



Agenda
City of Beaumont City Council Meeting
Closed Session 5:00 PM
Regular Session 6:00 PM

Beaumont Financing Authority
Beaumont Successor Agency (formerly RDA)
Beaumont Utility Authority
Beaumont Parking Authority
Beaumont Public Improvement Authority
Community Facilities District 93-1

550 E 6th Street, Beaumont, Ca

Tuesday, June 18, 2019

Materials related to an item on this agenda submitted to the City Council after distribution of the agenda packets are available for public inspection in the City Clerk's office at 550 E. 6th Street during normal business hours.

Any person with a disability who requires accommodations in order to participate in this meeting should telephone the City Clerk's office at (951) 769-8520, at least 48 hours prior to the meeting in order to make a request for a disability related modification or accommodation.

Any one person may address the City Council on any matter not on this agenda. If you wish to speak, please fill out a "Public Comment Form" provided at the back table and give it to the City Clerk. There is a three (3) minute limit on public comments. There will be no sharing or passing of time to another person. State Law prohibits the City Council from discussing or taking actions brought up by your comments.

Page

CLOSED SESSION

A Closed Session of the City Council / Beaumont Financing Authority / Beaumont Utility Authority / Beaumont Successor Agency (formerly RDA)/Beaumont Parking Authority / Beaumont Public Improvement Authority may be held in accordance with state law which may include, but is not limited to, the following types of items: personnel matters, labor negotiations, security matters, providing instructions to real property negotiators and conference with legal counsel regarding pending litigation. Any public comment on Closed Session items will be taken prior to the Closed Session. Any required announcements or discussion of Closed Session items or actions following the Closed Session will be made in the City Council Chambers.

CALL TO ORDER

Mayor Martinez, Mayor Pro Tem Santos, Council Member Carroll, Council Member Lara, and Council Member White

1. Public Comments Regarding Closed Session
2. Conference with Labor Negotiator - Pursuant to Government Code Section 54957.6 City Designated Representative City Manager Todd Parton or his Designee
 - SEIU
3. Conference with Legal Counsel Regarding Pending Litigation Pursuant to Government Code Section 54956.9(d)(1) (One Case: Beaumont adv:

4. Conference with Legal Counsel – Anticipated Litigation: Significant Exposure to Litigation Pursuant to Government Code Section 54956.9(d)(2) -- (Claim of Alphonso Hatcher)

Adjourn to Closed Session

REGULAR SESSION

CALL TO ORDER

Mayor Martinez, Mayor Pro Tem Santos, Council Member Carroll, Council Member Lara, and Council Member White

Report out from Closed Session:

Action on any Closed Session items:

Action on any requests for excused absence:

Pledge of Allegiance:

Approval/Adjustments to Agenda:

Conflict of Interest Disclosure:

ANNOUNCEMENTS/RECOGNITIONS/PROCLAMATIONS/CORRESPONDENCE

PUBLIC COMMENT PERIOD (ITEMS NOT ON THE AGENDA)

Any one person may address the City Council on any matter not on this agenda. If you wish to speak, please fill out a "Public Comment Form" provided at the back table and give it to the City Clerk. There is a three (3) minute time limit on public comments. There will be no sharing or passing of time to another person. State Law prohibits the Council from discussing or taking actions brought up by your comments.

CONSENT CALENDAR

Items on the consent calendar are taken as one action item unless an item is pulled for further discussion here or at the end of action items.

Approval of all Ordinances and Resolutions to be read by title only.

- | | |
|--|---------|
| 1. Ratification of Warrants Dated May 30, 2019 | 7 - 26 |
| Item 1 | |
| 2. Ratification of Warrants Dated June 6, 2019 | 27 - 43 |
| Item 2 | |
| 3. Approval of Minutes Dated June 4, 2019 | 45 - 53 |
| CC Minutes 06.04.19 | |
| 4. Adopt "A Resolution of the City Council of the City of Beaumont, California Approving the Appropriation Limit for the 2019-2020 Fiscal Year" | 55 - 60 |
| Item 4 | |
| 5. April 2019 Financial Reports | 61 - 68 |

[Item 5](#)

6. **Approval and Adoption of the Second Reading of "An Ordinance of the City Council of the City of Beaumont, California, Repealing Chapter 8.12 – 'Mandatory Solid Waste Collection and Disposal' of the Beaumont Municipal Code and Repealing Chapter 8.14 – 'Mandatory Recycling Requirements for Commercial Facilities' of the Beaumont Municipal Code and Adding Chapter 8.12 – 'Solid Waste Management' to the Beaumont Municipal Code"** 69 - 96

[Item 6](#)

PUBLIC HEARINGS

Approval of all Ordinances and Resolutions to be read by title only

7. **Consideration of a Resolution Establishing a Solid Waste Self-Haul Permit Fee and Fines and Penalties for the Violation of the City's Solid Waste Management Ordinance** 97 - 102
- Recommended Council Action(s):
1. Conduct a Public Hearing, and
 2. Waive the full reading and adopt by title only "A Resolution Establishing a Solid Waste Self-Haul Permit Fee and Fines and Penalties for the Violation of the City's Solid Waste Management Ordinance".

[Item 7](#)

ACTION ITEMS

Approval of all Ordinances and Resolutions to be read by title only.

8. **Approval of Acquisition Agreement by City of Beaumont and Approval by Community Facilities District No. 2016-2 (Sundance) of the Issuance of Its Special Tax Bond, Series 2019** 103 - 524
- Recommended Council Action(s):
1. Waive the full reading and adopt by title only "A Resolution of the City Council of the City of Beaumont Authorizing the Execution and Delivery of an Acquisition Agreement Relating to the City of Beaumont Community Facilities District No. 2016-2 (Sundance) of the City of Beaumont and Approving Certain Other Actions in Connection Therewith", and
 2. Waive the full reading and adopt by title only "A Resolution of the City Council of the City of Beaumont, Acting as the Legislative Body of the City of Beaumont Community Facilities District No. 2016-2 (Sundance), Authorizing the Issuance of Its 2019 Special Tax Bonds, in an Aggregate Principal Amount not to Exceed Twelve Million Five Hundred Dollars (\$12,500,000) and Approving Certain Documents and Taking Certain Other Actions in Connection Therewith".

[Item 8](#)

[Attachment A](#)

[Attachment B](#)

[Attachment C](#)

[Attachment D](#)

[Attachment E](#)

[Attachment F](#)

[Attachment G](#)

[Attachment H](#)

9. **Approval of a Memorandum of Understanding (MOU) between the City of** 525 - 534

Beaumont and the Beaumont Cherry Valley Water District (BCVWD) Regarding Recycled Water

Recommended Council Action(s):

1. City staff recommends that the City Council approve the Memorandum of Understanding between the City of Beaumont and the Beaumont Cherry Valley Water District regarding recycled water as presented and to authorize the City manager to initiate negotiations on a final contract.

[Item 9](#)

10. Interagency Service Agreement between City of Banning and City of Beaumont to Provide Coordinated Transit Services 535 - 593

Recommended Council Action(s):

1. Approve the Interagency Service Agreement between the City of Beaumont and the City of Banning and authorize the City Manager to execute on behalf of the City.

[Item 10](#)

11. Second Amendment to the Custodial Services Contract with Executive Facilities Services, Inc. for Custodial Services at the Beaumont Police Department, the Police Annex Building, and Building H, in the Amount of \$25,000, and a Contingency of \$20,000 for a Total Not to Exceed Contract Amount of \$150,000; and Approve an Extension of Contract for One Additional Year, for Fiscal Year 2019-2020 595 - 644

Recommended Council Action(s):

1. Approve a contract amendment with EFS for an additional one-year, effective July 1, 2019; and
2. Approve the Second Amendment to Agreement for Services with Independent Contractor drafted by the City Attorney and authorize the City Manager to execute on behalf of the City; and
3. Authorize a Purchase Order for Fiscal Year 2019-2020, in an amount not to exceed \$150,000, allocated to the respective facilities; and
4. Authorize the City Manager, or his designee, to negotiate and if necessary, approve a Third Amendment to Agreement for Services with Independent Contractor on behalf of the City solely for the purpose of offsetting the mandated minimum wage increase in January 2020, not to exceed \$20,000.

[Item 11](#)

12. Sale of Surplus Animal Control Service Vehicle 645

Recommended Council Action(s):

1. Approve the sale of the ACO vehicle, unit 06-38, to Ramona Humane Society for \$6,000.

[Item 12](#)

13. Approval of Requisition for Polydyne, Inc. 647

Recommended Council Action(s):

1. Approve the requisition for Polydyne, Inc. in the amount of \$20,000.

[Item 13](#)

14. Approve the First Amendment of the Professional Services Agreement for Plan Check and Public Works Inspection Services to NV5, Inc. in an Amount not to Exceed \$296,400 for Fiscal Year 2018/2019 649 - 673

Recommended Council Action(s):

1. Approve the First Amendment of the Professional Services Agreement for Plan Check and Public Works Inspection Services to NV5, Inc. in an amount not to exceed \$296,400 for Fiscal Year 2018/2019.

[Item 14](#)

- 15. Authorize Third Amendment to the Professional Services Agreement for Wastewater Regulatory Support Services/NPDES to G&G Environmental Consultants, Inc. of Riverside California, in an Amount Not to Exceed \$146,292 for the Fiscal Year 2019/20** 675 - 726

Recommended Council Action(s):

1. Authorize the third amendment to the professional service agreement for Wastewater Regulatory Support Services/NPDES to G&G Environmental Consultants, Inc. of Riverside California, in an amount not to exceed \$146,292 for the Fiscal Year 2019/2020.

[Item 15](#)

- 16. Authorize Staff to Release a Request for Qualifications for Design/Build Energy Performance Contracting Services** 727 - 743

Recommended Council Action(s):

1. Authorize staff to release the RFQ for Design/Build Energy Performance Contracting Services.

[Item 16](#)

- 17. Authorize Staff to Release a Request for Proposals for Employee Benefits, Insurance Broker and Consulting Services** 745 - 764

Recommended Council Action(s):

1. Authorize staff to release the RFP for Employee Benefits Insurance Broker and Consulting Services.

[Item 17](#)

- 18. Approval of City Attorney Invoices for the Month of May 2019** 765 - 784

Recommended Council Action(s):

1. Approve invoices in the amount of \$124,110.29.

[Item 18](#)

- 19. Legislative Updates and Discussion** 785 - 804

[Item 19](#)

COUNCIL REPORTS

- Carroll
- Lara
- Martinez
- Santos
- White

ECONOMIC DEVELOPMENT UPDATE

Economic Development Committee Report Out and City Council Direction

CITY TREASURER REPORT

Finance and Audit Committee Report Out and Council Direction

CITY CLERK REPORT

CITY ATTORNEY REPORT

CITY MANAGER REPORT

Discussion of Foreign Trade Zones

FUTURE AGENDA ITEMS

Adjournment of the City Council of the June 18, 2019 Meeting at ____ p.m.

The next regular meeting of the Beaumont City Council, Beaumont Financing Authority, the Beaumont Successor Agency (formerly RDA), the Beaumont Utility Authority, the Beaumont Parking Authority and the Beaumont Public Improvement Agency is scheduled for Tuesday, July 2, 2019, at 5:00 p.m. or thereafter as noted on the posted Agenda for Closed Session items in the City Council Board Room No. 5, followed by the regular meeting at 6:00 p.m. or thereafter as noted on the posted Agenda at City Hall.

Beaumont City Hall – Online www.BeaumontCa.gov



WARRANTS TO BE RATIFIED

Thursday, May 30, 2019

Printed Checks	102132-102221	\$	1,068,006.97	FY 18/19
EFT'S	168-169	\$	3,079.92	
	A/P Total	\$	<u>1,071,086.89</u>	
Wires	Wilmington Trust	\$	16,135.36	CFD Prepayment
	Chicago Title	\$	2,354,900.00	Land Purchase
Bank Drafts	CalPers	\$	113.82	27308 PEPRA 5/3/19-5/16/19
	WorldPay	\$	0.01	Merchant Test
	Paychex	\$	461,763.38	Payroll PD 5/24/19

I DO HEREBY CERTIFY THIS WARRANT LIST HAS BEEN COMPILED AND PREPARED TO MEET THE DAILY OPERATIONS FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019

SIGNATURE: 
 TITLE: CITY TREASURER

SIGNATURE: 
 TITLE: FINANCE DIRECTOR



Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
3229	ICMA - RC	05/30/2019	EFT	0.00	1,783.31	168
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
PD 5/24/19	Invoice	05/29/2019	EMPLOYEE BENEFIT PD 5/24/19	0.00	1,783.31	
	<u>100-0000-2075-0000</u>		DEFERRED COMPENSATI		483.31	
	<u>100-1200-6026-0000</u>		DEFERRED COMP		1,300.00	
2264	SEIU	05/30/2019	EFT	0.00	1,296.61	169
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
PD 5/24/19	Invoice	05/29/2019	EMPLOYEE DUES	0.00	1,296.61	
	<u>100-0000-2061-0000</u>		P.E.R.C. DUES & INS		1,296.61	
1042	ALL PURPOSE RENTALS	05/30/2019	Regular	0.00	3,031.55	102132
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
37695	Invoice	05/29/2019	EQUIPMENT RENTAL - SEWER	0.00	413.22	
	<u>700-4050-7075-0000</u>		EQUIPMENT LEASING/RE		413.22	
37696	Invoice	05/29/2019	EQUIPMENT RENTALS - STREETS	0.00	2,618.33	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES		2,618.33	
1050	AMAZON CAPITAL SERVICES	05/30/2019	Regular	0.00	1,650.97	102133
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
11RY-RWPT-CWG	Invoice	05/29/2019	COMPUTER SUPPLIES/MAINT	0.00	30.48	
	<u>750-7200-7072-0000</u>		COMPUTER SUPPLIES/MA		30.48	
11RY-RWPT-JP3C	Invoice	05/29/2019	OFFICE SUPPLIES	0.00	46.56	
	<u>100-2050-7025-0000</u>		OFFICE SUPPLIES		46.56	
13LG-FC9W-F7JK	Invoice	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	44.95	
	<u>100-2050-7070-0000</u>		SPECIAL DEPT SUPPLIES		44.95	
13YR-JYHV-66PY	Invoice	05/29/2019	COMPUTER SUPPLIES/MAINT	0.00	59.97	
	<u>100-1550-7072-0000</u>		COMPUTER SUPPLIES/MA		59.97	
17RC-GLTP-DNK9	Invoice	05/29/2019	PROGRAM COSTS	0.00	856.41	
	<u>240-2320-7096-0000</u>		PROGRAM COSTS - AMR		856.41	
1CYW-FRCK-YP6N	Invoice	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	15.98	
	<u>100-6150-7070-0000</u>		SPECIAL DEPT SUPPLIES		15.98	
1D9K-YCGV-VX9Y	Invoice	05/29/2019	OFFICE SUPPLIES	0.00	86.80	
	<u>750-7000-7025-0000</u>		OFFICE SUPPLIES		86.80	
1DWY-P1HM-G4	Invoice	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	70.31	
	<u>100-1550-7070-0000</u>		SPECIAL DEPT SUPPLIES		70.31	
1F63-N3WJ-4JW	Invoice	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	162.36	
	<u>100-2050-7070-0000</u>		SPECIAL DEPT SUPPLIES		162.36	
1F63-N3WJ-GFKP	Invoice	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	193.99	
	<u>100-2050-7070-0000</u>		SPECIAL DEPT SUPPLIES		193.99	
1QXD-TMTV-TX3	Credit Memo	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	-37.74	
	<u>100-2050-7070-0000</u>		SPECIAL DEPT SUPPLIES		-37.74	
1YTW-CTX3-3G7L	Invoice	05/29/2019	OFFICE SUPPLIES	0.00	120.90	
	<u>100-2050-7025-0000</u>		OFFICE SUPPLIES		120.90	
3639	ANGELA REEK	05/30/2019	Regular	0.00	40.00	102134

Check Report

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
RCT 905791	Invoice 100-0000-4590-0000	05/29/2019	DEPOSIT REFUND BUILDING RENTAL	0.00	40.00	
1080	ARAMARK	05/30/2019	Regular	0.00	246.97	102135
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
1591505	Invoice 100-2050-7025-0000	05/29/2019	OFFICE SUPPLIES OFFICE SUPPLIES	0.00	246.97	
3638	ARMANDO MEDINA	05/30/2019	Regular	0.00	40.00	102136
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
RCT 879710	Invoice 100-0000-4590-0000	05/29/2019	DEPOSIT REFUND BUILDING RENTAL	0.00	40.00	
1092	ASHLEY GONZALEZ	05/30/2019	Regular	0.00	40.00	102137
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
RCT 892002	Invoice 100-0000-4590-0000	05/29/2019	DEPOSIT REFUND BUILDING RENTAL	0.00	40.00	
2643	ASHLEY YONTZ	05/30/2019	Regular	0.00	40.00	102138
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
RCT 903021	Invoice 100-0000-4590-0000	05/29/2019	DEPOSIT REFUND BUILDING RENTAL	0.00	40.00	
1005	A-Z BUS SALES, INC.	05/30/2019	Regular	0.00	81.97	102139
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
Q1P677788	Invoice 750-7600-7037-0000	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	81.97	
1109	BANK OF HEMET	05/30/2019	Regular	0.00	3,726.94	102140
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
1280837350 DUE	Invoice 100-6050-8040-0000	05/29/2019	LOAN PAYMENT EQUIPMENT	0.00	3,726.94	
1147	BEAUMONT CHERRY VALLEY WATER DIST.	05/30/2019	Regular	0.00	59,504.49	102141

