securities (or interest thereon), or the ability of the City to pledge Net Revenues to pay the Bonds as contemplated by the City Documents or the Official Statement;

(iv) any event occurring, or information becoming known, which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Preliminary Official Statement or the Official Statement, or results in the Preliminary Official Statement or the Official Statement containing any untrue statement of a material fact or omitting to state a material fact that is required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading;

(v) the declaration of war or the escalation of, or engagement in, military hostilities by the United States or the occurrence of any other national or international emergency or calamity relating to the effective operation of the government of, or the financial community in, the United States which, in the judgment of the Underwriter, makes it impracticable or inadvisable to proceed with the offering or the delivery of the Bonds on the terms and in the manner that are contemplated in the Preliminary Official Statement or the Official Statement;

(vi) the declaration of a general banking moratorium by federal, State of New York or State of California authorities, or the general suspension of trading on any national securities exchange or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange or other national securities exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction that, in the Underwriter's reasonable judgment, makes it impracticable for the Underwriter to market the Bonds or enforce contracts for the sale of the Bonds;

(vii) the imposition by the New York Stock Exchange or other national securities exchange, or any governmental authority, of any material restrictions that are not now in force with respect to the Bonds or obligations of the general character of the Bonds or securities generally, or the material increase of any such restrictions now in force, including those relating to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(viii) the entry of an order by a court of competent jurisdiction which enjoins or restrains the City from issuing permits, licenses or entitlements within the City or which order, in the reasonable opinion of the Underwriter, otherwise materially and adversely affects the City's finances;

(ix) a material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred;

(x) there shall have been any material adverse change in the affairs of the City or the Water System that in the Underwriter's reasonable judgment will materially adversely affect the market for the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds;

(xi) there shall be established any new restriction on transactions in securities materially affecting the free market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a change to the net capital requirements of, underwriters established by the New York Stock Exchange, the SEC, any other federal or State agency or the Congress of the United States, or by Executive Order;

(xii) any rating of the Bonds or the rating of any obligations of the City shall have been downgraded or withdrawn by a national rating service, which, in the opinion of the Underwriter, materially adversely affects the market price of the Bonds;

(xiii) a stop order, release, regulation, or no-action letter by or on behalf of the SEC or any other governmental agency having jurisdiction of the subject matter shall have been issued or made to the effect that the issuance, offering, or sale of the Bonds, including all of the underlying obligations as contemplated hereby or by the Official Statement, or any document relating to the issuance, offering or sale of the Bonds is or would be in violation of any provision of the federal securities laws at the Closing Date, including the Securities Act of 1933, the Securities Exchange Act of 1934 and the Trust Indenture Act of 1939, as amended; or

(xiv) the commencement of any action, suit or proceeding described in Paragraph 6(h) hereof which, in the reasonable judgment of the Underwriter, materially adversely affects the market price of the Bonds.

(d) At or prior to the Closing, the Underwriter shall receive with respect to the Bonds (unless the context otherwise indicates) the following documents; provided that the acceptance of the Bonds by the Underwriter on the Closing Date shall conclusively evidence the satisfaction of the requirements of this subsection (d) or the waiver by the Underwriter of any discrepancies in documents which are not in strict conformity with the requirements of this subsection (d):

(i) *Bond Counsel Opinion.* An approving opinion of Bond Counsel dated the Closing Date and substantially in the form appended to the Official Statement, together with a letter from such counsel, addressed to the Underwriter and dated the Closing Date, to the effect that the approving opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to them.

(ii) *Supplemental Opinion.* A supplemental opinion or opinions of Bond Counsel, addressed to the Underwriter, in form and substance acceptable to the Underwriter, and dated the Closing Date substantially to the following effect:

(A) The Purchase Agreement, the Escrow Agreement and the Continuing Disclosure Certificate have been duly executed and delivered by the City and, assuming due authorization, execution and delivery by the other parties thereto, if applicable, constitutes the valid and binding agreement of the City;

(B) The statements contained in the Official Statement pertaining to the Bonds under the captions “INTRODUCTION,” “2019 BONDS,” “SECURITY FOR 2019 BONDS,” “CONCLUDING MATTERS—Tax Matters” and in Appendix C—“SUMMARY OF CERTAIN PROVISIONS OF INDENTURE” and Appendix D—“FORM OF OPINION OF BOND COUNSEL,” insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture and the final approving opinion of Bond Counsel, excluding any material that may be treated as included under such captions by cross-reference, are accurate in all material respects; and

(C) The Bonds are exempt from registration under the Securities Act of 1933, as amended, and the Indenture is exempt from qualification as an indenture under the Trust Indenture Act of 1939, as amended.

(iii) *City Attorney Opinion.* An opinion of the City Attorney, addressed to the Underwriter, in form and substance acceptable to Bond Counsel and the Underwriter, dated the Closing Date substantially to the following effect (and including such additional matters as may be reasonably required by Bond Counsel or the Underwriter):

(A) The City is a municipal corporation and general law city, duly organized and existing under the Constitution and laws of the State;

(B) The Resolution has been duly adopted, is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption;

(C) Except as otherwise disclosed in the Official Statement, there is no litigation, proceeding, action, suit, or investigation at law or in equity before or by any court, governmental authority or body, pending, with service of process having been accomplished and received by the City, or to the best knowledge of such counsel threatened in writing against the City, challenging the creation, organization or existence of the City, or the validity of the City Documents or seeking to restrain or enjoin the repayment of the Bonds or in any way contesting or affecting the validity of the City Documents or contesting the authority of the City to enter into or perform its obligations under any of the City Documents, or which, in any manner, questions the right of the City to pay debt service on the Bonds or affects in any manner the right or ability of the City to collect or pledge the Net Revenues; and

(D) To the best of such counsel's knowledge, the execution and delivery of the City Documents and compliance with the provisions thereof, do not and will not in any material respect conflict with or constitute on the part of the City a breach of or default under any agreement or other instrument to which the City is a party or by which it is bound or any existing law, regulation, court order or consent decree to which the City is subject, which breach or default has or may have a material adverse effect on the ability of the City to perform its obligations under the City Documents.

(iv) *Disclosure Counsel Opinion.* An opinion of Richards, Watson & Gershon, A Professional Corporation ("**Disclosure Counsel**"), dated the date of the Closing, addressed to the Underwriter, to the effect that: (A) based upon its participation in the preparation of the Official Statement and without having undertaken to determine independently the fairness, accuracy or completeness of the statements contained in the Official Statement, such counsel has no reason to believe that the Preliminary Official Statement, as of its Date, or the Final Official Statement, as of its date and as of the date of the Closing (excluding therefrom the reports, financial and statistical data and forecasts therein, the information included in the Appendices thereto, information relating to DTC, statements relating to the treatment of the Bonds or the interest, discount or premium related thereto for tax purposes under the laws of any jurisdiction and statements contained in the Official Statement under the caption "CONCLUDING MATTERS—Tax Matters," as to which no advice need be expressed) contained or contains any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; and (B) the Continuing Disclosure Certificate complies with the Rule.

(v) *Trustee and Escrow Agent Counsel Opinion.* An opinion of counsel to the Trustee and the Escrow Agent, addressed to the Underwriter and dated the Closing Date, in form and substance satisfactory to the Underwriter and to Bond Counsel.

(vi) *City Documents.*

(A) A certified copy of the Resolution approving the issuance of the Bonds; and

(B) A certificate of the City Clerk to the effect that the Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption.

(vii) *Authority Documents.*

(A) A certified copy of the resolution of the Authority's Board of Directors approving the refunding of the Refunded Bonds and the execution and delivery of the Escrow Agreement by the Authority (the "**Authority Resolution**"); and

(B) A certificate of the Secretary of the Authority's Board of Directors to the effect that such Authority Resolution is in full force and effect and has not been modified, amended, rescinded or repealed since the date of its adoption.

(viii) *Official Statement.* The Preliminary Official Statement and the executed Final Official Statement and each supplement or amendment, if any, thereto.

(ix) *Indenture*. The Indenture, executed by the City and the Trustee.

(x) *Continuing Disclosure Certificate*. The Continuing Disclosure Certificate, executed by the City.

(xi) *Trustee and Escrow Agent Resolution*. A certified copy of the general resolution of the Trustee and the Escrow Agent authorizing the execution and delivery of certain documents by certain officers of the Trustee and the Escrow Agent, which resolution authorizes the execution and delivery of the Indenture and the Escrow Agreement and the authentication and delivery of the Bonds by the Trustee.

(xii) *City Rule 15c2-12 Certificate*. A certificate, dated the date of the Preliminary Official Statement, of the City to the effect that, for purposes of compliance with the Rule, the City deems the Preliminary Official Statement to be final as of its date.

(xiii) *Tax Certificate*. A Tax Certificate with respect to maintaining the tax-exempt status of the Bonds, duly executed by the City.

(xiv) *CDIAC*. Copies of the preliminary and final notices to the California Debt and Investment Advisory Commission relating to the Bonds.

(xv) *Debt Management Policy*. Evidence of the City's compliance with or exemption from Section 8855(i) of the California Government Code

(xvi) *City Certificate*. A certificate of the City, dated the Closing Date, signed on behalf of the City by a duly authorized officer of the City to the following effect:

(A) The representations, warranties and covenants of the City contained herein are true and correct in all material respects on and as of the Closing Date as if made on the Closing Date and the City has complied with all of the terms and conditions of this Purchase Agreement required to be complied with by the City at or prior to the Closing Date; and

(B) To the best of such officer's knowledge, no event affecting the City has occurred since the date of the Official Statement which has not been disclosed therein or in any supplement or amendment thereto that would cause the Official Statement to contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading.

(xvii) *Trustee and Escrow Agent's Certificate*. A certificate or certificates, dated the date of the Closing, in form and substance acceptable to the Underwriter, of an authorized officer or officers of the Trustee and the Escrow Agent to the effect that the Trustee and the Escrow Agent are duly authorized to enter into the Indenture and the Escrow Agreement, have accepted the respective duties imposed by the Indenture and the Escrow Agreement and are authorized to carry out such duties, and that the Trustee has duly authenticated the Bonds.

(xviii) *Ratings*. Evidence that the ratings on the Bonds are as described in the Official Statement.

(xix) *Underwriter's Counsel Opinion.* An opinion of Stradling Yocca Carlson & Rauth, A Professional Corporation, as counsel to the Underwriter, dated the Closing Date and addressed to the Underwriter, in form and substance acceptable to the Underwriter.

(xx) *Letter of Representations.* A copy of the executed Blanket Issuer Letter of Representations by and between the City and The Depository Trust Company relating to the book entry system, or an acknowledgement from The Depository Trust Company that such a letter is on file with The Depository Trust Company;

(xxi) *Other.* Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter may reasonably request to evidence the truth and accuracy, as of the Closing Date, of the representations contained herein and in the Official Statement and the due performance or satisfaction by the Trustee and the City at or prior to such time of all agreements then to be performed and all conditions then to be satisfied in connection with the delivery and sale of the Bonds.

If the City shall be unable to satisfy the conditions contained in this Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Purchase Agreement, this Purchase Agreement shall terminate and neither the Underwriter nor the City shall be under any further obligation hereunder.

8. Expenses. Except as provided in the second paragraph of this Section 8, whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the City shall pay only from the proceeds of the Bonds, but only as the City and such other party providing such services may agree, all expenses and costs of the City incident to the performance of their obligations in connection with the authorization, execution, sale and delivery of the Bonds to the Underwriter, including, without limitation, costs for printing of the Preliminary Official Statement, the Official Statement and the Bonds; rating agency fees and charges; fees and expenses of counsel to the Underwriter; initial fees of the Trustee, including fees and disbursements of their counsel, if any; fees and disbursements of Bond Counsel and Disclosure Counsel and any other professional advisors employed by the City; and for expenses (included in the expense component of the Underwriter's discount) incurred by the Underwriter on behalf of City's employees which are incidental to implementing this Purchase Agreement, including, but not limited to, meals, transportation, lodging, and entertainment of those employees.

The Underwriter shall pay all out-of-pocket expenses of the Underwriter, including, without limitation, advertising expenses, the California Debt and Investment Advisory Commission fee, CUSIP Services Bureau charges, regulatory fees imposed on new securities issuers and any and all other expenses incurred by the Underwriter in connection with the public offering and distribution of the Bonds

9. Notices. Any notice or other communication to be given to the under this Purchase Agreement may be given by delivering the same in writing to such entity at the addresses set forth above. Any notice or other communication to be given to the Underwriter under this Purchase Agreement may be given by delivering the same in writing to Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Jim Cervantes.

10. Entire Agreement. This Purchase Agreement, when accepted by the City, shall constitute the entire agreement between the City and the Underwriter and is made solely for the benefit of the City and the Underwriter (including the successors or assigns of the Underwriter). No other person shall acquire or have any right hereunder by virtue hereof, except as provided herein. All of the City's representations, warranties and agreements in this Purchase Agreement shall remain operative and in full force and effect, regardless of any investigation made by or on behalf of the Underwriter, until the earlier of: (i) delivery of and payment for the Bonds hereunder; and (ii) any termination of this Purchase Agreement.

11. Severability. In case any one or more of the provisions contained herein shall for any reason be held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability shall not affect any other provision hereof.

12. State of California Law Governs. The validity, interpretation and performance of this Purchase Agreement shall be governed by and construed in accordance with the laws of the State.

13. No Assignment. The rights and obligations created by this Purchase Agreement shall not be subject to assignment by the Underwriter or the City without the prior written consent of the other parties hereto.

14. Counterparts. This Purchase Agreement may be executed by the parties hereto in separate counterparts, each of which when so executed and delivered shall be an original, but all such counterparts shall together constitute but one and the same instrument.

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By: _____
Its: Authorized Officer

Accepted as of the date first stated above:

CITY OF BREA

Attest:

By: _____
Its: Mayor

By: _____
City Clerk

Time: ____:____ __.m.

EXHIBIT A
MATURITY SCHEDULE

\$ _____
CITY OF BREA
2019 WATER REVENUE REFUNDING BONDS

<i>Maturing (July 1)</i>	<i>Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>
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* [Term Bond.]

^c [Priced to the first optional redemption date of July 1, 20__ at ____%.]

EXHIBIT A

FORM OF ISSUE PRICE CERTIFICATE

\$ _____

CITY OF BREA

2019 WATER REVENUE REFUNDING BONDS

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

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

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

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

(b) As set forth in the Bond Purchase Agreement, dated _____, 2019, by and between Stifel and the Issuer, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]

3. ***[Reserved].***

4. ***Defined Terms.***

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

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

(c) *Holding Period* means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (_____, 2019), or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

(d) *Issuer* means the City of Brea, California.

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

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

(g) [Sale Date means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2019.

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

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

STIFEL, NICOLAUS & COMPANY,
INCORPORATED

By:_____

Name:_____

Dated: _____, 2019

SCHEDULE A

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

(Attached)

[SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

(Attached)]

NEW ISSUE – BOOK ENTRY ONLY

Rating: S&P: “___”

See “CONCLUDING MATTERS – Ratings.”

In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to certain qualifications described herein, under existing law, the interest on the 2019 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax. In the further opinion of Bond Counsel, such interest is exempt from California personal income taxes. See “CONCLUDING MATTERS – Tax Matters.”

\$ _____ *

CITY OF BREA
2019 WATER REVENUE REFUNDING BONDS
(ORANGE COUNTY, CALIFORNIA)

Dated: Date of Delivery

Due: July 1, as shown on the inside front cover

The City of Brea, California (the “City”) will issue its 2019 Water Revenue Refunding Bonds (the “2019 Bonds”) pursuant to an Indenture of Trust, dated as of August 1, 2019 (the “Indenture”), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Proceeds from the sale of the 2019 Bonds will be used to: (i) refund certain bonds issued to finance and refinance capital improvements and water rights acquisitions for the City’s water system (the “Water System”), and (ii) pay costs of issuance of the 2019 Bonds.

The 2019 Bonds will be issued in fully registered form and, when issued, will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository of the 2019 Bonds. Individual purchases of the 2019 Bonds may be made in book-entry form only, in integral multiples of \$5,000 principal amount. Purchasers will not receive certificates representing their interest in the 2019 Bonds purchased. Principal of and interest on the 2019 Bonds will be paid directly to DTC by the Trustee. Principal of the 2019 Bonds will be payable on the maturity dates set forth on the inside cover of this Official Statement. Interest on the 2019 Bonds will be payable on July 1 and January 1 of each year, commencing January 1, 2020. Upon its receipt of payment of principal and interest, DTC in turn will be obligated to remit such principal and interest to DTC participants for subsequent disbursement to the beneficial owners of the 2019 Bonds.

The 2019 Bonds will be subject to optional redemption and mandatory sinking fund redemption prior to maturity as described in this Official Statement.*

The 2019 Bonds, when issued, will be secured by a pledge of and payable from “Net Revenues,” which consist of certain revenues of the Water System less operation and maintenance costs. With respect to the pledge of the Net Revenues, the 2019 Bonds will rank on parity with certain debt incurred in 2014 as further described in this Official Statement. The City will covenant to not incur any additional obligation senior to the 2019 Bonds with respect to the pledge of the Net Revenues. Upon satisfaction of the conditions set forth in the Indenture, the City may incur additional obligations secured by a pledge of Net Revenues on parity with the 2019 Bonds.

THE 2019 BONDS WILL BE SPECIAL OBLIGATIONS OF THE CITY LIMITED SOLELY TO NET REVENUES AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE INDENTURE. NO OTHER FUNDS OR PROPERTY OF THE CITY WILL BE LIABLE FOR THE PAYMENT OF THE 2019 BONDS. NEITHER THE TRUSTEE NOR ANY BOND OWNER WILL HAVE THE RIGHT TO REQUIRE OR COMPEL THE EXERCISE OF THE TAXING POWER OF THE CITY OR THE FORFEITURE OF ANY PROPERTY OF THE CITY, INCLUDING ANY PORTION OF THE WATER SYSTEM, FOR ANY PAYMENTS PURSUANT TO THE 2019 BONDS OR THE INDENTURE. THE 2019 BONDS DO NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY, ORANGE COUNTY, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL DEBT LIMITATION.

See the section of this Official Statement entitled “BONDOWNERS’ RISKS” for a discussion of certain of the risk factors that should be considered, in addition to other matters set forth in the Official Statement, in evaluating the investment quality of the 2019 Bonds. This cover page contains information for quick reference only. It is not a summary of this issue. Potential purchasers must read the entire Official Statement to obtain information essential to making an informed investment decision.

The 2019 Bonds are offered when, as and if issued and accepted by the Underwriter, subject to the approval as to their legality by Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel. Certain legal matters will be passed upon for the City by Richards, Watson & Gershon, A Professional Corporation, as Disclosure Counsel and as City Attorney, and for the Underwriter by its counsel, Stradling Yocca Carlson & Rauth, a Professional Corporation. It is anticipated

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold nor may offers to buy be accepted prior to the dated date of the Official Statement in its final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or a solicitation of an offer to buy nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

* Preliminary; subject to change.

that the 2019 Bonds will be available for delivery in book-entry form through the facilities of DTC on or about _____, 2019.

STIFEL

Dated: _____, 2019

\$ _____ *

CITY OF BREA
2019 WATER REVENUE REFUNDING BONDS
(ORANGE COUNTY, CALIFORNIA)

MATURITY SCHEDULE
\$ _____ Serial Bonds

Maturity Date (July 1)	Principal Amount	Interest Rate	Yield	Price	CUSIP[†] (Base:)
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\$ _____ % **Term Bonds due July 1, 20__**, Yield _____ %, **Price:** _____; **CUSIP[†]:** _____
 \$ _____ % **Term Bonds due July 1, 20__**, Yield _____ %, **Price:** _____; **CUSIP[†]:** _____

[†] CUSIP is a registered trademark of the American Bankers Association. CUSIP data in this Official Statement is provided by CUSIP Global Services, managed by S&P Capital IQ on behalf of the American Bankers Association. CUSIP alphanumeric designations ("CUSIP Numbers") are assigned by an independent company not affiliated with the City or the Underwriter. CUSIP © 2019 CUSIP Global Services. All rights reserved. This data is not intended to create a database and does not serve in any way as a substitute for CUSIP Global Services. CUSIP Numbers are provided for convenience of reference only. Neither the City nor the Underwriter take any responsibility for the accuracy of such numbers. The CUSIP Number for any particular maturity is subject to change after delivery of the 2019 Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part of such maturity or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors applicable to all or a portion of the 2019 Bonds.

* Preliminary; subject to change.

CITY OF BREA
Orange County, California

CITY COUNCIL

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

OTHER ELECTED OFFICIAL

Richard J. Rios, *City Treasurer*

CITY STAFF

William Gallardo, *City Manager*
Lillian Harris-Neal, *City Clerk*
Cynthia Russell, *Administrative Services Director*
Lee Squire, *Financial Services Manager*
Faith Madrazo, *Revenue and Budget Manager*
Tony Olmos, *Public Works Director*
Ron Krause, *Water Distribution Superintendent*

SPECIAL SERVICES

Bond Counsel

Jones Hall, A Professional Law Corporation
San Francisco, California

Disclosure Counsel

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

Municipal Advisor

Fieldman Rolapp & Associates, Inc.
Irvine, California

Trustee

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

Verification Agent

Causey Demgen & Moore, Inc.
Denver, Colorado

GENERAL INFORMATION ABOUT THIS OFFICIAL STATEMENT

Use of Official Statement. This Official Statement is submitted in connection with the offer and sale of the 2019 Bonds and may not be reproduced or used, in whole or in part, for any other purpose. This Official Statement is not to be construed as a contract with the purchasers of the 2019 Bonds.

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

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

Limit of Offering. No dealer, broker, salesperson or other person has been authorized by the City to give any information or to make any representations in connection with the offer or sale of the 2019 Bonds other than those contained in this Official Statement and if given or made, such other information or representation must not be relied upon as having been authorized by the City or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the 2019 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

Information as of Dated Date of Official Statement. The information and expressions of opinions in this Official Statement are subject to change without notice and neither delivery of this Official Statement nor any sale made of the 2019 Bonds shall, under any circumstances, create any implication that there has been no change in the affairs of the City or any other entity described or referenced in this Official Statement since the dated date shown on the front cover. All summaries of the documents referred to in this Official Statement are made subject to the provisions of such documents, respectively, and do not purport to be complete statements of any or all of such provisions.

Stabilization of Prices. In connection with this offering, the Underwriter may overallocate or effect transactions which stabilize or maintain the market price of the 2019 Bonds at a level above that which might otherwise prevail in the open market. Such stabilizing, if commenced, may be discontinued at any time. The Underwriter may offer and sell the 2019 Bonds to certain dealers and others at prices lower than the public offering prices set forth on the inside front cover and such public offering prices may be changed from time to time by the Underwriter.

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

THE 2019 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXCEPTION FROM THE REGISTRATION REQUIREMENTS CONTAINED IN SUCH ACT. THE 2019 BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAW OF ANY STATE.

[insert map]

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\$ _____ *

CITY OF BREA
2019 WATER REVENUE REFUNDING BONDS
(ORANGE COUNTY, CALIFORNIA)

INTRODUCTION

This Introduction does not purport to be complete, and reference is made to the body of this Official Statement, appendices and the documents referred to for more complete information with respect to matters concerning the 2019 Bonds. Potential investors are encouraged to read the entire Official Statement. Capitalized terms used but not defined in the forepart of this Official Statement have the meanings set forth in the Indenture. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE.”

General

This Official Statement, including the cover page, the inside front cover and appendices, is provided to furnish information in connection with the sale by the City of Brea, California (the “City”) of its 2019 Water Revenue Refunding Bonds (the “2019 Bonds”), in the aggregate principal amount of \$_____.* The 2019 Bonds will be issued pursuant to: (i) Articles 10 and 11 of Chapter 3 of Part 1 of Division 2 of Title 5 of the California Government Code, commencing with Section 53570, (ii) a resolution adopted by the City Council of the City adopted on July 16, 2019, and (iii) the Indenture of Trust, dated as of August 1, 2019 (the “Indenture”), by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Proceeds from the sale of the 2019 Bonds will be used to: (i) refund certain bonds issued to finance and refinance capital improvements and water rights acquisitions for the City’s water system (the “Water System”), and (ii) pay costs of issuance of the 2019 Bonds. See “PLAN OF REFUNDING.”

Interest on the 2019 Bonds will be payable semiannually on July 1 and January 1 of each year, commencing January 1, 2020. The 2019 Bonds will mature in the amounts and on the dates and bear interest at the rates shown on the inside front cover of this Official Statement.

The 2019 Bonds will be initially delivered as one fully registered certificate for each maturity (unless there are different interest rates within such maturity, then one certificate for each interest rate within such maturity) and, when issued and delivered, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company, New York, New York (“DTC”). DTC will act as the depository for the 2019 Bonds and all payments due on the 2019 Bonds will be made to Cede & Co. Ownership interests in the 2019 Bonds may be purchased only in book-entry form. So long as the 2019 Bonds are registered in the name of Cede & Co., or any other nominee of DTC, references in this Official Statement to the registered owners, or just “Owners” of the 2019 Bonds shall mean Cede & Co. or such other nominee of DTC and shall not mean the beneficial owners of the 2019 Bonds. See “2019 BONDS – Book-Entry Only System” and “APPENDIX F – DTC’S BOOK-ENTRY ONLY SYSTEM.”

* Preliminary; subject to change.

City

The City encompasses approximately 11.2 square miles and is located at the northern end of Orange County, California (the “County”), just south of the Los Angeles County line. The City’s population was 45,606 as of January 1, 2019, according to State of California Department of Finance estimates. The City Council is composed of five members elected at large every two years to four-year alternating terms. On June 20, 2019, the City Council adopted Resolution No. 2019-049, declaring the intent to transition to district-based elections after receipt of the 2020 Census results (which results are currently expected to be released by the U.S. Census Bureau in spring 2021). The City Council appoints the City Manager, who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. For further general information regarding the City, see “APPENDIX A – SUPPLEMENTAL INFORMATION ABOUT CITY OF BREA.”

Water System

The City’s Water System was established in 1920. Through the Water System, the City provides potable water service to its residential, commercial, industrial and other customers. The water service area (the “Service Area”) covers approximately 10.7 square miles and includes all of the territory within the City limits (other than approximately [80] residences on the east side of the City served by the Yorba Linda Water District) and a portion of adjacent unincorporated County area. Existing facilities of the Water System include over 212 miles of pipelines, seven storage reservoirs, five booster pumping stations, 94 pressure reducing stations, two rate of flow control stations, three supply connections with California Domestic Water Company (together with its subsidiary entities, “CDWC”), three supply connections with Metropolitan Water District and five emergency interconnections with neighboring agencies.

Based on estimates as of June 18, 2019, residential customers account for approximately 51 percent of the Water System’s fiscal year 2018-19 total service charge revenues, and commercial and industrial customers account for approximately 21 percent of the Water System’s fiscal year 2018-19 total service charge revenues. See Table 12 under the caption “WATER SYSTEM – Customer Accounts, Revenues and Consumption.”

The City acquires almost all of its water supply from two wholesale water producers: CDWC and Municipal Water District of Orange County (“MWDOC”). The City has one groundwater well that provides water solely for the irrigation of a municipal golf course. Based on estimates as of May 31, 2019, approximately 83.9 percent of the City’s water supply in fiscal year 2018-19 came from CDWC and remainder came from MWDOC.

CDWC owns adjudicated rights to the Main San Gabriel Basin in eastern Los Angeles County. As a California mutual water company, CDWC delivers and distributes water to its shareholders at cost, plus expenses. As of May 31, 2019, the City owns 2,118.5 shares of CDWC common stock (out of 7,716.75 shares issued and outstanding) and 687.85 shares of Class A preferred stock (out of 1,624.45 shares issued and outstanding). The amount of water that a CDWC common stock shareholder is entitled to acquire from CDWC each year is proportional to the number of shares of stock that the shareholder owns. CDWC Class A preferred stocks do not provide its holders any voting rights, but each share of Class A preferred stock generally entitles

its holder to one acre-foot of water per year. From time to time, the City also has leased additional shares from other CDWC shareholders who do not use their full entitlement.

MWDOC is a member of Metropolitan Water District of Southern California (“MWD”). All of the water that MWDOC sells to its members, including the City, comes from MWD. MWD has two principal sources of water, the California State Water Project and the Colorado River Aqueduct. Generally, the water supplied by MWD to the City and the surrounding areas is comprised of a blend of both sources depending on the availability. See “WATER SYSTEM – Water Supply – *Municipal Water District of Orange County; Metropolitan Water District of Southern California.*”

See “WATER SYSTEM” and “WATER SYSTEM FINANCIAL INFORMATION” for more information about the Water System.

Security for 2019 Bonds

The 2019 Bonds, when issued, will be secured by a pledge of and payable from Net Revenues and certain funds and accounts held under the Indenture. “Net Revenues” will consist of certain revenues of the Water System less operation and maintenance costs.

With respect to Net Revenues, the 2019 Bonds will rank on parity with certain installment payments (the “2014 Installment Payments”) payable by the City under an Installment Sale Agreement, dated as of August 1, 2014 (the “2014 Installment Sale Agreement”), executed in connection with the issuance by the Brea Community Benefit Financing Authority of the Brea Community Benefit Financing Authority 2014 Water Revenue Bonds (the “2014 Bonds”). As of July 2, 2019, the outstanding principal amount of the 2014 Bonds (and, correspondingly the outstanding principal component of the 2014 Installment Payments) is \$16,965,000.

The City will covenant to not incur any additional obligation senior to the 2014 Installment Payments and the 2019 Bonds with respect to the pledge of the Net Revenues. Upon satisfaction of the conditions set forth in the Indenture, the City may incur additional obligations secured by a pledge of Net Revenues on parity with the 2014 Installment Payments and the 2019 Bonds (“Additional Parity Debt”).