Check Report

Vendor Number Payable #	Vendor Name Payable Type Account Number	Post Date	Payment Date Payable Description Account Name	Payment Type Item Description	Discount Amount Discount Amount	Payment Amount Payable Amount Distribution Amount	Number
<u>6/19/19</u>	Invoice	05/29/2019	WATER UTILITIES		0.00	59,504.49	
	<u>100-3250-7010-0000</u>		UTILITIES	WATER UTILITIES		4,326.30	
	<u>100-3250-7010-007A</u>		UTILITIES (IA 7A)	WATER UTILITIES		1,347.52	
	<u>100-3250-7010-007B</u>		UTILITIES (IA 7B)	WATER UTILITIES		292.81	
	<u>100-3250-7010-008A</u>		UTILITIES (IA 8A)	WATER UTILITIES		25.86	
	<u>100-3250-7010-008B</u>		UTILITIES (IA 8B)	WATER UTILITIES		75.39	
	<u>100-3250-7010-010A</u>		UTILITIES (IA 10)	WATER UTILITIES		475.41	
	<u>100-3250-7010-012A</u>		UTILITIES (IA 12)	WATER UTILITIES		205.62	
	<u>100-3250-7010-014B</u>		UTILITIES (IA 14B)	WATER UTILITIES		1,433.39	
	<u>100-3250-7010-014X</u>		UTILITIES (IA 14)	WATER UTILITIES		5,203.00	
	<u>100-3250-7010-015X</u>		UTILITIES (IA 15)	WATER UTILITIES		771.90	
	<u>100-3250-7010-016X</u>		UTILITIES (IA 16)	WATER UTILITIES		1,887.35	
	<u>100-3250-7010-018X</u>		UTILITIES (IA 18)	WATER UTILITIES		1,037.63	
	<u>100-3250-7010-019A</u>		UTILITIES (IA 19A)	WATER UTILITIES		927.05	
	<u>100-3250-7010-019C</u>		UTILITIES (IA 19C)	WATER UTILITIES		78.73	
	<u>100-3250-7010-06A1</u>		UTILITIES (IA 6A1)	WATER UTILITIES		3,337.56	
	<u>100-6000-7010-6045</u>		UTILITIES - COMMUNITY	WATER UTILITIES		571.36	
	<u>100-6050-7010-0000</u>		UTILITIES	WATER UTILITIES		1,290.26	
	<u>100-6050-7010-003X</u>		UTILITIES IA 3	WATER UTILITIES		4,102.30	
	<u>100-6050-7010-007A</u>		UTILITIES IA 7A	WATER UTILITIES		48.37	
	<u>100-6050-7010-008A</u>		UTILITIES IA 8A (SUNDAN	WATER UTILITIES		17,985.31	
	<u>100-6050-7010-008C</u>		UTILITIES IA 8C	WATER UTILITIES		25.86	
	<u>100-6050-7010-008E</u>		UTILITIES IA 8E	WATER UTILITIES		75.39	
	<u>100-6050-7010-014A</u>		UTILITIES IA 14A (OAK VA	WATER UTILITIES		484.46	
	<u>100-6050-7010-014B</u>		UTILITIES IA 14B	WATER UTILITIES		678.83	
	<u>100-6050-7010-017A</u>		UTILITIES IA 17A (TOURN	WATER UTILITIES		920.96	
	<u>100-6050-7010-018X</u>		UTILITIES IA 18	WATER UTILITIES		25.86	
	<u>100-6050-7010-019C</u>		UTILITIES IA 19C	WATER UTILITIES		533.60	
	<u>100-6050-7010-020X</u>		UTILITIES IA 20	WATER UTILITIES		316.59	
	<u>100-6050-7010-06A1</u>		UTILITIES IA 6A1	WATER UTILITIES		390.94	
	<u>100-6050-7010-5050</u>		UTILITIES, PARK (DEFORG	WATER UTILITIES		399.51	
	<u>100-6050-7010-5200</u>		UTILITIES, PARK (PALMER)	WATER UTILITIES		12.35	
	<u>100-6050-7010-5250</u>		UTILITIES, PARK (RANGAL	WATER UTILITIES		257.89	
	<u>100-6050-7010-5400</u>		UTILITIES, PARK (SPORTS	WATER UTILITIES		4,165.89	
	<u>100-6050-7010-5450</u>		UTILITIES, PARK (STETSON	WATER UTILITIES		2,228.52	
	<u>100-6050-7010-5500</u>		UTILITIES, PARK (STEWAR	WATER UTILITIES		1,223.33	
	<u>100-6050-7010-5600</u>		UTILITIES, PARK (TREVINO	WATER UTILITIES		75.39	
	<u>100-6050-7010-5650</u>		UTILITIES, PARK (VETERA	WATER UTILITIES		53.09	
	<u>100-6050-7010-5700</u>		UTILITIES, PARK (WILD FL	WATER UTILITIES		1,068.67	
	<u>700-4050-7010-0000</u>		UTILITIES	WATER UTILITIES		1,127.39	
	<u>700-4050-7010-019C</u>		UTILITIES (IA 19C)	WATER UTILITIES		16.85	
1127	BEAUMONT DO IT BEST HOME CENTER	05/30/2019	Regular		0.00	342.82	102142
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number		Account Name	Item Description	Distribution Amount		
<u>468138</u>	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT		0.00	9.69	
	<u>100-2100-7085-0000</u>		BUILDING SUPPLIES/MAI	BUILDING SUPPLIES/MAINT		9.69	
<u>470614</u>	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT		0.00	24.67	
	<u>100-6000-7085-6045</u>		BLDG MAINT- COMMUNI	BUILDING SUPPLIES/MAINT		24.67	
<u>471114</u>	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT		0.00	76.55	
	<u>100-6000-7085-6048</u>		BLDG MAINT - POOL	BUILDING SUPPLIES/MAINT		76.55	
<u>471269</u>	Invoice	05/29/2019	SEPECIAL DEPT SUPPLIES		0.00	35.19	
	<u>100-6050-7070-0000</u>		SPECIAL DEPT SUPPLIES	SEPECIAL DEPT SUPPLIES		35.19	
<u>471470</u>	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT		0.00	12.59	
	<u>100-6000-7085-6048</u>		BLDG MAINT - POOL	BUILDING SUPPLIES/MAINT		12.59	
<u>471486</u>	Invoice	05/29/2019	VEHICLE MAINTENANCE		0.00	9.69	
	<u>750-7300-7037-0000</u>		VEHICLE MAINTENANCE	VEHICLE MAINTENANCE		9.69	

Check Report

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
471514	Invoice 100-6050-7090-0000	05/29/2019	EQUIPMENT SUPPLIES/MAINT EQUIPMENT SUPPLIES/M	0.00	22.29	
471587	Invoice 100-6000-7085-6060	05/29/2019	BUILDING SUPPLIES/MAINT BLDG MAINT- 713 W 4TH	0.00	17.81	
471999	Invoice 100-6000-7085-0000	05/29/2019	BUILDING SUPPLIES/MAINT BUILDING SUPPLIES/MAI	0.00	57.26	
472010	Invoice 100-6000-7085-6048	05/29/2019	BUILDING SUPPLEIS/MAINT BLDG MAINT - POOL	0.00	23.23	
472205	Invoice 100-6000-7085-6060	05/29/2019	BUILDING SUPPLIES/MAINT BLDG MAINT- 713 W 4TH	0.00	17.02	
472253	Invoice 100-2050-7025-0000	05/29/2019	OFFICE SUPPLIES OFFICE SUPPLIES	0.00	36.83	
1139	BEAUMONT POLICE OFFICERS ASSOCIATION	05/30/2019	Regular	0.00	5,150.00	102143
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
PD 5/10/19-5/24	Invoice 100-0000-2035-0000	05/28/2019	POLICE DUES C.O.P.S. DUES	0.00	5,150.00	
1136	BEAUMONT POWER EQUIPMENT	05/30/2019	Regular	0.00	266.04	102144
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
1107	Invoice 100-6050-7070-0000	05/29/2019	SPECIAL DEPT SUPPLIES SPECIAL DEPT SUPPLIES	0.00	15.07	
1151	Invoice 100-6050-7090-0000	05/29/2019	EQUIPMENT SUPPLIES/MAINT EQUIPMENT SUPPLIES/M	0.00	105.59	
1188	Invoice 100-6050-7070-0000	05/29/2019	SPECIAL DEPT SUPPLIES SPECIAL DEPT SUPPLIES	0.00	145.38	
1140	BEAUMONT SAFE & LOCK	05/30/2019	Regular	0.00	300.78	102145
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
71173	Invoice 100-6050-7070-5500	05/29/2019	SPECIAL DEPT SUPPLIES SPEC DEPT EXP - STEWAR	0.00	78.11	
71824	Invoice 750-7300-7037-0000	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	15.68	
71927	Invoice 100-6000-7085-6048	05/29/2019	VEHICLE MAINTENANCE BLDG MAINT - POOL	0.00	206.99	
3640	BENJAMIN RAMIREZ	05/30/2019	Regular	0.00	40.00	102146
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
RCT 886249	Invoice 100-0000-4590-0000	05/29/2019	DEPOSIT REFUND BUILDING RENTAL	0.00	40.00	
1160	BIG TIME DESIGN	05/30/2019	Regular	0.00	177.79	102147
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
3188	Invoice 750-7000-7065-0000	05/29/2019	UNIFORMS UNIFORMS	0.00	177.79	
1168	BOYS & GIRLS CLUBS	05/30/2019	Regular	0.00	40.00	102148
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
5/23/19	Invoice 100-1050-7035-0000	05/29/2019	ANNUAL EVENT LOCAL MEETINGS	0.00	40.00	
1242	CED	05/30/2019	Regular	0.00	70.51	102149

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
0954-470783	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	0.47	
	<u>100-6000-7085-6048</u>		BLDG MAINT - POOL		0.47	
0954-470858	Invoice	05/29/2019	DEPARTMENT SUPPLIES - ELECTRICAL	0.00	70.04	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES		70.04	
1279	CIGNA HEALTH CARE	05/30/2019	Regular	0.00	54,496.38	102150
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
2476744	Invoice	05/29/2019	EMP INSURANCE	0.00	54,496.38	
	<u>100-1200-6020-0000</u>		HEALTH INSURANCE		2,286.86	
	<u>100-1225-6020-0000</u>		HEALTH INSURANCE		4,314.84	
	<u>100-1550-6020-0000</u>		HEALTH INSURANCE		1,725.94	
	<u>100-2030-6020-0000</u>		HEALTH INSURANCE		3,149.84	
	<u>100-2050-6020-0000</u>		HEALTH INSURANCE		10,614.50	
	<u>100-2090-6020-0000</u>		HEALTH INSURANCE		4,875.74	
	<u>100-3100-6020-0000</u>		HEALTH INSURANCE		4,314.84	
	<u>100-3250-6020-0000</u>		HEALTH INSURANCE		1,423.90	
	<u>100-6050-6020-0000</u>		HEALTH INSURANCE		8,888.56	
	<u>700-4050-6020-0000</u>		HEALTH INSURANCE		6,040.76	
	<u>750-7000-6020-0000</u>		HEALTH INSURANCE		2,847.80	
	<u>750-7100-6020-0000</u>		HEALTH INSURANCE		1,423.90	
	<u>750-7200-6020-0000</u>		HEALTH INSURANCE		862.98	
	<u>750-7300-6020-0000</u>		HEALTH INSURANCE		862.96	
	<u>750-7400-6020-0000</u>		HEALTH INSURANCE		862.96	
1282	CINTAS CORPORATION #698	05/30/2019	Regular	0.00	267.19	102151
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
5013607503	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	267.19	
	<u>750-7300-7085-0000</u>		BUILDING SUPPLIES/MAI		267.19	
1285	CITY OF BANNING	05/30/2019	Regular	0.00	5,588.90	102152
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
4/16/19-4/30/19	Invoice	05/29/2019	CONTRACTUAL SERVICES	0.00	5,588.90	
	<u>750-7000-7068-0000</u>		CONTRACTUAL SERVICES		5,588.90	
1353	CUSTOM TROPHIES	05/30/2019	Regular	0.00	1,484.79	102153
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
000259	Invoice	05/29/2019	RECREATION PROGRAMS	0.00	504.27	
	<u>100-1550-7040-0000</u>		RECREATION PROGRAMS		504.27	
000306	Invoice	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	980.52	
	<u>100-2050-7070-0000</u>		SPECIAL DEPT SUPPLIES		980.52	
1398	DEPARTMENT OF ENVIORNMENTAL HEALTH	05/30/2019	Regular	0.00	46.50	102154
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
6455	Invoice	05/29/2019	VECTOR CONTROL	0.00	46.50	
	<u>100-2030-7039-0000</u>		CODE ENFORCEMENT		46.50	
2937	DIAMOND ENVIRONMENTAL SERVICES LP	05/30/2019	Regular	0.00	1,568.40	102155
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
0002032397	Invoice	05/29/2019	Goods	0.00	1,568.40	
	<u>100-1550-7075-0000</u>		EQUIPMENT LEASING/RE		1,568.40	
1414	DIAMOND HILLS AUTO GROUP	05/30/2019	Regular	0.00	2,547.27	102156

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
42014	Invoice 100-2050-7037-0000	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	79.95	
650410	Invoice 100-2050-7037-0000	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	564.00	
650849	Invoice 750-7200-7037-0000	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	17.80	
650850	Invoice 750-7200-7037-0000	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	849.17	
650878	Invoice 750-7400-7037-0000	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	1,036.35	
1424	DIRECTV Payable #	05/30/2019	Regular	0.00	178.23	102157
36280687735	Invoice 100-6000-7010-6045	05/29/2019	TV UTILITY UTILITIES - COMMUNITY	0.00	178.23	
3641	ERIC ARROYO Payable #	05/30/2019	Regular	0.00	660.00	102158
1956	Invoice 100-1240-6050-0000	05/29/2019	RECRUITMENT RECRUITMENT AND HIRI	0.00	660.00	
1501	FAIRVIEW FORD Payable #	05/30/2019	Regular	0.00	380.99	102159
594882	Invoice 750-7600-7037-0000	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	62.51	
594949	Invoice 100-2050-7037-0000	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	79.27	
596321	Invoice 750-7100-7037-0000	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	204.16	
596328	Invoice 750-7200-7037-0000	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	35.05	
1533	FRONTIER COMMUNICATIONS Payable #	05/30/2019	Regular	0.00	69.32	102160
951-769-8537-03	Invoice 100-1230-7015-6060	05/29/2019	TELEPHONE UTILITY TELEPHONE (4th ST YARD)	0.00	69.32	
1578	GORM, INC. Payable #	05/30/2019	Regular	0.00	97.55	102161
272643	Invoice 100-6000-7085-6040	05/29/2019	BUILDING SUPPLIES/MAINT BLDG MAINT - POLICE DE	0.00	97.55	
1583	GRAFIX SYSTEMS Payable #	05/30/2019	Regular	0.00	1,106.41	102162
26992	Invoice 100-2050-8060-0000	05/29/2019	VEHICLE DECALS VEHICLES	0.00	959.87	
27012	Invoice 240-2080-7070-0000	05/29/2019	VEHICLE DECALS SPEC DEPT SUPPLIES - K9	0.00	146.54	
3537	HAYES WELDING, INC	05/30/2019	Regular	0.00	87,563.34	102163

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
8078729	Invoice	05/29/2019	2019 FREIGHTLINER M2 DUMP TRUCK	0.00	87,563.34	
	100-3250-8060-0000	VEHICLES	2019 FREIGHTLINER M2 DUMP		65,672.50	
	710-0000-8060-0000	VEHICLES	2019 FREIGHTLINER M2 DUMP		21,890.84	
3572	HECTOR ALVARADO	05/30/2019	Regular	0.00	2,150.00	102164
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
1039	Invoice	05/28/2019	CONTRACTUAL SERVICES	0.00	940.00	
	750-7100-7068-0000	CONTRACTUAL SERVICES	CONTRACTUAL SERVICES		80.00	
	750-7200-7068-0000	CONTRACTUAL SERVICES	CONTRACTUAL SERVICES		590.00	
	750-7400-7068-0000	CONTRACTUAL EXPENSES	CONTRACTUAL SERVICES		130.00	
	750-7600-7068-0000	CONTRACTUAL SERVICES	CONTRACTUAL SERVICES		140.00	
1040	Invoice	05/29/2019	CONTRACTUAL SERVICES	0.00	1,210.00	
	750-7100-7068-0000	CONTRACTUAL SERVICES	CONTRACTUAL SERVICES		150.00	
	750-7200-7068-0000	CONTRACTUAL SERVICES	CONTRACTUAL SERVICES		870.00	
	750-7400-7068-0000	CONTRACTUAL EXPENSES	CONTRACTUAL SERVICES		70.00	
	750-7600-7068-0000	CONTRACTUAL SERVICES	CONTRACTUAL SERVICES		120.00	
1632	HOME DEPOT/CREDIT SERVICES	05/30/2019	Regular	0.00	9,551.33	102165
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
1021040	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	25.57	
	100-6000-7085-6025	BLDG MAINT - CITY HALL	BUILDING SUPPLIES/MAINT		25.57	
1053665	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	10.13	
	100-6000-7085-6040	BLDG MAINT - POLICE DE	BUILDING SUPPLIES/MAINT		10.13	
1053666	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	184.58	
	100-6000-7085-6032	BLDG MAINT- CITY HALL B	BUILDING SUPPLIES/MAINT		184.58	
1172622	Credit Memo	04/22/2019	BUILDING SUPPLIES/MAINT	0.00	-49.54	
	100-6000-7085-6026	BLDG MAINT- CITY HALL B	BUILDING SUPPLIES/MAINT		-49.54	
11825	Invoice	05/29/2019	EQUIPMENT SUPPLIES/MAINT	0.00	21.42	
	100-6000-7085-0000	BUILDING SUPPLIES/MAI	EQUIPMENT SUPPLIES/MAINT		21.42	
11826	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	93.80	
	100-6000-7085-6025	BLDG MAINT - CITY HALL	BUILDING SUPPLIES/MAINT		93.80	
11827	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	30.04	
	750-7000-7085-0000	BUILDING SUPPLIES/MAI	BUILDING SUPPLIES/MAINT		30.04	
11850	Invoice	05/29/2019	DEPARTMENT SUPPLIES - SEWER	0.00	611.17	
	700-4050-7070-0000	SPECIAL DEPT SUPPLIES	DEPARTMENT SUPPLIES - SEWE		611.17	
13109	Invoice	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	732.70	
	100-6050-7070-5500	SPEC DEPT EXP - STEWAR	SPECIAL DEPT SUPPLIES		732.70	
1565222	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	27.40	
	100-6000-7085-6048	BLDG MAINT - POOL	BUILDING SUPPLIES/MAINT		27.40	
1565223	Invoice	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	32.26	
	100-6050-7070-5400	SPEC DEPT EXP - SPORTS	SPECIAL DEPT SUPPLIES		32.26	
1584790	Invoice	05/29/2019	EQUIPMENT SUPPLIES/MAINT	0.00	53.82	
	100-6000-7085-6026	BLDG MAINT- CITY HALL B	EQUIPMENT SUPPLIES/MAINT		53.82	
1590915	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	102.83	
	100-6000-7085-0000	BUILDING SUPPLIES/MAI	BUILDING SUPPLIES/MAINT		102.83	
1592159	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	23.78	
	100-6000-7085-6040	BLDG MAINT - POLICE DE	BUILDING SUPPLIES/MAINT		23.78	
1971433	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	634.97	
	100-6000-7085-6040	BLDG MAINT - POLICE DE	BUILDING SUPPLIES/MAINT		634.97	
2093831	Invoice	05/29/2019	DEPARTMENT SUPPLIES - SEWER	0.00	133.60	
	700-4050-7070-0000	SPECIAL DEPT SUPPLIES	DEPARTMENT SUPPLIES - SEWE		133.60	

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
2572192	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	8.14	
	100-6000-7085-6040		BLDG MAINT - POLICE DE		8.14	
3011396	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	81.79	
	100-6000-7085-6060		BLDG MAINT- 713 W 4TH		81.79	
3012640	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	166.70	
	100-6000-7085-6060		BLDG MAINT- 713 W 4TH		166.70	
3025114	Invoice	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	79.46	
	100-6050-7070-0000		SPECIAL DEPT SUPPLIES		79.46	
3173253	Credit Memo	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	-16.14	
	100-6000-7085-6055		BLDG MAINT- FIRE STATIO		-16.14	
3174016	Credit Memo	05/10/2019	BUILDING SUPPLIES/MAINT	0.00	-19.66	
	750-7000-7085-0000		BUILDING SUPPLIES/MAI		-19.66	
3592059	Invoice	05/29/2019	EQUIPMENT	0.00	16.57	
	225-0000-8040-0000		EQUIPMENT		16.57	
3592648	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	101.54	
	750-7000-7085-0000		BUILDING SUPPLIES/MAI		101.54	
4011304	Invoice	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	230.67	
	100-6050-7070-0000		SPECIAL DEPT SUPPLIES		230.67	
4012523	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	18.41	
	100-6000-7085-6048		BLDG MAINT - POOL		18.41	
4013809	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	3.76	
	100-6000-7085-6040		BLDG MAINT - POLICE DE		3.76	
4020650	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	196.36	
	100-6000-7085-6048		BLDG MAINT - POOL		196.36	
4020652	Invoice	05/29/2019	DEPARTMENT SUPPLIES - SEWER	0.00	44.29	
	700-4050-7070-0000		SPECIAL DEPT SUPPLIES		44.29	
4022002	Invoice	05/29/2019	DEPARTMENT SUPPLIES - SEWER	0.00	76.27	
	700-4050-7070-0000		SPECIAL DEPT SUPPLIES		76.27	
4023248	Invoice	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	55.99	
	100-1550-7070-0000		SPECIAL DEPT SUPPLIES		55.99	
4023249	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	78.43	
	100-6000-7085-6048		BLDG MAINT - POOL		78.43	
4173943	Credit Memo	05/09/2019	BUILDING SUPPLIES/MAINT	0.00	-5.12	
	100-6000-7085-6040		BLDG MAINT - POLICE DE		-5.12	
5013620	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	293.07	
	100-6000-7085-6048		BLDG MAINT - POOL		293.07	
5013629	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	27.20	
	100-6000-7085-6040		BLDG MAINT - POLICE DE		27.20	
5013690	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	406.00	
	100-6000-7085-6048		BLDG MAINT - POOL		406.00	
5100393	Invoice	05/29/2019	DEPARTMENT SUPPLIES - SEWER	0.00	106.32	
	700-4050-7070-0000		SPECIAL DEPT SUPPLIES		106.32	
6011058	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	831.44	
	100-6000-7085-6045		BLDG MAINT- COMMUNI		831.44	
6011059	Invoice	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	75.12	
	100-6050-7070-0000		SPECIAL DEPT SUPPLIES		75.12	
6011072	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	33.74	
	100-6000-7085-6040		BLDG MAINT - POLICE DE		33.74	
6011073	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	10.52	
	750-7000-7085-0000		BUILDING SUPPLIES/MAI		10.52	
6011074	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	2.90	
	100-6000-7085-6040		BLDG MAINT - POLICE DE		2.90	

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
6011075	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	61.57	
	100-6000-7085-6055		BLDG MAINT- FIRE STATIO		61.57	
6011106	Invoice	05/29/2019	DEPARTMENT SUPPLIES - SEWER	0.00	230.52	
	700-4050-7070-0000		SPECIAL DEPT SUPPLIES		230.52	
7010928	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	36.55	
	100-6000-7085-6040		BLDG MAINT - POLICE DE		36.55	
7100466	Invoice	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	616.55	
	100-6050-7070-5500		SPEC DEPT EXP - STEWAR		616.55	
7571044	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	9.67	
	100-6000-7085-6048		BLDG MAINT - POOL		9.67	
7972064	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	916.77	
	100-6000-7085-6040		BLDG MAINT - POLICE DE		916.77	
8012017	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	332.26	
	100-6000-7085-6048		BLDG MAINT - POOL		332.26	
8012102	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	9.95	
	100-6000-7085-6048		BLDG MAINT - POOL		9.95	
8020039	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	49.54	
	100-6000-7085-6026		BLDG MAINT- CITY HALL B		49.54	
8021492	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	27.17	
	100-6000-7085-6048		BLDG MAINT - POOL		27.17	
8903299	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	1,569.22	
	100-6000-7085-6060		BLDG MAINT- 713 W 4TH		1,569.22	
9011903	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	43.97	
	100-6000-7085-6048		BLDG MAINT - POOL		43.97	
9011958	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	5.80	
	100-6000-7085-6025		BLDG MAINT - CITY HALL		5.80	
9011959	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	19.33	
	100-6000-7085-0000		BUILDING SUPPLIES/MAI		19.33	
9011960	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	16.14	
	100-6000-7085-6055		BLDG MAINT- FIRE STATIO		16.14	
9011961	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	34.02	
	100-6000-7085-6048		BLDG MAINT - POOL		34.02	
	Void	05/30/2019	Regular	0.00	0.00	102166
	Void	05/30/2019	Regular	0.00	0.00	102167
	Void	05/30/2019	Regular	0.00	0.00	102168
2589	IDC CONSULTING ENGINEERS, INC	05/30/2019	Regular	0.00	251,810.60	102169
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
215-18-10-003	Invoice	05/29/2019	Pennsylvania Grade Sep Engineering Desi	0.00	251,810.60	
	500-0000-7068-0000		CONTRACTUAL SERVICE		251,810.60	
1704	JAYTOWN INDUSTRIES, INC.	05/30/2019	Regular	0.00	200.77	102170
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
3736	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	200.77	
	100-1550-7085-0000		BUILDING SUPPLIES/MAI		200.77	
3162	JENNIFER USTATION	05/30/2019	Regular	0.00	284.74	102171
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
5/19/19-5/22/19	Invoice	05/29/2019	TRAVEL REIMBURSMENT	0.00	284.74	
	100-1225-7066-0000		TRAVEL, EDUCATION, TRA		284.74	
3644	JOSHUA DUNNE	05/30/2019	Regular	0.00	141.48	102172

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>06-011628-04</u>	Invoice	05/29/2019	REIMBURSE CREDIT ON FINALED ACCOUN	0.00	141.48	
	<u>100-0000-1400-0000</u>	A/R - UTILITIES	REIMBURSE CREDIT ON FINALE		141.48	
3414	JTB SUPPLY CO., INC	05/30/2019	Regular	0.00	2,117.08	102173
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>105605</u>	Invoice	05/29/2019	Street Signs	0.00	2,117.08	
	<u>100-3250-7070-0000</u>	SPECIAL DEPT SUPPLIES	Street Signs		2,117.08	
3643	JUDITH WALKER	05/30/2019	Regular	0.00	40.00	102174
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>RCT 905268</u>	Invoice	05/29/2019	DEPOSIT REFUND	0.00	40.00	
	<u>100-0000-4590-0000</u>	BUILDING RENTAL	DEPOSIT REFUND		40.00	
2908	JULIO MARTINEZ	05/30/2019	Regular	0.00	34.80	102175
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>3/25/19</u>	Invoice	05/29/2019	TRAVEL REIMBURSMENT	0.00	34.80	
	<u>100-1050-7035-0000</u>	LOCAL MEETINGS	TRAVEL REIMBURSMENT		34.80	
1771	K. HOVNIANIAN COMPANIES	05/30/2019	Regular	0.00	140,555.82	102176
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>2016-4</u>	Invoice	05/30/2019	REFUND DUPLICATE SEWER CAPACITY FEE	0.00	140,555.82	
	<u>705-6005-7900-0000</u>	MITIGATION FEE REFUND	REFUND DUPLICATE SEWER CAP		140,555.82	
1773	KAISER FOUNDATION HEALTH PLAN	05/30/2019	Regular	0.00	132,104.84	102177
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>JUNE 2019</u>	Invoice	05/29/2019	HEALTH INSURANCE JUNE 2019	0.00	132,104.84	
	<u>100-1200-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		8,465.18	
	<u>100-1225-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		2,980.72	
	<u>100-1230-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		1,788.41	
	<u>100-1240-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		1,192.31	
	<u>100-1350-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		1,788.41	
	<u>100-1550-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		655.77	
	<u>100-2000-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		3,576.82	
	<u>100-2050-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		48,048.78	
	<u>100-2090-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		10,849.80	
	<u>100-2150-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		6,676.77	
	<u>100-3100-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		4,769.13	
	<u>100-3250-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		7,153.64	
	<u>100-6050-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		15,261.24	
	<u>700-4050-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		2,384.57	
	<u>750-7000-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		2,444.18	
	<u>750-7100-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		3,099.95	
	<u>750-7200-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		4,292.32	
	<u>750-7300-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		5,484.52	
	<u>750-7600-6020-0000</u>	HEALTH INSURANCE	HEALTH INSURANCE		1,192.32	
3247	KOA CORPORATION	05/30/2019	Regular	0.00	5,544.50	102178
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>JB74058X10</u>	invoice	05/29/2019	California Grade Sep Engineering Design S	0.00	5,544.50	
	<u>500-0000-7068-0000</u>	CONTRACTUAL SERVICE	California Grade Sep Engineerin		5,544.50	
1821	LA TI DA	05/30/2019	Regular	0.00	415.00	102179

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>1101</u>	Invoice <u>100-1550-7040-0000</u>	05/29/2019	RECREATION PROGRAMS RECREATION PROGRAMS	0.00	415.00	
3506	LISA LEACH Payable Type Account Number	05/30/2019	Regular	0.00	424.00	102180
<u>5/20/19</u>	Invoice <u>100-1225-7053-0000</u> <u>100-1225-7066-0000</u>	05/29/2019	CERTIFICATE REIMBURSEMENT PERMITS, FEES AND LICE TRAVEL, EDUCATION, TRA	0.00	424.00	
			CERTIFICATE REIMBURSEMENT		120.00	
			CERTIFICATE REIMBURSEMENT		304.00	
1874	LLOYD WHITE Payable Type Account Number	05/30/2019	Regular	0.00	45.24	102181
<u>5/6/19</u>	Invoice <u>100-1050-7035-0000</u>	05/29/2019	ERICA MEETING LOCAL MEETINGS	0.00	45.24	
			ERICA MEETING		45.24	
3647	MAREESA EVANS Payable Type Account Number	05/30/2019	Regular	0.00	40.00	102182
<u>RCT 906389</u>	Invoice <u>100-0000-4590-0000</u>	05/29/2019	DEPOSIT REFUND BUILDING RENTAL	0.00	40.00	
			DEPOSIT REFUND		40.00	
1118	MSC INDUSTRIAL SUPPLY CO Payable Type Account Number	05/30/2019	Regular	0.00	216.17	102183
<u>2914630001</u>	Invoice <u>750-7300-7037-0000</u>	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	216.17	
			VEHICLE MAINTENANCE		216.17	
1984	NAPA AUTO PARTS Payable Type Account Number	05/30/2019	Regular	0.00	2,610.83	102184
<u>088625</u>	Invoice <u>100-6050-7037-0000</u>	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	193.79	
			VEHICLE MAINTENANCE		193.79	
<u>088883</u>	Invoice <u>750-7200-7037-0000</u>	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	149.75	
			VEHICLE MAINTENANCE		149.75	
<u>088907</u>	Invoice <u>100-2100-7037-0000</u>	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	12.91	
			VEHICLE MAINTENANCE		12.91	
<u>089094</u>	Invoice <u>100-6050-7070-0000</u>	05/29/2019	SPECIAL DEPT SUPPLIES SPECIAL DEPT SUPPLIES	0.00	607.15	
			SPECIAL DEPT SUPPLIES		607.15	
<u>089218</u>	Invoice <u>750-7200-7037-0000</u>	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	177.23	
			VEHICLE MAINTENANCE		177.23	
<u>089583</u>	Invoice <u>750-7200-7037-0000</u>	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	116.35	
			VEHICLE MAINTENANCE		116.35	
<u>089593</u>	Invoice <u>750-7400-7037-0000</u>	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	71.05	
			VEHICLE MAINTENANCE		71.05	
<u>089619</u>	Invoice <u>100-6050-7037-0000</u>	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	242.70	
			VEHICLE MAINTENANCE		242.70	
<u>089691</u>	Credit Memo <u>100-6050-7037-0000</u>	04/30/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	-66.00	
			VEHICLE MAINTENANCE		-66.00	
<u>089718</u>	Invoice <u>100-2050-7037-0000</u>	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	214.09	
			VEHICLE MAINTENANCE		214.09	
<u>089727</u>	Invoice <u>750-7600-7037-0000</u>	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	7.53	
			VEHICLE MAINTENANCE		7.53	
<u>089765</u>	Invoice <u>750-7200-7037-0000</u>	05/29/2019	VEHICLE MAINTENANCE VEHICLE MAINTENANCE	0.00	16.97	
			VEHICLE MAINTENANCE		16.97	

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
089849	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	16.15	
	750-7600-7037-0000		VEHICLE MAINTENANCE		16.15	
089872	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	14.54	
	750-7200-7037-0000		VEHICLE MAINTENANCE		14.54	
089873	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	11.30	
	750-7300-7037-0000		VEHICLE MAINTENANCE		11.30	
089887	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	14.30	
	750-7200-7037-0000		VEHICLE MAINTENANCE		14.30	
089903	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	181.00	
	750-7300-7037-0000		VEHICLE MAINTENANCE		181.00	
089973	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	39.19	
	750-7300-7037-0000		VEHICLE MAINTENANCE		39.19	
090095	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	34.47	
	750-7400-7037-0000		VEHICLE MAINTENANCE		34.47	
090134	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	70.03	
	750-7100-7037-0000		VEHICLE MAINTENANCE		70.03	
090138	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	319.99	
	750-7200-7037-0000		VEHICLE MAINTENANCE		319.99	
090139	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	82.42	
	750-7100-7037-0000		VEHICLE MAINTENANCE		82.42	
091568	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	83.92	
	100-2050-7037-0000		VEHICLE MAINTENANCE		83.92	
	Void	05/30/2019	Regular	0.00	0.00	102185
3493	NUTRIEN AG SOLUTIONS	05/30/2019	Regular	0.00	124.94	102186
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
38520526	Invoice	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	124.94	
	100-6050-7070-0000		SPECIAL DEPT SUPPLIES		124.94	
2009	O'REILLY AUTO PARTS	05/30/2019	Regular	0.00	1,476.16	102187
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
2678-185431	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	1,060.09	
	100-2100-7037-0000		VEHICLE MAINTENANCE		1,060.09	
2678-187112	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	72.47	
	100-2050-7037-0000		VEHICLE MAINTENANCE		72.47	
2678-187169	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	151.26	
	100-2050-7037-0000		VEHICLE MAINTENANCE		151.26	
2678-187171	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	10.76	
	100-2050-7037-0000		VEHICLE MAINTENANCE		10.76	
2678-188452	Credit Memo	05/03/2019	VEHICLE MAINTENANCE	0.00	-136.89	
	100-2100-7037-0000		VEHICLE MAINTENANCE		-136.89	
2678-188645	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	191.68	
	750-7100-7037-0000		VEHICLE MAINTENANCE		191.68	
2678-188802	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	72.46	
	750-7200-7037-0000		VEHICLE MAINTENANCE		72.46	
2678-188816	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	54.33	
	750-7200-7037-0000		VEHICLE MAINTENANCE		54.33	
2026	PACIFIC ALARM SERVICE	05/30/2019	Regular	0.00	298.89	102188
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
P 101219	Invoice	05/29/2019	ALARM SERVICES	0.00	105.00	
	100-6000-7085-6025		BLDG MAINT - CITY HALL		105.00	

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
P 101259	Invoice 100-6000-7085-6045	05/29/2019	ALARM SERVICES BLDG MAINT- COMMUNI	0.00	193.89	
3648	PALM INNOVATION ACADEMY	05/30/2019	Regular	0.00	80.00	102189
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
RCT 893574	Account Number Invoice 100-0000-4590-0000	05/29/2019	Account Name DEPOSIT REFUND BUILDING RENTAL	Item Description DEPOSIT REFUND	0.00	80.00
2039	PARKHOUSE TIRE, INC.	05/30/2019	Regular	0.00	1,497.45	102190
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
2030176341	Account Number Invoice 750-7200-7037-0000	05/29/2019	Account Name VEHICLE MAINTENANCE VEHICLE MAINTENANCE	Item Description VEHICLE MAINTENANCE	0.00	1,497.45
2066	PITNEY BOWES-1183	05/30/2019	Regular	0.00	555.03	102191
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
8000-9000-0779-	Account Number Invoice 100-2050-7025-0000	05/29/2019	Account Name OFFICE SUPPLIES	Item Description OFFICE SUPPLIES	0.00	555.03
2083	PROFORMA	05/30/2019	Regular	0.00	150.31	102192
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
9015602713	Account Number Invoice 100-2050-7025-0000	05/29/2019	Account Name OFFICE SUPPLIES	Item Description OFFICE SUPPLIES	0.00	150.31
2098	QUILL CORPORATON	05/30/2019	Regular	0.00	310.78	102193
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
6595489	Account Number Invoice 750-7000-7025-0000	05/29/2019	Account Name OFFICE SUPPLIES	Item Description OFFICE SUPPLIES	0.00	15.60
6598201	Account Number Invoice 750-7000-7025-0000	05/29/2019	Account Name OFFICE SUPPLIES	Item Description OFFICE SUPPLIES	0.00	255.36
6705620	Account Number Invoice 750-7000-7025-0000	05/29/2019	Account Name OFFICE SUPPLIES	Item Description OFFICE SUPPLIES	0.00	39.82
2170	RIVERSIDE COUNTY SHERIFF DEPARTMENT	05/30/2019	Regular	0.00	554.00	102194
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
6/3/19-6/14/19	Account Number Invoice 100-2050-7066-0000	05/29/2019	Account Name REGISTRATION FEE TRAVEL, EDUCATION, TRA	Item Description REGISTRATION FEE	0.00	554.00
2257	SCOTT FAZEKAS & ASSOCIATES, INC.	05/30/2019	Regular	0.00	6,086.33	102195
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
20632	Account Number Invoice 100-2150-7063-0000	05/29/2019	Account Name PLAN CHECK FEES	Item Description PLAN CHECK FEES	0.00	6,086.33
3570	SDC FAIRWAY CANYON LLC	05/30/2019	Regular	0.00	115,366.37	102196
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
5/20/19	Account Number Invoice 100-0000-4310-0000	05/29/2019	Account Name REFUND PLAN CHECK AND INSPECTION F BUILDING PERMITS AND I	Item Description REFUND PLAN CHECK AND INSP	0.00	115,366.37
2267	SGP DESIGN AND PRINT	05/30/2019	Regular	0.00	20.47	102197

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
11195	Invoice 100-2050-7025-0000	05/29/2019	OFFICE SUPPLIES OFFICE SUPPLIES	0.00	20.47	
2293	SKC COMPANY	05/30/2019	Regular	0.00	247.68	102198
INV2517560	Invoice 100-2050-7070-0000	05/29/2019	SPECIAL DEPT SUPPLIES SPECIAL DEPT SUPPLIES	0.00	247.68	
2300	SO CAL INDUSTRIES	05/30/2019	Regular	0.00	138.29	102199
378844	Invoice 100-6050-7068-5250	05/29/2019	CONTRACTUAL SERVICES CONTRACT SVC - RANGAL	0.00	138.29	
3378	SO CAL MULCH, INC	05/30/2019	Regular	0.00	7,801.69	102200
16906	Invoice 100-6050-7068-06A1	05/29/2019	Goods CONTRACTUAL SVC IA 6A	0.00	7,801.69	
2301	SO CAL WEST COAST ELECTRIC	05/30/2019	Regular	0.00	4,502.00	102201
23709	Invoice 100-6000-7085-6055	05/29/2019	BUILDING SUPPLIES/MAINT BLDG MAINT- FIRE STATIO	0.00	560.00	
23713	Invoice 100-6000-7068-6040	05/29/2019	CONTRACTUAL SERVICES CONTRACTUAL SVC- POLI	0.00	3,942.00	
2309	SOUTH COAST AQMD	05/30/2019	Regular	0.00	265.96	102202
3451001	Invoice 100-6000-7022-6045	05/29/2019	LICENSE, PERMIT, FEES LICENSE, PERMITS, FEES -	0.00	132.98	
3452264	Invoice 100-2050-7053-0000	05/29/2019	LICENSE, PERMIT FEES PERMITS, FEES AND LICE	0.00	132.98	
2311	SOUTHERN CALIFORNIA EDISON	05/30/2019	Regular	0.00	5,215.85	102203
6/4/19	Invoice 100-3250-7010-0000 100-3250-7010-008A 100-3250-7010-014A 100-3250-7010-014X 100-3250-7010-019C 100-6000-7010-6025 100-6000-7010-6031 100-6000-7010-6032 100-6000-7010-6055 100-6050-7010-0000 100-6050-7010-002X 100-6050-7010-008E 100-6050-7010-06A1	05/29/2019	ELECTRIC UTILITY UTILITIES UTILITIES (IA 8A) UTILITIES (IA 14A) UTILITIES (IA 14) UTILITIES (IA 19C) UTILITIES - CITY HALL UTILITIES - CITY HALL BLD UTILITIES - CITY HALL BLD UTILITIES - FIRE STATION UTILITIES UTILITIES IA 2 UTILITIES IA 8E UTILITIES IA 6A1	0.00	5,215.85	
2345	STATER BROS MARKETS	05/30/2019	Regular	0.00	62.64	102204