The City will covenant under the Indenture that, while the 2019 Bonds remain Outstanding, to the full extent permitted by law, to fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Water System during each Bond Year which are sufficient to yield Net Revenues which are at least equal to 125 percent of the aggregate amount payable by the City during such Bond Year with respect to the 2014 Installment Payments, the 2019 Bonds and any Additional Parity Debt (collectively, “Parity Debt”).

No debt service reserve fund for the 2019 has been established under the Indenture or for the 2014 Installment Payments under the 2014 Installment Payment Agreement.

The 2019 Bonds will be special obligations of the City secured solely by Net Revenues and certain funds and accounts established under the Indenture. No other funds or property of the City will be liable for the payment of the 2019 Bonds. Neither the Trustee nor any 2019 Bond owner will have the right to require or compel the exercise of the taxing power of the City or the

forfeiture of any property of the City, including any portion of the Water System, for the making of any payments pursuant to the 2019 Bonds or the Indenture.

See “SECURITY FOR 2019 BONDS” and “BONDOWNERS’ RISKS.”

Continuing Disclosure

In connection with the sale of the 2019 Bonds, the City will execute a Continuing Disclosure Certificate, covenanting to prepare and deliver an annual report and certain other information to the Municipal Securities Rulemaking Board (“MSRB”), via its Electronic Municipal Market Access (“EMMA”) system. See “CONCLUDING MATTERS – Continuing Disclosure” and “APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Other Information

This Official Statement contains brief descriptions of the 2019 Bonds, the Indenture, various other documents and legislation. The descriptions and summaries do not purport to be comprehensive or definitive, and reference is made to each such document or law for the complete details of all terms and conditions. All statements in this Official Statement are qualified in their entirety by reference to each such document and legislation and, with respect to certain rights and remedies, to laws and principles of equity relating to or affecting creditors’ rights generally. Capitalized terms that are used but not defined in this Official Statement shall have the meanings set forth in the Indenture.

This Official Statement speaks only as of its date as set forth on the cover, and the information and expressions of opinion in this Official Statement are subject to change without notice, and neither the delivery of this Official Statement nor any sale made with respect to the 2019 Bonds shall under any circumstances create any implication that there has been no change in the affairs of the City since the date of this Official Statement.

Unless otherwise expressly noted, references to internet websites in this Official Statement are shown for reference and convenience only, and none of their content (including the City’s website) is incorporated by reference. The City makes no representation to potential investors of the 2019 Bonds regarding the accuracy or completeness of the information presented on such websites.

PLAN OF REFUNDING

Refunding of 2009 Bonds and 2010 Bonds

Bonds to be Refunded

The 2019 Bonds are being issued to effect a refunding of three series of bonds (collectively, the “Refunded Bonds”), issued by the Brea Public Financing Authority (the “Authority”) in 2009 and 2010:

- \$12,855,000 (original principal amount) 2009 Water Revenue Refunding Bonds, Series A (the “2009A Bonds”), of which \$7,500,000 remain outstanding and will be refunded;
- \$12,945,000 (original principal amount) 2009 Water Revenue Bonds, Series B (Federally Taxable - Build America Bonds - Direct Payment) (the “2009B Bonds” and together with the 2009A Bonds, the “2009 Bonds”), all of which remain outstanding and will be refunded; and
- \$9,885,000 (original principal amount) 2010 Water Revenue Bonds (Solar and Energy Efficient Projects), Series B (Federally Taxable - Build America Bonds - Direct Payment) (the “2010B Bonds”), of which \$9,435,000 remain outstanding and will be refunded;

The 2009 Bonds were issued pursuant to an Indenture of Trust, dated as of May 1, 2009 (the “2009 Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee. In connection with the 2009 Bonds, the City and the Authority entered into an Installment Sale Agreement, dated as of May 1, 2009 (the “2009 ISA”). The 2009A Bonds were issued to refund bonds issued in 1998 which, in turn, were issued to refund bonds issued in 1991 to fund capital projects of the Water System. The 2009B Bonds were issued to finance the acquisition of water rights (by increasing the number CDWC shares owned by the City) and fund capital projects of the Water Systems.

The 2010B Bonds were issued pursuant to an Indenture of Trust, dated as of April 1, 2010 (the “2010 Indenture”), by and between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee. In connection with the 2010B Bonds, the City and the Authority entered into an Installment Sale Agreement, dated as of April 1, 2010 (the “2010 ISA”). The 2010B Bonds were issued to finance a portion of the costs of installing photovoltaic energy system and energy efficiency improvements on City property.

Under the 2009 ISA and 2010 ISA, the City are obligated to pay installment payments (the “Installment Payments”), in amounts sufficient for the Authority to pay debt service on the 2009 Bonds and the 2010B Bonds. Subject to the terms of the 2009 Indenture and the 2010 Indenture, the City may prepay the Installment Payments, to effect a corresponding optional redemption of the 2009 Bonds and the 2010B Bonds.

Refunding Escrow

The City, the Authority and The Bank of New York Mellon Trust Company, in its capacity as the trustee under the 2009 Indenture and the 2010 Indenture and as escrow agent (the “Escrow Agent”) will enter into an Escrow Agreement (the “Escrow Agreement”), to effect the prepayment of the Installment Payments under the 2009 ISA and the 2010 ISA and the corresponding defeasance of the Refunded Bonds. Pursuant to the Escrow Agreement, the Escrow Agent will establish and maintain an escrow fund (the “Escrow Fund”).

As described below under “Sources and Uses of Funds,” a portion of the proceeds of the 2019 Bonds, together with certain moneys to be released from the funds previously established for the Refunded Bonds, will be deposited into the Escrow Fund. A portion of the moneys deposited in the Escrow Fund will be invested in escrow securities (comprising of non-callable direct obligations of the United States of America, or other non-callable obligations the payment of principal and interest of which are unconditionally and fully guaranteed by the United States of America), with the remaining to be held uninvested in cash. The escrow securities will bear interest rates such that, upon their maturity, the principal and interest paid on the escrow securities, together with the uninvested cash in the Escrow Fund, will provide sufficient funds to: (i) redeem the 2009 Bonds, in full, on or about 30 days after the issuance of the 2019 Bonds; (ii) pay scheduled payments of principal and interest with respect to the 2010B Bonds to and including July 1, 2020; and (iii) on July 1, 2020, redeem in full all 2010B Bonds maturing after that date.

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

Sources and Uses of Funds

The following table provides a summary of the anticipated sources and uses of the proceeds of the 2019 Bonds:

Sources:

Principal amount	\$_____*
[Plus/Less]: Net original issue [premium/discount]	
Less: Underwriter's discount	
Total Sources	

Uses:

Escrow Fund	
Costs of Issuance ⁽¹⁾	
Total Uses	

⁽¹⁾ To pay fees and expenses of Bond Counsel, Disclosure Counsel, Trustee, Municipal Advisor, rating fee, costs of posting and printing this Official Statement, and other costs of issuance.

2019 BONDS

Description

The 2019 Bonds will be issued in fully registered form, and will bear interest at the rates, and mature on July 1 in the years and in the amounts all as set forth on the inside front cover of this Official Statement. The 2019 Bonds will be issued in integral multiples of \$5,000 and will be dated their date of delivery.

Interest on the 2019 Bonds will be payable semiannually on July 1 and January 1 of each year, commencing January 1, 2020 (each, an "Interest Payment Date"), and will be calculated on the basis of a 360-day year composed of twelve 30-day months. Each 2019 Bond will accrue interest from the Interest Payment Date next preceding the date of authentication of such 2019 Bond, unless: (i) such 2019 Bond is authenticated on or before an Interest Payment Date but after the close of business on the fifteenth calendar day of the month preceding such Interest Payment Date (a "Record Date") and, in which event it will bear interest from such Interest Payment Date; (ii) such 2019 Bond is authenticated on or before December 15, 2019, in which event it will bear interest from the date of delivery; or (iii) interest on any 2019 Bond is in default as of the date of authentication, in which event interest will be payable from the date to which interest has been paid in full, payable on each Interest Payment Date.

The 2019 Bonds will be initially delivered as one fully registered certificate for each maturity (unless the 2019 Bonds of such maturity bear different interest rates, then one certificate for each interest rate among such maturity) and will be delivered by means of the book-entry system of DTC. While the 2019 Bonds are held in DTC's book-entry only system, all such

* Preliminary; subject to change.

payments will be made to Cede & Co., as the registered owner of the 2019 Bonds. See “Book-Entry-Only System” below.

Redemption

Optional Redemption. The 2019 Bonds maturing on or before July 1, 20__ will not be subject to optional redemption prior to their stated maturities. The 2019 Bonds maturing on or after July 1, 20__ will be subject to redemption at the option of the City, as a whole or in part, among maturities on such basis as the City may designate and by lot within a maturity, in integral multiples of \$5,000 principal amount, on any date on or after July 1, 20__, from funds derived by the City from any source, at the redemption price set forth below (expressed as a percentage of the principal amount of Bonds called for redemption), plus accrued interest thereon to the redemption date:

<u>Redemption Date</u>	<u>Redemption Price</u>
July 1, 20__ through June 30, 20__	%
July 1, 20__ through June 30, 20__	
July 1, 20__ and thereafter	

Mandatory Sinking Fund Redemption. The 2019 Bonds maturing on July 1, 20__ and July 1, 20__ (the “Term Bonds”) will be subject to mandatory redemption in part by lot, at a redemption price equal to 100 percent of the principal amount of such redeemed Term Bonds to be redeemed, without premium, in the aggregate respective principal amounts and on July 1 in the respective years as set forth in the following tables; provided, however, that if some but not all of the Term Bonds of a maturity have been redeemed pursuant to the optional redemption provisions described above, the total amount of all future sinking fund payments shall be reduced by the aggregate principal amount of such Term Bonds so redeemed, to be allocated among such sinking fund payments on a pro rata basis in integral multiples of \$5,000 (as set forth in a schedule provided by the City to the Trustee).

Term Bonds Maturing on July 1, 20

<u>Redemption Date</u> <u>(July 1)</u>	<u>Principal Amount</u> <u>to be Redeemed</u>
---	--

†

† maturity.

Term Bonds Maturing on July 1, 20

Redemption Date (July 1)	Principal Amount to be Redeemed
_____	_____

†

_____† maturity.

Notice of Redemption. The Trustee, on behalf of the City, will send (by first class mail or such other means as required or acceptable to the recipient) notice of any redemption to the respective Owners of any 2019 Bonds designated for redemption at their respective addresses appearing on the Trustee's registration books, to the Municipal Securities Rulemaking Board and to the Securities Depositories, at least 20 but not more than 60 days prior to the date fixed for redemption; provided, however, neither failure to receive any such notice so mailed nor any defect in the notice will affect the validity of the proceedings for the redemption of such 2019 Bonds or the cessation of the accrual of interest on such redeemed 2019 Bonds.

Right to Rescission of Redemption. The City has the right to rescind any notice of the optional redemption of 2019 Bonds by written notice to the Trustee on or prior to the dated fixed for redemption. Any notice of optional redemption will be cancelled and annulled if for any reason funds will not be or are not available on the date fixed for redemption for the payment in full of the 2019 Bonds then called for redemption, and such cancellation will not constitute an Event of Default under the Indenture. The City and the Trustee will have no liability to the Owners or any other party related to or arising from such rescission of redemption. The Trustee will cause notice of such rescission to be sent to the respective Owners of any 2019 Bonds designated for redemption, at their addresses appearing on the Registration Books, and to the Municipal Securities Rulemaking Board and the Securities Depositories.

Selection of Bonds for Redemption. Whenever less than all of the 2019 Bonds of a single maturity will be redeemed, the Trustee will select the 2019 Bonds of such maturity to be redeemed by lot in any manner which the Trustee in its sole discretion deems appropriate. For purposes of such selection, all 2019 Bonds will be deemed to be comprised of separate \$5,000 denominations and such separate denominations will be treated as separate 2019 Bonds which may be separately redeemed.

Effect of Redemption. From and after the date fixed for redemption, if notice of redemption has been duly [sent] and funds available for the payment of the principal of and interest (and premium, if any) on the 2019 Bonds so called for redemption have been duly provided, the called 2019 Bonds will cease to be entitled to any benefit under the Indenture other than the right to receive payment of the redemption price, and no interest will accrue thereon from and after the redemption date specified in the redemption notice.

Book-Entry Only System

The 2019 Bonds, when issued, will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the 2019 Bonds. Individual purchases of the 2019 Bonds may be made in book-entry form only in integral multiples of \$5,000 principal amount. Purchasers will not receive certificates representing their interest in the 2019 Bonds purchased. Principal and interest will be paid to DTC, which will in turn remit such principal and interest to its participants for subsequent disbursement to the beneficial owners of the 2019 Bonds as described in this Official Statement. So long as DTC's book-entry system is in effect with respect to the 2019 Bonds, notices to Owners by the City or the Trustee will be sent to DTC. Notices and communication by DTC to its participants, and then to the beneficial owners of the 2019 Bonds, will be governed by arrangements among them, subject to then effective statutory or regulatory requirements. So long as the 2019 Bonds are registered in the name of Cede & Co., or any other nominee of DTC, references in this Official Statement to the registered owners or use of the capitalized term "Owners" means Cede & Co. or such other nominee of DTC, and do not mean the beneficial owners of the 2019 Bonds. See "APPENDIX G – DTC'S BOOK-ENTRY ONLY SYSTEM." In the event that such book-entry system is discontinued with respect to the 2019 Bonds, the City will execute and deliver replacements in the form of registered certificates and, thereafter, the 2019 Bonds will be transferable and exchangeable on the terms and conditions provided in the Indenture.

Annual Debt Service

The following table shows the annualized debt service on the 2019 Bonds and the 2014 Installment Payments (which rank on a parity with the 2019 Bonds with respect to the pledge of Net Revenues), without regard to any optional redemption.

Bond Year Ending July 1	2014 Installment Payments			2019 Bonds			Total ^{*(1)}
	Principal	Interest	Annual Debt Service ⁽¹⁾	Principal*	Interest*	Annual Debt Service ^{*(1)}	
2020	\$370,000	\$811,269	\$1,181,269				
2021	385,000	792,769	1,177,769				
2022	405,000	773,519	1,178,519				
2023	420,000	757,319	1,177,319				
2024	445,000	736,319	1,181,319				
2025	465,000	714,069	1,179,069				
2026	490,000	690,819	1,180,819				
2027	515,000	666,319	1,181,319				
2028	540,000	640,569	1,180,569				
2029	565,000	613,569	1,178,569				
2030	595,000	585,319	1,180,319				
2031	625,000	555,569	1,180,569				
2032	655,000	524,319	1,179,319				
2033	675,000	503,031	1,178,031				
2034	700,000	480,250	1,180,250				
2035	725,000	455,750	1,180,750				
2036	760,000	419,500	1,179,500				
2037	800,000	381,500	1,181,500				
2038	840,000	341,500	1,181,500				
2039	880,000	299,500	1,179,500				
2040	925,000	255,500	1,180,500				
2041	970,000	209,250	1,179,250				
2042	1,020,000	160,750	1,180,750				
2043	1,070,000	109,750	1,179,750				
2044	1,125,000	56,250	1,181,250				
Total⁽¹⁾	\$16,965,000	\$12,534,275	\$29,499,275				

* Preliminary; subject to change.

(1) Total may not equal to sum due to rounding.

Source: Stifel, Nicolaus & Company, Incorporated

SECURITY FOR 2019 BONDS

Pledge of Net Revenues; Water Utility Fund

General. Pursuant to the Indenture, the 2019 Bonds will be secured by and payable from Net Revenues (see definition below) of the Water System. With respect to such pledge of and lien on the Net Revenues, the 2019 Bonds will rank on parity with the 2014 Installment Payments (see “INTRODUCTION – Security for 2019 Bonds”) and any Additional Parity Debt that may be incurred by the City upon satisfaction of the conditions set forth in the Indenture. See “Additional Parity Debt” below

Certain Definitions. The terms “Gross Revenues,” “Operation and Maintenance Costs” and “Net Revenues” will be defined in the Indenture as follows:

“Gross Revenues” means all gross charges received for, and all other gross income and receipts derived by the City from, the ownership and operation of the Water System or otherwise arising from the Water System, including but not limited to investment earnings thereon; but excluding: (a) connection charges, (b) the proceeds of any *ad valorem* property taxes levied for the purpose of paying general obligation bonds of the City relating to the Water System, and (c) the proceeds of any special assessments or special taxes levied upon real property within any improvement district served by the City levied for the purpose of paying special assessment bonds or special tax obligations of the City relating to the Water System.

“Operation and Maintenance Costs” means the reasonable and necessary costs and expenses paid by the City for maintaining and operating the Water System, including but not limited to: (a) costs of acquisition of water to be supplied by the Water System, (b) costs of electricity and other forms of energy supplied to the Water System, (c) the reasonable expenses of management and repair and other costs and expenses necessary to maintain and preserve the Water System in good repair and working order, and (d) the reasonable administrative costs of the City attributable to the operation and maintenance of the Water System; but in all cases excluding: (i) debt service payable on obligations incurred by the City with respect to the Water System, including but not limited to the 2019 Bonds, the 2014 Installment Payments and any Parity Debt, (ii) depreciation, replacement and obsolescence charges or reserves therefor, and (iii) amortization of intangibles or other bookkeeping entries of a similar nature.

“Net Revenues” means, for any period, an amount equal to all of the Gross Revenues received during such period minus the amount required to pay all Operation and Maintenance Costs becoming payable during such period.

Application of Gross Revenues from Water System. Under the Indenture, the City will covenant that all Gross Revenues will be deposited by the City in a Water Utility Fund (which has previously been established by the City). In addition, the City will be required to withdraw from the Water Utility Fund such amounts and at such times as shall be required to pay in the following order of priority:

- (a) Operation and Maintenance Costs,
- (b) the 2019 Bonds, the 2014 Installment Payments and all payments of principal of and interest on any Parity Debt, and
- (c) any other payments required to comply with the provisions of the Indenture, the 2014 Installment Sale Agreement and any Parity Debt Documents.

The City will covenant in the Indenture to manage, conserve and apply moneys in the Water Utility Fund in such a manner that all deposits required to be made under the Indenture and under the documents authorizing the issuance of Parity Debt will be made at the times and in the amounts so required. Subject to the foregoing sentence, so long as no Event of Default has occurred and is continuing, the City may at any time use and apply moneys in the Water Utility Fund for any one or more of the following purposes: (i) the payment of any subordinate obligations or any unsecured obligations, (ii) the acquisition and construction of improvements to the Water System, (iii) the prepayment or redemption of any obligations of the City relating to the Water System, or (iv) any other lawful purposes of the City.

The 2019 Bonds will be special obligation of the City secured solely by the Net Revenues and certain funds and accounts held under the Indenture. Under no circumstances shall the City be required to advance moneys derived from any source of income other than the Net Revenues and the funds and accounts specifically identified in the Indenture for payments on the 2019 Bonds, nor will any other funds or property of the City be liable for such payments. Neither the Trustee nor any Owner shall have the right, directly or indirectly, to require or compel the exercise of the taxing power of the City or the forfeiture of any property of the City, including any portion of the Water System, for the making of any payments pursuant to the 2019 Bonds or the Indenture. The 2019 Bonds do not constitute an indebtedness of the City, the County, the State or any of its political subdivisions within the meaning of any Constitutional debt limitation.

Rate Covenants

The City will covenant under the Indenture that, while the 2019 Bonds remain Outstanding, the City will, to the full extent permitted by law, fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Water System during each Bond Year, which are at least sufficient, after making allowances for contingencies and errors in the estimates, to yield Gross Revenues (excluding any amounts transferred to the Water Utility Fund from a Rate Stabilization Fund) which are sufficient to pay the following amounts in the following order of priority:

- (a) All Operation and Maintenance Costs estimated by the City to become due and payable in such Bond Year;
- (b) the principal of and interest on the 2019 Bonds, the 2014 Installment Payments and any other Parity Debt as they become due and payable during such Bond Year, without preference or priority, except to the extent any of such payments are payable from bond proceeds or from any other source of legally available funds of the City which have been deposited with the Trustee (or another fiduciary with

respect to the related Parity Debt) for such purpose prior to the commencement of the related Bond Year; and

- (c) All payments required to meet any other obligations of the City which are charges, liens, encumbrances upon, or which are otherwise payable from, the Gross Revenues or the Net Revenues during such Bond Year.

In addition, the City will agree, to the full extent permitted by law, to fix, prescribe, revise and collect rates, fees and charges for the services and facilities furnished by the Water System during each Bond Year which are sufficient to yield Net Revenues which are at least equal to 125 percent of the amount described in the preceding clause (b) for such Bond Year. For purposes of this paragraph, the amount of Net Revenues for a Bond Year will be computed on the basis that (1) any transfers into the Water Utility Fund in that Bond Year from the Rate Stabilization Fund are included in the calculation of Net Revenues, and (2) any deposits into the Rate Stabilization Fund in that Bond Year are deducted from the amount of Net Revenues, but only to the extent such deposits are made from Gross Revenues received by the City during that Bond Year. See “Rate Stabilization Fund” below.

See “CONSTITUTIONAL PROVISIONS AFFECTING WATER SYSTEM REVENUES AND EXPENDITURES – Proposition 218: Article XIIIC and Article XIIID” and “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE – Other Covenants of the City – Rates and Charges.”

Rate Stabilization Fund

The City may, but is not required to, establish a fund or an account, called the “Rate Stabilization Fund,” to be held by it and administered in accordance with the Indenture, for the purpose of stabilizing the rates and charges imposed by the City with respect to the Water System. From time to time the City may deposit amounts in the Rate Stabilization Fund, from any source of legally available funds, including but not limited to Net Revenues which are released from the pledge and lien which secures the Indenture and any other Parity Debt, as the City may determine. The Rate Stabilization Fund will be accounted for as a separate fund or account, although amounts credited to it may be commingled with other funds of the City.

The City may, but is not be required to, withdraw amounts on deposit in the Rate Stabilization Fund and deposit such amounts in the Water Utility Fund in any [Fiscal Year] for the purpose of paying the principal of and interest on the 2019 Bonds or any Parity Debt coming due and payable in such Fiscal Year. Amounts so transferred from the Rate Stabilization Fund to the Water Utility Fund in any Fiscal Year constitute Gross Revenues for that Fiscal Year (except as otherwise provided in the Indenture), and will be applied for the purposes of the Water Utility Fund. Amounts on deposit in the Rate Stabilization Fund are not pledged to and do not otherwise secure the 2019 Bonds or any Parity Debt. All interest or other earnings on deposits in the Rate Stabilization Fund will be retained therein or, at the option of the City, be applied for any other lawful purposes. The City has the right at any time to withdraw any or all amounts on deposit in the Rate Stabilization Fund and apply such amounts for any other lawful purposes of the City.

As of the date of this Official Statement, the City has not established, or deposited any money into, a Rate Stabilization Fund.

Bond Fund

At least three Business Day before each Interest Payment Date, so long as any 2019 Bonds remain Outstanding, the City will withdraw from the Water Utility Fund and pay to the Trustee for deposit into the Bond Fund held by the Trustee under the Indenture an amount which, together with other available amounts then on deposit in the Bond Fund, is at least equal to the aggregate amount of principal of and interest coming due and payable on the 2019 Bonds on such Interest Payment Date, including the principal of the Term Bonds upon the mandatory sinking fund redemption thereof. In addition, the City will withdraw from the Water Utility Fund and transfer to the respective trustees for outstanding Parity Debt, the amount required to pay principal of and interest on such Parity Debt when and as required under the respective Parity Debt Documents. These transfers will be made by the City from the Water Utility Fund in respect of debt service on the Outstanding 2019 Bonds and Parity Debt without preference or priority between the 2019 Bonds and any issue of Parity Debt.

The Trustee will apply amounts in the Bond Fund solely for the purpose of (i) paying the interest on the Outstanding 2019 Bonds when due and payable (including accrued interest on any 2019 Bonds purchased or redeemed), (ii) paying the principal of the Term Bonds upon the mandatory sinking fund redemption thereof, and (iii) paying the principal of the 2019 Bonds at their maturity. Upon the payment of all Outstanding 2019 Bonds, the Trustee will transfer any moneys remaining in the Bond Fund to the City for deposit into the Water Utility Fund.

Additional Parity Debt

Except for obligations incurred to prepay or discharge the 2019 Bonds, the 2014 Installment Payments or any other Parity Debt (which may be issued or incurred without meeting the following requirements, so long as the amount of annual debt service payment coming due in each Bond Year is reduced as a result of such refunding), the City may not issue or incur any Additional Parity Debt unless the following conditions are satisfied:

- (a) No Event of Default under the Indenture has occurred and is continuing.
- (b) The Net Revenues, calculated in accordance with sound accounting principles, as shown by the books of the City for the most recent completed Fiscal Year for which audited financial statements are available, or any more recent consecutive 12-month period selected by the City at its option, in either case verified by a certificate or opinion of an independent certified public accountant or fiscal consultant employed by the City, plus the Additional Revenues, at least equal 125 percent of the amount of Maximum Annual Debt Service with respect to the 2019 Bonds, the 2014 Installment Payments and all other Parity Debt then outstanding (including the Additional Parity Debt then proposed to be issued).

Additional Revenues means, with respect to the issuance of any Additional Parity Debt, any or all of the following amounts:

- (i) An allowance for Net Revenues from any additions or improvements to or extensions of the Water System to be financed from the proceeds of such Additional Parity Debt or from any other source but in any case which, during all or any part of the most recent completed Fiscal Year for which audited financial statements are available or for any other 12-month period selected by the City, were not in service, all in an amount equal to 90 percent of the estimated additional average annual Net Revenues to be derived from such additions, improvements and extensions for the first 36-month period in which each addition, improvement or extension is to be in operation, all as shown by the certificate or opinion of a qualified independent engineer or fiscal consultant employed by the City.
- (ii) An allowance for Net Revenues arising from any increase in the charges made for service from the Water System which has become effective prior to the incurring of such Additional Parity Debt but which, during all or any part of the latest Fiscal Year or such other 12-month period selected by the City, was not in effect, in an amount equal to the total amount by which the Net Revenues would have been increased if such increase in charges had been in effect during the whole of such Fiscal Year or such other 12-month period, all as shown by the certificate or opinion of an independent certified public accountant or fiscal consultant employed by the City.

In addition to Additional Parity Debt described above, the City may issue bonds or incur obligations that are either unsecured or which rank junior to the 2019 Bonds in their lien with respect to the Net Revenues. So long as the 2019 Bonds are Outstanding, the City may not issue or incur any additional bonded debt which will rank senior over the 2019 Bonds in the priority of lien with respect to the Net Revenues.

Application of Insurance or Eminent Domain Proceeds

The City will covenant to maintain such insurance on the Water System as is customarily maintained with respect to works and properties of like character against accident to, loss of or damage to the Water System. The insurance may be obtained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part in the form of self-insurance by the City or in the form of participation by the City in a joint powers agency or other program providing pooled insurance. Any amounts collected from insurance against accident to or destruction of any portion of the Water System will be applied, at the City's option, either to: (a) repair or rebuild such damaged or destroyed portion of the Water System, or (b) prepay the 2019 Bonds, the 2014 Installment Payments, or any other Parity Debt pursuant to the optional redemption provisions in the related documents.

The City will also maintain worker's compensation insurance and insurance against public liability and property damage to the extent reasonably necessary to protect the City, the Trustee and the Owners of the 2019 Bonds.

Any policy of insurance described above may be maintained as part of or in conjunction with any other insurance coverage carried by the City, and may be maintained in whole or in part

in the form of self-insurance by the City or in the form of the participation by the City in a joint powers agency or other program providing pooled insurance.

If any substantial part of the Water System is sold or taken in eminent domain proceedings, the payment therefor shall either be: (a) used for the acquisition or construction of improvements to the Water System, or (b) applied at the election of the City to prepay the 2019 Bonds, the 2014 Installment Payments, or any other Parity Debt.

WATER SYSTEM

Organization and Management

The City provides water services to its residential, commercial and other customers through the Water System. The City Council establishes the rates and charges for the Water System. The City's Maintenance Services Department is responsible for the Water System's day-to-day operation and maintenance. The Public Works Director reports to the City Manager. The City's Administrative Services Department works closely with the City Manager and the director of each City department, including the Public Works Director, to prepare periodic revenue and expenditure reports, revenue projections and to make budget recommendations for all City departments and enterprises, including the Water System.

Bill Gallardo, City Manager. Mr. Gallardo was appointed the City Manager in July 2015 after serving as Assistant City Manager for one year. The City Manager is the City's Chief Administrative Officer, accountable to the City Council. In addition to being the City Manager of the City, he is active in several professional groups benefiting the City: The North Orange County Cities Coalition, the Orange County City Manager Association and the International City Managers Association. Mr. Gallardo started working for the City in April 1990 as an Administrative Assistant, and was promoted to Finance Manager later in 1990 and to the Finance Director in August 2004. He became the City's Administrative Services Director in May 2010, when the City consolidated the former Financial Services Department, the City Clerk's Office, Human Resources, and the Information Technology Division into the Administrative Services Department. Prior to working for the City, Mr. Gallardo worked at the City of Walnut. He received his Bachelor of Science Degree in Business from California Polytechnic State University, Pomona.

Cindy Russell, Administrative Services Director. Ms. Russell became the City's Administrative Services Director in February 2016. As Administrative Services Director, Ms. Russell oversees the Administrative, Revenue, Accounting/Auditing and Purchasing Division, Information Technology, Human Resources and the City Clerk's Office, under the City Manager's general direction. Previously, Ms. Russell worked for the City of San Juan Capistrano for 30 years and served as its Chief Financial Officer, City Treasurer and the Administrative Services Director. She worked in public accounting before serving the City of San Juan Capistrano.

Lee Squire, Financial Services Manager – Accounting. Mr. Squire was appointed to his position with the City in December 1988. Previously, he served the City of South Gate from 1983

to 1988 as Accounting Manager and as Director of Finance. Prior to Mr. Squire's service to South Gate, he worked at a public accounting firm. Mr. Squire received his Bachelor of Science Degree from California State University, Los Angeles.