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
5966650	Invoice 100-6050-7066-0000	05/29/2019	TRAVEL EDUCATION & TRAINING TRAVEL, EDUCATION, TRA	0.00	62.64 62.64	
2360	STRADLING YOCCA CARLSON & RAUTH	05/30/2019	Regular	0.00	25,870.11	102205
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
3RD PARTY CLA	Invoice 120-9663-7300-0000	05/29/2019	3RD PARTY CLAIM 2/28/19 CONTRACTUAL SERVICES	0.00	650.00 650.00	
3RD PARTY CLA	Invoice 120-9663-7300-0000	05/29/2019	THIRD PARTY CLAIMS MARCH 19 CONTRACTUAL SERVICES	0.00	650.00 650.00	
CFD 2019-1 3/31/	Invoice 250-0000-1139-0000	05/29/2019	CFD 2019-1 SPECIAL TAX BONDS CFD FORMATION - PARDE	0.00	24,570.11 24,570.11	
2395	TERMINIX COMMERCIAL	05/30/2019	Regular	0.00	60.00	102206
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
385512677	Invoice 100-6000-7085-6055	05/29/2019	BUILDING SUPPLIES/MAINT BLDG MAINT- FIRE STATIO	0.00	60.00 60.00	
2416	THE PRESS-ENTERPRISE	05/30/2019	Regular	0.00	1,707.00	102207
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
0011252223-01	Invoice 100-1350-7020-0000	05/29/2019	ADVERTISING ADVERTISING	0.00	66.60 66.60	
0011252228-01	Invoice 100-1350-7020-0000	05/29/2019	ADVERTISING ADVERTISING	0.00	90.00 90.00	
0011258455-01	Invoice 100-1350-7020-0000	05/29/2019	ADVERTISING ADVERTISING	0.00	79.20 79.20	
0011260768	Invoice 100-2050-7020-0000	05/29/2019	ADVERTISING ADVERTISING	0.00	1,244.40 1,244.40	
0011266027-01	Invoice 100-1350-7020-0000	05/29/2019	ADVERTISING ADVERTISING	0.00	70.20 70.20	
0011266029-01	Invoice 100-1350-7020-0000	05/29/2019	ADVERTISING ADVERTISING	0.00	63.00 63.00	
0011271215-01	Invoice 100-1350-7020-0000	05/29/2019	ADVERTISING ADVERTISING	0.00	93.60 93.60	
3181	THE PUN GROUP LLP	05/30/2019	Regular	0.00	11,765.00	102208
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
111932-FS	Invoice 100-1225-7068-0000	05/29/2019	FY17-18 FINANCIAL AUDIT CONTRACTUAL SERVICES	0.00	7,685.00 7,685.00	
111932-SA	Invoice 100-1225-7068-0000	05/29/2019	CONTRACTUAL SERVICES CONTRACTUAL SERVICES	0.00	4,080.00 4,080.00	
2419	THE RECORD GAZETTE	05/30/2019	Regular	0.00	116.80	102209
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
00165017	Invoice 750-7000-7020-0000	05/29/2019	ADVERTISING ADVERTISING	0.00	116.80 116.80	
2429	THYSSENKRUPP ELEVATOR CORP	05/30/2019	Regular	0.00	2,310.92	102210

Check Report

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
3004400260	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	1,155.46	
	100-6000-7085-6045		BLDG MAINT- COMMUNI		1,155.46	
3004573255	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	1,155.46	
	100-6000-7085-6045		BLDG MAINT- COMMUNI		1,155.46	
2435	TLMA ADMINISTRATION COUNTY OF RIV	05/30/2019	Regular	0.00	529.34	102211
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
TL0000014697	Invoice	05/29/2019	TRAFFIC SIGNALS	0.00	529.34	
	100-3250-7068-0000		CONTRACTUAL SERVICES		529.34	
2457	TYLER WORKS - TECHNOLOGIES	05/30/2019	Regular	0.00	88,146.00	102212
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
025-255624	Invoice	05/29/2019	SOFTWARE	0.00	14,977.00	
	100-1230-7071-0000		SOFTWARE		14,977.00	
025-255625	Invoice	05/29/2019	SOFTWARE	0.00	73,169.00	
	100-1230-7071-0000		SOFTWARE		73,169.00	
2459	UFI URBAN FUTURES	05/30/2019	Regular	0.00	5,625.00	102213
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
0219-013 2	Invoice	05/29/2019	CONTRACTUAL SERVICES	0.00	5,625.00	
	100-1200-7068-0000		CONTRACTUAL SERVICES		5,625.00	
3310	UNITED WINDOW TINT	05/30/2019	Regular	0.00	160.00	102214
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
VIN 348979	Invoice	05/29/2019	VEHICLE MAINTENANCE	0.00	160.00	
	100-2050-7037-0000		VEHICLE MAINTENANCE		160.00	
3650	VERONICA SALGADO	05/30/2019	Regular	0.00	105.00	102215
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
RCT 905406	Invoice	05/29/2019	DEPOSIT REFUND	0.00	105.00	
	100-0000-4590-0000		BUILDING RENTAL		105.00	
3649	VICTORIA VASQUEZ	05/30/2019	Regular	0.00	40.00	102216
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
RCT 891946	Invoice	05/29/2019	DEPOSIT REFUND	0.00	40.00	
	100-0000-4590-0000		BUILDING RENTAL		40.00	
2516	VOHNE LICHE KENNELS INC	05/30/2019	Regular	0.00	127.15	102217
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
15707	Invoice	05/29/2019	SPECIAL DEPT SUPPLIES	0.00	127.15	
	100-2080-7070-0000		SPECIAL DEPT SUPPLIES		127.15	
2518	VULCAN MATERIALS	05/30/2019	Regular	0.00	4,216.26	102218
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
243846	Invoice	05/29/2019	ASPHALT - STREETS	0.00	26.27	
	100-3250-7070-0000		SPECIAL DEPT SUPPLIES		26.27	
72098081	Invoice	05/29/2019	ASPHALT - STREETS	0.00	616.11	
	100-3250-7070-0000		SPECIAL DEPT SUPPLIES		616.11	
72108118	Invoice	05/29/2019	ASPHALT - STREETS	0.00	640.48	

Check Report

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES ASPHALT - STREETS		640.48	
<u>72108119</u>	Invoice	05/29/2019	ASPHALT - STREETS	0.00	220.13	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES ASPHALT - STREETS		220.13	
<u>72113078</u>	Invoice	05/29/2019	ASPHALT - STREETS	0.00	215.87	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES ASPHALT - STREETS		215.87	
<u>72113079</u>	Invoice	05/29/2019	ASPHALT - STREETS	0.00	216.58	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES ASPHALT - STREETS		216.58	
<u>72119444</u>	Invoice	05/29/2019	ASPHALT - STREETS	0.00	147.71	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES ASPHALT - STREETS		147.71	
<u>72137828</u>	Invoice	05/29/2019	ASPHALT - STREETS	0.00	217.29	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES ASPHALT - STREETS		217.29	
<u>72137829</u>	Invoice	05/29/2019	ASPHALT - STREETS	0.00	149.84	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES ASPHALT - STREETS		149.84	
<u>72150370</u>	Invoice	05/29/2019	ASPHALT - STREETS	0.00	219.42	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES ASPHALT - STREETS		219.42	
<u>72166542</u>	Invoice	05/29/2019	ASPHALT - STREETS	0.00	144.87	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES ASPHALT - STREETS		144.87	
<u>72194584</u>	Invoice	05/29/2019	ASPHALT - STREETS	0.00	362.13	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES ASPHALT - STREETS		362.13	
<u>72196239</u>	Invoice	05/29/2019	ASPHALT - STREETS	0.00	713.61	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES ASPHALT - STREETS		713.61	
<u>72202568</u>	Invoice	05/29/2019	ASPHALT - STREETS	0.00	215.87	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES ASPHALT - STREETS		215.87	
<u>72208939</u>	Invoice	05/29/2019	ASPHALT - STREETS	0.00	110.08	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES ASPHALT - STREETS		110.08	
3422	WAXIE SANITARY SUPPLY	05/30/2019	Regular	0.00	969.81	102219
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name	Distribution Amount		
<u>78226156</u>	Invoice	05/29/2019	BUILDING SUPPLIES/MAINT	0.00	899.23	
	<u>100-6000-7085-6025</u>		BLDG MAINT - CITY HALL		899.23	
<u>78269184</u>	Invoice	05/29/2019	OFFICE SUPPLIES	0.00	70.58	
	<u>750-7000-7025-0000</u>		OFFICE SUPPLIES		70.58	
3571	ZAP PRINTING, INC	05/30/2019	Regular	0.00	1,884.44	102220
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name	Distribution Amount		
<u>66789</u>	Invoice	05/29/2019	PLUNGE SIGNS	0.00	1,884.44	
	<u>100-6150-8040-0000</u>		EQUIPMENT		1,884.44	
3457	ZONAR SYSTEMS	05/30/2019	Regular	0.00	486.00	102221

Check Report

Vendor Number Payable #	Vendor Name Payable Type Account Number	Post Date	Payment Date Payable Description Account Name	Payment Type Item Description	Discount Amount Discount Amount Distribution Amount	Payment Amount Payable Amount	Number
S1405808	Invoice 750-7300-7071-0000	05/29/2019	SOFTWARE	SOFTWARE	0.00	486.00	
			SOFTWARE	SOFTWARE		486.00	

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	241	86	0.00	1,068,006.97
Manual Checks	0	0	0.00	0.00
Voided Checks	0	4	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	2	2	0.00	3,079.92
	243	92	0.00	1,071,086.89

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	241	86	0.00	1,068,006.97
Manual Checks	0	0	0.00	0.00
Voided Checks	0	4	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	2	2	0.00	3,079.92
	243	92	0.00	1,071,086.89

Fund Summary

Fund	Name	Period	Amount
999	POOLED CASH	5/2019	1,071,086.89
			<u>1,071,086.89</u>



WARRANTS TO BE RATIFIED

Thursday, June 06, 2019

Printed Checks	102222-102296	\$	482,753.49	FY 18/19
Voided Check	102224	\$	(4,464.02)	M. Taylor
ACH	170-171	\$	907,935.79	
	A/P Total	\$	<u>1,386,225.26</u>	

Bank Drafts	MG Trust	\$	4,856.67	401-A PD 05/24/19
		\$	974.84	FICA PD 05/24/19
	CardConnect	\$	1,315.42	CC Fees
	Affant	\$	548.00	Monthly Payment
	Gateway Authnet	\$	230.85	Monthly Payment
	CalPERS	\$	64,088.44	743 Classic Unfunded Liability
		\$	30,010.10	742 Classic Unfunded Liability
		\$	172.77	27308 Unfunded Liability
		\$	85.49	25763 Unfunded Liability
		\$	46,516.05	743 Classic 05/03/19-05/16/19
		\$	42,313.13	742 Classic 05/03/19-05/16/19
		\$	13,955.12	27308 Classic 05/03/19-05/16/19
		\$	5,138.97	25763 Classic 05/03/19-05/16/19
		\$	389.63	743 Classic 05/31/19-06/13/19
		\$	132.78	25763 Classic 05/31/19-06/13/19

I DO HEREBY CERTIFY THIS WARRANT LIST HAS BEEN COMPILED AND PREPARED TO MEET THE DAILY OPERATIONS FOR THE FISCAL YEAR JULY 1, 2018 - JUNE 30, 2019

SIGNATURE: 
 TITLE: CITY TREASURER

SIGNATURE: 
 TITLE: FINANCE DIRECTOR Admin. Sec. Director



Check Report

By Check Number

Date Range: 05/31/2019 - 06/06/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
2163	COUNTY OF RIVERSIDE FIRE DEPARTMENT	06/06/2019	EFT	0.00	906,875.79	170
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
<u>233298</u>	Invoice	06/05/2019	3RD QTR. FY 18/19 FIRE PROTECTION SER	0.00	906,875.79	
	<u>100-2100-7068-0000</u>		CONTRACTUAL SERVICES 3RD QTR. FY 18/19 FIRE PROTEC		906,875.79	
1637	HOUSTON & HARRIS PCS, INC	06/06/2019	EFT	0.00	1,060.00	171
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
<u>19-21925</u>	Invoice	06/05/2019	ANNUAL SEWER CLEANING/DEBRIS REMO	0.00	1,060.00	
	<u>700-4050-7068-0000</u>		CONTRACTUAL SERVICES ANNUAL SEWER CLEANING/DEB		1,060.00	
1143	BEAUMONT UNIFIED SCH DIST	05/31/2019	Regular	0.00	9,289.00	102222
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
<u>2019/227</u>	Invoice	05/31/2019	Fuel Credits	0.00	9,289.00	
	<u>760-0000-8030-0000</u>		INFRASTRUCTURE IMPRO Fuel Credits		9,289.00	
2407	THE GAS COMPANY	05/31/2019	Regular	0.00	41,236.36	102223
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
<u>215158</u>	Invoice	05/31/2019	Gas Line Extention @ 715 4th Street WW	0.00	41,236.36	
	<u>710-0000-8030-0000</u>		CAPITAL IMPROVEMENT Gas Line Extention @ 715 4th St		41,236.36	
3331	MELANA TAYLOR	06/04/2019	Regular	0.00	-4,464.02	102224
3331	MELANA TAYLOR	06/04/2019	Regular	0.00	4,464.02	102224
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
<u>PAYROLL CHECK</u>	Invoice	06/04/2019	REGULAR PAYROLL CHECK	0.00	4,464.02	
	<u>100-0000-2105-0000</u>		PAYROLL SUSPENSE REGULAR PAYROLL CHECK		4,464.02	
3331	MELANA TAYLOR	06/04/2019	Regular	0.00	4,464.02	102225
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
<u>REG PAYROLL CHE</u>	Invoice	06/04/2019	REGULAR PAYROLL CHECK	0.00	4,464.02	
	<u>100-0000-2105-0000</u>		PAYROLL SUSPENSE REGULAR PAYROLL CHECK		4,464.02	
3331	MELANA TAYLOR	06/04/2019	Regular	0.00	50,399.15	102226
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
<u>ACCRUED TIME</u>	Invoice	06/04/2019	ACCRUED TIME CASH OUT	0.00	50,399.15	
	<u>100-0000-2105-0000</u>		PAYROLL SUSPENSE ACCRUED TIME CASH OUT		50,399.15	
1050	AMAZON CAPITAL SERVICES	06/06/2019	Regular	0.00	5,867.39	102227
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
<u>13R1-43WL-DLJV</u>	Invoice	06/05/2019	SUPPLIES FOR POOL IMPROVEMENT PROJ	0.00	5,381.28	
	<u>500-0000-8014-0000</u>		BUILDING IMPROVEMEN SUPPLIES FOR POOL IMPROVEM		5,381.28	
<u>1JFJ-JFKV-3YL6</u>	Invoice	06/05/2019	BUILDING SUPPLIES & MAINTENANCE	0.00	122.00	
	<u>100-6000-7085-6040</u>		BLDG MAINT - POLICE DE BUILDING SUPPLIES & MAINTEN		122.00	
<u>1MLR-N4R7-63K6</u>	Invoice	06/05/2019	EQUIPMENT SUPPLIES AND MAINTENANC	0.00	333.98	
	<u>100-6150-7090-0000</u>		EQUIPMENT SUPPLIES/M EQUIPMENT SUPPLIES AND MAI		333.98	
<u>1RXJ-63VD-K4YL</u>	Invoice	06/05/2019	OFFICE SUPPLIES	0.00	30.13	

Check Report

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
	100-1150-7025-0000	06/06/2019	OFFICE SUPPLIES	0.00	30.13	
1053	AMERICAN FORENSIC NURSES	06/06/2019	Regular	0.00	150.00	102228
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
72139	Invoice	06/05/2019	American Forensic Nurses - Blood Analy	0.00	150.00	
	100-2050-7068-0000		CONTRACTUAL SERVICES		150.00	
1080	ARAMARK	06/06/2019	Regular	0.00	470.89	102229
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
1018380	Invoice	06/05/2019	OFFICE SUPPLIES	0.00	246.97	
	100-2050-7025-0000		OFFICE SUPPLIES		246.97	
1598511	Invoice	06/05/2019	OFFICE SUPPLIES	0.00	223.92	
	100-2050-7025-0000		OFFICE SUPPLIES		223.92	
1098	AUTOMATED GATE SERVICES, INC	06/06/2019	Regular	0.00	230.00	102230
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
133736	Invoice	06/05/2019	BUILDING SUPPLIES & MAINTENANCE	0.00	230.00	
	100-6000-7085-6040		BLDG MAINT - POLICE DE		230.00	
3129	BC RENTALS, INC	06/06/2019	Regular	0.00	3,159.62	102231
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
0038719-IN	Invoice	06/05/2019	STREET SIGNS	0.00	3,159.62	
	100-3250-7070-0000		SPECIAL DEPT SUPPLIES		3,159.62	
1147	BEAUMONT CHERRY VALLEY WATER DIST.	06/06/2019	Regular	0.00	127.24	102232
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
005038-167 06/1	Invoice	06/05/2019	WATER UTILITY	0.00	17.24	
	100-6050-7010-019C		UTILITIES IA 19C		17.24	
046156-001 07/0	Invoice	06/05/2019	WATER UTILITY	0.00	110.00	
	700-4050-7010-0000		UTILITIES		110.00	
1127	BEAUMONT DO IT BEST HOME CENTER	06/06/2019	Regular	0.00	557.85	102233
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
471041	Invoice	06/05/2019	DEPARTMENT SUPPLIES - SEWER	0.00	35.86	
	700-4050-7070-0000		SPECIAL DEPT SUPPLIES		35.86	
471121	Invoice	06/05/2019	DEPARTMENT SUPPLIES - SEWER	0.00	65.98	
	700-4050-7070-0000		SPECIAL DEPT SUPPLIES		65.98	
471260	Invoice	06/05/2019	DEPARTMENT SUPPLIES - SEWER	0.00	67.14	
	700-4050-7070-0000		SPECIAL DEPT SUPPLIES		67.14	
471490	Invoice	06/05/2019	DEPARTMENT SUPPLIES - SEWER	0.00	26.60	
	700-4050-7070-0000		SPECIAL DEPT SUPPLIES		26.60	
471525	Invoice	06/05/2019	DEPARTMENT SUPPLIES - SEWER	0.00	75.63	
	700-4050-7070-0000		SPECIAL DEPT SUPPLIES		75.63	
471935	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	6.29	
	750-7400-7037-0000		VEHICLE MAINTENANCE		6.29	
472004	Invoice	06/05/2019	DEPT SUPPLIES	0.00	34.52	
	750-7200-7070-0000		SPECIAL DEPT SUPPLIES		34.52	
472047	Invoice	06/05/2019	SUPPLIES FOR PAGEANT	0.00	52.32	
	100-1550-7040-0000		RECREATION PROGRAMS		52.32	
472293	Invoice	06/05/2019	BUILDING SUPPLIES & MAINTENANCE	0.00	8.52	
	100-6000-7085-6048		BLDG MAINT - POOL		8.52	