Faith Madrazo, Revenue and Budget Manager. Ms. Madrazo was appointed to her position with the City in October 2010. She has worked for the City's Administrative Services Department since 2000 in various other capacities, including Management Analyst, Payroll, and Utility Billing. Prior to this, Ms. Madrazo worked for the City of Norwalk for more than five years. Ms. Madrazo received her Bachelor of Arts Degree in Business Administration with a Concentration in Accounting from California State University, Fullerton.

Tony Olmos, Public Works Director. Mr. Olmos was appointed as the City's Public Works Director in July 2016. Before serving the City, Mr. Olmos was the Public Works Director for the City of Manhattan Beach where he served from 2013 through 2016. He served as the Assistant Director of Engineering at the County of Orange from 2012 to 2013. He was the City Engineer for the City of Huntington Beach from 2008 to 2012 and was City Engineer for City of Brea from 2005 to 2008. Mr. Olmos started his career in local government with the City of Santa Ana as a Senior Civil Engineer from 1994 to 2002. He holds a Bachelor of Science degree from California State University, Long Beach and is a licensed Civil Engineer in the State of California.

Ron Krause, Water Distribution Superintendent. Mr. Krause was appointed as Water Distribution Superintendent in January 2005. Prior to this appointment, he held the position of Maintenance Services Water Distribution Supervisor. Mr. Krause has worked for the City's Water Division for over 30 years in various capacities, including Maintenance Worker/Meter Reader, Crew Leader, Supervisor and Superintendent. He holds a certificate in Water Utility Science and is a certified D5 Water Distribution Operator and a T2 Water Treatment Operator.

Service Area

The Water System's Service Area covers approximately 10.7 square miles and includes all of the territory within the City limits (other than approximately 80 residences served by the Yorba Linda Water District) and a portion of adjacent unincorporated county area.

Transmission, Distribution and Storage Facilities

Existing Facilities. Existing facilities of the Water System include over 212 miles of pipelines, seven storage reservoirs, four booster pumping stations, 94 pressure reducing stations, two rate of flow control stations, three supply connections with Metropolitan Water District, three supply connections with CDWC and five emergency interconnections with neighboring agencies. The Water System's Service Area is comprised of 17 pressure zones, ranging in hydraulic grade from 515 feet to 1,400 feet.

The distribution pipelines range in size from six to 12 inches in diameter. These pipelines are primarily made out of cast-iron, ductile iron or C900 materials, depending upon their age. The newer pipelines are ductile iron or C900. The transmission pipelines range in size from 12 to 36 inches in diameter, and are labeled as high-pressure transmission mains because they deliver water at relatively high pressure from the MWD connections and the Berry Street High Pressure Pumps.

Water enters the distribution system from these transmission mains through various pressure reducing stations and the Berry Street Booster Pumping Station. The material for transmission mains is predominantly cement mortar-lined and coated steel pipe for the bigger pipes and ductile iron pipe for the smaller transmission pipes.

The City has seven operating storage reservoirs with a combined storage capacity of 67.5 million gallons (“MG”): Berry Street (30 MG; built in 1976), Westside (15 MG; built in 1995), Eastside (10 MG; built in 1995), Valencia (10 MG; built in 1970), Carbon Canyon (two reservoirs of 1.25 MG each; built in 2002) and Tonner (2 MG; built in 2014). Each reservoir is supplied by one of the imported water connections with MWD or CDWC. Water is delivered by gravity from the reservoirs to the distribution system, with the exception of the Berry Street Reservoir. The water from the Berry Street Reservoir is pumped by the Berry Street Booster Pumping Station into the applicable pressure zones.

The City has five booster pumping stations (“BPS”) with a combined design capacity of approximately 14,800 gallons per minute (“gpm”): (i) the Berry Street BPS (built in 1976 and upgraded in 2008), (ii) the Puente Street BPS (built in 1968), (iii) Carbon Canyon BPS No. 2 (built in 1963), (iv) Carbon Canyon BPS No. 3 (built in 1963) and (v) Tonner Pump Station (built in 2014). The Berry Street BPS, located in the western part of the City, has six vertical turbine booster pumps that pump to two different pressure zones. Three of the pumps are dual electric motor/natural gas engine, high-pressure booster pumps, with a capacity of approximately 2,000 gpm and 3,000 gpm, respectively. Two of the pumps are dual drive electric motor/natural gas engine, low-pressure pumps, each having a capacity of approximately 1,500 gpm. The sixth pump is an electric driven low-pressure pump with a capacity of approximately 500 gpm. The Puente Street BPS, located at the northern terminus of the Puente Street, pumps water from a CDWC connection. The Puente Street BPS has two horizontal electric motor driven pumps, each having a capacity of approximately 650 gpm. Carbon Canyon BPS No. 2 and No. 3 make up the Carbon Canyon pumping system. Carbon Canyon BPS No. 2 pumps water into a pressure zone that serves the Olinda and Hollydale area. Carbon Canyon BPS No. 3 pumps water out of that same pressure zone to the Carbon Canyon Reservoir. Carbon Canyon BPS No. 2 must be on before Carbon Canyon BPS No. 3, which operates by pressure, will operate. Each of Carbon Canyon BPS No. 2 and No. 3 has two electric driven pumps with one normally operating and one used as a backup. Each of the four pumps has a capacity of approximately 650 gpm. The Tonner Pump Station has three pumps. One of the pumps has 15 units of horsepower and a capacity of approximately 300 gpm. Each of the other two pumps has 40 units of horsepower and a capacity of 900 gpm.

The City maintains 94 different pressure reducing stations. Each is designed with a three or four-inch pressure reducing valve for the low flow periods and a six or eight-inch pressure reducing valve to handle high flows. The pressure reducing stations are also equipped with a pressure relief valve connected to the downstream piping, or low-pressure side.

There are six supply connections to the Water System. Three are MWD supply connections. One of the MWD connections has been closed since 1996. Two of the MWD connections are connected to MWD’s 96-inch Lower Feeder. The R.B. Diemer Filtration Plant supplies MWD’s 96-inch Lower Feeder with filtered water from an overflow elevation of 810 feet. The other connection is tied to MWD’s 36-inch Orange County Feeder, which starts at the Orange County Reservoir and runs south through the City and into the City of Fullerton. The City receives

water from CDWC through three metered connections. Each CDWC connection comes from one of two CDWC hydraulic lift systems. One of the connections is a gravity fed connection and receives water from CDWC's Plant No. 6 Reservoir to fill the City's Berry Street Reservoir. The other two connections receive water from CDWC's Plant No. 6 Booster Pumping Station and the 2.5 MG reservoir located north of the City's limits.

The Water System also includes five emergency interconnections: two with the City of La Habra, one with the City of Fullerton, one with the Golden State California Water Company, and one with the Yorba Linda Water District.

Capital Improvement Projects.

The City's Public Works Department has prepared a Seven Year Capital Improvement Program (the "CIP") for fiscal years 2019-20 through 2025-26, which includes various anticipated capital projects for the Water System (the "CIP Water Projects").

On June 18, 2019, the City Council adopted Resolution No. 2019-043, approving the CIP budget for fiscal year 2019-20. This budget includes the use of \$5.68 million for CIP Water Projects (in addition to \$14.19 million already approved for fiscal year 2018-19, see footnote 1 of Table 15 under "WATER SYSTEM FINANCIAL INFORMATION – Financial Statements").

The actual CIP budget for any fiscal year is subject to the City Council's review and approval before the start of such fiscal year. Subject to such review and approval, the Public Works Department contemplates the future use of the following amounts for CIP Water Projects: \$7.24 million for fiscal year 2020-21, \$350,000 for fiscal year 2021-22, \$1.85 million for fiscal year 2022-23, and \$350,000 for each of fiscal years 2023-24 through 2025-26. The City expects to use moneys available in the Water Utility Fund as the primary source of funding for these CIP Water Projects. The CIP Water Projects identified for fiscal year 2018-19 through 2025-26 include:

- Replacement of existing waterlines and water mains at various locations throughout the City;
- Replacement of two pump assemblies and other improvements for Carbon Canyon BPS No. 2 and Carbon Canyon BPS No. 3;
- Removal and replacement of existing coating on the interior of the Valencia Reservoir;
- Reconstruction of the existing asphalt access road from Valencia Avenue to the Valencia Reservoir and the 830 Zone and Valencia Reservoir;
- Upgrade of existing automated meter reading system to advanced metering infrastructure technology to allow for real time data to be collected from the meters of the Water System; and

- Other water main repairs, upgrades of existing facilities and appurtenances and other improvement projects, as they become necessary.

In addition, the City anticipates preparing a new Water System Master Plan in the next few years. The Master Plan will include an assessment of the current Water System facilities to identify any deficiencies and make recommendations regarding projects to address these deficiencies. The City will consider the inclusion of the recommendation projects in future CIP updates.

Water Supply

The City purchases essentially all of its water supplies from two agencies: CDWC and MWDOC. The water from the La Habra Basin, located directly beneath the City, would require extensive treatment to meet the State's public health standards. The one groundwater well owned by the City is used solely for irrigation purposes for a golf course and a park. In addition, the City has agreements with the City of La Habra, the City of Fullerton, Golden State Water Company and Yorba Linda Water District for the transfer of water in the event of emergency or other short-term need where such exchange will not harm the stable source of water for the providing party's customers.

The following table shows the volume of water received from CDWC and MWDOC (which resells water from MWD) from fiscal years shown, and the related costs.

Table 1
CITY OF BREA
Water System
Water Supply by Source
Fiscal Years 2014-15 through 2018-19

Fiscal Year	CDWC ⁽¹⁾				MWDOC			
	Supply (acre-feet)	% of Total Supply	Cost ⁽²⁾	Cost per acre-foot ⁽³⁾	Supply (acre-feet)	% of Total Supply	Cost ⁽²⁾	Cost per acre-foot ⁽³⁾
2014-15	7,397.80	69.30%	\$3,173,626	\$429	3,284.90	30.70%	\$3,422,431	\$1,042
2015-16	7,267.10	82.40	3,302,207	454	1,553.40	17.60	1,866,373	1,201
2016-17	7,644.90	86.80	3,898,817	510	1,159.70	13.20	1,495,691	1,290
2017-18	7,949.90	80.90	4,571,289	575	1,873.70	19.10	2,261,128	1,207
2018-19 ⁽⁴⁾	8,348.40	83.90	5,167,000	619	1,600.00	16.10	2,033,000	1,271

(1) Includes water received based on shares of CDWC stock owned by the City or leased by the City from other shareholders, as well as water purchased above entitlement. See Table 5 below. See "*California Domestic Water Company; Main San Gabriel Basin.*"

(2) Sum of costs for water from CDWC and MWDOC consistent with "Cost of Purchased Water" shown on Table 16.

(3) Represents the average cost of water purchased from each source including the cost of leased CWDC shares and other related costs.

(4) Estimates based on data compiled as of May 31, 2019.

Source: City of Brea.

California Domestic Water Company; Main San Gabriel Basin

CDWC is a mutual water company and has adjudicated rights to a portion of the water in the Main San Gabriel Basin, located in eastern Los Angeles County. CDWC supplies groundwater from the Main San Gabriel Basin to its shareholders.

As the result of a complaint filed in 1970 in the Superior Court of the State of California for the County of Los Angeles (Case No. 924128, *Upper San Gabriel Valley Municipal Water District, Plaintiff, vs. City of Alhambra, et al., Defendants*), a stipulated judgment was entered in 1973, defining the water rights to the numerous litigant parties. The stipulated judgment, which has been amended several times, is referred to below as the “Judgment.” A nine-member board, called the “Watermaster,” was created to administer the Judgment. Six members of the Watermaster are nominated by the water producers who have rights to the Main San Gabriel Basin (such as CDWC). The Upper San Gabriel Valley Municipal Water District nominates two members. The San Gabriel Valley Municipal Water District nominates the remaining member. Each year, the Watermaster establishes an “Operating Safe Yield” for the Main San Gabriel Basin, which is used to make allocations to the parties with adjudicated rights to the water. The Judgment does not prohibit a party from extracting more than its allotment each year. However, all water production from the Basin is metered. If a party extracts water in excess of its allotment, then the party must pay an assessment for the replacement water (in the amount sufficient to purchase one acre-foot of supplemental water to be spread in the basin for each acre-foot of excess production). Water rights under the Judgment are transferable by lease or purchase so long as the transfers meet the requirements of the Judgment.

CDWC, through the Judgment and subsequent acquisition transactions, is entitled to approximately six percent of the total pumping rights to the Main San Gabriel Basin each year.

The Main San Gabriel Basin Watermaster has the court-granted authority to control pumping for water quality purposes. Each year by November 1, the Watermaster makes available to the public its annual update to the Five Year Water Quality and Supply Plan, with the objective of coordinating groundwater-related activities to protect and improve both water supply and water quality in the Main San Gabriel Basin. According to the Watermaster’s rules and regulations, all water producers, including CDWC must submit an application to construct, modify or destroy a well or construct a treatment facility. The Watermaster then prepares a report on the implication of the proposed activity.

The City also holds approximately 1,500 acre feet per year of water rights in the Main San Gabriel Basin, which are leased to CDWC in order for CDWC to deliver to the City.

The amount of water that CDWC is entitled is adjusted annually depending on the Operating Safe Yield established by the Watermaster.

Table 2
Main San Gabriel Basin Water Entitlement
and CDWC Entitlement and Extraction in Excess of Entitlement
(volume by acre-feet)
Fiscal Years 2014-15 through 2018-19

Fiscal Year	Main San Gabriel Basin Operating Safe Yield	CDWC Entitlement⁽¹⁾	CDWC's Extraction from Basin above Entitlement
2014-15	150,000	9,331.40	9,437.52
2015-16	150,000	9,331.40	7,489.81
2016-17	150,000	9,331.40	7,965.39
2017-18	150,000	9,331.40	10,571.14
2018-19 ⁽²⁾	150,000	9,348.47	8,257.24

(1) Does not include water rights leased by the City to CDWC.

(2) Estimates based on data compiled as of May 31, 2019.

Source: City of Brea, based on information from California Domestic Water Company.

CDWC's Articles of Incorporation authorize the issuance of up to 10,000 shares of common stock (of which 7,716.75 shares have been issued and are outstanding as of May 31, 2019), and up to 10,000 shares of Class A preferred stock (of which 1,624.45 have been issued and are outstanding as of May 31, 2019). CDWC Class A preferred stocks do not provide its holders any voting rights, but each share of Class A preferred stock entitles its holder to one-acre-foot of water per year (subject to adjustment pursuant to the Operating Safe Yield established by the Watermaster or any other court order governing the applicable groundwater aquifer, as provided in the CDWC's corporate documents). In contrast, the annual entitlement for each share of CDWC common stock varies based on CDWC's total entitlement for that year and the number of shares then outstanding.

CDWC has three major shareholders: the City, the City of La Habra and Suburban Water Systems (an investor-owned utility company). CDWC's Board of Directors are consisted of six members, serving staggered two-year terms, each having been elected by the CDWC shareholders at an annual shareholders' meeting. The current CDWC Board of Directors include two members nominated by the City, two members by the City of La Habra and two members by Suburban Water Systems.

The table below shows the current ownership of CDWC common and preferred stock:

Table 3
CDWC Stock Ownership
as of May 31, 2019

Shareholder	Common Shares		Class A Preferred Shares	
	Number of Shares	% of Total Shares	Number of Shares	% of Total Shares
Suburban Water	2,603.25	33.74%	23.75	1.46%
City of La Habra	2,354.25	30.51	912.85	56.20
City of Brea	2,118.50	27.45	687.85	42.34
Chevron Corp.	51.00	0.66	--	--
Others	589.75	7.64	--	--
Total:	7,716.75	100.00%	1,624.45	100.00%

Source: City of Brea, based on information from California Domestic Water Company.

CDWC supplies its common stock shareholders with water up to their annual allotment at prices determined to be sufficient to cover CDWC's costs for operation and maintenance. To the extent that supply was available, CDWC has also allowed its shareholders to pump in excess beyond their annual entitlement with a fee to cover the cost for basin replenishment. Generally, such basin replenishment would be in the form of water purchases from the MWD. A CDWC shareholder may also lease shares from other shareholders, at a mutually agreed-upon price. The City has from time to time leased shares from other CDWC shareholders.

CDWC estimates that approximately 38 percent of CDWC's total water sale in fiscal year 2018-19 was sold to the City. The cost per acre-foot to the City for CDWC water purchases in fiscal year 2018-19, based on CDWC's calculations, are as follows:

Table 4
CITY OF BREA
Water System
Cost of CDWC Water Purchase Per Acre-foot
Fiscal Year 2018-19⁽¹⁾

Category of purchase	Cost per Acre-foot
Common stock entitlement ⁽²⁾	\$443
Class A Preferred Stock delivery ⁽³⁾	245
Purchases above stock entitlement ⁽⁴⁾	996

- (1) Based on CDWC Water Rates and Service Charges Wholesale Schedule. Includes additional fee to Watermaster (\$130 per acre-foot).
- (2) Cost calculated to cover pumping and delivery of water and CDWC's operation and maintenance costs. Does not include any additional amount paid by the City directly to other shareholders for leasing of shares or fixed annual costs and assessments.
- (3) Cost calculated to cover the cost of pumping and delivery of water.
- (4) Cost calculated to cover the cost of pumping and delivery of water. Calculated to cover cost to CDWC for purchase of water to replenish the groundwater basin.

Source: City of Brea, based on information from California Domestic Water Company.

Table 5
CITY OF BREA
Water System
Brea's Water Entitlement Based on CDWC Stock, Brea-Owned Entitlement
and Additional Purchases from CDWC
(volume by acre-feet)
Fiscal Years 2014-15 through 2018-19

Fiscal Year	Entitlement Per CDWC Common Shares Owned by Brea	Entitlement Per CDWC Common Shares Leased by Brea	Entitlement Per CDWC Class A Preferred Shares Owned by Brea	Entitlement Per Pumping Rights Owned by Brea	Brea's Additional Purchase above Entitlement	Total
2014-15	3,265.09	303.32	522.06	1,140.51	2,166.82	7,397.80
2015-16	3,265.08	311.83	522.06	1,140.51	2,027.68	7,267.16
2016-17	3,265.08	304.58	522.06	1,140.53	2,412.38	7,644.63
2017-18	3,265.08	304.58	522.06	1,140.53	2,717.68	7,949.93
2018-19 ⁽¹⁾	3,389.60	314.40	522.06	1,140.53	2,981.80	8,348.40

(1) Estimates based on data compiled as of May 31, 2019.

Source: City of Brea, based on information from California Domestic Water Company.

Municipal Water District of Orange County; Metropolitan Water District of Southern California

The following description of MWDOC and MWD are based on publicly available materials published by MWDOC and MWD. The City has not independently verified this information and makes no representation as to the accuracy or completeness thereof. Neither MWDOC nor MWD has reviewed the descriptions contained in this Official Statement. More information regarding MWDOC may be found at its website: www.mwdoc.com. More information regarding MWD may be found at its website: www.mwdh2o.com. These website references are included for informational purposes only. The City makes no representation concerning, and does not take any responsibility for, the accuracy or timeliness of information posted on such websites or the continued maintenance of such websites.

MWDOC was formed in 1951 and is a member of MWD. MWDOC's service area covers all of Orange County, with the exception of the cities of Anaheim, Fullerton, and Santa Ana. MWDOC purchases all of its water from MWD for resale to MWDOC's clients, which currently include 28 retail water agencies (comprising of municipal water districts and city water departments, such as the City's Water System).

MWD was formed in 1928. MWD's service area comprises approximately 5,200 square miles and includes all or portions of six southern California counties: Los Angeles, Orange, Riverside, San Bernardino, San Diego and Ventura. There are 26 member agencies consisting of 14 cities, 11 municipal water districts and one county water authority, which collectively, serve the residents and businesses of more than 300 cities and numerous unincorporated communities. Member agencies request water from MWD at various delivery points within MWD's system. MWD's charges for water sales and availability are fixed by its Board of Directors and are not subject to regulation by the California Public Utilities Commission or any other state or federal agency. MWD imports water from two principal sources: the Colorado River via the Colorado River Aqueduct owned by MWD and northern California via the California Aqueduct of the State Water Project owned by the State of California and operated by the California Department of Water Resources.

MWD has adopted a plan (the "Water Supply Allocation Plan") for allocation of water supplies in the event of shortage among MWD's member agencies. Under the Water Supply Allocation Plan, delivery to a member agency of more than its allocated amount of MWD supplies will subject the member agency to a penalty of one to four times of MWD's full service rate for untreated Tier 2 water, depending on how much the member agency's water use for the 12-month period beginning on July 1 exceeds its allocated amount. Any penalties collected may be rebated to the member agency that paid them to fund water management plans. Since the Water Supply Allocation Plan was approved in 2008, the MWD Board of Directors has made adjustments to allocation formula and implementation status of the Water Supply Allocation Plan from time to time based on the water supply status and review of the Water Supply Allocation Plan.

Rates and Charges

The City recovers the cost of Water System operation, maintenance and capital improvements through a user fee system. The components of the user fees currently imposed by

the City include: (i) service charges (comprised of a fixed charge component based on meter size and a commodity charge component that varies based on type of use and usage volume) (together, the “Service Charges”), (ii) connection charges, and (iii) other miscellaneous fees and charges (“Miscellaneous Charges”). The City may also, from time to time, undertake proceedings to impose special assessments or special taxes upon real property to finance expansion and improvements to the Water System. Pursuant to the Indenture, none of the City’s receipts from such special assessment or special taxes nor receipts from connection charges are included from the pledge for 2019 Bonds. The Miscellaneous Charges, including fees and charges relating to delinquencies, do not exceed the administrative costs incurred, as determined by the City. In light of the foregoing, the tables below show only the City’s revenues from the Service Charges (the “Service Charge Revenues).”

Current Service Charge Rate Schedule.

The current rates for the City’s Service Charges were established pursuant to Resolution No. 2016-013 (the “2016 Water Rate Resolution”), adopted by the City Council on February 16, 2016. The City provides discounts to eligible low-income residential customers (“Lifeline Customers”). By monthly average during the 12-months ending June 30, 2019, Lifeline Customers represented approximately 3.7 percent of the total single-family residential accounts.

The 2016 Water Rate Resolution provides that the commodity charges are subject to adjustments pursuant to changes to the City’s cost in obtaining water from MWDOC or CDWC (a “Pass-Through Adjustment”). The City’s Administrative Services Director is responsible for calculating the adjusted rates pursuant to each Pass-Through Adjustment, and such adjusted rates become effective after written notices are given to affected customers no less than 30 days in advance.

The following table summarizes the current rates for the City’s Service Charges (after the most recent Pass-Through Adjustment), which became effective as of July 1, 2017. The City has not made any adjustment to the rates for the Service Charges in the last two years since that date.

Table 6
CITY OF BREA
Water System
Monthly Service Charges as of July 1, 2017

Within City limits:

Fixed (“ready to serve”) charge

Meter size:	5/8 inch, 3/4 inch and 1 inch*	\$15.93
	1-1/2 inch	\$59.28
	2 inches	\$91.78
	3 inches	\$194.72
	4 inches	\$346.43
	6 inches	\$709.45
	8 inches	\$1,522.17
	10 inches	\$2,280.70
	12 inches	\$2,876.62

* Lifeline customers eligible for 20 percent discount

Commodity Charge (1 unit = 100 cubic feet)

Residential - single family (non-Lifeline Customers):	
1 unit – 10 units	\$3.59 per unit
11 units – 20 units	\$4.69 per unit
21 units – 30 units	\$6.18 per unit
More than 30 units	\$7.24 per unit
Residential - single family (Lifeline Customers):	
1 unit – 10 units	\$2.87 per unit
11 unit – 20 units	\$4.22 per unit
21 units – 30 units	\$5.87 per unit
More than 30 units	\$7.24 per unit
Residential - multifamily	\$4.39 per unit
Commercial or industrial, governmental agencies (other than the City), churches (“Non-residential Rate” or “NR rate”)	\$4.75 per unit
Irrigation ⁽¹⁾ , common greenbelt areas serving multifamily, commercial and industrial units	\$4.70 per unit
Construction – authorized temporary service	\$7.17 per unit

Outside City limits:

Fixed (“ready to serve”) charge	125% of charges applicable to customers within City limits
Commodity charge	\$5.04 per 100 cubic feet

(1) Does not apply to the Brea Municipal Golf Course, which has a separate contract with the City.
Source: City of Brea.

The preceding describes the City’s current Service Charges. The City will adopt new schedules of rates, fees and charges from time to time, based on its review of revenues and expenditures. See “SECURITY FOR THE 2019 BONDS – Rate Covenants” and “CONSTITUTIONAL LIMITATIONS AFFECTING WATER SYSTEM REVENUES AND EXPENDITURES – Proposition 218: Article XIIC and Article XIID.”

Historical Average Total Monthly Charge of Typical Customer.

For illustrative purposes only, the following table shows the monthly charges for a typical single family residential unit (with an one-inch meter and 1,600 cubic feet usage per month) for fiscal years shown:

Table 7
CITY OF BREA
Water System
Monthly Charges Paid by a Typical Single Family Residence
(one-inch meter and 1,600 cubic feet usage)
for Fiscal Years 2015-16 through 2019-20

Fiscal Year	Fixed Charge Based on one- inch meter size	Commodity Charge Based on 1,600 cu ft usage	Total Monthly Charges	Total Charge Percentage Change vs. Prior Fiscal Year
2015-16	\$9.66	51.42	61.08%	2.93%
2016-17 ⁽¹⁾	13.48	59.20	72.68	18.99
2017-18 ⁽¹⁾	15.93	64.04	79.97	10.03
2018-19 ⁽¹⁾	15.93	64.04	79.97	0.00
2019-20 ⁽¹⁾⁽²⁾	15.93	64.04	79.97	0.00

(1) The City Council adopted Resolution No. 2016-013, on February 16, 2016, establishing the current rates. A Pass-Through Adjustment was made in 2017 pursuant to changes to the City's cost in obtaining water. No rate adjustment has been made since July 1, 2017. See "*Current Service Charge Rate Schedule*" above.

(2) Estimates based on data compiled as of June 15, 2019.

Source: City of Brea.

Comparative Rates.

The following table compares the current water service charge imposed by the City for a typical single-family residential unit (with a one-inch meter and 1,600 cubic feet usage per month) and those of certain communities in the surrounding area:

Table 8
CITY OF BREA
Water System
Comparative Service Charges
(Based on a Typical Single Family Residence, one-inch meter and 1,600 cubic feet usage)
as of July 1, 2019

<u>Jurisdiction</u>	<u>Monthly Usage Charge</u>
Moulton Niguel Water District	\$41.79
Santa Margarita Water District	61.61
El Toro Water District ⁽¹⁾	68.86
Fullerton	77.78
Yorba Linda	77.29
Newport Beach	78.07
Brea	79.97
La Habra	82.17
San Clemente ⁽²⁾	93.39
Mesa Consolidated	97.51
Placentia	99.57
South Coast Water District	95.31
Laguna Beach	150.85

(1) Based on indoor rates.

(2) Based on winter rates.

Source: City of Brea, based on publicly available information published or posted by each listed entity as of May 24, 2019.

Bill and Collection Procedures

Generally, the City sends the bills to its customers for water service and usage on the last working day of each month. All water bills are due and payable on the 20th day of the month following the mailing. If a customer fails to pay the water bill in full when due, the bill is deemed delinquent and a delinquent service charge is added. The delinquent charge is currently 10 percent of the outstanding balance of the bill \$50 and over, with the minimum charge being \$5.00 and the maximum charge being \$25.00. If a customer fails to pay the bill in full no later than 16 days following the date of delinquency, the City may, after complying with State law on discontinuance of utility service for non-payment, discontinue water service and not recommence providing water service to such a user until all previous water charges, delinquent service charges, customer deposit and disconnection/reconnection service charges are paid in full.

The following table sets forth the uncollectible water revenues for the fiscal years shown.

Table 9
CITY OF BREA
Water System
Uncollectible Water Revenues
Fiscal Years 2014-15 through 2018-19

Fiscal Year	Gross Water Billings	Uncollectible Water Revenues ⁽¹⁾	Percent of Gross Billings
2014-15	\$17,064,394	\$ 862	0.01%
2015-16	15,424,134	20,305	0.13
2016-17	18,998,237	16,468	0.09
2017-18	22,595,358	989	0.00
2018-19 ⁽²⁾	21,326,959	24,041	0.11

(1) Includes water charges, delinquent charges, hang tag fees, returned check fees, and reconnection fees.

(2) Based on fiscal year 2018-19 year-end estimates (as of June 18, 2019) included in the City's proposed fiscal year 2019-20 budget.

Source: City of Brea.

Customer Accounts, Revenues and Consumption

The tables in this section summarize certain information regarding the Water System's number of customer accounts, volume of water consumption and revenues from Service Charges.

Table 10
CITY OF BREA
Water System
Usage Volume (in Acre-Feet) by Customer Type
Fiscal Years 2014-15 through 2018-19

Customer Type	2014-15 ⁽¹⁾		2015-16 ⁽¹⁾		2016-17		2017-18		2018-19 ⁽²⁾⁽³⁾	
	Volume	% Change	Volume	% Change	Volume	% Change	Volume	% Change	Volume	% Change
Residential										
Single family	3,978	-9.07%	3,305	-16.92%	3,448	4.33%	3,827	10.99%	3,599	-5.96%
Multifamily	1,004	-6.60	884	-11.95	936	5.88	976	4.27	1,006	3.07
Commercial	1,333	-9.32	1,113	-16.50	1,171	5.21	1,219	4.10	1,165	-4.43
Industrial	842	-0.12	694	-17.58	706	1.73	742	5.10	610	-17.79
Public agencies ⁽⁴⁾	1,300	14.34	1,308	0.62	1,027	-21.48	1,182	15.09	1,392	17.77
Irrigation ⁽⁵⁾	1,814	14.66	1,237	-31.81	1,461	18.11	1,526	4.45	1,441	-5.57
Other ⁽⁶⁾	2	-99.28	3	50.00	2	-33.33	2	0.00	1	-50.00
Total ⁽⁷⁾	10,273	-4.53%	8,544	-16.83%	8,751	2.42%	9,616	9.88%	9,214	-4.18%

(1) Volume usage decrease for fiscal years 2014-15 and 2015-16 reflective, in large part, conservation efforts due to State-wide drought. See "Water Conservation and Supply Shortage Contingency Measures."

(2) Based on fiscal year 2018-19 year-end estimates (as of June 18, 2019) included in the City's proposed fiscal year 2019-20 budget.

(3) Overall usage volume decrease in fiscal year 2018-19 due to, in part, stronger rain season relative to drought conditions just a few years ago, reducing Customer use of water supplied by the City, such as for irrigation use.

(4) Includes all accounts of the City and other public agencies. Service charges are collected on certain city accounts, such as those attributable to lighting and landscape districts.

(5) Includes private property greenbelt areas (such as homeowners association common areas), golf courses and agricultural use within the Service Area.

(6) Includes fire and temporary construction meters.

(7) Total may not equal sum due to rounding.

Source: City of Brea.

Table 11
CITY OF BREA
Water System
Number of Accounts by Customer Type⁽¹⁾
Fiscal Years 2014-15 through 2018-19

Customer Type	2014-15		2015-16		2016-17		2017-18		2018-19 ⁽²⁾	
	No. of Accounts	% Change	No. of Accounts	% Change	No. of Accounts	% Change	No. of Accounts	% Change	No. of Accounts	% Change
Residential										
Single family	10,741	2.63%	10,888	1.37%	10,948	0.55%	11,036	0.80%	11,116	0.72%
Multifamily ⁽³⁾	190	-0.05	192	1.05	196	2.08	204	4.08	205	0.49
Commercial	696	1.31	697	0.14	700	0.43	697	-0.43	698	0.14
Industrial	264	-0.75	263	-0.38	263	0.00	263	0.00	262	-0.38
Public agencies ⁽⁴⁾	205	0.99	222	8.29	221	-0.45	223	0.90	233	4.29
Irrigation ⁽⁵⁾	379	7.06	389	2.64	394	1.29	403	2.28	413	2.42
Other ⁽⁶⁾	582	3.74	644	10.65	750	16.46	857	14.27	852	-0.59
Total ⁽⁷⁾	13,057	2.58%	13,295	1.82%	13,472	1.33%	13,683	1.57%	13,779	0.70%

(1) Based on meter count.

(2) Estimates based on data compiled as of June 18, 2019.

(3) Generally, one account for each multifamily complex. However, a large complex may have several meters or accounts.

(4) Includes all accounts of the City and other public agencies. Service charges are collected on certain city accounts, such as those attributable to lighting and landscape districts.

(5) Includes private property greenbelt areas (such as homeowners association common areas), golf courses and agricultural use within the Service Area.

(6) Includes fire and temporary construction meters.

(7) Total may not equal sum due to rounding.

Source: City of Brea.

Table 12
CITY OF BREA
Water System
Service Charge Revenues by Customer Type
Fiscal Year 2018-19

Customer Type	Service Charge Revenues⁽¹⁾⁽²⁾	Percentage of Total Service Charge Revenues⁽³⁾
Residential		
Single family	\$8,382,106	39.99%
Multifamily	2,310,878	11.03
Commercial	2,930,842	13.98
Industrial	1,554,551	7.42
Public agencies ⁽⁴⁾	2,073,380	9.89
Irrigation ⁽⁵⁾	3,477,497	16.59
Other ⁽⁶⁾	230,235	1.10
Total	\$20,959,489	100.00%

(1) Estimates based on data compiled as of June 18, 2019.

(2) Reflects billed amounts. See “Rates and Charges” and “SECURITY FOR THE 2019 BONDS – Pledge of Net Revenues; Water Utility Fund – Certain Definitions.”

(3) Equals “Service Charge Revenues” for the category divided by \$20,959,489, the total estimated fiscal year 2018-19 Service Charge Revenues for all categories.

(4) Includes all accounts of the City and other public agencies. Service charges are collected on certain city accounts, such as those attributable to lighting and landscape districts.

(5) Includes private property greenbelt areas (such as homeowners association common areas), golf courses and agricultural use within the Service Area.

(6) Includes fire and temporary construction meters.

Source: City of Brea.

The following table summarizes the Service Charge Revenues from the top ten customers (by usage volume) of the Water System.

Table 13
CITY OF BREA
Water System
Top Ten Customers (by Service Charge Revenues)
Fiscal Year 2018-19⁽¹⁾

	Customer	Description	12-month Usage Volume (100 cu. ft.)	% of Total Usage Volume⁽²⁾	12-month Service Charge Revenues	% of Total Service Charge Revenues ⁽³⁾
1	Orange County Parks Dept	Parks	117,202	2.92%	\$574,940	2.74%
2	Brea Olinda School District	School	66,717	1.66	353,398	1.69
3	County of Orange (Landfill)	Landfill	51,281	1.28	304,856	1.45
4	Olen Properties	Mixed use development	40,755	1.02	231,179	1.10
5	Lake Park Brea	Mobile home park	41,337	1.03	210,480	1.00
6	Raintree Apartments	Apartments	40,806	1.02	206,702	0.99
7	Brea Olinda Master Community	Home owner association	35,086	0.87	205,738	0.98
8	Bank of America	Office building	33,384	0.83	193,383	0.92
9	Winonics (Brea)	Manufacturing facilities	39,004	0.97	187,233	0.89
10	Brea Mall	Mall	33,253	0.83	176,456	0.84
	Total ⁽⁴⁾		498,825	12.43%	2,644,365	12.62%

(1) Estimates based on data compiled as of June 18, 2019.

(2) Total usage volume by all customers for fiscal year 2018-19: 4,013,787,000 cubic feet (or 9,214 acre-feet). See Table 10.

(3) Estimated total Service Charge Revenues from all customers for fiscal year 2018-19: \$20,959,489. See Table 16.

(4) Total may not equal to sum due to rounding.

Source: City of Brea.

The following table summarizes the total Service Charge Revenues for the Water System for the fiscal years shown.

Table 14
CITY OF BREA
Water System
Water Service Charge Revenues⁽¹⁾
Fiscal Years 2013-14 through 2017-18

Fiscal Year	Service Charge Revenues
2014-15	\$16,891,369
2015-16	15,253,574
2016-17	18,788,632
2017-18	22,344,336
2018-19 ⁽²⁾	20,959,489

(1) Service Charge Revenues reflect billed amounts. See “Rates and Charges.” Dollar amounts are consistent with those shown in Table 16, under “Operating Revenues – Charges for services.”

(2) Estimates based on data compiled as of June 18, 2019. Decrease from prior year corresponds to usage volume decrease in fiscal year 2018-19. See footnote 3 to Table 10.

Source: City of Brea audited financial statements for fiscal years 2014-15 through 2017-18; fiscal year 2018-19 estimate from City of Brea Administrative Services Department.

Water Conservation and Supply Shortage Contingency Measures

Water Conservation Act of 2009 (SBx7-7).

The Water Conservation Act of 2009, set forth in State Senate Bill x7-7 (“SBx7-7”), was signed by the Governor in 2009 and became effective in February 2010. Among other things, SBx7-7 seeks to achieve a State-wide 20 percent reduction in urban per capita water use by December 31, 2020. SBx7-7 requires each urban retail water supplier (such as the City) to develop urban water use targets to help meet the 20 percent reduction goal by 2020, with an interim 10 percent reduction goal by 2015. An urban water retail supplier that fails to meet its water use target by December 31, 2020 will be ineligible for a water grant or loan administered by the State until the supplier complies with the provisions of SBx7-7, unless the State Department of Water Resources determines that the supplier is eligible for a water grant or loan after the supplier’s submission of a schedule, financing plan, and budget for achieving the required per capita reductions.

The City may choose one of four target setting methods to comply with the reduction requirements. Of the methods available, the City has chosen the simple method of establishing a 10-15 year baseline and a 5 year baseline (based on gallons per capita per day, or “GPCD”), and then setting a 10 percent reduction target by 2015 and a 20 percent reduction target by 2020:

10-15 Year Baseline (1995-2005)	5 Year Baseline (2003-2008)	2015 Target	2020 Target
275.9	265.9	248.3	220.8

The City’s actual water consumption in 2015 was 222 GPCD, well below the 2015 interim target. The City believes that it is on track to meet the 2020 target of 220.8 GPCD.

Under SBx7-7, a retail water agency may comply with the reduction requirements as an individual or as part of a regional alliance. The advantage of becoming part of a regional alliance is that the agency then has multiple means of meeting the compliance requirements. The City is member of Orange County 20x2020 Regional Alliance formed by MWDOR (the “Regional Alliance”). The Regional Alliance is comprised of 29 retail agencies throughout the County. The Regional Alliance has a 2015 weighted target of 175.9 GPCD and a 2020 weighted target of 156.4 GPCD. The actual 2015 water use in the region was reported to be 129 GPCD, well below the 2015 interim target and the 2020 target.

California 2011-17 Drought; State Emergency Measures and Continuing Efforts.

California has a highly variable climate, and often experiences very wet years followed by extremely dry ones. During the last thirty-five years, the State experienced drought periods between 1986 and 1992, between 2007 and 2009, and between 2011 and 2017.

The drought from December 2011 to March 2017 was considered one of the worst in the State’s recorded history, with 2012 through 2015 having the driest four-year statewide precipitation on record. Between 2014 and 2015, the Governor issued two emergency

proclamations (on January 14, 2014 and April 25, 2014) and four executive orders (Executive Orders B-26-14, B-28-14, B-29-15 and B-36-15). During this period, SWRCB adopted and implemented regulations for water use reductions and restrictions. Among such actions, the SWRCB adopted emergency regulations in 2015 to achieve a 25 percent reduction in the overall potable urban production statewide in accordance with directives set forth in Executive Order B-29-15. It was reported that, overall, the State saved an average of more than 24 percent during the twelve months that the mandate was in place. In addition, the Sustainable Groundwater Management Act of 2014 was enacted. See “Water Supply -- Sustainable Groundwater Management Act of 2014 (Establishment of Groundwater Sustainability Agencies and Groundwater Sustainability Plans).” The State developed a five-year California Water Action Plan, with the stated goals of more reliable water supplies, the restoration of important species and habitat, and a more resilient, sustainably managed water resources system (water supply, water quality, flood protection, and environment).

On May 16, 2016, the Governor issued Executive Order B-37-16, which among other things, directed: (i) the State Department of Water Resources to work with the SWRCB to develop new water use targets as part of a permanent framework for urban water agencies, (ii) the permanent requirement of urban water suppliers to issue monthly report of their water usage, conservation amounts and enforcement efforts, (iii) prohibition of wasteful potable water practices (such as hosing of sidewalks, watering lawns in a manner that causes runoff); (iv) California Energy Commission’s certification of innovative water conservation and water loss detection and control technologies that also increase energy efficiency; (v) consultation by State Department of Water Resources with urban water suppliers, local governments, environmental groups and other partners to update requirements for water shortage contingency plans.

The winter of 2016-17 brought significant precipitation and was one of the wettest on record for Northern California. On April 7, 2017, Governor Brown issued Executive Order B-10-17, rescinding the two emergency proclamations from January and April 2014 and the four drought related Executive Orders issued in 2014 and 2015. However, Executive Order B-37-16 was largely left in place.

Executive Order B-10-17 terminated the drought state of emergency for all counties in the State, except for the counties of Fresno, Kings, Tulare and Tuolumne with directives for those particular counties. The City is located in Orange County.

During the 2018-19 winter season, several strong winter storms brought above-average levels of snowpack and precipitation to the State. In March 2019, the U.S. Drought Monitor (a map which is updated weekly through a joint effort of the National Drought Mitigation Center at the University of Nebraska-Lincoln, the National Oceanic and Atmospheric Administration, and the U.S. Department of Agriculture) reported that California was drought free for the first time since 2011.

One cannot predict if and when California will experience another drought, and the actions that the State will have to take in response. The State is continuing to implement the directives of Executive Order B-37-16, dubbed “Making Water Conservation a California Way of Life.” The implementation of the Sustainable Groundwater Management Act of 2014 and the additional

directives under Executive Order B-10-17 for the counties of Fresno, Kings, Tulare and Tuolumne also continues.

More information about the State's continuing conservation efforts can be found on the "Water Conservation Portal" of the SWRCB's website at: https://www.waterboards.ca.gov/water_issues/programs/conservation_portal/. None of the websites or webpages referenced in this Official Statement is in any way incorporated into this Official Statement. They are cited for informational purposes only. The City makes no representation whatsoever as to the accuracy or completeness of any of the information on such websites.

City Water Conservation Program and Shortage Contingency Plan.

The City has taken affirmative steps with respect to its water conservation efforts. As a member of MWDOC, the City cooperates with MWDOC with respect to many of the MWDOC's conservation programs and outreach efforts, including rebate and other incentive programs, audit programs and public information programs. The City's current Water Conservation and Water Supply Shortage Program (the "Program") was put in place pursuant to Ordinance No. 1123, adopted by the City Council on June 2, 2009. The Program establishes certain permanent conservation requirements, including among others: limitations on the time and duration of lawn and landscape irrigation, mandatory recirculation of water for fountains, prohibition on installation of single pass cooling systems. As summarized in the following page, the Program also establishes four response phases in the event of water supply shortage.

Phase No.	Water Supply Condition	Sample Measures (illustrative only; not exhaustive summary)
1	City notifies water users that due to drought or other supply reductions, a customer demand reduction of up to <u>10 percent</u> is necessary	<ul style="list-style-type: none"> • Limits on watering or irrigation of lawn, landscape or other vegetation area • User obligations to fix leaks, breaks or other malfunctions in user's plumbing or distribution system within 72 hours upon City notification
2	City notifies water users that due to drought or other supply reductions, a customer demand reduction of up to <u>20 percent</u> is necessary	<p>In addition, to the measures for Phase 1:</p> <ul style="list-style-type: none"> • Implementation reduced water allocations using current tiered water rate structure • Limits on filling ornamental lakes or ponds • Limits on washing vehicles • Limits on filling residential swimming pools and spas
3	City declares a water shortage emergency pursuant to California Water Code Section 350 and provides notification that up to <u>30 percent</u> consumer demand reduction is required	<p>In addition, to the measures for Phases 1 and 2:</p> <ul style="list-style-type: none"> • No watering or irrigating of lawn, landscape or other vegetation area • Obligations to fix leaks, breaks or other malfunctions within 24 hours upon City notification • No new potable water service except in limited circumstances • At City's discretion, discontinuation of service to a violating customer
4	City declares a water shortage emergency pursuant to California Water Code Section 350 and provides notification that up to <u>40 percent</u> consumer demand reduction is required	<p>In addition, to the measures for Phases 1, 2 and 3:</p> <ul style="list-style-type: none"> • Reduce water allocation in all categories to meet available water supply • Shut-off of all non-essential water uses

Regulatory Compliance

The City's operation of the Water System is subject to various State and federal regulations, including (but not limited to) the federal Safe Drinking Water Act and the California Domestic Water Quality and Monitoring Regulations and other provisions set forth in Titles 17 and 22 of the California Code of Regulations. The standards specify water quality sampling frequencies and locations as well as maximum concentrations of chemical constituents. They are continuously being revised and amended.

The City does not operate water resource facilities such as water intakes from surface water or water treatment plants from groundwater. The City routinely monitors the water supplied by MWD and CDWC and imported into the Water System. The City believes that the quality of the

drinking water provided by the Water System to its customers meets all California Department of Public Health and EPA drinking water standards set to protect public health.

Insurance

Insurance with respect to the Water System is covered under the City's general policies. The City is a member of the California Insurance Pool Authority ("CIPA"), a joint powers authority formed under the laws of the State. CIPA, a consortium of 12 cities in Los Angeles County and Orange County, was established to pool resources, share risks, purchase excess insurance and to share costs for professional risk management and claims administration. CIPA's governing board is comprised of one member from each participating city and is responsible for the selection of management and for the budgeting and financial management of CIPA.

As of the date of this Official Statement, the City was self-insured for workers' compensation up to \$400,000 per occurrence and general liability and auto liability insurance up to \$350,000 per occurrence. The coverage for general and auto liability extends to \$3,000,000 per claim, with additional excess insurance coverage of up to \$40,000,000 annual aggregate combined for all claims. CIPA member agencies may be assessed the difference between funds available and the annual pooled aggregate in proportion to their annual premium. During the three fiscal years ended June 30, 2018, none of the above programs of protection have had settlements or judgments that exceeded pooled or insured coverage.

WATER SYSTEM FINANCIAL INFORMATION

Financial Statements

Set forth in the following tables are: (i) the Statements of Net Position with respect to the Water Utility Fund based on the City's audited financial statements for fiscal years 2014-15 through 2017-18, and (ii) the Statements of Revenues, Expenses and Changes in Fund Net Position with respect to the Water Utility Fund based on the City's audited financial statements for fiscal years 2014-15 through 2017-18 unaudited fiscal year 2018-19 estimates based on information compiled by the City's Administrative Services Department as of June 18, 2019. Such statements are subject to various notes attached to the City's financial statements for the respective years and the footnotes below the respective tables. The City's Comprehensive Annual Financial Report for fiscal year ended June 30, 2018, which includes the City's fiscal year 2017-18 audited financial statements and the Independent Auditor's Report issued by Vavrinek, Trine, Day & Co., LLP (the "Auditors") regarding such financial statements, is set forth in Appendix B. The City has not requested the Auditors to consent to the inclusion of its report in Appendix B and it has not undertaken to update financial statements included in Appendix B. A complete copy of the City's Comprehensive Annual Financial Report for fiscal year ended June 30, 2018, as well as the reports for prior years, can be obtained from the City's Finance Department.

Table 15
CITY OF BREA
Water Utility Fund
Statement of Net Position
Fiscal Years 2014-15 through 2017-18

	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
<u>Assets</u>				
<i>Current:</i>				
Cash and investments	\$6,058,050	\$7,072,923	\$6,879,710	\$15,189,768 ⁽¹⁾
Prepaid expenses ⁽²⁾	--	--	2,500,836	606,613
Receivables				
Accounts receivable	2,269,032	2,992,509	3,191,260	3,473,235
Due from other governments	--	--	--	245,402 ⁽³⁾
Restricted cash and invest. with fiscal agents ⁽⁴⁾	6,203,193	6,165,829	--	--
<i>Total current assets</i>	<u>14,530,275</u>	<u>16,231,261</u>	<u>12,571,806</u>	<u>19,515,018</u>
<i>Noncurrent:</i>				
Restricted cash and invest. with fiscal agents ⁽⁴⁾	--	--	5,641,012	5,657,518
Capital assets - net of accumulated depreciation	72,494,830	71,217,086	79,236,745 ⁽⁵⁾	86,932,333 ⁽⁵⁾
Other investments ⁽⁵⁾	15,770,107	15,606,946	--	--
Equity in Calif. Domestic Water Company ⁽⁵⁾	--	--	11,528,829	11,475,827
<i>Total noncurrent assets</i>	<u>88,264,937</u>	<u>86,824,032</u>	<u>96,406,586</u>	<u>104,065,678</u>
Total assets	<u>102,795,212</u>	<u>103,055,293</u>	<u>108,978,392</u>	<u>123,580,696</u>
<u>Deferred outflow of resources</u>				
Deferred charge on refunding	982,824	819,020	655,216	491,412
Deferred pension related items ⁽⁶⁾	323,472	665,342	796,134	967,573
Deferred OPEB related items ⁽⁷⁾	--	--	--	63,274
Total deferred outflow of resources	<u>1,306,296</u>	<u>1,484,362</u>	<u>1,451,350</u>	<u>1,522,259</u>
<u>Liabilities</u>				
<i>Current:</i>				
Accounts payable	2,021,420	1,642,692	532,613	582,009
Accrued liabilities ⁽⁸⁾	54,710	82,376	82,694	--
Accrued interest	1,432,247	1,408,029	1,380,954	1,360,655
Deposits payable	240,615	242,845	249,430	259,545
Accrued compensated absences, due within one year	101,597	58,267	78,086	75,088
Bonds, notes and capital leases, due within one year	1,315,000	1,425,000	1,040,000	1,100,000
<i>Total current liabilities</i>	<u>5,165,589</u>	<u>4,859,209</u>	<u>3,363,777</u>	<u>3,377,297</u>
<i>Noncurrent:</i>				
Advances from other funds	2,839,655	2,032,173	1,221,619	407,980
Compensated absences, due in more than one year	33,866	19,422	26,029	25,029
Net pension liability ⁽⁹⁾	3,783,829	3,861,311	4,539,352	5,075,969
Total OPEB liability ⁽¹⁰⁾	--	--	--	1,391,875
Bonds, notes & cap leases, due in one year or longer	53,401,964	51,900,495	50,791,603	49,792,301
<i>Total noncurrent liabilities</i>	<u>60,059,314</u>	<u>57,813,401</u>	<u>56,578,603</u>	<u>56,693,154</u>
Total liabilities	<u>65,224,903</u>	<u>62,672,610</u>	<u>59,942,380</u>	<u>60,070,451</u>
<u>Deferred inflow of resources</u>				
Deferred pension related items ⁽⁹⁾	977,863	1,070,904	450,893	361,458
Deferred OPEB related items ⁽¹⁰⁾	--	--	--	112,278
Total deferred inflow of resources	<u>977,863</u>	<u>1,070,904</u>	<u>450,893</u>	<u>473,736</u>

(continued on next page)

Table 15
CITY OF BREA
Water Utility Fund
Statement of Net Position
Fiscal Years 2014-15 through 2018-19

	<u>FY 2014-15</u>	<u>FY 2015-16</u>	<u>FY 2016-17</u>	<u>FY 2017-18</u>
<i>(continued from previous page)</i>				
<u>Net position (deficit)</u>				
Net investment in capital assets	\$18,760,690	\$18,710,611	\$28,060,358 ⁽⁵⁾	\$40,096,047 ⁽¹¹⁺⁾
Restricted for debt service	6,203,193	6,165,829	5,641,012	5,657,518
Unrestricted	12,934,859	15,919,701	16,335,099	18,805,203
Total net position (deficit)	<u>\$37,898,742</u>	<u>\$40,796,141</u>	<u>\$50,036,469</u>	<u>\$64,558,768</u>

- (1) Variance between fiscal year 2016-17 and fiscal year 2017-18 due to budgeted capital facilities for fiscal year 2017-18 that did not materialize during that year. Such moneys will be used for contemplated CIP Water Projects. As discussed under "WATER SYSTEM – Transmission, Distribution and Storage Facilities – *Capital Improvement Projects*," the City contemplates undertaking of CIP Water Projects in the amounts of \$14.19 million in fiscal year 2018-19, \$5.68 million in fiscal year 2019-20 and \$7.24 million in fiscal year 2020-21.
- (2) Prepaid water purchases with CDWC. See "WATER SYSTEM – Water Supply – *California Domestic Water Company; Main San Gabriel Basin*."
- (3) Subsidies from federal government for 2009B Bonds and 2010B Bonds (which were issued as Build America Bonds) for July 1, 2018 bond payments, but which were received after end of fiscal year 2017-18.
- (4) Item moved from "current assets" to "noncurrent assets" beginning with fiscal year 2016-17 financial statements. Includes cash held by bond trustee for debt service reserve fund and for bond payments.
- (5) Accounting presentation of CDWC equity held by City beginning in fiscal year 2016-17 different from prior years. See "WATER SYSTEM – Water Supply – *California Domestic Water Company; Main San Gabriel Basin*." Beginning with fiscal year 2016-17 financial statements, value of shares of CDWC common stock are shown under "Equity in California Domestic Water Company" and value of shares of CDWC preferred stock are included in "capital assets - net of accumulated depreciation" under non-current assets and "net investment in capital assets" under "net position (deficits)."
- (6) Deferred retirement expenses at end of each fiscal year.
- (7) Deferred Other Post-Employment expenses at end of each fiscal year
- (8) Payroll related expenses at end of each fiscal year
- (9) Pension related obligations pursuant to implementation of Governmental Accounting Standards Board ("GASB") Statement 68.
- (10) Other Post-Employment Benefits related obligations pursuant to implementation of GASB Statement 75.
- (11) Variance between fiscal year 2016-17 and fiscal year 2017-18, in large part, due to capital facilities dedicated to the City in connection with the Blackstone and La Floresta developments. The Blackstone development is a 781 residential unit development, consisting of a total of 794 acres. The Las Floresta development is consisted of a total of 212-acres and includes 1,100 dwelling units, 156,800 square feet of commercial space and other amenities. Capital facilities dedicated to the City pursuant to agreements between the developers and the City are reflected in the financial statements when the developments are at or near completion.

Source: City of Brea audited financial statements for fiscal years 2014-15 through 2017-18. Additional explanations for footnotes from City of Brea Administrative Services Department.

Table 16
CITY OF BREA
Water Utility Fund
Statement of Revenues, Expenses and Changes in Fund Net Position
Fiscal Years 2014-15 through 2018-19

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18	(estimated & unaudited) FY 2018-19
<u>Operating revenues</u>					
Charges for services	\$16,891,369	\$15,253,574	\$18,788,632	\$22,344,336	\$20,959,489 ⁽¹⁾
Connection fees	562,234	286,380	903,674	192,182	380,000
Other revenues (fines, forfeitures, miscellaneous)	788,639	980,408	406,184	348,589	454,140
Total operating revenues	18,242,242	16,520,362	20,098,490	22,885,107	21,793,629
<u>Operating expenses</u>					
Personnel services	2,864,821	2,700,324	2,942,564	3,550,913	3,466,242
Maintenance and operation	1,224,269	1,293,134	1,528,589	1,589,232	1,260,523
Costs of purchased water	6,596,057	5,168,580	5,394,508	6,832,417	7,200,000
Depreciation expense	2,021,787	2,014,248	2,163,100	2,309,560	2,309,560
Total operating expenses	12,706,934	11,176,286	12,028,761	14,282,122	14,236,325
Operating income (loss)	5,535,308	5,344,076	8,069,729	8,602,985	7,557,304
<u>Non-operating revenues (expenses)</u>					
Federal interest subsidy ⁽²⁾	488,902	491,539	491,011	490,805	490,712
Interest revenue	123,747	255,095	--	--	234,640
Interest expense	(3,085,745)	(2,913,033)	(2,872,884)	(3,016,165)	(2,699,000)
Changes in equity of Cal Domestic Water Co. ⁽³⁾	--	--	138,132	(53,002)	--
Gain (loss) on other investments. ⁽³⁾	(60,629)	--	--	--	--
Gain (loss) on disposal of fixed assets	151,789	73,188	109,758	97,026	100,000
Total non-operating revenue (expenses)	(2,381,936)	(2,256,372)	(2,133,983)	(2,481,336)	(1,873,648)
Income (Loss) before transfers	3,153,372	3,087,704	5,935,746	6,121,649	5,683,656
Developer contribution ⁽⁴⁾	--	--	--	9,828,045	--
Capital contributions ⁽⁵⁾	1,521,000	--	--	--	--
Transfers out ⁽⁶⁾	(208,916)	(634,732)	(497,975)	--	--
Changes in net assets/position	4,465,456	2,452,972	5,437,771	15,949,694	5,683,656
<u>Net assets/Position</u>					
Beginning of fiscal year	39,210,908	37,898,742	40,796,141	50,036,469	64,558,768
Restatement ⁽⁷⁾	(5,777,622)	444,427	3,802,557	(1,427,395)	--
Beginning of fiscal year, as restated	33,433,286	38,343,169	44,598,698	48,609,074	64,558,768
Changes in net position	4,465,456	2,452,972	5,437,771	15,949,694	5,683,656
End of fiscal year	\$37,898,742	\$40,796,141	\$50,036,469	\$64,558,768	\$70,242,424

- (1) Decrease in revenues from "charges for services" consistent with overall usage volume decrease in fiscal year 2018-19. See footnote 7 of Table 10 under "WATER SYSTEM – Customer Accounts, Revenues and Consumption."
- (2) Received for a portion of the interest payable on the 2009B Bonds and the 2010B Bonds (see "Plan of Refunding -- Refunding of 2009 Bonds and 2010 Bonds"), which were "Build America Bonds" under U.S. Internal Revenue Code Section 54AA.
- (3) Change in equity due to City's percentage of ownership due to number of shares of common stock in CDWC.
- (4) Developer contributions for dedicated capital facilities from Blackstone and La Floresta developments. See footnote 11 of Table 15.
- (5) Reflects Chevron's dedication of CDWC common stock in connection with La Floresta development.
- (6) Reflects primarily, project costs that, for accounting purposes, were not capitalized within Water Utility Fund, but were instead "transferred out" to other capital project funds.
- (7) Restatements primarily due to implementation of GASB Statements 68 (related to pensions) and 75 (related to other post employment benefits).

Source: City of Brea audited financial statements for fiscal years 2014-15 through 2017-18. Additional explanations for footnotes and estimated and unaudited figures for fiscal year 2018-19 from City of Brea Administrative Services Department.

Debt Service Coverage

Table 17 sets forth the historical debt service coverage from fiscal years 2014-15 through 2018-19, as well as the projected debt service coverage for fiscal years 2019-20 through 2023-24. These projections reflect the City's current expectations only and are subject to a number of factors and uncertainties that could cause actual results of operations and funds available for debt service to differ materially from those set forth herein. See "WATER SYSTEM," "BONDOWNERS' RISKS" and "CONSTITUTIONAL PROVISIONS AFFECTING WATER SYSTEM REVENUES AND EXPENDITURES."

The projections in Table 17 for fiscal year 2019-20 are based on the City's adopted fiscal year 2019-20 budget. The projections assume no increase in any of the "Operating Revenues" items after fiscal year 2019-20, and at the same time annual increases to expenses (two percent annual increase to personnel services and other operation and maintenance expenses after fiscal year 2019-20, and three percent annual increase to the cost of purchased water after fiscal year 2019-20). There is no guarantee that the debt service coverage projected in Table 17 will in fact be realized. While the City believes that the assumptions underlying in the projections set forth in Table 17 are reasonable, there are various factors and uncertainties that could cause actual results to differ materially from those projected. See "WATER SYSTEM," "BONDOWNERS' RISKS" and "CONSTITUTIONAL PROVISIONS AFFECTING WATER SYSTEM REVENUES AND EXPENDITURES."