Check Report

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<u>472448</u>	Invoice	06/05/2019	BUILDING SUPPLIES & MAINTENANCE	0.00	92.46	
	<u>100-6000-7085-6048</u>		BLDG MAINT - POOL		92.46	
<u>472698</u>	Invoice	06/05/2019	DEPT SUPPLIES	0.00	28.09	
	<u>100-6050-7070-5500</u>		SPEC DEPT EXP - STEWAR		28.09	
<u>472734</u>	Invoice	06/05/2019	DEPARTMENT SUPPLIES - SEWER	0.00	17.92	
	<u>700-4050-7070-0000</u>		SPECIAL DEPT SUPPLIES		17.92	
<u>472744</u>	Invoice	06/05/2019	DEPARTMENT SUPPLIES - STREETS	0.00	8.72	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES		8.72	
<u>472803</u>	Invoice	06/05/2019	DEPARTMENT SUPPLIES - STREETS	0.00	37.80	
	<u>100-3250-7070-0000</u>		SPECIAL DEPT SUPPLIES		37.80	
1136	BEAUMONT POWER EQUIPMENT	06/06/2019	Regular	0.00	31.24	102234
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>1136</u>	Invoice	06/05/2019	EQUIPMENT SUPPLIES & MAINTENANCE	0.00	31.24	
	<u>100-6050-7090-0000</u>		EQUIPMENT SUPPLIES/M		31.24	
1140	BEAUMONT SAFE & LOCK	06/06/2019	Regular	0.00	5.39	102235
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>71135</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	5.39	
	<u>750-7200-7037-0000</u>		VEHICLE MAINTENANCE		5.39	
1159	BIG TEX TRAILERS	06/06/2019	Regular	0.00	13,078.36	102236
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>40585783</u>	Invoice	06/05/2019	TRAILER MODEL NUMBER 22PH-25+5MR	0.00	13,078.36	
	<u>100-3250-8040-0000</u>		EQUIPMENT		13,078.36	
3276	CAL-DUCT, INC	06/06/2019	Regular	0.00	1,201.42	102237
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>5129476</u>	Invoice	06/05/2019	BACKHOE FORKS	0.00	1,201.42	
	<u>100-3250-8040-0000</u>		EQUIPMENT		1,201.42	
3458	CENTER ELECTRIC SERVICES, INC	06/06/2019	Regular	0.00	1,243.60	102238
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>9068</u>	Invoice	06/05/2019	VFD Replacement Equipment for the WW	0.00	697.60	
	<u>700-4050-7090-0000</u>		EQUIPMENT SUPPLIES/M		697.60	
<u>9069</u>	Invoice	06/05/2019	VFD Replacement Equipment for the WW	0.00	546.00	
	<u>700-4050-7090-0000</u>		EQUIPMENT SUPPLIES/M		546.00	
1282	CINTAS CORPORATION #698	06/06/2019	Regular	0.00	391.82	102239
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>4022239389</u>	Invoice	06/05/2019	EMPLOYEE UNIFORMS	0.00	391.82	
	<u>100-6050-7065-0000</u>		UNIFORMS		391.82	
1285	CITY OF BANNING	06/06/2019	Regular	0.00	6,676.15	102240
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>5</u>	Invoice	06/05/2019	LCTOP	0.00	6,676.15	
	<u>750-7000-7068-0000</u>		CONTRACTUAL SERVICES		6,676.15	
1285	CITY OF BANNING	06/06/2019	Regular	0.00	71.08	102241

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
74105-54930 06/	Invoice	06/05/2019	320 HIGHLAND SPRINGS AVE SIGNAL LIGH	0.00	71.08	
	100-3250-7010-0000		UTILITIES		71.08	
1299	CLEAN TECH ENVIRONMENTAL	06/06/2019	Regular	0.00	62.45	102242
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
Account Number	Account Name	Item Description	Distribution Amount			
363169	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	62.45	
	750-7300-7037-0000		VEHICLE MAINTENANCE		62.45	
1302	CLINICAL LABORATORY OF SAN BERNARDINO, I	06/06/2019	Regular	0.00	11,677.50	102243
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
Account Number	Account Name	Item Description	Distribution Amount			
967463	Invoice	06/05/2019	WWTP Laboratory Testing Services	0.00	5,524.00	
	700-4050-7068-0000		CONTRACTUAL SERVICES		5,524.00	
968081	Invoice	06/05/2019	WWTP Laboratory Testing Services	0.00	6,153.50	
	700-4050-7068-0000		CONTRACTUAL SERVICES		6,153.50	
1445	DUDEK	06/06/2019	Regular	0.00	1,545.00	102244
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
Account Number	Account Name	Item Description	Distribution Amount			
20192957	Invoice	06/05/2019	GROUNDWATER MANAGEMENT	0.00	1,545.00	
	700-4050-7068-0000		CONTRACTUAL SERVICES		1,545.00	
1501	FAIRVIEW FORD	06/06/2019	Regular	0.00	474.52	102245
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
Account Number	Account Name	Item Description	Distribution Amount			
593253	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	51.41	
	750-7200-7037-0000		VEHICLE MAINTENANCE		51.41	
598412	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	75.35	
	750-7600-7037-0000		VEHICLE MAINTENANCE		75.35	
598896	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	13.61	
	750-7600-7037-0000		VEHICLE MAINTENANCE		13.61	
599225	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	30.39	
	750-7100-7037-0000		VEHICLE MAINTENANCE		30.39	
599336	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	170.59	
	750-7100-7037-0000		VEHICLE MAINTENANCE		170.59	
599340	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	35.89	
	100-2050-7037-0000		VEHICLE MAINTENANCE		35.89	
602330	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	97.28	
	750-7100-7037-0000		VEHICLE MAINTENANCE		97.28	
1518	FLYERS ENERGY	06/06/2019	Regular	0.00	6,627.43	102246
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
Account Number	Account Name	Item Description	Distribution Amount			
CFS-1901656	Invoice	06/05/2019	FUEL CARDS	0.00	1,347.59	
	750-7000-7050-0000		FUEL		48.53	
	750-7100-7050-0000		FUEL		16.95	
	750-7200-7050-0000		FUEL		1,024.39	
	750-7300-7050-0000		FUEL		0.67	
	750-7400-7050-0000		FUEL		159.06	
	750-7600-7050-0000		FUEL		97.99	
CFS-1904581	Invoice	06/05/2019	FUEL CARDS	0.00	1,846.96	
	750-7000-7050-0000		FUEL		0.66	
	750-7100-7050-0000		FUEL		0.66	
	750-7200-7050-0000		FUEL		1,232.63	
	750-7300-7050-0000		FUEL		0.67	

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
	<u>750-7400-7050-0000</u>	FUEL	FUEL CARDS		545.77	
	<u>750-7600-7050-0000</u>	FUEL	FUEL CARDS		66.57	
<u>CFS-1926460</u>	Invoice	06/05/2019	FUEL CARDS	0.00	1,994.74	
	<u>750-7000-7050-0000</u>	FUEL	FUEL CARDS		0.66	
	<u>750-7100-7050-0000</u>	FUEL	FUEL CARDS		0.66	
	<u>750-7200-7050-0000</u>	FUEL	FUEL CARDS		1,686.88	
	<u>750-7300-7050-0000</u>	FUEL	FUEL CARDS		0.67	
	<u>750-7400-7050-0000</u>	FUEL	FUEL CARDS		305.87	
<u>CFS-1933799</u>	Invoice	06/05/2019	FUEL CARDS	0.00	1,438.14	
	<u>750-7000-7050-0000</u>	FUEL	FUEL CARDS		0.66	
	<u>750-7100-7050-0000</u>	FUEL	FUEL CARDS		0.66	
	<u>750-7200-7050-0000</u>	FUEL	FUEL CARDS		1,075.39	
	<u>750-7300-7050-0000</u>	FUEL	FUEL CARDS		0.67	
	<u>750-7400-7050-0000</u>	FUEL	FUEL CARDS		63.36	
	<u>750-7600-7050-0000</u>	FUEL	FUEL CARDS		297.40	
1533	FRONTIER COMMUNICATIONS	06/06/2019	Regular	0.00	814.36	102247
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>323-156-8188-02</u>	Invoice	06/05/2019	PHONE UTILITY	0.00	85.98	
	<u>100-1230-7015-6060</u>		TELEPHONE (4th ST YARD		85.98	
<u>951-769-8520-01</u>	Invoice	06/05/2019	PHONE UTILITY	0.00	264.79	
	<u>100-1230-7015-6025</u>		TELEPHONE (CITY HALL)		264.79	
<u>951-769-8530-06</u>	Invoice	06/05/2019	PHONE UTILITY	0.00	254.56	
	<u>750-7000-7015-0000</u>		TELEPHONE		254.56	
<u>951-769-8538-06</u>	Invoice	06/05/2019	PHONE UTILITY	0.00	70.98	
	<u>100-1230-7015-6048</u>		TELEPHONE (POOL)		70.98	
<u>951-769-8539-04</u>	Invoice	06/05/2019	PHONE UTILITY	0.00	138.05	
	<u>100-1230-7015-6045</u>		TELEPHONE (COMM CTR)		138.05	
3655	GAIL WALLIS	06/06/2019	Regular	0.00	28.00	102248
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>RCT 901482</u>	Invoice	06/05/2019	REFUND OF OVER PAYMENT OF PUBLIC R	0.00	28.00	
	<u>100-0000-4599-0000</u>		SALE OF MISC COPIES		28.00	
3042	GOLDEN STAR TECHNOLOGY, INC	06/06/2019	Regular	0.00	19,032.50	102249
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>INV34828</u>	Invoice	06/05/2019	IT SERVICES	0.00	19,032.50	
	<u>100-1230-7068-0000</u>		CONTRACTUAL SERVICES		19,032.50	
3524	H&T CULTURAL RESOURCE MANAGEMENT, INC	06/06/2019	Regular	0.00	3,953.50	102250
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>4751</u>	Invoice	06/05/2019	archaeologist for WWTP expansion	0.00	3,953.50	
	<u>710-0000-7068-0000</u>		CONTRACTUAL SERVICE		3,953.50	
3515	HD SUPPLY FACILITIES MAINTENANCE LTD	06/06/2019	Regular	0.00	272.96	102251
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>785893</u>	Invoice	06/05/2019	DEPARTMENT SUPPLIES - SEWER	0.00	191.60	
	<u>700-4050-7070-0000</u>		SPECIAL DEPT SUPPLIES		191.60	
<u>902386</u>	Invoice	06/05/2019	DEPARTMENT SUPPLIES - SEWER	0.00	81.36	
	<u>700-4050-7070-0000</u>		SPECIAL DEPT SUPPLIES		81.36	
3654	HEMMING MORSE, LLP	06/06/2019	Regular	0.00	24,882.75	102252

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
1905-01493	Invoice	06/05/2019	LEGAL SERVICES	0.00	18,455.75	
	120-9663-7300-0000		CONTRACTUAL SERVICES		18,455.75	
1905-01494	Invoice	06/05/2019	LEGAL SERVICES	0.00	6,427.00	
	120-9663-7300-0000		CONTRACTUAL SERVICES		6,427.00	
1643	HUNTINGTON COURT REPORTERS & TRANSCRI	06/06/2019	Regular	0.00	1,011.82	102253
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
32013	Invoice	06/05/2019	Huntington Transcription Services	0.00	1,011.82	
	100-2050-7068-0000		CONTRACTUAL SERVICES		1,011.82	
1679	INTERWEST CONSULTING GRP, INC.	06/06/2019	Regular	0.00	1,957.50	102254
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
49528	Invoice	06/05/2019	BUILDING & SAFETY PLAN REVIEW SERVIC	0.00	675.00	
	100-2150-7063-0000		PLAN CHECK FEES		675.00	
49546	Invoice	06/05/2019	GIS SERVICES FOR FY 18/19	0.00	1,282.50	
	100-3100-7068-0000		CONTRACTUAL SERVICES		1,282.50	
1805	KONICA MINOLTA BUSINESS SOLUTIONS	06/06/2019	Regular	0.00	123.92	102255
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
33524810	Invoice	06/05/2019	EQUIPMENT MAINTENANCE	0.00	123.92	
	100-1230-7075-0000		EQUIPMENT LEASING/RE		86.74	
	700-4050-7075-0000		EQUIPMENT LEASING/RE		37.18	
1856	LEXISNEXIS RISK SOLUTIONS	06/06/2019	Regular	0.00	171.70	102256
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
1535776-201904	Invoice	06/05/2019	Lexis Nexis Subscription	0.00	171.70	
	100-2050-7030-0000		DUES & SUBSCRIPTIONS		171.70	
2982	LUCIA MEJIA	06/06/2019	Regular	0.00	40.00	102257
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
RCT 908732	Invoice	06/05/2019	DEPOSIT REFUND	0.00	40.00	
	100-0000-4590-0000		BUILDING RENTAL		40.00	
3656	MELISSA BRADT	06/06/2019	Regular	0.00	40.00	102258
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
RCT 905957	Invoice	06/05/2019	DEPOSIT REFUND	0.00	40.00	
	100-0000-4590-0000		BUILDING RENTAL		40.00	
2619	MIKE'S TREE SERVICE	06/06/2019	Regular	0.00	15,600.00	102259
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
2648	Invoice	06/05/2019	Goods	0.00	6,100.00	
	100-6050-7068-0000		CONTRACTUAL SERVICES		6,100.00	
2649	Invoice	06/05/2019	SERVICES	0.00	9,500.00	
	100-6050-7068-0000		CONTRACTUAL SERVICES		9,500.00	
2892	MOFFATT & NICHOL	06/06/2019	Regular	0.00	3,249.25	102260
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
742120	Invoice	06/05/2019	ENVIROMENTAL DOC SERVICES FOR PENN	0.00	2,645.00	
	500-0000-7068-0000		CONTRACTUAL SERVICE		2,645.00	

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<u>742122</u>	Invoice	06/05/2019	ENVIROMENTAL DOC SERVICES FOR PENN	0.00	354.25	
	<u>500-0000-7068-0000</u>		CONTRACTUAL SERVICE ENVIROMENTAL DOC SERVICES		354.25	
<u>742124</u>	Invoice	06/05/2019	ENVIROMENTAL DOC SERVICES FOR PENN	0.00	250.00	
	<u>500-0000-7068-0000</u>		CONTRACTUAL SERVICE ENVIROMENTAL DOC SERVICES		250.00	
1966	MORNING INVESTIGATIONS	06/06/2019	Regular	0.00	810.00	102261
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>331</u>	Invoice	06/05/2019	HIRING COSTS	0.00	810.00	
	<u>100-1240-6050-0000</u>		RECRUITMENT AND HIRI HIRING COSTS		810.00	
1971	MOTOROLA	06/06/2019	Regular	0.00	3,728.94	102262
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>8330101420</u>	Invoice	06/05/2019	RADIOS FOR E.R.I.C.A.	0.00	581.85	
	<u>100-2050-7057-0000</u>		ERICA RADIOS FOR E.R.I.C.A.		581.85	
<u>8330110562</u>	Invoice	06/05/2019	RADIOS FOR E.R.I.C.A.	0.00	778.18	
	<u>100-2050-7057-0000</u>		ERICA RADIOS FOR E.R.I.C.A.		778.18	
<u>8330130302</u>	Invoice	06/05/2019	RADIOS FOR E.R.I.C.A.	0.00	281.25	
	<u>100-2050-7057-0000</u>		ERICA RADIOS FOR E.R.I.C.A.		281.25	
<u>8330130303</u>	Invoice	06/05/2019	RADIOS FOR E.R.I.C.A.	0.00	93.75	
	<u>100-2050-7057-0000</u>		ERICA RADIOS FOR E.R.I.C.A.		93.75	
<u>8330130305</u>	Invoice	06/05/2019	RADIOS FOR E.R.I.C.A.	0.00	1,460.55	
	<u>100-2050-7057-0000</u>		ERICA RADIOS FOR E.R.I.C.A.		1,460.55	
<u>8330130306</u>	Invoice	06/05/2019	RADIOS FOR E.R.I.C.A.	0.00	533.36	
	<u>100-2050-7057-0000</u>		ERICA RADIOS FOR E.R.I.C.A.		533.36	
1984	NAPA AUTO PARTS	06/06/2019	Regular	0.00	1,444.10	102263
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>089731</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	6.99	
	<u>750-7300-7037-0000</u>		VEHICLE MAINTENANCE VEHICLE MAINTENANCE		6.99	
<u>090302</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	30.68	
	<u>750-7300-7037-0000</u>		VEHICLE MAINTENANCE VEHICLE MAINTENANCE		30.68	
<u>090470</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	30.04	
	<u>750-7200-7037-0000</u>		VEHICLE MAINTENANCE VEHICLE MAINTENANCE		30.04	
<u>090504</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	106.55	
	<u>750-7300-7037-0000</u>		VEHICLE MAINTENANCE VEHICLE MAINTENANCE		106.55	
<u>090836</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	5.38	
	<u>750-7200-7037-0000</u>		VEHICLE MAINTENANCE VEHICLE MAINTENANCE		5.38	
<u>091062</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	21.53	
	<u>750-7200-7037-0000</u>		VEHICLE MAINTENANCE VEHICLE MAINTENANCE		21.53	
<u>091202</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	155.89	
	<u>100-2050-7037-0000</u>		VEHICLE MAINTENANCE VEHICLE MAINTENANCE		155.89	
<u>091271</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	373.85	
	<u>750-7200-7037-0000</u>		VEHICLE MAINTENANCE VEHICLE MAINTENANCE		373.85	
<u>091310</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	16.13	
	<u>750-7300-7037-0000</u>		VEHICLE MAINTENANCE VEHICLE MAINTENANCE		16.13	
<u>091335</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	5.52	
	<u>750-7300-7037-0000</u>		VEHICLE MAINTENANCE VEHICLE MAINTENANCE		5.52	
<u>091358</u>	Invoice	06/05/2019	DEPT SUPPLIES	0.00	9.31	
	<u>100-6000-7085-6048</u>		BLDG MAINT - POOL DEPT SUPPLIES		2.07	
	<u>100-6050-7070-0000</u>		SPECIAL DEPT SUPPLIES DEPT SUPPLIES		7.24	
<u>091421</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	17.23	
	<u>750-7200-7037-0000</u>		VEHICLE MAINTENANCE VEHICLE MAINTENANCE		17.23	