Table 17
CITY OF BREA
Water System
Debt Service Coverage
Fiscal Years 2014-15 through 2023-24

<i>Fiscal year ended June 30,</i>	Historical Debt Service Coverage					Projected Debt Service Coverage⁽¹⁾				
	2015	2016	2017	2018	2019 ⁽²⁾	2020 ⁽³⁾	2021	2022	2023	2024
Operating Revenues										
Charges for Services ⁽⁴⁾	\$16,891,369	\$15,253,574	\$18,788,632	\$22,344,336	\$20,959,489	\$21,489,358	\$21,489,358	\$21,489,358	\$21,489,358	\$21,489,358
Miscellaneous ⁽⁴⁾	788,639	980,408	406,184	348,589	454,140	1,025,400	1,025,400	1,025,400	1,025,400	1,025,400
Interest Revenue ⁽⁴⁾	123,747	255,095	--	--	234,640	234,640	234,640	234,640	234,640	234,640
Revenues	<u>\$17,803,755</u>	<u>\$16,489,077</u>	<u>\$19,194,816</u>	<u>\$22,692,925</u>	<u>\$21,648,269</u>	<u>\$22,749,398</u>	<u>\$22,749,398</u>	<u>\$22,749,398</u>	<u>\$22,749,398</u>	<u>\$22,749,398</u>
Operating Expenses										
Personnel Services ⁽⁵⁾	\$2,864,821	\$2,700,324	\$2,942,564	\$3,550,913	\$3,466,242	\$3,672,989	\$3,746,449	\$3,821,378	\$3,897,805	\$3,975,761
Operation & maintenance ⁽⁵⁾	1,224,269	1,293,134	1,528,589	1,589,232	1,260,523	1,285,733	1,311,448	1,337,677	1,364,431	1,391,719
Cost of Purchased Water ⁽⁶⁾	6,596,057	5,168,580	5,394,508	6,832,417	7,200,000	7,385,537	7,607,103	7,835,316	8,070,376	8,312,487
Expenses	<u>\$10,685,147</u>	<u>\$9,162,038</u>	<u>\$9,865,661</u>	<u>\$11,972,562</u>	<u>\$11,926,765</u>	<u>\$12,344,259</u>	<u>\$12,665,000</u>	<u>\$12,994,371</u>	<u>\$13,332,612</u>	<u>\$13,679,968</u>
Net Revenues⁽⁷⁾	<u>\$7,118,608</u>	<u>\$7,327,039</u>	<u>\$9,329,155</u>	<u>\$10,720,363</u>	<u>\$9,721,504</u>	<u>\$10,405,139</u>	<u>\$10,084,398</u>	<u>\$9,755,027</u>	<u>\$9,416,786</u>	<u>\$9,069,430</u>
Debt Service⁽⁸⁾										
2009 A & B Bonds ⁽⁹⁾	\$1,586,250	\$1,581,683	\$1,582,039	\$1,578,996	\$1,578,373	--	--	--	--	--
2010 A & B Bonds ⁽⁹⁾	974,474	988,167	551,788	572,440	591,881	--	--	--	--	--
2014 Installment Payments	991,348	1,179,669	1,177,069	1,179,069	1,180,469	\$1,181,269	\$1,177,769	\$1,178,519	\$1,177,319	\$1,181,319
2019 Bonds*	--	--	--	--	--	1,826,463	1,840,500	1,853,500	1,869,000	1,886,750
Total Debt Service⁽¹⁰⁾	<u>\$3,552,072</u>	<u>\$3,749,518</u>	<u>\$3,310,896</u>	<u>\$3,330,505</u>	<u>\$3,350,723</u>	<u>\$3,007,732</u>	<u>\$3,018,269</u>	<u>\$3,032,019</u>	<u>\$3,046,319</u>	<u>\$3,068,069</u>
Estimated Coverage⁽¹¹⁾	2.00	1.95	2.82	3.22	2.90	3.46	3.34	3.22	3.09	2.96

* Preliminary; subject to change,

(1) Based on current assumptions only. While the City believes that the assumptions are reasonable, the City cannot guarantee that actual results will not differ.

(2) Fiscal year 2018-19 operating revenues and operating expenses based on estimated and unaudited figures from the City's Administrative Services Department.

(3) Fiscal year 2019-20 operating revenues and operating expenses based on City's adopted fiscal year 2019-20 budget.

(4) See "charges for services" under "operating revenues," "other revenues (fines, forfeitures, miscellaneous)" under "operating revenues" and "interest revenue" under "non-operating revenues (expenses)" in Table 16. Projected revenues for fiscal year 2019-20 based on figures appearing in City's adopted fiscal year 2019-20 budget. Assumes no increase thereafter.

(5) See "personnel services" and "maintenance and operation" under "operating expenses" in Table 16. Projected expenses for fiscal year 2019-20 based on figures appearing in City's adopted fiscal year 2019-20 budget. Assumes two percent annual increase thereafter.

(6) See "costs of purchased water" under "operating expenses" in Table 16. Projected costs for fiscal year 2019-20 based on figures appearing in City's adopted fiscal year 2019-20 budget. Assumes three percent annual increase thereafter.

(7) Equals "Operating Revenues" minus "Operating Expenses"; or, as defined in the Indenture, Gross Revenues, minus Operating and Maintenance Costs. See "SECURITY FOR 2019 BONDS – Pledge of Net Revenues; Water Utility Fund – *Certain Definitions*"

(8) Debt service figures are based on bond years ending July 1 of each year. In contrast, Net Revenues are based on fiscal years ending June 30 of each year.

(9) Represents scheduled annual debt service net of federal subsidy received for the 2009B Bonds and 2010B Bonds, which were issued as "Build America Bonds."

(10) Total may not equal to sum due to rounding.

(11) Estimated coverage represents the ratio of (a) Net Revenues to (b) debt service on the 2014 Installment Payments and the 2019 Bonds (or before the issuance of the 2019 Bonds, the 2009 Bonds and the 2010 Bonds).

Source: Fieldman, Rolapp & Associates, based on operating revenues and expenses provided by the City of Brea.

Pension Plans

The City pays an allocable portion of the City's administrative expenses, including employee compensation and benefits from revenues of the Water System. See Tables 15 and 16 above. Under the Indenture, Net Revenues (which are pledged to the payment of the 2019 Bonds) is defined as Gross Revenues less Operation and Maintenance Costs. Operation and Maintenance Costs include, among other things, administrative costs of the City attributable to the operation and maintenance of the Water System, such as salaries and wages of employees, overhead, taxes (if any), the cost of permits and licenses to operate the Water System and insurance premiums. The table below shows the City's contribution to the CalPERS plans (discussed below), and the amounts allocated to each of the Water System for the years shown:

Table 18
CITY OF BREA
City Contribution to CalPERS Plans and Allocation to Water System
Fiscal Years 2014-15 through 2017-18

<u>Fiscal Year</u>	<u>City Required Contribution</u>	<u>Amount Allocated to Water System</u>
2014-15	\$6,082,364	\$226,122
2015-16	7,125,213	234,118
2016-17	8,265,432	248,345
2017-18	9,006,661	287,183
2018-19 ⁽¹⁾	10,476,484	310,586

(1) Estimated as of June 18, 2019.

General Information Regarding CalPERS Plans

All qualified permanent and probationary City employees are eligible to participate in the Public Agency Cost Sharing Multiple-Employer Plan administered by the California Public Employees Retirement System ("PERS" or "CalPERS"). PERS is an agent multiple employer public employee retirement system and issues its own comprehensive annual financial report. PERS acts as a common investment and administrative agent for participating public entities within the State. A menu of benefit provisions as well as other requirements of the PERS program are established by the Public Employees' Retirement Law set forth in California Government Code (commencing with Section 20000). The City selects optional benefit provisions from the benefit menu by contract with PERS and adopts those benefits through local ordinance (or other local methods). Contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by PERS.

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the

Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

Governor Jerry Brown signed the California Public Employee's Pension Reform Act of 2013 ("PEPRA") into law on September 12, 2012. For non-safety CalPERS participants hired after January 1, 2013 (the "Implementation Date"), the Reform Act changes the normal retirement age by increasing the eligibility for the 2 percent age factor from age 55 to 62 and also increases the eligibility requirement for the maximum age factor of 2.5 percent to age 67. PEPRA also implements certain other changes to CalPERS including the following: (a) all new participants enrolled in CalPERS after the Implementation Date are required to contribute at least 50 percent of the total annual normal cost of their pension benefit each year as determined by an actuary, (b) CalPERS is required to determine the final compensation amount for employees based upon the highest annual compensation earnable averaged over a consecutive 36-month period as the basis for calculating retirement benefits for new participants enrolled after the Implementation Date, and (c) "pensionable compensation" is capped for new participants enrolled after the Implementation Date at 100 percent of the federal Social Security contribution and benefit base for members participating in Social Security or 120 percent for CalPERS members not participating in social security.

The California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and be effective on the July 1 following notice of a change in the rate. Funding contributions for the City's Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the fiscal year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Plans Offered by City

The provisions and benefits in effect at June 30, 2017 for the City's PERS plans are summarized below:

	<u>Miscellaneous Plan</u>		
	Tier 1 (closed to new entrants)	Tier 2	Tier 3 (PEPRA)
		9/17/1999 to 12/31/2012, and non-PEPRA hired on or after 1/1/2013	
Hire Date	Before 9/17/1999		1/1/2013 and after
Benefit formula	2.0% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 years	minimum 50 years	minimum 50 years
Monthly benefits, as a % of eligible compensation	1.426% to 2.418% 50 to 63 years, respectively	1.426% to 2.418% 50 to 63 years, respectively	1.000% to 2.500% 52 to 67+ years, respectively
Required employee contribution rate	7.00%	7.00%	5.75%
Required employer contribution rate	18.778%	18.778%	5.692%

Safety Plan

	Tier 1 (closed to new entrants)	Tier 2 (closed to new entrants)	Tier 3	Tier 4 (PEPRA)
Hire Date	Before 6/30/1984	On 6/30/1984 and before 9/17/2011	9/17/2011 to 12/31/2012, and non-PEPRA hired on or after 1/1/2013	1/1/2013 and after
Benefit formula	3.0% @ 50	3.0% @ 50	2.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 years	minimum 50 years	minimum 50 years	minimum 50 years
Monthly benefits, as a % of eligible compensation	3.000% 50 years	3.000% 50 years	2.000% to 2.700% 50 to 55 years, respectively	2.000% to 2.700% 52 to 57+ years, respectively
Required employee contribution rate	9.00%	9.00%	9.00%	10.25%
Required employer contribution rate	53.227%	53.227%	53.227%	10.495%

See information set forth in Note 9 of the City’s audited financial statements shown in “APPENDIX B – CITY OF BREA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2018” for details regarding the City’s pension liabilities, pension expenses and related deferred outflows and inflows as reported in the financial statements, and additional information regarding actuarial assumptions.

City Plans Funding Status and History, Required Contributions

Around July of each year, PERS provides the City reports (each, a “PERS Report”) providing the actuarial valuation (as of June 30 of the calendar year preceding the year of the PERS Report) for each of the City’s Plans. *The following information is based on information available from PERS and the PERS Reports. The City has not independently verified the information provided by PERS and expresses no opinion regarding the accuracy of such information. PERS’ actuarial assessments are based various assumptions (including demographic assumptions and economic assumptions) made by PERS, its actuaries, accountants and other consultants. One or more assumptions may not materialize or be changed in the future. The City expresses no opinion regarding the quality such assumptions and cannot provide any guarantee as to the eventual results.*

Below are definitions for selected terms used in the most recent PERS Reports:

Accrued Liability – The total dollars needed as of the valuation date to fund all benefits earned in the past for current members.

Actuarial Assumptions – Assumptions made about certain events that will affect pension costs. Assumptions generally can be broken down into two categories: demographic and economic. Demographic assumptions include such things as mortality, disability and retirement rates. Economic assumptions include discount rate, salary growth and inflation.

Actuarial Valuation – The determination, as of a valuation date, of the Normal Cost, Accrued Liability, Actuarial Value of Assets and related actuarial present values for a pension plan. These valuations are performed annually or when an employer is contemplating a change to their plan provisions.

Entry Age Normal Cost Method – An actuarial cost method designed to fund a member's total plan benefit over the course of his or her career. This method is designed to yield a rate expressed as a level percentage of payroll. (The assumed retirement age less the entry age is the amount of time required to fund a member's total benefit. Generally, the older a member on the date of hire, the greater the entry age normal cost. This is mainly because there is less time to earn investment income to fund the future benefits.)

Normal Cost – The annual cost of service accrual for the upcoming fiscal year for active employees. The normal cost should be viewed as the long term contribution rate.

Present Value of Benefits – The total dollars needed as of the valuation date to fund all benefits earned in the past or expected to be earned in the future for current members.

Unfunded Liability ("UAL") – When a plan or pool's Value of Assets is less than its Accrued Liability, the difference is the plan or pool's Unfunded Liability. If the Unfunded Liability is positive, the plan or pool will have to pay contributions exceeding the Normal Cost.

Beginning with the June 30, 2013 valuation (which set the 2015-16 contribution rates), PERS has used an amortization and smoothing policy that pays for all gains and losses over a fixed 30-year period with the increases or decreases in the rate spread directly over a 5-year period. PERS no longer uses an actuarial value of assets and only uses the market value of assets. PERS' policies and actuarial assumptions have changed significantly in recent years and can be expected to change or be modified from time to time by PERS in the future. PERS has adopted a four-year Asset Liability Management (ALM) review cycle, and reviews its capital market and economic assumptions, actuarial assumptions and risk mitigation policy every four years.

The July 2018 PERS Reports show the following funding history for the City's plans (without accounting for prepayments or benefit changes made during any fiscal year):

Miscellaneous Plan

Valuation Date	Accrued Liability	Market Value of Assets	Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2013	\$108,204,735	\$81,221,226	\$26,983,509	75.1%	\$15,024,118
6/30/2014	117,280,948	93,972,809	23,308,139	80.1	14,869,318
6/30/2015	122,046,571	94,140,220	27,906,351	77.1	14,824,824
6/30/2016	128,859,768	92,696,256	36,163,512	71.9	15,338,944
6/30/2017	137,520,485	100,759,665	36,760,820	73.3	15,771,428

Safety Plan

Valuation Date	Accrued Liability	Market Value of Assets	Unfunded Liability	Funded Ratio	Annual Covered Payroll
6/30/2013	\$202,767,046	\$140,001,347	\$62,765,699	69.0%	\$11,359,365
6/30/2014	219,922,597	158,617,734	61,304,863	72.1	11,083,560
6/30/2015	226,070,045	156,064,569	70,005,476	69.0	10,679,565
6/30/2016	235,229,919	150,805,326	84,424,593	64.1	11,116,223
6/30/2017	247,235,624	162,743,863	84,491,761	65.8	11,373,467

The tables below show the historic required City contribution from fiscal years 2017-18 to 2019-20 and projected City contributions for fiscal years 2020-21 to 2022-23, as reported in the July 2018 PERS Reports. The projections are based on various assumptions. PERS actuarial assumptions are subject to periodic review and revisions. Actual contributions will be subject to such revisions.

Miscellaneous Plan

	Required Contribution			Projected Future Employer Contribution⁽¹⁾		
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Normal Cost %	6.968%	7.368%	8.216%	8.9%	8.9%	8.9%
UAL Payment	\$1,913,203	\$2,311,415	\$2,758,660	\$3,057,000	\$3,457,000	\$3,803,000

(1) Assumes 7.25 percent return for fiscal year 2019-20 and 7.00 percent the following year, but see discussion below regarding changes adopted by CalPERS.

Safety Plan

	Required Contribution			Projected Future Employer Contribution⁽¹⁾		
	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Normal Cost %	16.773%	17.512%	18.479%	19.7%	19.7%	19.7%
UAL Payment	4,254,156	\$5,070,042	\$5,963,500	\$6,525,000	\$7,194,000	\$7,780,000

(1) Assumes 7.25 percent return for fiscal year 2019-20 and 7.00 percent the following year, but see discussion below regarding changes adopted by CalPERS.

At its December 2016 meeting, the CalPERS Board of Administration (the “CalPERS Board”) lowered the discount rate from 7.50 percent to 7.00 percent using a three-year phase-in beginning with the June 30, 2016 actuarial valuation. The minimum employer contributions for fiscal year 2019-20 determined in the July 2017 valuation were calculated using a discount rate of 7.25 percent. The projected employer contributions are calculated under the assumption that the discount rate will be lowered to 7.00 percent the following year, as adopted by the CalPERS Board.

On December 19, 2017, the CalPERS Board adopted new actuarial assumptions based on a study which reviewed the retirement rates, termination rates, mortality rates, rates of salary increases and inflation assumption for public agencies. These new assumptions are incorporated in public agencies’ actuarial valuations and impact the required contribution for fiscal year 2019-20. In addition, the CalPERS Board adopted a new asset portfolio, which supports a 7.00 percent discount rate. The reduction of the inflation assumption will be implemented in two steps in conjunction with the decreases in the discount rate. For the June 30, 2017 valuation an inflation rate of 2.625 percent was used and a rate of 2.50 percent will be used in the following valuation.

The CalPERS Board also adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removes the 5-year ramp-down on investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. For inactive employers the new amortization policy imposes a maximum amortization period of 15 years for all unfunded accrued liabilities effective June 30, 2017. Furthermore, the plan actuary has the ability to shorten the amortization period on any valuation date based on the life expectancy of plan members and projected cash flow needs to the plan.

Beginning with fiscal year 2017-18 CalPERS began collecting employer contributions toward the plan’s unfunded liability as dollar amounts instead of the prior method of a contribution rate. This change addressed potential funding issues that could arise from a declining payroll or reduction in the number of active members in the plan. Funding the unfunded liability as a percentage of payroll could lead to the underfunding of the plans.

Information regarding CalPERS’ administration of the plans, actuarial methods assumptions and asset valuation can be obtained from CalPERS at Lincoln Plaza North, 400 Q Street Sacramento, California 95811 or (888) 225-7377. The comprehensive annual financial reports of CalPERS are available on CalPERS’ website at www.calpers.ca.gov. The website reference is for informational purposes only. None of the content of the website is any way incorporated into this Official Statement. The City makes no representation concerning, and does not take any responsibility for, the accuracy or timeliness of information posted on such website or the continued maintenance of such website.

Other Post-Employment Benefits Other Than Pensions

In addition to providing pension benefits, the City provides medical insurance for certain employees after they separate from the City, through a single-employer defined benefit plan (the “Plan”) as provided under the City’s contractual agreements with members from each unit. Members who retire from the City on or after attaining the age of 50 with at least five years of service are eligible for these benefits.

Currently, the City funds retiree healthcare benefits on a pay-as-you-go basis (paying a maximum of \$350 per month for each retirees’ benefits from City funds as they are due with no pre-funding for future years. The City recognizes expenditure for its share of the annual premiums as these benefits become due. At June 30, 2017, the most recent valuation date, there are 583 employees or beneficiaries covered by the benefit terms under the Plan.

At June 30, 2017, the City had a total OPEB liability of \$25,865,288, as determined by an actuarial valuation as of that date. The table below shows the one-year change in total liability for fiscal year 2017-18:

	Total OPEB Liability
Balance at June 30, 2017	\$27,678,298
Changes in the year:	
<i>Service Cost</i>	1,020,496
<i>Interest</i>	801,573
<i>Changes in assumptions</i>	(2,488,279)
<i>Benefit payments, including refunds of employee contributions</i>	(1,146,800)
Net changes	(1,813,010)
Balance at June 30, 2018	\$25,865,288

Of such OPEB Liability, approximately \$1.4 million was allocated to the Water System in fiscal year 2017-18.

Assumptions used in actuarial valuation to determine the City’s OPEB liability, certain testing of the sensitivity of the assumptions and other details about the City’s OPEB obligations are presented in Note 10 of the City’s audited financial statements shown in “APPENDIX B – CITY OF BREA COMPREHENSIVE ANNUAL FINANCIAL REPORT FOR YEAR ENDED JUNE 30, 2018.”

BONDOWNERS' RISKS

Investment in the 2019 Bonds involves elements of risk. The following section describes certain specific risk factors affecting the payment and security of the 2019 Bonds. The following discussion of risks is not meant to be an exhaustive list of the risks associated with the purchase of the 2019 Bonds and the order of discussion of such risks does not necessarily reflect the relative importance of the various risks. Potential investors are advised to consider the following factors along with all other information in this Official Statement in evaluating the 2019 Bonds. There can be no assurance that other risk factors not discussed under this caption will not become material in the future.

Limited Obligations of City

The 2019 Bonds will be special obligation of the City payable solely from and secured by Net Revenues and the funds specifically identified in the Indenture. The City will not be required to advance moneys derived from any source of income other than the Net Revenues and the funds and accounts specifically identified in the Indenture for payment on the 2019 Bonds, nor shall any other funds or property of the City be liable for such payments. Neither the Trustee nor any Owner shall have the right, directly or indirectly, to require or compel the exercise of the *ad valorem* taxing power of the City or the forfeiture of any property of the City, including any portion of the Water System, for the making of any payments pursuant to the 2019 Bonds or the Indenture. The 2019 Bonds do not constitute an obligation of the City for which the City is obligated to levy or pledge any form of taxation or for which the City has levied or pledged any form of taxation.

Water Supply

Water is a limited resource. Periodic droughts in the region have from time to time impacted water availability in the Colorado River Basin and in the State of California. At the same time, population and development growth have increased the demand on the water supply. Decreases in supply and increases in demand present challenges to water agencies and lead to cost increases for water suppliers.

As discussed in “WATER SYSTEM – Water Conservation and Supply Shortage Contingency Measures – *California 2011-17 Drought; State Emergency Measures and Continuing Efforts*,” the State experienced a severe drought period from 2011-17, during which the State and the City implemented various conservation measures. Even though the state of emergency from the drought condition has now been lifted, one cannot predict if and when California will experience another extreme dry period.

The City depends on two wholesale sources for its water: CDWC and MWD (through MWDOC). As the costs to these water suppliers increase, they will adjust the rates and charges to be paid by their purchasers, such as the City. Over the years, prices for water purchases from CDWC and MWDOC have increased, due to a combination of regulatory restrictions, local drought conditions and increased operating costs. See Table 1 under “WATER SYSTEM – Water Supply.” Historically, water purchases from CDWC are less expensive than water purchases from MWDOC. During the last decade, the City has taken significant steps to increase the City’s CDWC stock ownership. The City’s greater entitlement in CDWC water has helped the City

realize a cost savings relative to the alternative scenario (of having to make additional purchases from MWDOC). Nonetheless, the City cannot provide any assurances regarding the future rate of increase to the cost of purchased water from any source.

Water System Operation and Expenses; Net Revenues

Projected revenues, operational expenses and demands of the Water System described in this Official Statement are based on certain assumptions that the City believes are reasonable. However, no assurance can be given that actual operating results will be consistent with these projections. In addition to the potential impact of the State drought discussed under “Water Supply” above, Net Revenues may also be affected by the disruption in service from system failures, the relocation of customers out of the service area, or the discontinued use of the City’s water services by one or more major customers, an increase in operating costs of the Water System, or a number of other risk factors, whether or not described in this Official Statement. The occurrence of any of these events, or changes in technology or regulatory standards, could impact the Water System’s revenues and expenses. In such case, the City may be required to increase service charges for the Water System in order to comply with the City’s rate covenant under the Indenture. Under certain circumstances, the City could be unable to raise rates in accordance with the rate covenant. See, for example, “CONSTITUTIONAL PROVISIONS AFFECTING WATER SYSTEM REVENUES AND EXPENDITURES.” Receipt of the Water System’s Net Revenues in amounts sufficient to pay the 2019 Bonds is dependent on the continual use of the services at forecasted levels.

Regulatory Requirements

The operations of the Water System are subject to state and federal laws and regulations, particularly with respect to water quality requirements. The adoption of more stringent laws and regulations may cause the City to incur greater expenses for the operation of the Water System, particularly, for example, if such changes require the use of new or costly technology. Similarly, more stringent laws and regulations applicable to the City’s water suppliers (*i.e.*, CDWC and MWD) may increase operating costs for these suppliers, which may in turn increase the costs of the City’s water purchases. Although the City covenants in the Indenture to fix rates and collect revenues for the Water System to meet certain debt service coverage requirements (see “SECURITY FOR 2019 BONDS – Rate Covenants”), no assurance can be given that the costs of complying with such new laws and regulations will not adversely affect the City’s ability to generate sufficient Net Revenues in the amounts required by the Installment Sale Agreement. It is not possible to predict the timing or nature of more stringent operation standards that may be imposed on the City over the term of the 2019 Bonds.

Cybersecurity

The City, like many other public and private entities, relies on a complex tiered approach of security products and processes to protect its network environment, from the backend network infrastructure to the end-users desktop computers. These measures provide a strong presence in combating cybersecurity threats including, but not limited to, hacking, viruses, malware and other attacks. Cybersecurity incidents could result from unintentional events, or from deliberate attacks by unauthorized entities or individuals attempting to gain access to the City’s network or systems

for the purposes of malicious activity, such as misappropriation of assets or information or causing operational disruption and damage. The City's Information Technology Division ("IT Division") evaluates the City's security infrastructure annually to assess the current hardware and software tools that are in place, and provide recommendations regarding any further enhancements. The IT Division also conducts periodical testing of the City's information security systems and provides cybersecurity training for City staff. The City has installed Telemetry Water System Controls, commonly known as Supervisory Control and Data Acquisition ("SCADA"), which are segmented off from the City's network allowing only limited access for management and support. The SCADA system is supported by a third party vendor with a fire wall in place as a security measure.

Natural Calamities and Other Disasters

From time to time, the City is subject to natural calamities or other disasters that may adversely affect economic activity in the City. The occurrence of a natural calamity or other disasters, such as an earthquake, a drought, a flood or fire, may affect the City's water supply, substantially damage or destroy Water System facilities or otherwise disrupt the Water System's operation. In such circumstances, Net Revenues may be reduced or eliminated if the City was unable to provide the affected Water System's services to its customers, or if large amounts of revenues were required to be applied to make extensive repairs to the affected Water System. Such a reduction or elimination of Net Revenues could impair the City's ability to make payments for the 2019 Bonds when due.

The City, like most communities in California, is in an area of unpredictable seismic activity, and therefore, is subject to potentially destructive earthquakes. Two major faults traverse through the City, the Whittier fault and the Elysian Park thrust fault. The Whittier fault cuts across the hills and through the eastern half of the City in a northwesterly direction. Several traces of the Whittier fault are still active. The Elysian Park thrust fault is buried approximately six to ten miles below the ground surface of the City. The San Andreas Fault lies 33 miles from the City.

California is, from time to time, subject to spells of dry weather, even severe droughts. The most recent drought period lasted from 2011 to 2016, during which the State instituted mandatory water restrictions in 2015. Relief finally came with the wet 2016-17 season. Governor Brown declared the drought over in April 2017.

Drought conditions in Southern California, combined with higher than average temperatures and Santa Ana winds, have created conditions that are from time to time conducive to wildfires. The northern edge of the City abutting the foothills is identified as an urban-open space interface area, which is subject to risk of wild fires. In these areas, additional conditions are imposed on developments to mitigate potential fire hazard. These conditions include: fuel modification plan to a depth of 170 feet surrounding the perimeter of developments, automatic fire sprinklers in all buildings, a minimum road width of 40 feet, hydrant spacing throughout the development, hydrant marker plan to ease visibility, restriction of cul-de-sac lengths, ignition resistant construction, and the proper selection of plant pallet.

According to the City's General Plan (last prepared in 2003), because of variable rainfall in the area, it is difficult to predict and plan for floods in and around the City. Any flood that occurs is expected to be short in duration, high in peak volume and high in velocity. Flood

insurance rate maps prepared by the Federal Emergency Management Agency (“FEMA”) show potential flood zones (100-year floodplain and 500-year floodplain) in the western portion of the City (between Puente Street and Brea Boulevard) and areas along Carbon Canyon Road and Carbon Canyon Regional Park. Potential flood risks are also associated with the Orange County Reservoir and nearby Carbon Canyon Dam. However, according to FEMA, flooding in the City is considered lower than other parts of the County. This can be attributed to the flood control structures that have been established in and around the area.

Insurance

The City will covenant in the Indenture to maintain insurance relating to the Water System that will afford protection in such amounts and against such risks as are usually covered in connection with public Water Systems similar to the Water System. Insurance with respect to the Water System is covered under the City’s general policies. See “WATER SYSTEM -- Insurance.” In the event of an extraordinary casualty or loss, there is no assurance that the insurance proceeds will be adequate to cover the claim. In such circumstances, the amount of Net Revenues available to pay debt service may be impacted.

Limitations on Remedies and Bankruptcy

Remedies available to the Owners may be limited by a variety of factors and may be inadequate to assure the timely payment of principal of and interest and premium, if any, on the 2019 Bonds or to preserve the tax-exempt status of interest on the 2019 Bonds.

Bond Counsel has limited its opinions as to the enforceability of the 2019 Bonds and the Indenture to the extent that enforceability may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium, or other similar laws affecting generally the enforcement of creditor’s rights, by equitable principles and by the exercise of judicial discretion. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay in the exercise of, or limitations on or modifications to, the rights of the Owners.

Enforceability of the rights and remedies of the owners of the 2019 Bonds, and the obligations incurred by the City, may become subject to the federal bankruptcy code and applicable bankruptcy, insolvency, reorganization, moratorium, or similar laws relating to or affecting the enforcement of creditor’s rights generally, now or hereafter in effect, equity principles which may limit the specific enforcement under State law of certain remedies, the exercise by the United States of America of the powers delegated to it by the Constitution, the reasonable and necessary exercise, in certain exceptional situations, of the police powers inherent in the sovereignty of the State and its governmental bodies in the interest of serving a significant and legitimate public purpose and the limitations on remedies against governmental entities in the State.

The City is a governmental unit and therefore cannot be the subject of an involuntary case under the United States Bankruptcy Code (the “Bankruptcy Code”). However, the City may seek voluntary protection from its creditors pursuant to Chapter 9 of the Bankruptcy Code for purposes of adjusting its debts. The City, upon becoming a debtor under the Bankruptcy Code, would be entitled to all of the protective provisions of the Bankruptcy Code as applicable in a Chapter 9

case. The ability, timing and amount that the Trustee or the Owners of the 2019 Bonds will be able to recover claims in such case will be subject to the uncertainty presented by such bankruptcy proceedings.

Investment of Funds

The funds and accounts held under the Indenture are required to be invested in Permitted Investments as provided under the Indenture. See “APPENDIX C – SUMMARY OF CERTAIN PROVISIONS OF INDENTURE.” All investments, including Permitted Investments, authorized by law from time to time for investments by the City contain a certain degree of risk. Such risks include, but are not limited to, a lower rate of return than expected, decline in market value and loss or delayed receipt of principal. The occurrence of these events with respect to amounts held under the Indenture could have a material adverse effect on the security for the 2019 Bonds.

Constitutional Limitations (Proposition 218); Future Initiative and Legislation

Proposition 218, which added Articles XIIC and XIID to the California Constitution, affects the City’s ability to impose future rate increases, and no assurance can be given that future rate increases will not encounter a majority protest opposition or be challenged by initiative action authorized under Proposition 218. In the event that future proposed rate increases cannot be imposed as a result of a majority protest or initiative, the City might thereafter be unable to generate Net Revenues in the amounts required by the Indenture to pay the 2019 Bonds. Notwithstanding the foregoing, the City has covenanted to effect water service rate increases as needed for compliance with its rate covenant to the maximum extent permitted by law in compliance with Proposition 218. See “CONSTITUTIONAL PROVISIONS AFFECTING WATER SYSTEM REVENUES AND EXPENDITURES.”

Other initiative measures could be adopted, affecting the City’s ability to generate revenues through property related fees, charges, taxes or otherwise, and to increase appropriations. No assurances can be given as to the potential impact of any future initiative or legislation on the finances and operations of the City.

Loss of Tax Exemption

Compliance by City. In order to maintain the exclusion of interest on the 2019 Bonds from gross income for federal income tax purposes, the City has covenanted to comply with the applicable requirements of Section 148 and certain other sections of the Tax Code, as amended, relative to arbitrage and avoidance of characterization as private activity bonds, among other things. Interest on the 2019 Bonds could become includable in gross income for purposes of federal income taxation, retroactive to the date of issuance of the 2019 Bonds as a result of acts or omissions of the City in violation of these covenants. See “CONCLUDING MATTERS – Tax Matters.”

Future Legislation or Court Decisions. Legislation affecting the tax exemption of interest on the 2019 Bonds may be considered by the United States Congress and the State legislature. Federal and state court proceedings and the outcome of such proceedings could also affect the tax exemption of interest on the 2019 Bonds. No assurance can be given that legislation enacted or proposed, or actions by a court, after the date of issuance of the 2019 Bonds will not have an

adverse effect on the tax exemption of interest on the 2019 Bonds or the market value of the 2019 Bonds.

Secondary Market

There can be no assurance that there will be a secondary market for the 2019 Bonds, or if a secondary market exists, that the 2019 Bonds can be sold for any particular price. Occasionally, because of general market conditions or because of adverse history or economic prospects connected with a particular issue, secondary marketing practices in connection with a particular issue are suspended or terminated. Additionally, pricing of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could substantially differ from the original purchase price.

CONSTITUTIONAL PROVISIONS AFFECTING WATER SYSTEM REVENUES AND EXPENDITURES

Article XIII A and Article XIII B

Pursuant to California law, any fee that exceeds the reasonable cost of providing the service for which the fee is charged is a “special tax,” which under Article XIII A of the California Constitution must be authorized by a two-thirds vote of the electorate. This requirement may be applicable to rates for water and sewer service and capacity charges, to the extent that such rates and charges exceed the reasonable costs of providing service. In addition, the California courts have determined that fees imposed as a condition of approval of a development project, such as impact fees for water or sewer service, will not be special taxes if the fees approximate the reasonable cost of constructing the related improvements contemplated by the local agency imposing the fee. Such court determinations have been codified in California Government Code Section 66005.

On November 6, 1979, California voters approved Proposition 4, the “Gann Initiative,” which added Article XIII B to the California Constitution. Under Article XIII B, state and local governmental entities have an annual “appropriations limit” and are not permitted to spend certain moneys that are called “appropriations subject to limitation” (consisting of tax revenues, state subventions, and certain other funds) in an amount higher than the “appropriations limit.” Article XIII B does not affect the appropriations of moneys that are excluded from the definition of “appropriations subject to limitation,” including debt service on indebtedness existing or authorized as of January 1, 1979, or bonded indebtedness subsequently approved by the voters. In general terms, the “appropriations limit” is to be based on certain 1978-79 expenditures and is to be adjusted annually to reflect changes in consumer prices, populations, and services provided by these entities. Among other provisions of Article XIII B, if these entities’ revenues in any tax year exceed the amounts permitted to be spent, the excess would have to be returned by revising tax rates or fee schedules over the subsequent two years. Certain expenditures are excluded from the appropriations limit, including payments of indebtedness existing or legally authorized as of January 1, 1979, or of bonded indebtedness thereafter approved by voters and payments required to comply with court or federal mandates which without discretion required an expenditure for additional services or which unavoidably make the providing of existing services more costly.

The City believes that its rates and charges for water service do not exceed the costs the City reasonably bears in providing such service, and are presently in compliance with Article XIII A and Article XIII B.

Proposition 218: Article XIII C and Article XIII D

General. On November 5, 1996, California voters approved Proposition 218, “the Right to Vote on Taxes Act.” Proposition 218 added Articles XIII C and XIII D to the California Constitution, providing certain vote requirements and other limitations on the imposition of new or increased taxes, assessments, and property-related fees and charges. The City believes that it has complied with the requirements of Proposition 218 in all material respects with respect to the adoption of the City’s current charges for Water System services.

Article XIII C. Article XIII C provides that a local government may not impose, extend, or increase local taxes until such taxes are submitted to the electorate for approval. General taxes, imposed, extended, or increased for general governmental purposes of the city, require a majority vote and special taxes, imposed, extended, or increased for specific purposes, require a two-thirds vote. In addition, Article XIII C provides that the constitutional initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local taxes, assessments, fees, and charges. This provision with respect to the initiative power is not limited to taxes, assessments, fees, and charges imposed on or after November 6, 1996, the effective date of Proposition 218. However, on July 1, 1997, a bill was signed into law by the Governor of the State enacting Government Code Section 5854, which states: “Section 3 of Article XIII C of the California Constitution, as adopted at the November 5, 1996 general election, shall not be construed to mean that any owner or beneficial owner of a municipal security, purchased before or after that date, assumes the risk of, or in any way consents to, any action by initiative measure that constitutes an impairment of contractual rights protection by Section 10 of Article I of the United States Constitution.” Government Code Section 5854 appears to limit the voters’ power to repeal or reduce Water System fees and charges if such reduction would interfere with the City’s payment of the 2019 Bonds. If Government Code Section 5854 becomes the subject of a challenge, however, no guarantee can be made that the courts will agree with such interpretation.

Article XIII D. Article XIII D imposes various procedural and substantive requirements on local governments that levy an “assessment,” “fee,” or “charge.” Article XIII D defines “fees” or “charges” as “any levy other than an ad valorem tax, a special tax, or an assessment imposed by a [local government] upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service.” “Property related service” means a public service having a direct relationship to property ownership (property ownership includes tenancies where tenants are directly liable to pay the fee or charge). In particular, a fee or charge (i) may not exceed the funds required to provide the property related service, (ii) may not be used for any purpose other than that for which the fee or charge was imposed, (iii) may not exceed the proportional cost of the service attributable to the parcel, (iv) may not be imposed for a service unless that service is actually used by, or is immediately available to, the owner of the property in question, and (v) may not be imposed for general governmental services.

In addition, before any property related fee or charge may be imposed or increased, the local government agency must provide mailed notice 45 days in advance of a hearing regarding

the proposed imposition or increase, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the local government agency may not impose or increase the fee or charge. Moreover, except for fees or charges for water, wastewater, and refuse collection services (or fees for electrical and gas service, which are expressly exempted from Proposition 218), no property related fee or charge may be imposed or increased without a majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two-thirds approval by those residing in the affected area and voting in the election. Article XIID states that, beginning July 1, 1997, all fees or charges must comply with its provisions.

The City believes that it has complied with the procedural and substantive requirements of Proposition 218 with respect to the Water System services charges that it currently imposes. The ability of the City to comply with the covenants in the Indenture, including the rate covenant described under “SECURITY FOR BONDS – Rate Covenants,” in connection with the levy and collection of Water System service charges could be adversely affected by actions taken or not taken by voters, property owners or other persons obligated to pay Water System service charges.

Future Initiatives

Articles XIII A, XIII B, XIII C and XIII D of the California Constitution were each adopted as measures that qualified for the ballot pursuant to the State’s initiative process. From time to time, other initiative measures could be adopted, further affecting the Water System revenues or the City’s ability to expend such revenues.

CONCLUDING MATTERS

No Litigation Affecting 2019 Bonds

To the City’s knowledge, there is no litigation pending or threatened to restrain or enjoin the execution or delivery of the Indenture, the issuance of the 2019 Bonds, or to contest the validity of the 2019 Bonds or any proceedings of the City with respect thereto. In the opinion of the City, there is no lawsuit or claim pending against the City that will materially impair the City’s ability to enter into the Indenture or restrain or enjoin the collection of Net Revenues of the Water System as contemplated in the Indenture.

Continuing Disclosure

The City has undertaken in a continuing disclosure certificate (the “Continuing Disclosure Certificate”) for the benefit of Owners and beneficial owners of the 2019 Bonds to provide certain financial information relating to the City and other data relating to the Water System by not later than nine months after the close of each fiscal year (which currently would be March 31, with the fiscal year ending on each June 30), commencing with the report for the 2018-19 fiscal year (the “Annual Report”), and to provide notices of the occurrence of certain enumerated events. The Annual Report and notices will be filed by the City or The Bank of New York Mellon Trust Company, as the Dissemination Agent on behalf of the City, with the Municipal Securities Rulemaking Board (the “MSRB”), via its Electronic Municipal Market Access (“EMMA”) system. The specific nature of the information to be contained in the Annual Report or the notices of material events is set forth in “APPENDIX E – FORM OF CONTINUING DISCLOSURE CERTIFICATE.” This undertaking has been made in order to assist the Underwriter in complying

with Rule 15c2-12(b)(5) (the “Rule”) promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended.

A failure by the City to comply with the provisions of the Continuing Disclosure Certificate is not an event of default under the Indenture (although the Owners and beneficial owners of the 2019 Bonds do have remedies at law and in equity). However, a failure to comply with the provisions of the Continuing Disclosure Certificate must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the 2019 Bonds. Therefore, a failure by the City to comply with the provisions of the Continuing Disclosure Certificate may adversely affect the marketability of the 2019 Bonds on the secondary market.

Before the printing of this Official Statement, an independent examination (the “Examination”) of the City’s continuing disclosure filings during the five years ending June 28, 2019, was made. The Examination found that: (i) a notice for a 2014 rating upgrade of bonds relating to a City CFD was filed in 2017, (ii) the audited financial statements and certain other information pertaining to fiscal years 2015-16, 2016-17 and 2017-18 annual reports for multiple bond issues were filed after the applicable deadlines, and (iii) with respect to the fiscal year 2018-19 annual reports for certain lease revenues bonds, a summary of the General Fund budget was missing and, additionally, a “Page 2” was missing from the EMMA posting. [Before the printing of this Official Statement, the City has re-filed such 2018-19 annual reports with the previously missing information.]

The City has taken steps to ensure future compliance with its continuing disclosure obligations in a timely manner. Before the printing of this Official Statement, the City Council adopted Resolution No. 2019-046, which among other things, approved a set of continuing disclosure procedures.

Legal Matters

All of the legal proceedings in connection with the authorization and issuance of the 2019 Bonds are subject to the approval of Jones Hall, A Professional Corporation, Bond Counsel. Bond Counsel’s final approving opinion with respect to the 2019 Bonds will be substantially in the form set forth in Appendix E of this Official Statement. Certain matters with respect to this Official Statement will be considered on behalf of the City by Richards, Watson & Gershon, A Professional Corporation, in its capacity as Disclosure Counsel. Certain legal matters will also be passed upon for the City by Richards, Watson & Gershon, in its capacity as City Attorney. Certain legal matters will also be passed upon for the Underwriter, by Stradling Yocca Carlson & Rauth, a Professional Corporation, as Underwriter’s Counsel.

Tax Matters

Federal Tax Status. In the opinion of Jones Hall, A Professional Law Corporation, San Francisco, California, Bond Counsel, subject, however to the qualifications set forth below, under existing law, the interest on the 2019 Bonds is excluded from gross income for federal income tax purposes and such interest is not an item of tax preference for purposes of the federal alternative minimum tax, although, in the case of tax years beginning prior to January 1, 2018, for the purpose

of computing the alternative minimum tax imposed on certain corporations, such interest earned by a corporation prior to the end of its tax year in 2018 is taken into account in determining certain income and earnings.

The opinions set forth in the preceding paragraph are subject to the condition that the City comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Tax Code") relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the 2019 Bonds. The City has made certain representations and covenants in order to comply with each such requirement. Inaccuracy of those representations, or failure to comply with certain of those covenants, may cause the inclusion of such interest in gross income for federal income tax purposes, which may be retroactive to the date of issuance of the 2019 Bonds.

Tax Treatment of Original Issue Discount and Premium. If the initial offering price to the public at which a 2019 Bond is sold is less than the amount payable at maturity thereof, then such difference constitutes "original issue discount" for purposes of federal income taxes and State of California personal income taxes. If the initial offering price to the public at which a 2019 Bond is sold is greater than the amount payable at maturity thereof, then such difference constitutes "original issue premium" for purposes of federal income taxes and State of California personal income taxes. De minimis original issue discount and original issue premium are disregarded.

Under the Tax Code, original issue discount is treated as interest excluded from federal gross income and exempt from State of California personal income taxes to the extent properly allocable to each owner thereof subject to the limitations described in the first paragraph of this section. The original issue discount accrues over the term to maturity of the 2019 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). The amount of original issue discount accruing during each period is added to the adjusted basis of such 2019 Bonds to determine taxable gain upon disposition (including sale, redemption, or payment on maturity) of such 2019 Bond. The Tax Code contains certain provisions relating to the accrual of original issue discount in the case of purchasers of the 2019 Bonds who purchase the 2019 Bonds after the initial offering of a substantial amount of such maturity. Owners of such 2019 Bonds should consult their own tax advisors with respect to the tax consequences of ownership of 2019 Bonds with original issue discount, including the treatment of purchasers who do not purchase in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Under the Tax Code, original issue premium is amortized on an annual basis over the term of the 2019 Bond (said term being the shorter of the 2019 Bond's maturity date or its call date). The amount of original issue premium amortized each year reduces the adjusted basis of the owner of the 2019 Bond for purposes of determining taxable gain or loss upon disposition. The amount of original issue premium on a 2019 Bond is amortized each year over the term to maturity of the 2019 Bond on the basis of a constant interest rate compounded on each interest or principal payment date (with straight-line interpolations between compounding dates). Amortized 2019 Bond premium is not deductible for federal income tax purposes. Owners of premium 2019 Bonds, including purchasers who do not purchase in the original offering, should consult their own tax advisors with respect to State of California personal income tax and federal income tax consequences of owning such 2019 Bonds.

California Tax Status. In the opinion of Bond Counsel, interest on the 2019 Bonds is exempt from California personal income taxes.

Other Tax Considerations.

Current and future legislative proposals, if enacted into law, clarification of the Tax Code or court decisions may cause interest on the 2019 Bonds to be subject, directly or indirectly, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent beneficial owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals, clarification of the Tax Code or court decisions may also affect the market price for, or marketability of, the 2019 Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, such legislation would apply to bonds issued prior to enactment.

The opinions expressed by Bond Counsel are based upon existing legislation and regulations as interpreted by relevant judicial and regulatory authorities as of the date of such opinion, and Bond Counsel has expressed no opinion with respect to any proposed legislation or as to the tax treatment of interest on the 2019 Bonds, or as to the consequences of owning or receiving interest on the 2019 Bonds, as of any future date. Prospective purchasers of the 2019 Bonds should consult their own tax advisors regarding any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

Owners of the 2019 Bonds should also be aware that the ownership or disposition of, or the accrual or receipt of interest on, the 2019 Bonds may have federal or state tax consequences other than as described above. Other than as expressly described above, Bond Counsel expresses no opinion regarding other federal or state tax consequences arising with respect to the 2019 Bonds, the ownership, sale or disposition of the 2019 Bonds, or the amount, accrual or receipt of interest on the 2019 Bonds.

Form of Bond Counsel Opinion. At the time of issuance of the 2019 Bonds, Bond Counsel expects to deliver an opinion for the 2019 Bonds in substantially the form set forth in Appendix E.

Municipal Advisor

The City has retained Fieldman, Rolapp & Associates, Inc., Irvine, California, as municipal advisor (the “Municipal Advisor”) in connection with the issuance of the 2019 Bonds. The Municipal Advisor has not undertaken to make an independent verification or to assume responsibility for the accuracy, completeness, or fairness of the information contained in this Official Statement. The Municipal Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other securities public or otherwise.

Underwriting

Pursuant to a bond purchase contract (the “Purchase Contract”), Stifel, Nicolaus & Company, Incorporated, the Underwriter, has agreed, subject to certain conditions, to purchase the 2019 Bonds at a purchase price of \$_____ (which is equal to the principal amount of the 2019 Bonds, [plus/net] a net original issue [premium/discount] of \$_____, and less an Underwriter’s

discount of \$_____). The Purchase Contract provides that the Underwriter will purchase all of the 2019 Bonds if any are purchased. The obligation of the Underwriter to make such purchase is subject to certain terms and conditions set forth in the Purchase Contract. The Underwriter intends to offer the 2019 Bonds to the public initially at the prices set forth on the inside cover of this Official Statement, which prices may subsequently change without any requirement of prior notice.

Rating

S&P Global Ratings (“S&P”) has assigned a rating of “__” to the 2019 Bonds. S&P’s rating reflects only the views of S&P and any explanation of the significance of such ratings may be obtained from S&P. There is no assurance that such rating will continue for any given period of time or that such rating will not be revised downward, suspended or withdrawn entirely, if in S&P’s judgment, circumstances so warrant. Other than as described in the Continuing Disclosure Certificate, the City takes no responsibility regarding either to bring to the attention of the Owners of the 2019 Bonds any revision, suspension or withdrawal of such rating or to oppose any such revision or withdrawal. Any such downward, suspension, revision or withdrawal of the ratings may have an adverse effect on the market price of the 2019 Bonds.

Miscellaneous

All of the preceding description and summaries of the 2019 Bonds, the Indenture, other applicable agreements, legislation and other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the City for further information in connection therewith.

This Official Statement does not constitute a contract with the purchasers of the 2019 Bonds. Any statements made in this Official Statement involving matters of opinion or of estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of the estimates will be realized.

The City has duly authorized the execution and delivery of this Official Statement by its officer.

CITY OF BREA

By: _____
City Manager

APPENDIX A

SUPPLEMENTAL INFORMATION ABOUT CITY OF BREA

This Appendix is included solely to provide background and demographic information regarding the City. The City's obligation to pay the 2019 Bonds is a special obligation limited solely to the Net Revenues of the Water System. No other funds or property of the City shall be liable for the payment of the 2019 Bonds or any other amounts payable under the Indenture.

Geography

The City encompasses 11.2 square miles and is located at the northern end of Orange County (the "County"), just south of the Los Angeles County line. It is approximately 25 miles southeast of downtown Los Angeles, 15 miles north of Santa Ana, the County Seat, and 22 miles inland of the Pacific Ocean. Neighboring communities include Fullerton, Placentia, La Habra and Yorba Linda.

Municipal Government

The City, a general law city, was incorporated in 1917, the eighth city in the County. The City has a Council-Manager form of municipal government. The City Council appoints the City Manager who is responsible for the day-to-day administration of City business and the coordination of all departments of the City. The City Council is composed of five members elected every two years at large to four-year alternating terms. The Mayor is selected by the City Council from among its members. As of June 18, 2019, the City had approximately 280 full-time employees. On June 20, 2019, the City Council adopted Resolution No. 2019-049 declaring the intent to transition to district-based elections after receipt of the 2020 Census results (which results are currently expected to be released by the U.S. Census Bureau in spring 2021).

Population

The following table shows the estimated population growth for the City, the County and the State of California for the years shown.

City of Brea City, County and State Population Growth⁽¹⁾ Calendar Years 2000, 2010 and 2015 through 2019

Calendar Year	City of Brea	% Change from Prior Period	County of Orange	% Change from Prior Period	State of California	% Change from Prior Period
2000	35,176	--	2,831,799	--	33,721,583	--
2010	39,259	11.61%	3,008,855	6.25%	37,223,900	10.39%
2015	43,414	10.58	3,155,578	4.88	38,952,462	4.64
2016	43,821	0.94	3,174,945	0.61	39,214,803	0.67
2017	44,468	1.48	3,199,509	0.77	39,504,609	0.74
2018	44,539	0.16	3,213,275	0.43	39,740,508	0.60
2019	45,606	2.40	3,222,498	0.29	39,927,315	0.47

(1) As of January 1 of each year, with 2010 census benchmark.

Source: State of California Department of Finance.

City's Taxable Valuation

Below is a summary of the City's taxable valuation for the fiscal years set forth below. These figures are presented for historical comparison, with reference only to the time frame of the years shown.

City of Brea Assessed Values of All Taxable Property Fiscal Years 2014-15 through 2018-19

Fiscal Year	Residential Property	Commercial Property	Industrial Property	Other Property ⁽¹⁾	Total Taxable Assessed Value ⁽²⁾	Percent Change
2014-15	\$4,377,268,712	\$1,580,151,775	\$1,167,513,932	\$826,734,462	\$7,951,668,881	6.76%
2015-16	4,945,219,822	1,670,210,797	1,168,849,914	740,725,273	8,525,005,806	7.21
2016-17	5,359,064,633	1,725,644,969	1,264,334,778	775,342,859	9,124,387,239	7.03
2017-18	5,598,174,721	1,844,339,813	1,437,177,754	774,675,165	9,654,367,453	5.81
2018-19	N/A	N/A	N/A	N/A	10,286,668,026	6.55

(1) Other property includes recreational, institutional, vacant, and miscellaneous property.

(2) Tax-exempt property is excluded from the total taxable assessed value.

Source: Fiscal years 2014-15 through 2017-18 information from City of Brea Comprehensive Annual Financial Reports, for years ended June 30, 2018; based on information from Orange County Assessor; fiscal year 2018-19 assessed value from Orange County Auditor-Controller.

Construction Activity

The table below shows the number of construction permits issued in the City and the related values for the years shown.

City of Brea Construction Permits Calendar Years 2014-2018

Calendar Year	No. of Permits Issued	Percent Change	Estimated Valuation	Percent Change
2014	2,189	23.81%	\$101,885,541	37.32%
2015	2,486	13.57	166,698,338	63.61
2016	2,117	-14.84	126,779,527	-23.95
2017	1,197	-43.46	145,792,928	14.99
2018	1,304	8.94	69,051,322	-52.64

Source: City of Brea Development Services Department.

The fluctuation in building permits issued often reflects large scale tract development which is cyclical and, given the City's size (approximately 11 square miles), occurs intermittently.

Employment

According to the State of California Employment Development Department, the [May] 2019 preliminary, estimated unemployment rates for the City, the County and the State were [2.3] percent, [2.4] percent and [3.5] percent, respectively. The following table shows certain employment statistics for the City and the County for calendar years shown:

City of Brea City, County and State Employment Statistics Calendar Years 2014 through 2018⁽¹⁾

Year	City			County	State
	Labor Force	Employed	Unemployment Rate	Unemployment Rate	Unemployment Rate
2014	21,800	20,600	5.3%	5.5%	7.5%
2015	22,000	21,100	4.3	4.5	6.2
2016	22,200	21,300	3.9	4.0	5.4
2017	21,900	21,100	3.3	3.5	4.8
2018	22,800	22,100	2.9	2.9	4.2

(1) Not seasonally adjusted. March 2018 benchmark.

Source: State of California, Employment Development Department.

The following table lists the major employers within the City and their estimated number of employees:

**City of Brea
Top Ten Employers
as of June 18, 2019**

Company	Product or Service	Estimated No. of Employees
Mercury Insurance Group	insurance services	1,675
Bank of America	financial services	1,500
Albertson's, Inc.	retail – grocer	1,335
Beckmans Coulter, Inc.	manufacturing - biomedical instruments	1,000
Kirkhill - TA Company	manufacturing - aircraft parts	779
Brea Olinda Unified School District	public agency	709
Bristol Industries	manufacturing - machinery components	413
City of Brea	public agency	401
Nationwide, formerly Veterinary Pet Insurance	insurance services	400
Nordstrom Department Stores	retail	352

Source: City of Brea.

Median Household Income

The following table shows the estimated median household income for the City, the County, the State and the United States for the years shown.

**City of Brea, Orange County, California and the United States
Estimated Median Household Income
Calendar Years 2013 through 2017**

Year	City	County	State	U.S.
2013	\$79,124	\$75,422	\$61,094	\$53,046
2014	81,857	75,998	61,489	53,482
2015	83,717	76,509	61,818	53,889
2016	85,555	78,145	63,783	55,322
2017	90,214	81,851	67,169	57,652

Source: U.S. Census Bureau, 2013-2017 American Community Survey 5-Year Estimates.

Commercial Activity

The following table summarizes the annual volume of taxable transactions within the City for the calendar years shown.

City of Brea
Taxable Transactions
Calendar Years 2012 through 2016
(in Thousands of Dollars)

	2012	2013	2014	2015 ⁽¹⁾	2016 ⁽¹⁾
Retail and food services					
Motor vehicle and parts dealers	\$27,932	\$45,182	\$59,035	\$67,309	\$79,555
Home furnishings and appliances	51,740	59,143	58,504	57,973	54,983
Bldg matrl and garden equip and supplies	106,278	113,833	109,130	120,608	125,790
Food and beverage stores	41,187	43,479	44,995	46,580	56,114
Gasoline stations	102,184	101,912	95,707	81,127	66,836
Clothing and clothing accessories stores	287,305	293,004	290,140	296,032	281,477
General merchandise stores	203,886	204,457	204,562	204,043	198,845
Food services & drinking places	196,966	205,803	211,174	226,712	240,418
Other retail group	148,812	151,942	154,233	153,322	150,909
Subtotal⁽²⁾	\$1,166,290	\$1,218,754	\$1,227,480	\$1,253,706	\$1,254,928
All Other Outlets	469,349	487,873	488,917	534,145	526,511
All Outlets⁽²⁾	<u>\$1,635,639</u>	<u>\$1,706,627</u>	<u>\$1,716,397</u>	<u>\$1,787,851</u>	<u>\$1,781,439</u>

(1) Beginning in 2015, the outlet counts show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 and 2016 are not comparable to that of prior years.

(2) Detail may not compute to total due to rounding.

Source: Compiled from data published by State of California Board of Equalization.

Transportation

The City is well served by area transportation routes. The Orange Freeway (State Highway 57), a major north-south corridor, crosses centrally through the City. The City is also within minutes of the Pomona Freeway (State Route 60), the Riverside Freeway (State Route 91) and the Santa Ana Freeway (Interstate 5). The City is close to several airports: Orange County Airport (17 miles from the City), Ontario Airport (25 miles from the City) and LAX (48 miles from the City). An Amtrak/Metrolink station located approximately five miles from the City provides passenger rail access. The Orange County Transportation Authority operates a regional bus system with routes that serves the City and other areas throughout the County.

Public Utilities

Electrical service is provided by Southern California Edison. Southern California Gas provides natural gas.

As discussed in the forepart of this Official Statement, water services are provided by the City's Water Department. The City's drinking water is a blend of surface water imported by the Metropolitan Water District of Southern California and ground water imported from California Domestic Water Company in Whittier. Metropolitan's imported water sources are the Colorado

River and the State Water Project, which draws water from the San Francisco-San Joaquin Bay Delta. California Domestic water originates from the San Gabriel Basin.

Sewer services are provided by the City's Maintenance Services Department, which maintains over 108 miles of sewer main lines. The sewer distribution system flows into Orange County Sanitation District trunk system until it is treated at their secondary treatment facility in Fountain Valley. Trash collection services are provided by the City through Brea Disposal, a private contractor.

Education

The City's students are served by the Brea Olinda Unified School District presided over by a separately elected board. The system includes six elementary schools, one junior high school, one high school and one alternative high school. Brea-Olinda High School has a professional performing arts center and complete athletic facilities. The City also has several private pre-schools, two Christian schools and a Roman Catholic school serving grades K-8. Colleges, universities and a number of technical and vocational schools are located in and around Brea. California State University, Fullerton College, Pacific Christian College, Hope University, an optometry school and a law school are located in nearby Fullerton, and the University of California at Irvine, Chapman College, and Cal Poly Pomona are within easy freeway access.

Community Facilities

St. Jude Medical Center in Fullerton and Placentia-Linda Hospital in Placentia are full-service hospitals that are located within five miles of the City.

The City maintains parks and recreation facilities within its boundaries. The Brea Community Services Department coordinates park activities and the City owns Brea Creek Golf Course, operated by the Chapman Investment Company in partnership with Billy Casper Golf.

The City has senior and family resource center operated by the City with participation by charitable, non-profit corporations.