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
091514	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	350.95	
	100-6050-7037-0000		VEHICLE MAINTENANCE		350.95	
091515	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	4.50	
	750-7600-7037-0000		VEHICLE MAINTENANCE		4.50	
091820	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	180.90	
	750-7300-7037-0000		VEHICLE MAINTENANCE		180.90	
091842	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	128.65	
	750-7300-7037-0000		VEHICLE MAINTENANCE		128.65	
	Void	06/06/2019	Regular	0.00	0.00	102264
2985	NATIONAL BUSINESS FURNITURE	06/06/2019	Regular	0.00	370.77	102265
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
	MK525216-KFI	06/05/2019	OFFICE SUPPLIES	0.00	370.77	
	100-3100-7025-0000		OFFICE SUPPLIES		370.77	
3621	NO FAULT, LLC	06/06/2019	Regular	0.00	9,150.00	102266
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
	19-4901	06/05/2019	Goods	0.00	9,150.00	
	100-6000-7068-6045		CONTRACTUAL SVC- COM		9,150.00	
2011	OAK VALLEY CHEVRON	06/06/2019	Regular	0.00	210.00	102267
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
	1	06/05/2019	VEHICLE MAINTENANCE	0.00	110.00	
	100-6050-7037-0000		VEHICLE MAINTENANCE		70.00	
	750-7200-7037-0000		VEHICLE MAINTENANCE		40.00	
	2	06/05/2019	VEHICLE MAINTENANCE	0.00	50.00	
	750-7200-7037-0000		VEHICLE MAINTENANCE		50.00	
	3	06/05/2019	VEHICLE MAINTENANCE	0.00	50.00	
	100-6050-7037-0000		VEHICLE MAINTENANCE		50.00	
2009	O'REILLY AUTO PARTS	06/06/2019	Regular	0.00	1,087.76	102268
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
	2678-189225	06/05/2019	VEHICLE MAINTENANCE	0.00	64.64	
	750-7300-7037-0000		VEHICLE MAINTENANCE		64.64	
	2678-189298	06/05/2019	VEHICLE MAINTENANCE	0.00	46.00	
	100-2050-7037-0000		VEHICLE MAINTENANCE		46.00	
	2678-189398	06/05/2019	VEHICLE MAINTENANCE	0.00	14.59	
	750-7200-7037-0000		VEHICLE MAINTENANCE		14.59	
	2678-189457	06/05/2019	VEHICLE MAINTENANCE	0.00	58.30	
	100-2100-7037-0000		VEHICLE MAINTENANCE		58.30	
	2678-189542	06/05/2019	VEHICLE MAINTENANCE	0.00	5.48	
	750-7100-7037-0000		VEHICLE MAINTENANCE		5.48	
	2678-189578	06/05/2019	VEHICLE MAINTENANCE	0.00	47.70	
	100-2050-7037-0000		VEHICLE MAINTENANCE		47.70	
	2678-189581	06/05/2019	VEHICLE MAINTENANCE	0.00	88.48	
	750-7100-7037-0000		VEHICLE MAINTENANCE		88.48	
	2678-189594	06/05/2019	VEHICLE MAINTENANCE	0.00	8.30	
	100-2050-7037-0000		VEHICLE MAINTENANCE		8.30	
	2678-189772	06/05/2019	VEHICLE MAINTENANCE	0.00	112.90	
	100-2100-7037-0000		VEHICLE MAINTENANCE		112.90	
	2678-189962	06/05/2019	VEHICLE MAINTENANCE	0.00	15.39	
	750-7200-7037-0000		VEHICLE MAINTENANCE		15.39	

Check Report

Date Range: 05/31/2019 - 06/06/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
<u>2678-190296</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	38.78	
	<u>750-7300-7037-0000</u>		VEHICLE MAINTENANCE		38.78	
<u>2678-190944</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	19.29	
	<u>100-2100-7037-0000</u>		VEHICLE MAINTENANCE		19.29	
<u>2678-190959</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	315.08	
	<u>750-7200-7037-0000</u>		VEHICLE MAINTENANCE		315.08	
<u>2678-190962</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	178.54	
	<u>750-7200-7037-0000</u>		VEHICLE MAINTENANCE		178.54	
<u>2678-191190</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	74.29	
	<u>750-7200-7037-0000</u>		VEHICLE MAINTENANCE		74.29	
2026	PACIFIC ALARM SERVICE	06/06/2019	Regular	0.00	190.45	102269
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>P 101262</u>	Invoice	06/05/2019	SECURITY SERVICES	0.00	190.45	
	<u>100-6000-7087-6045</u>		SECURITY - COMMUNITY		190.45	
2039	PARKHOUSE TIRE, INC.	06/06/2019	Regular	0.00	2,600.90	102270
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>2030175471</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	43.64	
	<u>750-7300-7037-0000</u>		VEHICLE MAINTENANCE		43.64	
<u>2030176052</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	999.11	
	<u>100-2050-7037-0000</u>		VEHICLE MAINTENANCE		999.11	
<u>2030176185</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	63.03	
	<u>750-7300-7037-0000</u>		VEHICLE MAINTENANCE		63.03	
<u>2030176573</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	499.15	
	<u>750-7200-7037-0000</u>		VEHICLE MAINTENANCE		499.15	
<u>2030176574</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	760.44	
	<u>750-7100-7037-0000</u>		VEHICLE MAINTENANCE		760.44	
<u>2030176576</u>	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	235.53	
	<u>750-7300-7037-0000</u>		VEHICLE MAINTENANCE		235.53	
2051	PAYCHEX HUMAN RESOURCES SERVICES	06/06/2019	Regular	0.00	700.00	102271
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>9949708 06/03/1</u>	Invoice	06/05/2019	TIMECLOCK CHARGES	0.00	700.00	
	<u>100-1240-7068-0000</u>		CONTRACTUAL SERVICES		349.00	
	<u>700-4050-7068-0000</u>		CONTRACTUAL SERVICES		70.00	
	<u>750-7000-7068-0000</u>		CONTRACTUAL SERVICES		19.00	
	<u>750-7100-7068-0000</u>		CONTRACTUAL SERVICES		7.00	
	<u>750-7200-7068-0000</u>		CONTRACTUAL SERVICES		92.00	
	<u>750-7300-7068-0000</u>		CONTRACTUAL SERVICES		140.00	
	<u>750-7400-7068-0000</u>		CONTRACTUAL EXPENSES		9.00	
	<u>750-7600-7068-0000</u>		CONTRACTUAL SERVICES		14.00	
3540	PBM SUPPLY & MFG INC	06/06/2019	Regular	0.00	6,297.00	102272
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>811713</u>	Invoice	06/05/2019	Goods	0.00	6,297.00	
	<u>100-6050-8040-0000</u>		EQUIPMENT		6,297.00	
2072	POLYDYNE, INC.	06/06/2019	Regular	0.00	5,745.57	102273
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number		Account Name		Distribution Amount	
<u>1352984</u>	Invoice	06/05/2019	CHEMICALS & SUPPLIES	0.00	5,745.57	
	<u>700-4050-7070-0000</u>		SPECIAL DEPT SUPPLIES		5,745.57	

Check Report

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
2126	REDLANDS FORD	06/06/2019	Regular	0.00	85.23	102274
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
5155639	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	85.23	
	750-7200-7037-0000		VEHICLE MAINTENANCE		85.23	
2292	SIRCHIE	06/06/2019	Regular	0.00	208.27	102275
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
0400286-IN	Invoice	06/05/2019	DEPT SUPPLIES	0.00	208.27	
	100-2050-7070-0000		SPECIAL DEPT SUPPLIES		208.27	
2309	SOUTH COAST AQMD	06/06/2019	Regular	0.00	823.38	102276
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
3450302	Invoice	06/05/2019	CA AIR TOXICS "HOT SPOTS" PROGRAM FE	0.00	132.98	
	700-4050-7022-019C		LICENSE, PERMITS, FEES		132.98	
3450303	Invoice	06/05/2019	CA AIR TOXICS "HOT SPOTS" PROGRAM FE	0.00	132.98	
	700-4050-7022-019C		LICENSE, PERMITS, FEES		132.98	
3461750	Invoice	06/05/2019	ANNUAL RENEWAL FEES 12940 POTRERO	0.00	421.02	
	700-4050-7022-005X		LICENSE, PERMITS, FEES -		421.02	
3464697	Invoice	06/05/2019	EMISSIONS FEES 12940 POTRERO BLVD	0.00	136.40	
	700-4050-7022-005X		LICENSE, PERMITS, FEES -		136.40	
2311	SOUTHERN CALIFORNIA EDISON	06/06/2019	Regular	0.00	9,428.28	102277
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
06/05/19-2	Invoice	06/05/2019	ELECTRIC UTILITY	0.00	9,428.28	
	100-3250-7010-0000		UTILITIES		1,624.94	
	100-3250-7010-007A		UTILITIES (IA 7A)		105.60	
	100-3250-7010-007D		UTILITIES (IA 7D)		89.02	
	100-3250-7010-008A		UTILITIES (IA 8A)		299.93	
	100-3250-7010-008B		UTILITIES (IA 8B)		62.76	
	100-3250-7010-008C		UTILITIES (IA 8C)		163.92	
	100-3250-7010-008D		UTILITIES (IA 8D)		18.29	
	100-3250-7010-010A		UTILITIES (IA 10)		37.57	
	100-3250-7010-012A		UTILITIES (IA 12)		67.23	
	100-3250-7010-014X		UTILITIES (IA 14)		19.06	
	100-3250-7010-019A		UTILITIES (IA 19A)		146.73	
	100-3250-7010-019C		UTILITIES (IA 19C)		145.19	
	100-3250-7010-06A1		UTILITIES (IA 6A1)		295.79	
	100-6000-7010-6040		UTILITIES - POLICE DEPT		2,210.13	
	100-6050-7010-0000		UTILITIES		520.39	
	100-6050-7010-005X		UTILITIES IA 5		3,150.95	
	100-6050-7010-007A		UTILITIES IA 7A		12.37	
	100-6050-7010-5400		UTILITIES, PARK (SPORTS		397.62	
	100-6050-7010-5500		UTILITIES, PARK (STEWAR		60.79	
3207	SOUTHWEST AERIAL & CRANE INSPECTION INC	06/06/2019	Regular	0.00	1,458.00	102278
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
51419	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	1,458.00	
	100-3250-7037-0000		VEHICLE MAINTENANCE		762.00	
	100-6050-7090-0000		EQUIPMENT SUPPLIES/M		696.00	
3246	STURGEON ELECTRIC CALIFORNIA, LLC	06/06/2019	Regular	0.00	30,425.40	102279

Check Report

Date Range: 05/31/2019 - 06/06/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
552581	Invoice 500-0000-8030-0000	06/05/2019	I-10/OAK VALLEY PARKWAY TRAFFIC SIGN INFRASTRUCTURE IMPRO I-10/OAK VALLEY PARKWAY TRA	0.00	30,425.40 30,425.40	
3657	SYLVIA CHRISTIANSON	06/06/2019	Regular	0.00	126.92	102280
07-070708-04	Invoice 100-0000-1400-0000	06/05/2019	REIMBURSE CREDIT ON UTILITY ACCOUNT A/R - UTILITIES REIMBURSE CREDIT ON UTILITY	0.00	126.92 126.92	
2399	TETRA TECH INC	06/06/2019	Regular	0.00	585.00	102281
51443271	Invoice 710-0000-7068-0000	06/05/2019	DESIGN & GEOTECH FOR SENECA SPRING CONTRACTUAL SERVICE DESIGN & GEOTECH FOR SENECA	0.00	585.00 585.00	
3420	THE NATELSON DALE GROUP, INC	06/06/2019	Regular	0.00	7,500.00	102282
03452	Invoice 100-1200-7068-0000	06/05/2019	Economic Development Strategic Plan CONTRACTUAL SERVICES Economic Development Strategi	0.00	7,500.00 7,500.00	
2416	THE PRESS-ENTERPRISE	06/06/2019	Regular	0.00	241.20	102283
0011271200	Invoice 100-1350-7020-0000	06/05/2019	ADVERTISING EXPENSE ADVERTISING ADVERTISING EXPENSE	0.00	72.00 72.00	
0011271201	Invoice 100-1350-7020-0000	06/05/2019	ADVERTISING EXPENSE ADVERTISING ADVERTISING EXPENSE	0.00	75.60 75.60	
0011271215	Invoice 100-1350-7020-0000	06/05/2019	ADVERTISING EXPENSE ADVERTISING ADVERTISING EXPENSE	0.00	93.60 93.60	
2430	TIME WARNER CABLE	06/06/2019	Regular	0.00	2,115.10	102284
0013594052119	Invoice 100-1230-7015-6040	06/05/2019	PHONE UTILITY TELEPHONE (POLICE DPT) PHONE UTILITY	0.00	127.95 127.95	
0014188052119	Invoice 100-2100-7010-0000	06/05/2019	PHONE UTILITY UTILITIES PHONE UTILITY	0.00	45.35 45.35	
0241971052519	Invoice 100-1230-7015-6025	06/05/2019	PHONE UTILITY TELEPHONE (CITY HALL) PHONE UTILITY	0.00	1,941.80 1,941.80	
2873	TPX COMMUNICATIONS	06/06/2019	Regular	0.00	441.81	102285
116644779-0	Invoice 100-1230-7015-6040	06/05/2019	PHONE UTILITY TELEPHONE (POLICE DPT) PHONE UTILITY	0.00	441.81 441.81	
2889	TRANSTECH ENGINEERS, INC	06/06/2019	Regular	0.00	4,365.00	102286
20191456	Invoice 500-0000-7068-0000	06/05/2019	PROFESSIONAL ENG SERVICES FOR POTRE CONTRACTUAL SERVICE PROFESSIONAL ENG SERVICES F	0.00	4,365.00 4,365.00	
2456	TURF STAR, INC.	06/06/2019	Regular	0.00	125.15	102287

Check Report

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
7061922-00	Invoice	06/05/2019	DEPT SUPPLIES	0.00	125.15	
	100-3250-7070-0000		SPECIAL DEPT SUPPLIES		125.15	
3658	TWO LADD'S BAKERY	06/06/2019	Regular	0.00	250.00	102288
000004	Invoice	06/05/2019	FOR BPD AWARDS BANQUET	0.00	250.00	
	100-2050-7035-0000		LOCAL MEETINGS		250.00	
2461	UNDERGROUND SERVICE ALERT	06/06/2019	Regular	0.00	163.45	102289
420190046	Invoice	06/05/2019	DIG ALERT - SEWER	0.00	163.45	
	700-4050-7068-0000		CONTRACTUAL SERVICES		163.45	
2469	UNITED TRANSMISSION EXCHANGE	06/06/2019	Regular	0.00	156.33	102290
0129097	Invoice	06/05/2019	VEHICLE MAINTENANCE	0.00	156.33	
	750-7200-7037-0000		VEHICLE MAINTENANCE		156.33	
2474	UTILITY PARTNERS	06/06/2019	Regular	0.00	7,680.00	102291
0319	Invoice	06/05/2019	MAINTENANCE - WWTP	0.00	7,680.00	
	700-4050-7068-0000		CONTRACTUAL SERVICES		7,680.00	
2490	VERIZON BUSINESS SERVICE	06/06/2019	Regular	0.00	1,611.57	102292
71121091	Invoice	06/05/2019	PHONE UTILITY	0.00	1,611.57	
	100-1230-7015-6040		TELEPHONE (POLICE DPT)		1,611.57	
2517	VOYAGER	06/06/2019	Regular	0.00	46,777.25	102293
869065003921	Invoice	06/05/2019	GAS CARDS	0.00	46,777.25	
	100-2000-7050-0000		FUEL		570.93	
	100-2030-7050-0000		FUEL		146.13	
	100-2050-7050-0000		FUEL		13,376.07	
	100-2100-7050-0000		FUEL		123.45	
	100-2150-7050-0000		FUEL		524.10	
	100-3250-7050-0000		FUEL		1,802.56	
	100-6050-7050-0000		FUEL		5,825.56	
	700-4050-7050-0000		FUEL		1,072.65	
	750-7000-7050-0000		FUEL		96.66	
	750-7100-7050-0000		FUEL		3,299.40	
	750-7200-7050-0000		FUEL		12,004.98	
	750-7300-7050-0000		FUEL		647.60	
	750-7400-7050-0000		FUEL		6,983.17	
	750-7600-7050-0000		FUEL		303.99	
2536	WELDORS SUPPLY AND STEEL CO	06/06/2019	Regular	0.00	28.88	102294
11087	Invoice	06/05/2019	BUILDING SUPPLIES & MAINTENANCE	0.00	28.88	
	100-6000-7085-6025		BLDG MAINT - CITY HALL		28.88	
3659	WENDY TOUPAL	06/06/2019	Regular	0.00	40.00	102295

Check Report

Date Range: 05/31/2019 - 06/06/2019

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>RCT 900675</u>	Invoice	06/05/2019	DEPOSIT REFUND	0.00	40.00	
	<u>100-0000-4590-0000</u>	BUILDING RENTAL	DEPOSIT REFUND		40.00	
3636	WEST COAST EQUIPMENT LLC	06/06/2019	Regular	0.00	101,102.02	102296
Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description	Distribution Amount		
<u>30175</u>	Invoice	06/05/2019	Model 742 JLG Multipurpose Telehandler	0.00	101,102.02	
	<u>700-4050-8040-0000</u>	EQUIPMENT	Model 742 JLG Multipurpose Tel		101,102.02	

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	161	74	0.00	482,753.49
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	-4,464.02
Bank Drafts	0	0	0.00	0.00
EFT's	2	2	0.00	907,935.79
	163	78	0.00	1,386,225.26

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	161	74	0.00	482,753.49
Manual Checks	0	0	0.00	0.00
Voided Checks	0	2	0.00	-4,464.02
Bank Drafts	0	0	0.00	0.00
EFT's	2	2	0.00	907,935.79
	163	78	0.00	1,386,225.26

Fund Summary

Fund	Name	Period	Amount
999	POOLED CASH	5/2019	50,525.36
999	POOLED CASH	6/2019	1,335,699.90
			1,386,225.26



City of Beaumont, CA

Agenda Item No. 2. Payment Reversal Register

APPKT01010 - 20019.0605 kk VOID CHECK 102224

Canceled Payables

Vendor Set: 01 - Vendor Set 01

Bank: APBNK - AP Bank

Vendor Number	Vendor Name					Total Vendor Amount
<u>3331</u>	MELANA TAYLOR					-4,464.02
Payment Type	Payment Number	Original Payment Date	Reversal Date	Cancel Date		Payment Amount
Check	<u>102224</u>	06/04/2019	06/04/2019	06/04/2019		-4,464.02
Payable Number:	Description	Payable Date	Due Date			Payable Amount
<u>PAYROLL CHECK</u>	REGULAR PAYROLL CHECK	06/04/2019	06/04/2019			4,464.02

Bank Code Summary

Bank Code	Canceled Payables	Payables Left To Pay Again	Total
APBNK	-4,464.02	0.00	-4,464.02
Report Total:	-4,464.02	0.00	-4,464.02



MINUTES
City Council Meeting
Tuesday, June 4, 2019
Council Chambers
550 E 6th St. Beaumont, Ca
Closed Session: 5:00 PM
Regular Session: 6:00 PM

CLOSED SESSION

A Closed Session of the City Council / Beaumont Financing Authority / Beaumont Utility Authority / Beaumont Successor Agency (formerly RDA)/Beaumont Parking Authority / Beaumont Public Improvement Authority may be held in accordance with state law which may include, but is not limited to, the following types of items: personnel matters, labor negotiations, security matters, providing instructions to real property negotiators and conference with legal counsel regarding pending litigation. Any public comment on Closed Session items will be taken prior to the Closed Session. Any required announcements or discussion of Closed Session items or actions following the Closed Session will be made in the City Council Chambers.

CALL TO ORDER at 5:00 p.m.

Present: Mayor Martinez, Mayor Pro Tem Santos, Council Member Lara, and Council Member White

Absent: Council Member Carroll

1. Public Comments Regarding Closed Session
None.
2. Conference with Legal Counsel Regarding Potential Initiation of Litigation Pursuant to Government Code Section 54956.9(d)(4) (Two potential cases)
No reportable action.
3. Existing Litigation Pursuant to Government Code Section 54956.9(d)(1): (1) Talley/Aguirre v. City of Beaumont et. al., Case No. RIC 1810937; (2) Santa Cruz v. City of Beaumont, et. al., Case No. 5:18-CV-02096-JGB(SHKX)
No reportable action.
4. Conference with Labor Negotiator - Pursuant to Government Code Section 54957.6 City Designated Representative City Manager Todd Parton or his Designee
 - SEIU**No reportable action.**

Adjourn to Closed Session

REGULAR SESSION

CALL TO ORDER at 6:04 p.m.