Public Safety

Law enforcement services are provided by the Brea Police Department which provides full services to the City. Fire services are provided by the Brea Fire Services Department, which has three fire stations and one annex located throughout the City.

Street and highway maintenance is provided for under the supervision of the City's Maintenance Services Department.

Building inspection and code enforcement services are provided by the City.

APPENDIX B

**CITY OF BREA COMPREHENSIVE ANNUAL FINANCIAL REPORT
FOR YEAR ENDED JUNE 30, 2018**

APPENDIX C

SUMMARY OF CERTAIN PROVISIONS OF INDENTURE

APPENDIX D

FORM OF OPINION OF BOND COUNSEL

Upon issuance and delivery of the 2019 Bonds, Bond Counsel proposes to render its final approving opinion in substantially the following form:

[Delivery Date]

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”), dated _____, 2019, is executed and delivered by the City of Brea (the “City”) in connection with the City’s issuance of its \$_____ 2019 Water Revenue Refunding Bonds (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of August 1, 2019, by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Proceeds of the Bonds will be used to finance capital projects of the City’s Water System.

The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Official Statement (defined below, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean initially The Bank of New York Mellon Trust Company, N.A., or any successor Dissemination Agent designated in writing by the City and which has filed with the City and the Trustee a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system located at <http://www.emma.msrb.org>, as the centralized on-line repository for municipal disclosure documents to be filed with the MSRB pursuant to the Rule, or such other successor repository site as prescribed by the MSRB.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any successor thereto.

“Official Statement” shall mean the final Official Statement, dated _____, 2019, relating to the Bonds.

“Participating Underwriter” shall mean Stifel, Nicolaus & Company, Incorporated, as the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2 12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

Section 3. Provisions of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, no later than nine months after the close of the City’s fiscal year (which currently will be March 31 of each year based on a June 30 end of fiscal year), commencing with the report for the 2018-19 fiscal year, provide to the MSRB, via EMMA, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than 15 business days prior to the date specified in subsection (a) above for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the first sentence of this subsection (b). If requested by the Dissemination Agent, the City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the City and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall in a timely manner send a notice to the MSRB, in such form as prescribed or acceptable to MSRB.

(d) The Dissemination Agent (if other than the City) shall, if and to the extent, the City has provided an Annual Report in final form to the Dissemination Agent for dissemination, file a report with the City certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City’s Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the City for the most recently completed fiscal year. Such audited financial statements shall be prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, as may be further modified by applicable state law. If such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the audited financial statements customarily used by the City, and

the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed pursuant to the preceding subsection (a) by the date required by Section 3 hereof:

(i) the then currently outstanding principal amount of the Bonds;

(ii) a list of other Parity Debt issued and then currently outstanding and the respective principal amounts;

(iii) to the extent that the City has modified any of the Water System service charges since the last Annual Report, an updated Table 6 of the Official Statement reflecting the modified charges;

(iv) Monthly charges paid by a typical single family residence, substantially in the form of Table 7 of the Official Statement, updated based on the charges in effect as of the end of the most recently completed fiscal year;

(v) Water System service charge revenues for the most recently completed fiscal year, substantially in the form of Table 12 of the Official Statement;

(vi) A table, substantially in the form of Table 13 of the Official Statement, showing the top ten customers (by service charge revenues) of the most recently completed fiscal year; and

(vii) Historical debt service coverage for the most recently completed fiscal year, substantially in the form of Table 17 of the Official Statement.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the City shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

Any or all of the items listed above for inclusion in the Annual Report may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been available to the public on EMMA or filed with the SEC. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given to the MSRB, via EMMA, notice of the occurrence of any of the following Listed Events with respect to the Bonds, which notice shall be given in a timely manner, not in excess of ten business days after the occurrence of such Listed Event:

(1) Principal and interest payment delinquencies;

- (2) Non-payment related defaults, if material;
- (3) Unscheduled draws on debt service reserves reflecting financial difficulties; provided, it is hereby acknowledged that, at the issuance date of the Bonds, there is no debt service reserve established or required under the governing documents for the Bonds;
- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Bond owners, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or its Water System or the sale of all or substantially all of the assets of the City or its Water System, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and

- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(For Listed Events listed in Section 5(a)(15) and (16), “financial obligation” has such meaning as set forth in the Rule which, as of the date of this Disclosure Certificate, includes: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); provided that municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule is not a “financial obligation” for this purpose.)

(b) The Dissemination Agent shall, within one business day after obtaining knowledge of the occurrence of any of the events listed in Section 5(a) (1), (3), (4), (5), (6), (9), (11), (12) or (16), or (8) with respect to tender offers, inform the City of the occurrence of such event. In any case, as soon as reasonably practicable after obtaining knowledge of the occurrence of such event, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

(c) The Dissemination Agent shall, within one business day after obtaining knowledge of the occurrence of any of the events listed in Section 5(a) (2), (7), (10), (13), (14), (15) or (8) with respect to bond calls, inform the City of the occurrence of such event and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). So long as the Trustee also serves as the Dissemination Agent, “knowledge” means the actual knowledge at the corporate trust office of the Trustee by an officer of the Trustee with responsibility for matters related to the administration of the Indenture. The Dissemination Agent shall have no responsibility to determine the materiality of any of the listed events.

(d) Whenever the City obtains knowledge of the occurrence of any event specified in Section 5(a) (2), (7), (10), (13), (14), (15) or (8) with respect to bond calls, the City shall as soon as possible, in order to meet the ten business day deadline to file notices required under the Rule and pursuant to the following sentence, determine if such event would be material under applicable Federal securities law. If the City determines that knowledge of the occurrence of such event would be material under applicable Federal securities law, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section

5(b); provided, that this requirement shall be deemed satisfied by the filing of a notice of defeasance or full redemption pursuant to Section 5(b).

Section 7. Dissemination Agent. The initial Dissemination Agent shall be The Bank of New York Mellon Trust Company, N.A. From time to time, the City may appoint a different Dissemination Agent to assist it in carrying out its obligations (or designate itself as the Dissemination Agent) under this Disclosure Certificate. The Dissemination Agent may resign by providing 30 days written notice to the City and the Trustee. The City may replace the Dissemination Agent with or without cause.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver affecting the Bonds either (i) is approved by holders of the affected Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of such Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. For purposes of this paragraph, “impact” has the meaning as that word is used in the letter from the staff of the Securities and Exchange Commission to the National Association of Bond Lawyers dated June 23, 1995.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB in the same manner as for a Listed Event under Section 5(b).

No amendment to this Agreement which modifies the duties or rights of the Dissemination Agent shall be made without the prior written consent of the Dissemination Agent.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. So long as the Dissemination Agent is also the Trustee under the Indenture, the Dissemination Agent shall be entitled to the protections and limitations from the liability afforded to the Trustee under Article VI of the Indenture. Solely for such purpose, so long as the Dissemination Agent is also the Trustee under the Indenture, Article VI of the Indenture is incorporated in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of the disclosure of information pursuant to this Disclosure Certificate or arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent (acting in such capacity and not as Trustee or any other role) shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent (if different than the City) shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Owners, or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the City or an opinion of nationally recognized bond counsel. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the City has caused its duly authorized officer to execute and deliver this Certificate on the date first written above.

CITY OF BREA

By: _____
[Title]

The undersigned hereby agrees to act as
Dissemination Agent pursuant to the
foregoing Continuing Disclosure Certificate

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

By: _____

Title: _____

APPENDIX F

DTC'S BOOK-ENTRY ONLY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the City believes to be reliable, but the City takes no responsibility for the accuracy thereof. The City give no assurances that (i) DTC, the Direct and Indirect Participants or others will distribute payments of principal, premium (if any) or interest with respect to the 2019 Bonds paid to DTC or its nominee as, the registered owner, to the Beneficial Owners, (ii) such entities will distribute redemption notices or other notices, to the Beneficial Owners, or (iii) an error or delay relating thereto will not occur.

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the 2019 Bonds. The 2019 Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the 2019 Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating: AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 2019 Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the 2019 Bonds on DTC's records. The ownership interest of each actual purchaser of each 2019 Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive

written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the 2019 Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the 2019 Bonds, except in the event that use of the book-entry system for the 2019 Bonds is discontinued.

To facilitate subsequent transfers, all 2019 Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of 2019 Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the 2019 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time.

Redemption notices shall be sent to DTC. If less than all of the 2019 Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the 2019 Bonds unless authorized by a Direct Participant in accordance with DTC's MMD Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the City as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the 2019 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Principal, premium (if any) and interest payments on the 2019 Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the City or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the City or the Trustee, subject to any statutory or regulatory requirements as may be in effect from time to time. Principal, premium (if any) and interest payments with respect to the 2019 Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the City or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC,

and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the 2019 Bonds at any time by giving reasonable notice to the City or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, 2019 Bond certificates are required to be printed and delivered.

The City may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, 2019 Bond certificates will be printed and delivered in accordance with the provisions of the Indenture.

APPENDIX F

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate (the “Disclosure Certificate”), dated _____, 2019, is executed and delivered by the City of Brea (the “City”) in connection with the City’s issuance of its \$_____ 2019 Water Revenue Refunding Bonds (the “Bonds”). The Bonds are being issued pursuant to an Indenture of Trust, dated as of August 1, 2019, by and between the City and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Trustee”). Proceeds of the Bonds will be used to finance capital projects of the City’s Water System.

The City covenants and agrees as follows:

Section 1. Purpose of the Disclosure Certificate. This Disclosure Certificate is being executed and delivered by the City for the benefit of the holders and beneficial owners of the Bonds and in order to assist the Participating Underwriter in complying with the Rule (as defined below).

Section 2. Definitions. In addition to the definitions set forth in the Official Statement (defined below, which apply to any capitalized term used in this Disclosure Certificate, unless otherwise defined in this Section, the following capitalized terms shall have the following meanings:

“Annual Report” shall mean any Annual Report provided by the City pursuant to, and as described in, Sections 3 and 4 of this Disclosure Certificate.

“Dissemination Agent” shall mean initially The Bank of New York Mellon Trust Company, N.A., or any successor Dissemination Agent designated in writing by the City and which has filed with the City and the Trustee a written acceptance of such designation.

“EMMA” shall mean the Electronic Municipal Market Access system located at <http://www.emma.msrb.org>, as the centralized on-line repository for municipal disclosure documents to be filed with the MSRB pursuant to the Rule, or such other successor repository site as prescribed by the MSRB.

“Listed Events” shall mean any of the events listed in Section 5(a) of this Disclosure Certificate.

“MSRB” shall mean the Municipal Securities Rulemaking Board or any successor thereto.

“Official Statement” shall mean the final Official Statement, dated _____, 2019, relating to the Bonds.

“Participating Underwriter” shall mean Stifel, Nicolaus & Company, Incorporated, as the original underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

“Rule” shall mean Rule 15c2 12(b)(5) adopted by the SEC under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“SEC” shall mean the United States Securities and Exchange Commission.

Section 3. Provisions of Annual Reports.

(a) The City shall, or shall cause the Dissemination Agent to, no later than nine months after the close of the City’s fiscal year (which currently will be March 31 of each year based on a June 30 end of fiscal year), commencing with the report for the 2018-19 fiscal year, provide to the MSRB, via EMMA, an Annual Report which is consistent with the requirements of Section 4 of this Disclosure Certificate. The Annual Report may be submitted as a single document or as separate documents comprising a package, and may include by reference other information as provided in Section 4 of this Disclosure Certificate; provided that the audited financial statements of the City may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if not available by that date. If the City’s fiscal year changes, it shall give notice of such change in the same manner as for a Listed Event under Section 5(b).

(b) Not later than 15 business days prior to the date specified in subsection (a) above for providing the Annual Report to the MSRB, the City shall provide the Annual Report to the Dissemination Agent (if other than the City). If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the City to determine if the City is in compliance with the first sentence of this subsection (b). If requested by the Dissemination Agent, the City shall provide a written certification with each Annual Report furnished to the Dissemination Agent to the effect that such Annual Report constitutes the Annual Report required to be furnished by it hereunder. The Dissemination Agent may conclusively rely upon such certification of the City and shall have no duty or obligation to review such Annual Report.

(c) If the Dissemination Agent is unable to verify that an Annual Report has been provided to the MSRB by the date required in subsection (a), the Dissemination Agent shall in a timely manner send a notice to the MSRB, in such form as prescribed or acceptable to MSRB.

(d) The Dissemination Agent (if other than the City) shall, if and to the extent, the City has provided an Annual Report in final form to the Dissemination Agent for dissemination, file a report with the City certifying that the Annual Report has been provided to the MSRB pursuant to this Disclosure Certificate, and stating the date it was provided.

Section 4. Content of Annual Reports. The City’s Annual Report shall contain or incorporate by reference the following:

(a) The audited financial statements of the City for the most recently completed fiscal year. Such audited financial statements shall be prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board, as may be further modified by applicable state law. If such audited financial statements are not available by the time the Annual Report is required to be filed pursuant to Section 3(a), the Annual Report shall contain unaudited financial statements in a format similar to the audited financial statements customarily used by the City, and

the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) To the extent not contained in the audited financial statements filed pursuant to the preceding subsection (a) by the date required by Section 3 hereof:

(i) the then currently outstanding principal amount of the Bonds;

(ii) a list of other Parity Debt issued and then currently outstanding and the respective principal amounts;

(iii) to the extent that the City has modified any of the Water System service charges since the last Annual Report, an updated Table 6 of the Official Statement reflecting the modified charges; and

(iv) Water System service charge revenues for the most recently completed fiscal year, substantially in the form of Table 12 of the Official Statement.

(v) Historical debt service coverage for the most recently completed fiscal year, substantially in the form of Table 17 of the Official Statement.

(c) In addition to any of the information expressly required to be provided under paragraphs (a) and (b) of this Section, the City shall provide such further information, if any, as may be necessary to make the specifically required statements, in light of the circumstances under which they are made, not misleading.

Any or all of the items listed above for inclusion in the Annual Report may be included by specific reference to other documents, including official statements of debt issues of the City or related public entities, which have been available to the public on EMMA or filed with the SEC. The City shall clearly identify each such other document so included by reference.

Section 5. Reporting of Significant Events.

(a) Pursuant to the provisions of this Section 5, the City shall give, or cause to be given to the MSRB, via EMMA, notice of the occurrence of any of the following Listed Events with respect to the Bonds, which notice shall be given in a timely manner, not in excess of ten business days after the occurrence of such Listed Event:

(1) Principal and interest payment delinquencies;

(2) Non-payment related defaults, if material;

(3) Unscheduled draws on debt service reserves reflecting financial difficulties; provided, it is hereby acknowledged that, at the issuance date of the Bonds, there is no debt service reserve established or required under the governing documents for the Bonds;

- (4) Unscheduled draws on credit enhancements reflecting financial difficulties;
- (5) Substitution of credit or liquidity providers, or their failure to perform;
- (6) Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the Bonds;
- (7) Modifications to rights of Bond owners, if material;
- (8) Bond calls, if material, and tender offers;
- (9) Defeasances;
- (10) Release, substitution, or sale of property securing repayment of the Bonds, if material;
- (11) Rating changes;
- (12) Bankruptcy, insolvency, receivership or similar event of the City;
- (13) The consummation of a merger, consolidation, or acquisition involving the City or its Water System or the sale of all or substantially all of the assets of the City or its Water System, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material;
- (14) Appointment of a successor or additional trustee or the change of name of a trustee, if material;
- (15) Incurrence of a financial obligation of the obligated person, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the obligated person, any of which affect security holders, if material; and
- (16) Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the obligated person, any of which reflect financial difficulties.

(For Listed Events listed in Section 5(a)(15) and (16), “financial obligation” has such meaning as set forth in the Rule which, as of the date of this Disclosure Certificate, includes: (i) a debt obligation; (ii) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (iii) a guarantee of (i) or (ii); provided that municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule is not a “financial obligation” for this purpose.)

(b) The Dissemination Agent shall, within one business day after obtaining knowledge of the occurrence of any of the events listed in Section 5(a) (1), (3), (4), (5), (6), (9), (11), (12) or (16), or (8) with respect to tender offers, inform the City of the occurrence of such event. In any case, as soon as reasonably practicable after obtaining knowledge of the occurrence of such event, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

(c) The Dissemination Agent shall, within one business day after obtaining knowledge of the occurrence of any of the events listed in Section 5(a) (2), (7), (10), (13), (14), (15) or (8) with respect to bond calls, inform the City of the occurrence of such event and request that the City promptly notify the Dissemination Agent in writing whether or not to report the event pursuant to subsection (d). So long as the Trustee also serves as the Dissemination Agent, “knowledge” means the actual knowledge at the corporate trust office of the Trustee by an officer of the Trustee with responsibility for matters related to the administration of the Indenture. The Dissemination Agent shall have no responsibility to determine the materiality of any of the listed events.

(d) Whenever the City obtains knowledge of the occurrence of any event specified in Section 5(a) (2), (7), (10), (13), (14), (15) or (8) with respect to bond calls, the City shall as soon as possible, in order to meet the ten business day deadline to file notices required under the Rule and pursuant to the following sentence, determine if such event would be material under applicable Federal securities law. If the City determines that knowledge of the occurrence of such event would be material under applicable Federal securities law, the City shall, or shall cause the Dissemination Agent to, file in a timely manner, not in excess of ten business days after the occurrence of any such event, a notice of such occurrence with the MSRB, in an electronic format accompanied by identifying information as prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The City’s obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the City shall give notice of such termination in the same manner as for a Listed Event under Section 5(b); provided, that this requirement shall be deemed satisfied by the filing of a notice of defeasance or full redemption pursuant to Section 5(b).

Section 7. Dissemination Agent. The initial Dissemination Agent shall be The Bank of New York Mellon Trust Company, N.A. From time to time, the City may appoint a different Dissemination Agent to assist it in carrying out its obligations (or designate itself as the

Dissemination Agent) under this Disclosure Certificate. The Dissemination Agent may resign by providing 30 days written notice to the City and the Trustee. The City may replace the Dissemination Agent with or without cause.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the City may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Sections 3(a), 4 or 5(a), it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the City, or type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver affecting the Bonds either (i) is approved by holders of the affected Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of holders, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the holders or beneficial owners of such Bonds.

If the annual financial information or operating data to be provided in the Annual Report is amended pursuant to the provisions hereof, the first annual financial information filed pursuant hereto containing the amended operating data or financial information shall explain, in narrative form, the reasons for the amendment and the impact of the change in the type of operating data or financial information being provided. For purposes of this paragraph, “impact” has the meaning as that word is used in the letter from the staff of the Securities and Exchange Commission to the National Association of Bond Lawyers dated June 23, 1995.

If an amendment is made to the undertaking specifying the accounting principles to be followed in preparing financial statements, the annual financial information for the year in which the change is made shall present a comparison between the financial statements or information prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles. The comparison shall include a qualitative discussion of the differences in the accounting principles and the impact of the change in the accounting principles on the presentation of the financial information, in order to provide information to investors to enable them to evaluate the ability of the City to meet its obligations. To the extent reasonably feasible, the comparison shall be quantitative. A notice of the change in the accounting principles shall be sent to the MSRB in the same manner as for a Listed Event under Section 5(b).

No amendment to this Agreement which modifies the duties or rights of the Dissemination Agent shall be made without the prior written consent of the Dissemination Agent.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the City from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or

including any other information in any Annual Report or notice of occurrence of a Listed Event, in addition to that which is required by this Disclosure Certificate. If the City chooses to include any information in any Annual Report or notice of occurrence of a Listed Event in addition to that which is specifically required by this Disclosure Certificate, the City shall have no obligation under this Disclosure Certificate to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event.

Section 10. Default. In the event of a failure of the City or the Dissemination Agent to comply with any provision of this Disclosure Certificate, any Participating Underwriter or any holder or beneficial owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the City or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Certificate. A default under this Disclosure Certificate shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the City or the Dissemination Agent to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. So long as the Dissemination Agent is also the Trustee under the Indenture, the Dissemination Agent shall be entitled to the protections and limitations from the liability afforded to the Trustee under Article VI of the Indenture. Solely for such purpose, so long as the Dissemination Agent is also the Trustee under the Indenture, Article VI of the Indenture is incorporated in this Disclosure Certificate, and the City agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of the disclosure of information pursuant to this Disclosure Certificate or arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to the Dissemination Agent's negligence or willful misconduct. The Dissemination Agent (acting in such capacity and not as Trustee or any other role) shall have only such duties as are specifically set forth in this Disclosure Certificate. The Dissemination Agent (if different than the City) shall be paid compensation by the City for its services provided hereunder in accordance with its schedule of fees as amended from time to time. The Dissemination Agent shall have no duty or obligation to review any information provided to it hereunder and shall not be deemed to be acting in any fiduciary capacity for the City, the Owners, or any other party. The Dissemination Agent may rely and shall be protected in acting or refraining from acting upon any direction from the City or an opinion of nationally recognized bond counsel. The obligations of the City under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the City, the Dissemination Agent, the Participating Underwriter and holders and beneficial owners from time to time of the Bonds, and shall create no rights in any other person or entity.

IN WITNESS WHEREOF, the City has caused its duly authorized officer to execute and deliver this Certificate on the date first written above.

CITY OF BREA

By: _____
[Title]

The undersigned hereby agrees to act as
Dissemination Agent pursuant to the
foregoing Continuing Disclosure Certificate

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

By: _____

Title: _____

City of Brea

COUNCIL COMMUNICATION

TO: Honorable Mayor and City Council Members

FROM: Bill Gallardo, City Manager

DATE: 07/16/2019

SUBJECT: Solid Waste Services Rate Increase for Commercial Customers for Commercial Organics Recycling Program; Amendment No. 1 to Brea Disposal (Republic) Contract

RECOMMENDATION

1. Adopt Resolution No. 2019-024 approving the proposed solid waste services rate increase of 3.06% for commercial customers, and
2. Approve Amendment No.1 to Agreement with Brea Disposal (Republic).

BACKGROUND/DISCUSSION

In 1989, the City executed a contract with Taormina Industries (Taormina) (d.b.a. Brea Disposal) to grant an exclusive franchise for the collection, transportation, recycling, composting, and disposal of solid waste, recyclable, and compostable materials. In 1996, the City consented to Taormina's acquisition by Republic Services, Inc. (Republic). The current contract is a September 3, 2002 restated and amended agreement. Although the contract is with Taormina, discussions regarding the contract commonly refer to Republic due to its status as the parent company. Last December, City Council authorized the City Manager to issue a non-extension notice to Republic. Absent earlier termination by either party, the contract will expire on December 31, 2039.

California Assembly Bill AB 1826 (signed into law on September 28, 2014) requires local governments to establish and implement additional recycling programs. The purpose of this law is to achieve separation of commercial organic waste from the waste stream and diversion from landfills. AB 1826 recycling requirements are phased in over several years and are intended to help the State meet its goal to recycle 75% of its waste by 2020.

Since early 2016, the City has been working diligently to adopt and implement a Commercial Organics Recycling Program (CORP). The following is a summary of prior City Council meetings that included discussion on this topic:

- February 2, 2016 – City Council adopts program, but did not include fees
- January 17, 2017 – City Council Study Session
- May 21, 2017 – City Council Study Session
- January 16, 2018 – City Council Study Session
- May 1, 2018 – City Council Meeting
- July 17, 2018 – City Council Meeting
- February 5, 2019 – City Council Meeting

- April 16, 2019 – City Council Meeting (Public Hearing)

At those meetings, staff provided information regarding two implementation fee options, Single User “Generator” or “Sector Wide” pricing. After discussion at the February 5, 2019 meeting, City Council selected the Sector Wide implementation option. The City Council also directed staff to set a Public Hearing for April 16, 2019, mail out formal Public Hearing notices to all businesses, and prepare a contract amendment and fee resolution for consideration at the April 16, 2019 meeting.

At the April 16, 2019 City Council meeting, the City Council conducted a properly noticed Public Hearing and received public input. Since the protest votes submitted did not meet the majority protest vote threshold, the City Council had full discretion to approve/not approve the item. After discussion, the City Council decided to continue the item to a future meeting.

The following items were identified as main points of concern by the City Council at the April 16, 2019 meeting. Staff discussed City Council’s concerns with Republic after the meeting. Republic’s responses are incorporated in the responses below each item:

1. Term of the amendment – City Council was not comfortable with the organic waste amendment having the same term as the overall refuse contract (20 years remaining).

Response: Republic has agreed to set the term for the organic’s program at five (5) years. After the end of the term, the City can choose to discontinue the program and revert back to where we are today. Republic also did not object to keeping the previously proposed termination language that allows either party to terminate the organic’s program at any time with sixty (60) days advanced notice. However, Republic emphasized that terminating the organic’s program does not change their exclusive franchise rights to recycle organic materials.

2. Disposal site location – City Council was not comfortable with Republic selecting the organic’s disposal site and wanted more say in where the waste should go, especially if technology changes in the future.

Response: Republic has agreed to allow the City to specify the disposal site and agrees to dispose at selected site if technologically compatible. If the disposal site is not technologically compatible, Republic will evaluate the feasibility and practicality of purchasing new pre-processing equipment to meet disposal requirements. Republic will calculate the cost for pre-processing and transport of the material and will negotiate a revised cost in good faith.

3. Cost of program – City Council was concerned that the first year of the program would not result in many businesses signing up and Republic would be collecting the revenue for little or no organic waste recycling.

Response: The previous proposal provided for a phase-in of the proposed 3.06% Sector Wide increase over two (2) equal increments, 1.53% on May 1, 2019 and the additional 1.53% on January 2020. To address this concern, Republic has agreed to change the increment ratio to 40% / 60%, meaning that a rate increase of 1.22% would go in effect on August 1, 2019 and the additional 1.84% would go in effect on January 1, 2020.

The topics of Program Pricing and Contract Amendment were included in the April 16, 2019 staff report. The following is an updated summary of these sections:

Program Pricing

At the February 5, 2019 City Council meeting, Republic had proposed a 3.55% rate increase. This rate was identified in the Public Hearing notice. Before the April 16th Public Hearing, in an effort of good faith, Republic agreed to reduce the proposed rate increase from 3.55% to 3.06%. This was accomplished by lowering the City's tonnage threshold from 1,825 to 1,551. This results in a savings to businesses of approximately \$33,950 per year when comparing 3.55% and 3.06% rates. Based on the revised implementation schedule discussed in the previous section, additional savings of approximately \$63,620 are expected in the first 11 months of the CORP. The total combined savings to businesses in the first 11 months is approximately \$97,570 and \$33,950 every year thereafter. The revised proposed rate schedule is included as Exhibit B1 of Amendment No.1.

If approved tonight, the CORP is scheduled to begin August 1, 2019. The most common commercial service level is one 3-yard trash bin serviced three times per week. At this service rate, the sector wide increase would be approximately \$10.99 per month at the full 3.06% increase. Participating in the CORP will also give businesses the opportunity to reduce the number of weekly trash pickups, and container size, resulting in an overall offset of costs. The proposed commercial rates are shown in Exhibit B1 of the attached Amendment No.1.

Contract Amendment

A contract amendment is required to update service needs for the CORP into the contract with Republic. The contract amendment will require Republic to make commercial organics recycling services available to all businesses, including multi-family customers. Republic will also tailor the program to fit the waste generation and space constraints of each commercial customer.

The following are highlights of important points included in the proposed amendment:

- **Outreach and Business Coordination:**

Republic will be responsible for initially contacting all businesses and for contacting out-of-compliance businesses on a semi-annual basis. Republic will also be responsible for ongoing outreach once a business signs up for organic recycling.

- **Reporting Requirements:**

Republic will collect all recycling data and address any and all inquiries from CalRecycle. Republic will also provide all information required by CalRecycle for the City's annual report.

- **Rate Schedule (Rate Phasing):**

Republic will phase-in the proposed 3.06% rate increase over the first 11 months in two phases (1.22% and 1.84%). If approved tonight, the first phase will be applied on August 1, 2019 and the second phase will be applied on January 1, 2020.

- **Rate Adjustment Methodology:**

Republic will be eligible for an annual rate adjustment per methodology in the existing contract, which uses the Consumer Price Index (CPI). In addition, Republic will be eligible for an additional Disposal Cost increase in the event of excessive cost increases from its third-party disposal site operator. If the proposed disposal cost exceeds the CPI increase, then Republic and the City will negotiate a fair increase in good faith. See Exhibit 2 of

Amendment No.1.

City may direct Republic to use an alternative, technologically compatible organic waste processing facility specified by City. Republic will meet in good faith to negotiate any revised cost due to labor and travel time to the substitute facility.

- **Rebalancing Adjustment:**

Republic will have until end of 2022 to meet or exceed the tonnage threshold of 1,551 tons of organic material per year. If the tonnage threshold is not met, effective July 1, 2023, the rates on Republic's non-fixed costs will be reduced according to the Rate Adjustment Methodology shown in Exhibit 3 of Amendment No.1.

- **Program Termination:**

City Council has expressed concern with the future of organics recycling and with limiting the City's ability to adjust to future technology and potential changes in legislation. The contract sets the CORP for a term of five (5) years. The contract amendment also allows either Republic or the City to terminate the CORP after 60 days advanced notice. Termination will restore organics recycling to how it is handled today without a CORP with Republic retaining its exclusive franchise, meaning the City will not be able to seek another hauler or entity to implement a CORP.

If City Council approves the solid waste services rate increase for commercial customers for the CORP, then staff recommends that City Council approve Amendment No.1 to include the program requirements in the solid waste contract with Republic.

FISCAL IMPACT/SUMMARY

The cost to businesses for organic recycling for the first 11 months is \$148,440 after applying a proposed savings of \$63,620 due to the mentioned phase-in of the proposed rate of 3.06% during this period. After July 1, 2020, the annual cost to businesses is expected to be \$212,060 (not including any CPI increases from 2019). This amount includes a permanent annual savings of \$33,950 due to the reduction in the rate increase from 3.55% to 3.06%. Commercial services are directly billed by Republic.

There will be some additional in-house staff coordination required along with some possible assistance from the City's refuse consultant firm, HF&H Consultants. Additional in-house and contractor costs are not expected to exceed \$10,000 per year. All funds for this program would come from the Sanitation Fund and there is no impact to the General Fund.

RESPECTFULLY SUBMITTED:

William Gallardo, City Manager

Prepared by: Tony Olmos, P. E., Director of Public Works

Attachments

Amendment No.1

Resolution

**AMENDMENT NO. 1 TO
RESTATED AND AMENDED AGREEMENT FOR THE COLLECTION,
TRANSPORTATION, RECYCLING, COMPOSTING AND DISPOSAL OF SOLID
WASTE, RECYCLABLE AND COMPOSTABLE MATERIALS**

This Amendment No. 1 (“First Amendment”) to the September 3, 2002 Restated and Amended Agreement for the Collection, Transportation, Recycling, Composting and Disposal of Solid Waste, Recyclable and Compostable Materials (“Agreement”) executed by the City of Brea, a municipal corporation (“City”), and Taormina Industries, LLC, a wholly owned subsidiary of Republic Services, Inc. d.b.a. Brea Disposal (“Franchisee”), is dated July 16, 2019 for reference purposes.

R E C I T A L S

- A. The parties executed the Agreement to restate and amend their contractual obligations in connection with an exclusive franchise for collection, transportation, recycling, composting, and disposal of solid waste, recyclable, and compostable materials.
- B. In 2014, the Legislature enacted AB 1826 (Chesbro, Chapter 727) to establish a multi-tier compliance schedule for businesses to arrange for organic waste recycling services.
- C. The parties desire to amend the Agreement to: (i) provide for Franchisee’s implementation of a commercial organics recycling program in compliance with AB 1826; and (ii) increase the rate schedule for businesses to reflect the cost of providing such program.

NOW, THEREFORE, the parties agree as follows:

- 1. Amendment of Section 2.** The first paragraph of Section 2 (Definitions) of the Agreement is amended to read as follows:

“Whenever any term used in this Agreement has been defined by Chapter 8.28 of the Brea City Code or by Division 30 (commencing with § 40000) of the California Public Resources Code, the definition in the Brea City Code or the California Public Resources Code shall apply unless the term is otherwise defined in this Agreement.”

- 2. Amendment of Section 2.** Section 2 (Definitions) of the Agreement is amended by adding new Subsections U through Z to read as follows:

“U. ‘CalRecycle’ means California Department of Resources Recycling and Recovery.

V. ‘Commercial Organics Recycling Law’ means Division 30, Part 3, Chapter 12.9 (commencing with § 42649.8) (commonly referred to as AB 1826) of the California Public Resources Code, and as implemented by CalRecycle.

W. ‘Food Waste’ means: (i) kitchen and table food scraps; (ii) animal or vegetable waste that is generated during or results from the storage, preparation, cooking or handling of food stuffs; (iii) discarded paper that is contaminated with such waste; and (iv) fruit waste, grain waste, dairy

waste, meat, and fish waste that has been source separated from other solid waste. Food waste is a subset of organic waste.

X. 'Organic Waste' is "Municipal Solid Waste" pursuant to Sections 1.A and 1.B of the Agreement, and has the meaning set forth in the Commercial Organics Recycling Law.

Y. 'Organic Waste Processing Facility' means a permitted facility where organic waste is sorted, mulched, or separated for the purposes of recycling, reuse, or composting.

Z. 'Multifamily Residential Dwelling' means a premises containing more than one (1) residential dwelling unit (including a premises incorporating residential dwelling units and nonresidential uses) at which FRANCHISEE determines, with the City Manager's concurrence (which may be granted or withheld in the City Manager's absolute discretion), that the residential dwelling units must receive solid waste, recycling, and green waste services through the use of shared bins because the premises is not reasonably able to store containers or otherwise receive individualized solid waste handling service through the use of the automated collection system utilizing containers contemplated by this Agreement for residential premises. Multifamily residential dwelling always includes a residential dwelling that consists of five or more units.

3. Amendment of Section 6. Section 6 (Services To Be Provided By Franchisee) of the Agreement is amended by adding a new Subsection Q to read as follows:

"Q. Commercial Organics Recycling Program. Commencing August 1, 2019, FRANCHISEE shall implement a commercial organics recycling program as follows:

1. FRANCHISEE shall ensure that the commercial organics recycling program will meet the requirements of the Commercial Organics Recycling Law. In the event of a change to the Commercial Organics Recycling Law, including any amendments, adoption or repeal of regulations or judicial interpretation, the Parties shall meet and confer regarding any necessary or appropriate modifications to this Agreement or the commercial organics recycling program.

2. FRANCHISEE shall make available to customers information related to the commercial organics recycling program and shall promote such program through its website, mailers, brochures, billing inserts, e-mail content, social media, and online announcements.

3. FRANCHISEE shall cause all organic waste deposited into bins or carts of commercial subscribers, multifamily residential dwellings, and CITY facilities to be managed using methods approved by CalRecycle for diversion credit.

4. FRANCHISEE shall offer commercial organics recycling program services to commercial subscribers, multifamily residential dwellings, and CITY facilities. There shall be no cost for organic waste recycling for CITY facilities.

5. FRANCHISEE shall offer commercial organics recycling program services based on the receptacle size and service frequency as contained in the Rate Schedule in Exhibit 1 (as adjusted pursuant to § 8.G). The services offered shall allow customers to choose from either a two (2) cubic yard bin or a sixty-four (64) gallon cart, and shall allow customers to choose whether the service shall be provided once, twice, or three (3) times per week. If CalRecycle determines

that mandatory commercial organics service shall be provided on or after January 1, 2020 to businesses that subscribe to two (2) cubic yards or more of solid waste service per week, then FRANCHISEE will also offer a 35-gallon cart at the rate identified in Exhibit 1 (as adjusted pursuant to § 8.G) for businesses that generate a small amount of organic waste.

6. Unless otherwise specified, FRANCHISEE may contact customers through direct mail, e-mail, telephone calls, site visits and/or other methods in FRANCHISEE's discretion, provided that such methods meet CalRecycle requirements.

7. Upon encountering a contaminated organic waste receptacle, FRANCHISEE shall document such receptacle using a driver on-board system, shall forward the message to its dispatch personnel, and shall photograph such receptacle. FRANCHISEE shall advise the customer that FRANCHISEE will return the following business day to provide service for the contaminated receptacle. FRANCHISEE shall contact and provide education materials to the customer on appropriate items to be placed in an organic waste receptacle. For each instance of a contaminated organic waste receptacle, FRANCHISEE may charge the customer the fee identified in Exhibit 1 (as adjusted pursuant to § 8.G).

8. FRANCHISEE shall target outreach to commercial subscribers that create large amounts of organic waste, such as hotels, business parks, and multifamily residential dwellings with significant landscaping waste. FRANCHISEE shall also target commercial subscribers that have food service operations such as restaurants, grocery stores, hospitals, corporate cafes, bakeries, etc.

9. If necessary or requested by CalRecycle, FRANCHISEE shall conduct visual waste audits of commercial premises and multifamily residential dwellings to evaluate their organic waste service requirements and service level needs. FRANCHISEE shall provide the subscribers with training materials for employees such as servers, food preparers, and hospitality and maintenance staff, taking into consideration employee turnover and shift changes.

10. If necessary or requested by CalRecycle, on an annual basis, FRANCHISEE shall conduct customer surveys and onsite waste assessments of commercial premises and multifamily residential dwellings that: (i) are subject to the Commercial Organics Recycling Law; (ii) do not receive FRANCHISEE-provided commercial organics recycling program services; and (iii) either utilize an in-house program, donate edible foods to a charitable organization, or recycle using a third party vendor. FRANCHISEE shall provide copies of waste assessments performed each quarter until January 2021, or later if requested by CalRecycle or CITY, and shall submit copies of all waste assessments as part of the annual report to CITY in accordance with § 15.F. In the event a customer subject to the Commercial Organics Recycling Law refuses FRANCHISEE-provided commercial organic recycling program services and does not report to FRANCHISEE that it achieves organic waste recycling via an in-house program, food donations, or through a compliant third party recycling program, FRANCHISEE shall provide to CITY information including such customer's name, address, and contact information on a CITY approved template for inclusion with State reporting. City shall manage any survey or assessment information submitted by FRANCHISEE as confidential and proprietary account information to the extent permitted by California law when designated as such by FRANCHISEE in its reporting. City may share such information with its third party consultants as necessary.

11. FRANCHISEE shall contact and provide outreach to commercial premises and multifamily residential dwelling subscribers as follows:

a. Initial Direct Mailing. FRANCHISEE shall prepare a multi-lingual letter on CITY letterhead regarding the requirements of the Commercial Organics Recycling Law. The letter shall inform customers of the FRANCHISEE-provided commercial organics recycling program and the Commercial Organics Recycling Law requirements. Upon CITY approval, FRANCHISEE shall mail or deliver the letter to all commercial and multifamily residential dwelling customers.

b. Out of Compliance Outreach. On a semi-annual basis, FRANCHISEE shall prepare a multi-lingual letter on CITY letterhead to notify noncompliant customers of their noncompliance and the annual reporting requirements to CalRecycle. Upon CITY approval, FRANCHISEE shall mail or deliver the letter to all noncompliant customers identified using FRANCHISEE's database. For reporting to CalRecycle, FRANCHISEE shall provide CITY with a list of all noncompliant customers including their contact person, service and billing addresses, phone number, e-mail, account notes and any information relating to the previous refusal of commercial organics recycling program services.

c. Ongoing Outreach.

i. FRANCHISEE shall provide ongoing commercial organics recycling program information to all existing and new commercial premises and multifamily residential dwelling customers. Such information shall include: step by step process; guidelines for new employee training; do's and don'ts of separation; signage examples; source reduction suggestions; links to online FRANCHISEE and CITY programs/resources; information on environmentally preferable purchasing policies; and resource list of sustainability programs and toolkits from trade organizations (e.g., National Restaurant Association and US Composting Council Curb to Compost Toolkit) and government agencies (e.g. EPA toolkit for Reducing Food Waste and Packaging and FTC Guidelines on compostable and degradable claims).

ii. FRANCHISEE shall provide samples of indoor and outdoor receptacle options and signage.

iii. FRANCHISEE shall contact or provide information to help identify the customer's startup team to implement the program and provide long term support.

iv. If necessary or requested by customers, FRANCHISEE shall conduct comprehensive, in-house, multi-lingual trainings with kitchen and janitorial staff at no additional charge.

v. FRANCHISEE shall follow-up and monitor to ensure successful participation, which shall include visual audits and additional training when necessary.

vi. FRANCHISEE shall create solutions for the identified challenges and waste stream specifics, and shall provide customers with samples of receptacle options and signage to identify receptacles.

vii. FRANCHISEE shall connect customers with food donation programs where applicable.

viii. FRANCHISEE shall produce, keep current, and provide information to the public on the Commercial Organics Recycling Law and identification of commercial premises and multifamily residential dwelling customers affected by the legislation.”

4. Amendment of Section 8. Section 8 (Compensation For Services) of the Agreement is amended by adding a new Subsection G to read as follows:

“G. **Commercial Organics Recycling Program.** Notwithstanding § 8.B and Exhibit B, commencing August 1, 2019, FRANCHISEE may charge commercial and multifamily residential dwelling accounts as follows to facilitate implementation of the commercial organics recycling program.

1. **Sector Wide Rates.** FRANCHISEE may charge the rates specified in Exhibit B1 for commercial/industrial services provided hereunder. The parties acknowledge that Exhibit B1 provides a 3.06% rate adjustment without a corresponding franchise fee or administrative fee for CITY. This rate shall be phased-in with two equal increments as follows: (i) beginning August 1, 2019, FRANCHISEE shall implement a one-time rate increase of 1.22% for commercial rates; and (ii) beginning January 1, 2020, FRANCHISEE shall implement a one-time rate increase of 1.84% for commercial rates.

2. **User Rates.** FRANCHISEE may charge the rates specified in Exhibit 1 for commercial organics recycling program services.

3. **Adjustment for Organic Waste Recycling Costs.** The parties acknowledge that FRANCHISEE is using its own organic waste processing facility as of August 1, 2019, and that the rates specified in Exhibit B1 have been set using the total amount of \$23.94 per cubic yard as the cost for organic waste recycling cost incurred by FRANCHISEE based on a tonnage threshold of 1,551 tons of organic materials per yard and 12,410 cubic yards of organic container capacity per year. FRANCHISEE shall remain competitive with local market rates for similar organic waste processing solutions. CITY may at any time direct FRANCHISEE to use an alternative, technologically compatible organic waste processing facility specified by CITY. In such event, the parties shall meet to negotiate in good faith an adjustment to (1) increased or decreased labor and travel costs based on the travel time to the substitute facility, and (2) the organic waste processing costs that reflect the substitute facility’s costs. If CITY identifies a substitute facility that is not technologically compatible, then FRANCHISEE shall in good faith consider changing to compatible processing methods, evaluate the feasibility and practicality of changing to that compatible technology, and negotiate any cost difference with CITY. FRANCHISEE’s determination after consideration and evaluation of the use of any substitute facility or incompatible technology shall be in its sole discretion.

4. **Adjustment for Organic Waste Disposal/Processing Fee Costs.** Effective August 1, 2020 and annually on July 1 thereafter, commercial rates will be adjusted for changes in the organic waste disposal and processing fee per ton based on the formula in Exhibit 2. Notwithstanding the preceding, this adjustment shall not be performed: (i) in any year that the

rebalancing adjustment is performed in accordance with Paragraph 5 below; or (ii) if, in accordance with a direction from CITY pursuant to Paragraph 3 above, Franchisee is no longer using its own organic waste processing facility.

5. Rebalancing Adjustment. Effective July 1, 2023, the sector wide rates shall be adjusted based on the formula set forth in Exhibit 3 to reflect the actual level of participation in the commercial organics recycling program if the tonnage threshold of 1,551 tons has not been met. FRANCHISEE will provide for CITY review all data and documentation requested by CITY supporting the number of units and related calculations in Exhibit 3. Such data shall include any allocation methods used to allocate tons or volume or organic material to CITY from shared organics collection routes in other municipalities.

Notwithstanding the preceding, if the actual number of tons for the organic waste collected under the commercial organics recycling program in calendar year 2020 exceeds 1,551 tons, and if FRANCHISEE submits a written request to CITY prior to February 1, 2021, then the rebalancing adjustment instead shall be performed effective July 1, 2021, July 1, 2022, and July 1, 2023. The rebalancing adjustment will not be performed again after July 1, 2023.

6. Program Expiration/Termination. The commercial organics recycling program shall expire on June 30, 2024 unless earlier terminated as provided in this Paragraph. If there are changes to state law (including amendment or repeal of the Commercial Organics Recycling Law) or technological advances that modify or eliminate the need for a commercial organics recycling program as currently structured, then the parties shall renegotiate in good faith the commercial organics recycling program provisions of this Agreement. If the parties cannot reach a consensus, either party may terminate the commercial organics recycling program on sixty (60) days notice to the other party. Upon expiration or termination of the commercial organics recycling program, notwithstanding any other provision of this Agreement, as of the expiration or termination date FRANCHISEE shall cease implementing the commercial organics recycling program and shall cease charging commercial and multifamily residential dwelling accounts for commercial organics recycling program services. Nothing herein shall be interpreted or construed to modify or change in any way the FRANCHISEE's rights as set forth in Sections 1.A and 1.B of the Agreement."

5. **Amendment of Section 15.** Section 15 (Reports And Adverse Information) of the Agreement is amended by adding a new Subsection F to read as follows:

"F. Quarterly Organics Reports.

1. FRANCHISEE shall provide to CITY on a quarterly basis until January 2021, and annually thereafter, in a format approved by CITY:

a. The total number of commercial premises and multifamily residential dwelling customers serviced by FRANCHISEE that meet the thresholds of the Commercial Organics Recycling Law.

b. The number of these customers that:

i. Subscribe to FRANCHISEE-provided commercial organics recycling program;

- ii. Recycle organic waste via an in-house program;
- iii. Donate edible food to charitable organizations;
- iv. Use a third-party vendor for organic waste recycling; and,
- v. Are without a known organic waste recycling program.

c. A list of all contact, surveys and onsite waste assessments performed for customers that are required under State law, but which customers refuse organics service or refuse onsite waste assessments.

d. Contact information for commercial premises and multifamily residential dwelling customers (as available in FRANCHISEE's database) that do not currently have an organic waste recycling program.

e. All the reports provided to CITY shall, upon request of CITY or CalRecycle, include supporting documentation for the information provided in the report."

6. Amendment of Section 26. Subsection R (Exhibits Incorporated) of Section 26 (General Provisions) of the Agreement is amended to read as follows:

"R. **Exhibits Incorporated.** Exhibits A through E, B1, and 1 through 3 are attached to and incorporated in this Agreement by reference."

7. Addition of Exhibits. The attached Exhibits B1 and 1 through 3 are added to the Agreement.

8. Preservation of Agreement. Except as expressly modified by this First Amendment (including the attached Exhibits B1 and 1 through 3), all of the provisions of the Agreement shall remain unaltered and in full force and effect. In the event of a conflict between the provisions of this First Amendment (including the attached Exhibits B1 and 1 through 3) and the provisions of the Agreement, the provisions of this First Amendment (including the attached Exhibits B1 and 1 through 3) shall control.

[SIGNATURES ON FOLLOWING PAGE]

TO EXECUTE THIS FIRST AMENDMENT, the parties have caused their authorized representatives to sign below.

City of Brea

Christine Marick, Mayor

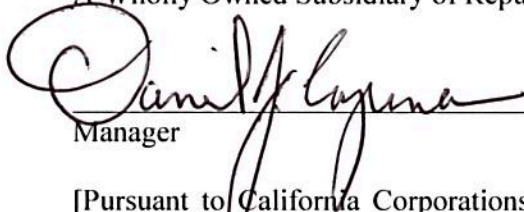
Attest:

Lillian Harris-Neal, City Clerk

Approved as to form:

Terence Boga, City Attorney

Taormina Industries LLC
A Wholly Owned Subsidiary of Republic Services, Inc.



Manager

Manager

[Pursuant to California Corporations Code Section 17703.01(d), both signature lines must be executed unless the articles of incorporation state that the firm is managed by only one manager.]

Approved as to form:

Scott W. Gordon, Esq.

EXHIBIT B1
Schedule of Commercial Billing Rates - August 1, 2019

(attached)

Exhibit B1

Commercial - Proposed Rates (current + 3.06% increase)**1.22% Effective August 1, 2019****3.06% Effective January 1, 2020***Direct Billed by Republic Services*

DIRECT BILLED Permanent Service										
Container	Type	1X	2X	3X	4X	5X	6X	7X	1 st Extra P/U	2nd Extra P/U @ same time
FL 2.0	Trash	97.91	170.00	242.09	314.18	386.27	458.36	543.26	73.67	40.52
FL 2.0	Manure	109.76	193.70	277.64	361.59	445.53	529.47	626.22	84.26	84.26
FL 3.00	Trash	157.93	264.03	370.13	476.23	582.33	688.43	807.34	73.67	40.52
FL 3.00	Manure	173.05	294.27	415.49	536.71	657.92	779.14	913.17	84.26	84.26
FL 3.00 C	Mini Packer	230.83	417.52	604.20	790.88	977.57	1,164.25	1,350.93	123.81	123.81
FL 3.00	30 Day Temp Construction	202.95	314.02	425.10	536.18	647.26	758.34	869.41	111.08	111.08
FL 3.00	Brea Olinda School District	91.39	162.02	232.65	303.28	373.91	444.54	N/A	70.63	70.63
FR 3.00	Recycle	136.10	272.20	408.30	More than 3x week requires Mgmt approval				136.10	136.10
HP	Pull Out Svc	62.50	124.99	187.49	249.98	312.48	374.97	450.28	62.50	62.50
CA 0.48	Comm Carts	36.35	Rate is per cart – Limit 4 cart – supervisor approval required							
Lock Latch	Monthly Rate (Code UNL)	2.28	4.56	6.84	9.12	11.40	13.68	28.39	2.28	2.28
ALL BINS	Special Access (Keys/Codes)	11.39	Monthly charge for any bin access that requires keys, gate codes, remotes, etc. CODE = ACC (Description on invoice is CONTAINER ACCESS)							
ALL BINS	Overage Charge	41.09	Billed for each occurrence							

*Sunday Service - Any service rate frequency less than 7X per week, may add Sunday collection service for an additional \$40.26 per month premium.

EXTRA SERVICES				
Service Type	Svc Code	EXT Flag	Rate	Notes
Exchange Bin - No Charge	EXC	N	-	One time per year – No Charge
Exchange Bin	EXC	Y	85.45	Per container - After one free per calendar year
Extra Pickup	REG	Y	Varies	See Rates above
2 nd Extra Pickup (@ same time)	EP1	Y	Varies	More than one extra pick up @ the same time
Relocation	REL	Y	54.97	
Redeliver Bins (removed as a result of non-payment bin pull)	DEL	Y	85.79	After delinquent payment has been received, enter ADTB F2 Note to charge
Lock Latch Installation	LLK	Y	101.83	One-time fee
Steam Clean Container(s)	WAS	Y	113.92	Per Container - After one free per calendar year

COMMERCIAL & MULTI-FAMILY BULKY PICK UP					
Type	Service Days	Svc Code	EXT Flag	Rate	Notes
No limit; Max 20 items per collection	Tues/Thurs	BUL	Y	51.48	Includes first 2 items No building materials, auto parts, tires, e-waste, universal or hazardous waste
Items after 2	Tues/Thurs	BU1	Y	6.85	Per item charge; Limit 20 items per collection
Refrigerator	Thursday	APN	Y	65.85	Gas Recovery Fee This rate is IN ADDITION to the standard Bulky Item Charge
A/C unit					
Freezer					
Water Heater – All Sizes	Tues/Thurs	AP1	Y	51.48	Per item charge
E-waste	Thursday	ELP	N	-	Limit 10 items per collection

EXHIBIT 1
Refuse and Organic Collection Rates

(attached)

EXHIBIT 1
Refuse and Organic Collection Rates

CITY OF BREa				
Receptacle Size	Monthly Rate based on Collection Frequency			Contamination Fee per Occurrence
	1X	2X	3X	
2 Cubic Yard Bin - Refuse or Organics	\$97.91	\$170.00	\$242.09	\$100.00
64 Gallon Organics Cart	\$46.38	\$92.75	\$139.13	\$50.00
35 Gallon Organics Cart ⁽¹⁾	See footnote #1 below.			

Footnotes:

(1) If CalRecycle determines that mandatory commercial organics service shall be provided to customers on or after January 1, 2020 that subscribe to two-cubic yards or more of solid waste service per week, then Franchisee will also offer a 35-gallon organics cart collected one to three times per week at the same rate for commercial "Barrel Service" for customers who generate a small amount of organic waste.

Note:

Rates reflect full increase of 3.06%. Rate increase will be phased in over the following timeline:
Effective August 1, 2019, a 1.22% rate increase over existing commercial rates will be applied.
Effective January 1, 2020, an additional 1.84% rate increase will be applied to existing rates.

EXHIBIT 2
Organics Material Disposal Component Adjustment

(attached)

EXHIBIT 2
Organics Material Disposal Component Adjustment
Example Brea Calculation

Note: This formula is only to be applied if the disposal cost per ton for organic waste changes from previous year and if the rebalancing procedure in Exhibit 3 is not implemented that year.

Calculate the organics disposal price increase per ton by inputting CPI from the previous 12 months (per Section 8 of the Original Agreement) and comparing the proposed cost from 3rd party disposal operator.

Row	Adjustment Factor	A	B	C	D*	E
		Existing Organic Waste Processing Cost per Ton	Input Most Recent CPI Adjustment % to Commercial rates ⁽¹⁾	Adjusted Cost per Ton with CPI Adjustment (Column C = Column A x (1 + Column B))	New Organic Waste Cost per Ton (from 3rd Party) effective July 1, 2020	Change In Cost per Ton (Column D - Column C)
1	Organic Waste Disposal Cost per Ton	\$ 50.00	3%	\$ 51.50	\$ 53.00	\$ 1.50

Row	Rate Category	F	G	H	I	J
		Higher of Organics Tonnage Threshold or Actual Collected Tonnage ⁽²⁾	Change In Cost per Ton (From Column E)	Additional Processing Costs (Column F x Column G)	Commercial / Industrial Annual Rate Revenue from Contractor ⁽³⁾	Total Percent Change to be applied to Commercial / Industrial Rates ((Column H ÷ Column I) +1) ⁽⁴⁾
2	Organic Waste Recycling Program	1,551	\$ 1.50	\$ 2,327	\$ 6,711,431	0.03%

Footnotes:

⁽¹⁾ CPI increase per Section 8 of the Agreement.

⁽²⁾ Initial tonnage based on City of Brea's proposed organics tonnage threshold.

⁽³⁾ Contractor to provide annual rate revenue for the commercial and industrial sectors.

⁽⁴⁾ To be applied to Commercial and Industrial rates at the time of next rate adjustment by adding the percentage in Column J to the regular annual adjustment.

* Proposed cost per ton from 3rd party is a pass-through to the organics recycling program. If the increased cost shown in Column E exceeds the CPI in Column B, CITY and FRANCHISEE shall meet and confer in good faith to determine a fair and reasonable adjustment for the year.

Any ambiguity between this exhibit and the text of the Amendment shall be governed by the text of the Amendment.

EXHIBIT 3
Rate Adjustment Rebalancing Formula

(attached)

Exhibit 3
Rate Adjustment Rebalancing Formula
Brea Example

		A	B	C	D=(B-A)/A
		Tonnage Threshold	Estimated 2022 Tons	Variance	Change
	Annual Organic Tonnage	1551	1200	351	-23%
E	Sector Wide % Increase	3.06%			
F	PI to be adjusted for lower tons	-0.69%	(E* D=3.06% x -23%)		
	Variable Component Of PI				
	Disposal	22%			
	Labor	13%			
	Equip Operating & Maint	11%			
	Container Maint	1%			
G	Total	47%			
	Net PI adjustment for Variable component	-0.33%	(F*G=0.69% x 47%)		

RESOLUTION NO. 2019-052

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BREA, CALIFORNIA ADJUSTING SOLID WASTE SERVICES RATES FOR COMMERCIAL CUSTOMERS TO IMPLEMENT A COMMERCIAL ORGANICS RECYCLING PROGRAM

A. RECITALS:

(i) Taormina Industries, LLC (d.b.a. Brea Disposal), a wholly owned subsidiary of Republic Services, Inc., provides refuse collection, recycling, and disposal services in the City of Brea pursuant to an exclusive franchise agreement.

(ii) In 2014, the Legislature enacted AB 1826 to require local governments to establish and implement additional recycling programs in order to achieve separation of commercial organic waste from the waste stream and diversion from landfills.

(iii) AB 1826 recycling requirements are phased in over several years and are intended to help the State meet its goal to recycle 75% of its waste by 2020.

(iv) Pursuant to Public Resources Code Section 42649.85, AB 1826 authorizes local governments to charge and collect a fee from organic waste generators to recover the costs incurred with complying with the statute.

(v) The City Council has established a commercial organics recycling program ("CORP") in compliance with AB 1826 and has chosen to implement such program through sector wide pricing.

(vi) In accordance with Proposition 218, on February 26, 2019, the City issued a mailed notice to each commercial property owner and property tenant directly responsible for paying a proposed 3.55% increase of solid waste service rates for the CORP (collectively, “rate payers”).

(vii) Subsequent to the issuance of such notice, the City negotiated with Brea Disposal to reduce the proposed increase from 3.55% to 3.06% and to phase in the proposed increase in two increments: 1.22% on August 1, 2019 and the additional 1.84% on January 1, 2020.

(viii) In accordance with Proposition 218, on April 16, 2019, the City Council conducted a public hearing on the proposed increased solid waste service rates for commercial customers.

(ix) The City did not receive written protests from a majority of rate payers (50% + 1) prior to the conclusion of the public hearing.

(x) All legal prerequisites to the adoption of this Resolution have occurred.

B. RESOLUTION:

NOW, THEREFORE, BE IT FOUND, DETERMINED AND RESOLVED by the City Council of the City of Brea that:

1. In all respects as set forth in the Recitals, Part A., above.
2. The attached Exhibit A is incorporated herein by reference.
3. Based upon staff reports, data, and oral comments that have been received, the City Council finds that the rates set forth in the attached Exhibit A do not exceed the estimated amount required to provide commercial organics recycling program services in compliance with AB 1826.

RESO NO. 2019-052
July 16, 2019

4. Effective August 1, 2019, subject to execution of a corresponding amendment to its franchise agreement with the City, Brea Disposal is authorized to charge solid waste service rates for commercial customers in accordance with the attached Exhibit A.

APPROVED AND ADOPTED this 16th day of July 2019.

Christine Marick, Mayor

ATTEST: _____
Lillian Harris-Neal, City Clerk

I, Lillian Harris-Neal, City Clerk of the City of Brea, do hereby certify that the foregoing Resolution was adopted at a regular meeting of the City Council of the City of Brea held on the 16th day of July 2019, by the following vote:

AYES:	COUNCIL MEMBERS:
NOES:	COUNCIL MEMBERS:
ABSENT:	COUNCIL MEMBERS:
ABSTAINED:	COUNCIL MEMBERS:

Dated: _____

Lillian Harris-Neal, City Clerk

RESO NO. 2019-052
July 16, 2019

Exhibit A

Commercial - Proposed Rates (current + 3.06% increase)

1.22% Effective August 1, 2019

3.06% Effective January 1, 2020

Direct Billed by Republic Services

DIRECT BILLED Permanent Service										
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Items after 2	Tues/Thurs	BU1	Y	6.85	Per item charge; Limit 20 items per collection
Refrigerator	Thursday	APN	Y	65.85	Gas Recovery Fee This rate is IN ADDITION to the standard Bulky Item Charge
A/C unit					
Freezer					
Water Heater – All Sizes	Tues/Thurs	AP1	Y	51.48	Per item charge
E-waste	Thursday	ELP	N	-	Limit 10 items per collection