Present: Mayor Martinez, Mayor Pro Tem Santos, Council Member Lara, and Council Member White

Absent: Council Member Carroll

Report out from Closed Session: *see above*

Action on any Closed Session items: **None**

Action on any requests for excused absence: **None**

Pledge of Allegiance

Approval/Adjustments to Agenda: **None**

Conflict of Interest Disclosure: **Council Member White will recuse himself for item 21, City Attorney John Pinkney will recuse himself for Items 8 and 9, Mayor Martinez will recuse himself for Item 12.**

ANNOUNCEMENTS/RECOGNITIONS/PROCLAMATIONS/CORRESPONDENCE

1. Cherry Festival Association – **Item pulled**
2. CalFire Battalion Chief Introduction

PUBLIC COMMENT PERIOD (ITEMS NOT ON THE AGENDA)

Any one person may address the City Council on any matter not on this agenda. If you wish to speak, please fill out a "Public Comment Form" provided at the back table and give it to the City Clerk. There is a three (3) minute time limit on public comments. There will be no sharing or passing of time to another person. State Law prohibits the Council from discussing or taking actions brought up by your comments.

Public comment opened at 6:08 p.m.

E. Mazzei – Spoke regarding concerns with sidewalk street vending.

D. Brisbin – Spoke regarding a drainage issue on Michigan Ave near 52 Michigan.

A. Ploen – Thanked Beaumont PD for the assistance in a crime that took place in her business.

Public comment closed at 6:20 p.m.

CONSENT CALENDAR

Items on the consent calendar are taken as one action item unless an item is pulled for further discussion here or at the end of action items.

Approval of all Ordinances and Resolutions to be read by title only.

3. Ratification of Warrants Dated May 16, 2019
4. Ratification of Warrants Dated May 23, 2019
5. Approval of Minutes Dated May 21, 2019
6. Performance Bond Acceptance - Pardee Homes
7. Canine Inspection Services Agreement between the City of Beaumont and the Beaumont Unified School District

Motion by Council Member White
Second by Council Member Lara

Council Member White
 Council Member Lara
 absent Council Member Carroll
 Mayor Pro Tem Santos
 Mayor Martinez

To approve the consent calendar.
Approved by a 4-0 vote.

PUBLIC HEARINGS

Approval of all Ordinances and Resolutions to be read by title only

8. Consideration of an Urgency Ordinance of the City Council of the City of Beaumont, California, Repealing Chapter 8.12 – "Mandatory Solid Waste Collection and Disposal" of the Beaumont Municipal Code and Repealing Chapter 8.14 – "Mandatory Recycling Requirements for Commercial Facilities" of the Beaumont Municipal Code and Adding Chapter 8.12 – "Solid Waste Management" to the Beaumont Municipal Code

John Pinkney recused himself for this item.

Public Hearing opened at 6:32 p.m.

Public Hearing closed at 6:33 p.m.

Motion by Council Member Lara
Second by Council Member White

Council Member White
 Council Member Lara
 absent Council Member Carroll
 Mayor Pro Tem Santos
 Mayor Martinez

To waive the full reading and approve by title only, "An Urgency Ordinance of the City Council of the City of Beaumont, California, Repealing Chapter 8.12 – 'Mandatory Solid Waste Collection and Disposal' of the Beaumont Municipal Code and Repealing Chapter 8.14 – 'Mandatory Recycling Requirements for Commercial Facilities' of the Beaumont Municipal Code and Adding Chapter 8.12 – 'Solid Waste Management' to the Beaumont Municipal Code".

Approved by a 4-0 vote.

9. Consideration of an Ordinance of the City Council of the City of Beaumont, California, Repealing Chapter 8.12 – "Mandatory Solid Waste Collection and Disposal" of the Beaumont Municipal Code and Repealing Chapter 8.14 – "Mandatory Recycling Requirements for Commercial Facilities" of the Beaumont Municipal Code and Adding Chapter 8.12 – "Solid Waste Management" to the Beaumont Municipal Code

City Attorney John Pinkney was recused for this item.

Public Hearing opened and closed at 6:37 p.m

Motion by Council Member White

Second by Mayor Martinez

Council Member White

Council Member Lara

absent_ Council Member Carroll

Mayor Pro Tem Santos

Mayor Martinez

To Waive the full reading and approve by title only, “An Ordinance of the City Council of the City of Beaumont, California, repealing Chapter 8.12- ‘Mandatory Solid Waste Collection and Disposal’ of the Beaumont Municipal Code and repealing Chapter 8.14 – ‘Mandatory Recycling Requirements for Commercial Facilities’ of the Beaumont Municipal Code and adding Chapter 8.12 – ‘Solid Waste Management’ to the Beaumont Municipal Code”.

Approved by a 4-0 vote.

10. Continuation of a Public Hearing from May 21, 2019, and Consideration of the City of Beaumont Short Range Transit Plan for Fiscal Years 2020-2022

Public hearing closed at 6:41 p.m.

Motion by Council Member White

Second by Council Member Lara

Council Member White

Council Member Lara

absent_ Council Member Carroll

Mayor Pro Tem Santos

Mayor Martinez

To adopt the Short Range Transit Plan Fiscal Years 2020-2022.

Approved by a 4-0 vote.

ACTION ITEMS

Approval of all Ordinances and Resolutions to be read by title only.

11. A Resolution of the City Council of the City of Beaumont, California, Authorizing the Execution of the Certifications and Assurances and Authorized Agent Forms for the Low Carbon Transit Operations Program (LCTOP) for the Following Project: Regional Mobility Connection Center Enhancement and Additional Passenger Amenities in the Amount of \$129,943

Motion by Council Member Lara

Second by Council Member White

Council Member White

Council Member Lara

absent_ Council Member Carroll

Mayor Pro Tem Santos

Mayor Martinez

To waive the full reading and adopt by title only “A Resolution of the City Council of the City of Beaumont, California, Authorizing the Execution of the Certifications and Assurances and Authorized Agent Forms for the Following Project: Regional Mobility Connection Center Enhancement and Additional Passenger Amenities, in the Amount of \$129,943”.

Approved by a 4-0 vote.

12. Proposed Refinancing of Outstanding Bonds for Community Facilities District No. 93-1 Improvement Areas 3, 9, 10A, 11 and 12A for Interest Rate Savings

Mayor Martinez recused himself for this item.

Motion by Council Member Lara

Second by Council Member White

Council Member White

Council Member Lara

absent Council Member Carroll

Mayor Pro Tem Santos

recused Mayor Martinez

As the City Council acting as the legislative body of the Community Facilities District 93-1 authorize City staff, and the City's financing team, to pursue the issuance of the proposed Special Tax Refunding Bonds based on estimated savings analysis completed on May 28, 2019.

Approved by a 3-0 vote.

13. Public Review of Draft Economic Development Strategic Plan

Motion by Council Member White

Second by Council Member Lara

Council Member White

Council Member Lara

absent Council Member Carroll

Mayor Pro Tem Santos

Mayor Martinez

To receive and file the Public Review Draft Report, and

Direct staff to distribute the Public Review Draft for public comments.

Approved by a 4-0 vote.

14. Purchase and Implementation of New Police Department Computer Aided Dispatch and Records Management Systems (CAD/RMS)

Motion by Mayor Martinez

Second by Council Member White

Council Member White

Council Member Lara

absent Council Member Carroll

Mayor Pro Tem Santos

Mayor Martinez

To approve the purchase, installation and implementation of Mark43 CAD/RMS software (see Attachment A) in an amount not to exceed \$200,000, payable from Federal Asset Forfeiture Funds; and

Approve the contract (see Attachment B) for support and maintenance over a five (5) year subscription term (July 1, 2019 - June 30, 2024) from Mark43, Inc., in a not to exceed amount of \$360,000 payable from the General Fund.

Approved by a 4-0 vote.

15. Approval of CalFire Invoice for January - March 2019 Services

Motion by Council Member White

Second by Mayor Pro Tem Santos

Council Member White

Council Member Lara

Council Member Carroll

Mayor Pro Tem Santos

Mayor Martinez

To approve invoice No. 233298 in the amount of \$906,875.79.

Approved by a 4-0 vote.

16. Approve the Third Amendment of the Public Works Agreement for Traffic Signal and Emergency Signal Maintenance to St. Francis Electric, LLC in an Amount not to Exceed \$41,040 for Fiscal Year 2019/2020

Motion by Council Member White

Second by Council Member Lara

Council Member White

Council Member Lara

Council Member Carroll

Mayor Pro Tem Santos

Mayor Martinez

To approve a one-year extension of the existing contract for traffic signal and emergency signal maintenance to St. Francis Electric, LLC in an amount not to exceed \$41,040 for Fiscal Year 2019/2020.

Approved by a 4-0 vote.

17. Fiscal Year 2019-20 City-Wide Budget and Fiscal Year 2019-20 through 2023-24 CIP Projects Budget

Public Hearing opened and closed at 9:57 p.m.

Motion by Council Member Lara

Second by Mayor Martinez

- Council Member White
- Council Member Lara
- absent Council Member Carroll
- Mayor Pro Tem Santos
- Mayor Martinez

To adopt Fiscal Year 2019-20 City-Wide Budget and Fiscal Years 2019-20 through 2023-24 CIP Projects Budget.

Approved by a 4-0 vote.

18. Annual City Sewer Rate Review

Motion by Council Member White

Second by Council Member Lara

- Council Member White
- Council Member Lara
- absent Council Member Carroll
- Mayor Pro Tem Santos
- Mayor Martinez

To make no adjustment to the rate adjustment approved on June 19, 2018.

19. Receive and File the Potrero Bridge Project Summary and Construction Change Order Update

Motion by Council Member Lara

Second by Mayor Martinez

- Council Member White
- Council Member Lara
- absent Council Member Carroll
- Mayor Pro Tem Santos
- Mayor Martinez

To receive and file the Potrero Bridge Project Summary and Construction Change Order Update.

Approved by a 4-0 vote

20. Wastewater Treatment Plant Expansion/Renovation and Brine Pipeline Installation Project Status Update and Ratification of Brine Line Change Order No. 8 with Weka, Inc.

Motion by Council Member Lara

Second by Mayor Martinez

- Council Member White
- Council Member Lara
- absent Council Member Carroll
- Mayor Pro Tem Santos
- Mayor Martinez

To receive and file the project updates; and
Ratify Change Order No. 8 with Weka, Inc.
Approved by a 4-0 vote.

21. Reimbursement of Travel Expenses to Council Member Lloyd White
Council Member White recused himself.
Motion by Council Member Lara
Second by Mayor Pro Tem Santos
recused Council Member White
✓ Council Member Lara
absent Council Member Carroll
✓ Mayor Pro Tem Santos
✓ Mayor Martinez
To approve the reimbursement request in the amount of \$58.00.
Approved by a 4-0 vote.

22. Legislative Updates and Discussion

Public Comment opened at 8:01 p.m.

R. Roy – Asked that Council track a specific bill regarding public banking, rebates for solar and community choice aggregation.

Public Comment closed at 8:05 p.m.

COUNCIL REPORTS

- **Carroll** – Absent
- **Lara** – *Thanked staff and Cherry Festival Association. Attended a WRCOG meeting and RCA Meeting.*
- **Martinez** – *Attended a Veteran Memorial Ceremony in San Jacinto, a CHP task force meeting and the Cherry Festival.*
- **Santos** – *Will be attending a Cal State San Bernardino event.*
- **White** – No Report

ECONOMIC DEVELOPMENT UPDATE

No report.

CITY TREASURER REPORT

Finance and Audit Committee Report Out.

CITY CLERK REPORT

No report.

CITY ATTORNEY REPORT

23. Status of Pending Litigation Against the City of Beaumont

CITY MANAGER REPORT

Update on the Oak Valley Parkway Signalization Project

FUTURE AGENDA ITEMS

Resolution presented by So Cal Gas

ADJOURNMENT

Adjournment of the City Council of the June 4, 2019 Meeting at 10:27 p.m.

The next regular meeting of the Beaumont City Council, Beaumont Financing Authority, the Beaumont Successor Agency (formerly RDA), the Beaumont Utility Authority, the Beaumont Parking Authority and the Beaumont Public Improvement Agency is scheduled for Tuesday, June 18, 2019, at 5:00 p.m. or thereafter as noted on the posted Agenda for Closed Session items in the City Council Board Room No. 5, followed by the regular meeting at 6:00 p.m. or thereafter as noted on the posted Agenda at City Hall.

Beaumont City Hall – Online www.BeaumontCa.gov

Agenda Item No. 4

Staff Report

TO: Mayor and City Council Members

FROM: Todd Parton, City Manager

DATE: June 18, 2019

SUBJECT: Adopt "A Resolution of the City Council of the City of Beaumont, California Approving the Appropriation Limit for the 2019-2020 Fiscal Year"

Background and Analysis:

In November 1979, Proposition 4 (Gann Initiative) was adopted by the State of California. Proposition 4 created Article XIII B of the State Constitution placing limits on the amount of revenue which can be spent by all entities of government. Proposition 4 was modified by Proposition 111 in June 1990. Proposition 111 provided new adjustment formulas for the calculation of the annual appropriations limit.

The appropriations limit is based on actual appropriations during the 1978-79 fiscal year and is increased each year using the growth of population and inflation. Not all revenues are restricted by the appropriations limit, only those that are referred to as "proceeds of taxes."

The limit is calculated by taking the prior year's limit and applying growth factors as appropriate. The growth factors are determined by 1) the change in population in either the City or the County, and 2) the change in per capita income or non-residential new construction. The population increases for the County of Riverside from January 1, 2018, to January 1, 2019, was 1.17%. The population increase for the City of Beaumont was 3.99%. When calculating the appropriations limit, the larger of these two percentages are allowed; therefore, the City population figure was used. The inflation increase of 3.85% was provided by the State of California.

The appropriations limit for Fiscal Year 2018-19 was \$81,660,315. When growth factors are applied to the Fiscal Year 2018-2019 appropriations limit, the limit for Fiscal Year 2019-2020 is calculated to be \$88,187,926.

Fiscal Impact:

Based on the approved budget for the 2019-2020 fiscal year, the proceeds of taxes is \$20,248,244 which is less than the appropriations limit of \$88,187,926 therefore there is no fiscal impact in the adoption of the appropriations limit (if the proceeds of taxes were

greater than the appropriations limit, the City would be required to return the excess to the taxpayers by reducing tax rates or fees).

Recommendation:

1. Waive the full reading and adopt by title only "Resolution of the City Council of the City of Beaumont, California Approving the Appropriation Limit for the 2019-2020 Fiscal Year"

City Manager Review:  _____

Attachments:

- A. Appropriation Limit Calculation for the Year Ending June 30, 2020
- B. Proposed Resolution City Council of the City of Beaumont, California Approving the Appropriation Limit for the 2019-2020 Fiscal Year

Attachment A

CITY OF BEAUMONT
APPROPRIATION LIMIT CALCULATION
FOR THE YEAR ENDING JUNE 30, 2020

APPROPRIATION LIMIT JUNE 30, 2019		\$ 81,660,315
PRICE CHANGE (1):		
PER CAPITA INCOME	3.85%	
NON-RESIDENTIAL		
NEW CONSTRUCTION	0.88%	
GREATER OF TWO OPTIONS		3.85%
POPULATION CHANGE (2):		
BEAUMONT 1/1/19	3.99%	
RIVERSIDE COUNTY 1/1/19	1.17%	
GREATER OF TWO OPTIONS		3.99%
CALCULATION FACTOR FOR JUNE 30, 20189		
PER CAPITA PERCENTAGE INCREASE		1.0385
POPULATION PERCENTAGE INCREASE		1.0399
TOTAL (PER CAPITA x POPULATION)		1.07993615
GROSS APPROPRIATION LIMIT JUNE 30, 2020		\$ 88,187,926
ADJUSTMENTS:		0
APPROPRIATIONS LIMIT FOR 2019-2020		\$ 88,187,926
PROCEEDS OF TAXES SUBJECT TO APPROPRIATION		16,981,335
AMOUNT LIMIT EXCEEDS TAXES SUBJECT TO LIMIT		\$ 71,206,591

CONCLUSION: THE CITY HAS NOT EXCEEDED ITS APPROPRIATION LIMIT FOR THE '18-'19 YEAR.
 THE CITY WILL NOT EXCEEDED ITS APPROPRIATION LIMIT FOR THE '19-'20 YEAR.

(1) ALLOWED TO USE THE LARGER OF THE STATE'S PER CAPITA INCOME INCREASE OR THE CITY'S INCREASE IN TAXABLE PROPERTY VALUES DUE TO NON-RESIDENTIAL CONSTRUCTION AS A PERCENTAGE OF THE TOTAL TAXABLE VALUE INCREASE.

(2) ALLOWED TO USE THE LARGER OF CITY'S OR COUNTY'S PERCENTAGE POPULATION INCREASE

Attachment B

RESOLUTION NO. 2019-__

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BEAUMONT,
CALIFORNIA APPROVING THE APPROPRIATION LIMIT FOR THE 2019-2020
FISCAL YEAR**

WHEREAS, Article XIII B of the Constitution of the State of California was adopted in November 1979, establishing Proposition 4, placing limits on the amount of revenue which can be appropriated by any governmental agency in any fiscal year; and

WHEREAS, Proposition 111 was adopted in June 1990, amending Proposition 4, to change adjustments factor's to using the greater of the percentage change in population in the City or the County, and greater of the percentage change in per capita income or non-residential new construction; and

WHEREAS, the percentage change in population was 3.99% in the City of Beaumont and the percentage change in per capital personal income was 3.85%, and

WHEREAS, the "proceeds of taxes" for the City of Beaumont will not exceed the appropriations limit for Fiscal Year 2019-2020,

NOW, THEREFORE IT IS HEREBY RESOLVED, by the City Council of the City of Beaumont, California, as follows:

Section 1. That the appropriations limit for the City of Beaumont for Fiscal Year 2019-2020 shall be \$88,187,926 and

Section 2. That the adjustment factors used in calculating the new limit shall be the percentage changes 1) in the population of the City of Beaumont, and 2) per capita personal income change over prior year

MOVED, PASSED AND ADOPTED this 18th day of June 2019, by the following vote:

- AYES:
- NOES:
- ABSTAIN:
- ABSENT:

Julio Martinez, Mayor

ATTEST:

Deputy City Clerk

Staff Report

TO: Mayor and City Council Members
 FROM: Todd Parton, City Manager
 DATE: June 18, 2019
 SUBJECT: April 2019 Financial Reports

Background and Analysis:

The April 2019 Monthly Financial Reports are attached for review, as follows:

1. General Fund (summary level) – Actual versus Budget, current month and year to date
2. General Fund (summary level) – current versus Prior Year, current month and year to date
3. Waste Water Fund (summary level) – Actual versus Budget, current month and year to date
4. Waste Water Fund (summary level) – Current versus Prior Year, current month and year to date
5. Treasurer’s Report – Cash Account Reconciled Balance allocations by Fund

The April financials should result in 16.67% of the budget remaining. Because the budget to actual variances can be deceiving, please note the following:

Revenues	Actual greater than Budget	Positive Overall Effect
	Actual less than Budget	Negative Overall Effect
Expenses	Actual greater than Budget	Negative Overall Effect
	Actual less than Budget	Positive Overall Effect

Bank reconciliations are completed as follows:

Pooled Cash (Citibank)	thru 5/22/19
Bank of Hemet:	
Payroll	thru 4/30/19
Gas Tax	thru 4/30/19
Workers Comp	thru 4/30/19
Seizure/Evidence	thru 4/30/19
Construction	thru 4/30/19
Trustee Accounts	thru 4/30/19
LAIF	thru 4/30/19

Fiscal Impact:

None.

Recommendation:

1. Receive and file.

City Manager Review:  _____

Attachments:

- A. April 2019 monthly financial reports

Attachment A

Agenda Item No. 5.

CITY OF BEAUMONT
Cash Balance Analysis and Reconciliation
For the Ten Months Ending April 30, 2019

Fund	Fund Name	Beginning Cash 06/30/2018	Revenues	Expenses	Fund Transfers	Net Change Assets	Net Adjmts to Equity	Net Change Liabilities	Ending Cash 4/30/2019
	GENERAL FUNDS	8,262,961.20	23,889,501.27	(26,245,115.50)	411,918.53	3,760,511.28	-	(1,563,662.36)	8,516,114.42
	SPECIAL REVENUE FUNDS	10,386,928.17	4,746,193.84	(249,998.74)	(458,747.15)	233,980.44	-	(130,895.89)	14,507,460.57
	CAPITAL FUNDS	36,267,375.48	16,960,585.89	(35,407,556.63)	13,793,024.55	6,226,816.31	-	928,290.96	38,768,536.56
	WASTEWATER FUNDS	13,276,286.32	18,353,869.43	(22,461,233.33)	3,136,047.00	(69,692,782.52)	-	73,882,737.25	16,494,906.15
	TRANSIT FUNDS	1,154,061.19	2,922,317.91	(2,769,269.17)	321.66	44,239.71	-	(143,557.02)	1,208,104.28
	AGENCY FUNDS	13,919,790.31	47,725,932.97	(27,175,364.37)	(16,553,512.03)	(80,357,140.86)	-	81,111,380.76	18,671,086.78
	TOTAL FUNDS	83,267,384.67	114,598,401.31	(114,308,537.74)	329,052.56	(139,784,385.64)	-	154,064,293.70	98,166,208.86

Reconciled Balances			
Pooled Cash - Checking	33,734,678.11		49,665,170.66
Payroll	2,121,841.14		2,177,960.55
Workers Compensation	98,510.38		17,902.85
Gas Tax/Transportation	1,717,530.87		1,851,337.98
Construction	9,623,238.94		7,678,173.18
Seizure/Evidence	524,325.75		524,325.75
LAI	35,447,259.48		36,251,337.89
Total Reconciled Balances	83,267,384.67		98,166,208.86



City of Beaumont, CA

PRELIMINARY

GENERAL FUND
Income Statement - Budget to Actual
For the Ten Months and Year to Date 04/30/2019

	Current Total Budget	April 2019 Activity	Year to Date Activity	Variance Favorable (Unfavorable)	% Remaining	FY18-19 Projection
REVENUES						
40 - TAXES	16,980,867.00	1,551,694.83	11,890,848.26	(5,090,018.74)	-29.98%	16,980,867.00
41 - LICENSES	212,100.00	6,231.00	102,111.56	(109,988.44)	-51.86%	212,100.00
42 - PERMITS	5,397,170.00	318,004.78	4,407,108.21	(990,061.79)	-18.34%	5,397,170.00
45 - INTERGOVERNMENTAL	21,288.00	0.00	29,318.92	8,030.92	37.73%	21,288.00
47 - CHARGES FOR SERVICE	7,702,800.00	418,372.27	6,549,208.46	(1,153,591.54)	-14.98%	7,702,800.00
50 - FINES AND FORFEITURES	110,000.00	13,744.47	81,248.00	(28,752.00)	-26.14%	110,000.00
53 - COST RECOVERY	0.00	80,802.64	439,552.52	439,552.52	0.00%	0.00
54 - MISCELLANEOUS REVENUES	22,500.00	2,284.20	17,521.00	(4,979.00)	-22.13%	22,500.00
58- OTHER FINANCING SOURCES	0.00	3,980.00	28,129.04	28,129.04	0.00%	0.00
TOTAL REVENUES	30,446,725.00	2,395,114.19	23,545,045.97	(6,901,679.03)	-22.7%	30,446,725.00
EXPENSES						
60 - PERSONNEL SERVICES	17,314,871.00	1,196,325.95	13,750,477.82	3,564,393.18	20.6%	17,314,871.00
65 - OPERATING COSTS	17,335,227.40	1,011,772.71	11,965,010.75	5,370,216.65	31.0%	17,335,227.40
70 - CAPITAL IMPROVEMENTS	878,938.36	70,105.72	315,528.64	563,409.72	64.1%	878,938.36
TOTAL EXPENSES	35,529,036.76	2,278,204.38	26,031,017.21	9,498,019.55	26.7%	35,529,036.76
TRANSFERS						
90 - TRANSFERS	5,232,745.00	0.00	111,918.53	(5,120,826.47)	-97.9%	5,232,745.00
NET CHANGE	150,433.24	116,909.81	(2,374,052.71)	(2,524,485.95)	-1678.1%	150,433.24
FY18-19 PROJECTED NET CHANGE	150,433					



City of Beaumont, CA

PRELIMINARY

GENERAL FUND
Comparative Income Statement
For the Ten Months and Year to Date 04/30/2018 and 2019

	2017-2018	2018-2019	April Activity /	Variance	2017-2018	2018-2019	YTD Variance /	Variance
	April 2018	April 2019	(Unfavorable)	%	Year to Date Activity	Year to Date Activity	(Unfavorable)	%
REVENUES								
40 - TAXES	1,482,563.94	1,551,694.83	69,130.89	4.66%	11,176,775.35	11,890,848.26	714,072.91	6.39%
41 - LICENSES	3,447.00	6,231.00	2,784.00	80.77%	64,865.32	102,111.56	37,246.24	57.42%
42 - PERMITS	635,403.82	318,004.78	(317,399.04)	-49.95%	3,217,582.62	4,407,108.21	1,189,525.59	36.97%
45 - INTERGOVERNMENTAL	0.00	0.00	0.00	0.00%	7,288.01	29,318.92	22,030.91	302.29%
47 - CHARGES FOR SERVICE	399,983.35	418,372.27	18,388.92	4.60%	5,998,602.87	6,549,208.46	550,605.59	9.18%
50 - FINES AND FORFEITURES	2,323.00	13,744.47	11,421.47	491.67%	72,350.36	81,248.00	8,897.64	12.30%
53 - COST RECOVERY	77,606.63	80,802.64	3,196.01	4.12%	323,167.29	439,562.52	116,385.23	36.01%
54 - MISCELLANEOUS REVENUES	133,447.00	2,284.20	(131,162.80)	-98.29%	31,084.87	17,521.00	(13,563.87)	-43.63%
58 - OTHER FINANCING SOURCES	5,341.50	3,980.00	(1,361.50)	-25.49%	5,341.50	28,129.04	22,787.54	426.61%
TOTAL REVENUES	2,740,116.24	2,395,114.19	(345,002.05)	-12.59%	20,897,058.19	23,545,045.97	2,647,987.78	12.67%
EXPENSES								
60 - PERSONNEL SERVICES	1,091,637.74	1,196,325.95	(104,688.21)	-9.59%	11,634,522.29	13,750,477.82	(2,115,955.53)	-18.19%
65 - OPERATING COSTS	966,280.12	1,011,772.71	(45,492.59)	-4.71%	10,474,751.61	11,965,010.75	(1,490,259.14)	-14.23%
70 - CAPITAL IMPROVEMENTS	14,696.75	70,105.72	(55,408.97)	-377.02%	534,666.87	315,528.64	219,138.23	40.99%
TOTAL EXPENSES	2,072,614.61	2,278,204.38	(205,589.77)	-9.92%	22,643,940.77	26,031,017.21	(3,387,076.44)	-14.96%
TRANSFERS								
90 - TRANSFERS	-	-	-	0.00%	(21,611.11)	111,918.53	133,529.64	617.87%
NET CHANGE	667,501.63	116,909.81	(550,591.82)	-82.49%	(1,768,493.69)	(2,374,052.71)	(605,559.02)	-34.24%



City of Beaumont, CA

PRELIMINARY

WASTE WATER FUNDS
Income Statement - Budget to Actual
For the Ten Months and Year to Date 4/30/2019

	Current Total Budget	April 2019 Activity	Year to Date Activity	Variance Favorable (Unfavorable)	% Remaining	FY18-19 Projection
REVENUES						
47 - CHARGES FOR SERVICE	2,050,000.00	354,956.70	3,076,348.72	1,026,348.72	50.1%	2,050,000.00
50 - FINES AND FORFEITURES	0.00	0.00	9,000.00	9,000.00	0.0%	0.00
54 - MISCELLANEOUS REVENUES	0.00	193,472.64	835,352.80	835,352.80	0.0%	0.00
56 - PROPRIETARY REVENUES	8,810,000.00	942.66	5,821,918.84	(2,988,081.16)	-33.9%	8,810,000.00
58 - OTHER FINANCING SOURCES	90,000,000.00	0.00	8,896,465.88	(81,103,534.12)	-90.1%	90,000,000.00
TOTAL REVENUES	100,860,000.00	549,372.00	18,639,086.24	(82,220,913.76)	-81.5%	100,860,000.00
EXPENSES						
60 - PERSONNEL SERVICES	1,155,764.00	100,871.95	641,943.92	513,820.08	44.5%	1,155,764.00
65 - OPERATING COSTS	7,141,120.00	310,915.03	4,049,010.02	3,092,109.98	43.3%	7,141,120.00
70 - CAPITAL IMPROVEMENTS	87,289,750.00	1,999,012.99	17,770,279.39	69,519,470.61	79.6%	87,289,750.00
TOTAL EXPENSES	95,586,634.00	2,410,799.97	22,461,233.33	73,125,400.67	76.5%	95,586,634.00
TRANSFERS						
90 - TRANSFERS	50,000.00	(147,606.84)	2,844,885.19	2,794,885.19	5589.8%	50,000.00
NET CHANGE	5,323,366.00	(2,009,034.81)	(977,261.90)	(6,300,627.90)	-118.4%	5,323,366.00
FY18-19 PROJECTED NET CHANGE	5,323,366.00					



City of Beaumont, CA

PRELIMINARY

WASTE WATER FUNDS
Comparative Income Statement
For the Ten Months and Year to Date 04/30/2018 and 2019

	2017-2018 April 2018	2018-2019 April 2019	April Activity Favorable / (Unfavorable)	Variance %	2017-2018 Year to Date Activity	2018-2019 Year to Date Activity	YTD Variance Favorable / (Unfavorable)	Variance %
REVENUES								
47 - CHARGES FOR SERVICE	707,683.35	354,956.70	(352,726.65)	-49.84%	1,803,014.64	3,076,348.72	1,273,334.08	70.62%
50 - FINES AND FORFEITURES	0.00	0.00	0.00	0.00%	0.00	9,000.00	9,000.00	0.00%
54 - MISCELLANEOUS REVENUES	0.00	193,472.64	193,472.64	0.00%	0.00	835,352.80	835,352.80	0.00%
56 - PROPRIETARY REVENUES	(5,641.76)	942.66	6,584.42	-116.71%	5,342,400.62	5,821,918.84	479,518.22	8.98%
58 - OTHER FINANCING SOURCES	0.00	0.00	0.00	0.00%	0.00	8,896,465.88	8,896,465.88	0.00%
TOTAL REVENUES	702,041.59	549,372.00	(152,669.59)	-21.75%	7,145,415.26	18,639,086.24	11,493,670.98	160.85%
EXPENSES								
60 - PERSONNEL SERVICES	25,411.26	100,871.95	(75,460.69)	-296.96%	216,352.92	641,943.92	(425,591.00)	-196.71%
65 - OPERATING COSTS	576,569.15	310,915.03	265,654.12	46.07%	5,152,679.78	4,049,010.02	1,103,669.76	21.42%
70 - CAPITAL IMPROVEMENTS	13,668.96	1,999,012.99	(1,985,344.03)	-14524.47%	198,929.57	17,770,279.39	(17,571,349.82)	-8832.95%
TOTAL EXPENSES	615,649.37	2,410,799.97	(1,795,150.60)	-291.59%	5,567,962.27	22,461,233.33	(16,893,271.06)	-303.40%
TRANSFERS								
90 - TRANSFERS	0.00	(147,606.84)	(147,606.84)	0.00%	1,303,220.75	2,844,885.19	1,541,664.44	118.30%
NET CHANGE	86,392.22	(2,009,034.81)	(2,095,427.03)	-2425.48%	2,880,673.74	(977,261.90)	(3,857,935.64)	-133.92%

Agenda Item No. 6

Staff Report

TO: Mayor and City Council Members

FROM: Kristine Day, Assistant City Manager

DATE: June 4, 2019

SUBJECT: Approval and Adoption of the Second Reading of An Ordinance of the City Council of the City of Beaumont, California, Repealing Chapter 8.12 – “Mandatory Solid Waste Collection and Disposal” of the Beaumont Municipal Code and Repealing Chapter 8.14 – “Mandatory Recycling Requirements for Commercial Facilities” of the Beaumont Municipal Code and Adding Chapter 8.12 – “Solid Waste Management” to the Beaumont Municipal Code

Background and Analysis:

This is the second and final reading of an ordinance to repeal certain sections of the City’s mandatory solid waste and collection code and replace them with mandatory recycling requirements for commercial facilities. It also adds provisions for solid waste management. The provisions of this ordinance are necessary to implement the new solid waste collections agreement with Waste Management, Inc.

The California Integrated Waste Management Act of 1989 (the “Act”) (codified at Public Resources Code §§ 4000 et seq.), established a solid waste management process that requires cities and other local jurisdictions to adopt and implement plans to reduce the amount of solid waste generated within their jurisdictions and to maximize reuse and recycling. Several times over the past decade, the California Legislature has amended and added provisions to the Act. For example, AB 1826 and AB 1383 amended the Act to include provisions regarding organic waste recycling. AB 1594 amended the Act to provide that the use of green material as alternative daily cover does not constitute diversion through recycling and would be considered disposal for purposes of the Act. And AB 341 amended the Act to, among other things, require commercial waste generators to arrange for recycling services.

Existing Chapters 8.12 and 8.14 of the Beaumont Municipal Code protect public health and safety by authorizing the City Council to provide solid waste handling service itself or to award one or more franchises (or licensed haulers) to private entities. Chapter 8.12 was adopted on November 20, 2007, by Ordinance No. 921 and Chapter 8.14 was adopted on October 5, 2010, by Ordinance No. 976. These chapters have not been updated or amended since their adoption.

The proposed ordinance will repeal existing Chapters 8.12 and 8.14 of the Beaumont Municipal Code, and add a new Chapter 8.12 to the Municipal Code. Among other things, the

new ordinance is intended to simplify the Municipal Code, and reflect changes in the law, including the changes mandated by AB 1826, AB 1383, AB 341, and AB 1594.

On May 7, 2019, the City Council unanimously approved a Collection Services Agreement for the Provision of Residential and Commercial Garbage, Recyclable Materials and Organic Waste Collection Services between the City and USA Waste of California, Inc. d.b.a. Waste Management of the Inland Empire ("Agreement"). The Agreement will go into effect on July 1, 2019. In addition to simplifying the Municipal Code and reflecting changes in the law, the proposed ordinance was drafted concurrently with the Agreement and is intended to function in harmony with the new franchise Agreement. The proposed ordinance contains the necessary provisions and enforcement mechanisms to ensure that residents and property owners, as well as the City's franchisee, Waste Management of Inland Empire, comply with state law requirements concerning solid waste.

Fiscal Impact:

It is estimated that the cost to prepare this report is approximately \$500 and the cost to prepare the ordinance is approximately \$1,300.

Recommendation:

1. Waive the full reading and adopt by title only, "An Ordinance of the City Council of the City of Beaumont, California, repealing Chapter 8.12- 'Mandatory Solid Waste Collection and Disposal' of the Beaumont Municipal Code and repealing Chapter 8.14 - 'Mandatory Recycling Requirements for Commercial Facilities' of the Beaumont Municipal Code and adding Chapter 8.12 - 'Solid Waste Management' to the Beaumont Municipal Code".

City Manager Review: 

Attachments:

- A. Ordinance

Attachment A

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**CITY OF BEAUMONT
Beaumont, California
ORDINANCE BILL NO.**

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF BEAUMONT, CALIFORNIA, REPEALING CHAPTER 8.12 – “MANDATORY SOLID WASTE COLLECTION AND DISPOSAL” OF THE BEAUMONT MUNICIPAL CODE AND REPEALING CHAPTER 8.14 – “MANDATORY RECYCLING REQUIREMENTS FOR COMMERCIAL FACILITIES” OF THE BEAUMONT MUNICIPAL CODE AND ADDING CHAPTER 8.12 – “SOLID WASTE MANAGEMENT” TO THE BEAUMONT MUNICIPAL CODE.

WHEREAS, Article XI, § 7 of the California Constitution authorizes cities to make and enforce within their limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws; and,

WHEREAS, the Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989, (“AB 939” or the “Act”) (codified at Public Resources Code §§ 4000 et seq.) established a solid waste management process that requires cities and other local jurisdictions to adopt and implement plans to reduce the amount of solid waste generated within their jurisdiction and to maximize reuse and recycling; and,

WHEREAS, AB 939 states that the frequency of solid waste collection, the means of solid waste collection and transportation, levels of services, charges and fees for services, and the nature, location and extent of providing solid waste services, are matters of local concern; and,

WHEREAS, AB 939 expressly allows cities to provide solid waste services to its residents by its own forces or by authorizing a private entity to provide those services; and,

1 **WHEREAS**, AB 1826, effective January 1, 2015, and AB 1383 amended the Act
 2 to include provisions regarding organic waste recycling; and

3 **WHEREAS**, AB 1594, commencing January 1, 2020, amended the Act to
 4 provide that the use of green material, as alternative daily cover does not constitute
 5 diversion through recycling and would be considered disposal for purposes of the Act;
 6 and

7 **WHEREAS**, AB 341 amended the Act to, among other things, require
 8 commercial waste generators to arrange for recycling services; and

9 **WHEREAS**, when cities confer the authority to provide solid waste handling
 10 services on private entities, they may do so by the award of a franchise, contract,
 11 license or other means; and,

12 **WHEREAS**, the existing Chapters 8.12 and 8.14 of the Beaumont Municipal
 13 Code implement Article XI, § 7 of the California Constitution and AB 939 in the City of
 14 Beaumont and protects public health and safety by authorizing the City Council to
 15 provide solid waste handling service itself or to award one or more franchises (or
 16 licensed haulers) to private entities; and,

17 **WHEREAS**, the owner or other person in charge of a premises that is eligible for
 18 cart service from a solid waste franchisee may elect to self-haul their solid waste,
 19 recyclable materials and organic waste to a disposal facility in lieu of arranging for solid
 20 waste handling services from a franchisee; and,

21 **WHEREAS**, Chapter 8.12 was adopted on November 20, 2007, by Ordinance
 22 No. 921 and Chapter 8.14 was adopted on October 5, 2010 by Ordinance No. 976;
 23 and,

24 **WHEREAS**, to simplify the City's Municipal Code provisions concerning solid
 25 waste and facilitate its use, the City desires to amend combine the general
 26 requirements of Chapters 8.12 and 8.14 of the Beaumont Municipal Code, and
 27
 28

1 **WHEREAS**, this Ordinance repeals Chapters 8.12 and 8.14 of the Beaumont
 2 Municipal Code, and adds a new Chapter 8.12, as set forth in Exhibit A attached
 3 hereto, to the Beaumont Municipal Code, to reflect changes in the law, including the
 4 changes concerning AB 1826, AB 1383, AB 341, and AB 1594.

5 **WHEREAS**, California Constitution Articles XIII(C) and XIII(D), commonly known
 6 as "Proposition 218," regulates a public agency's imposition of certain fees for
 7 property-related services provided by the public agency. Proposition 218 does not
 8 restrict or regulate what a private profit-making entity may charge for property-related
 9 services provided by a private entity; and

10 **WHEREAS**, the rates and fees established by a solid waste franchisee pursuant
 11 to this proposed Ordinance are not subject to Proposition 218 because, among other
 12 reasons, the solid waste franchisee independently establishes, charges and collects
 13 the fees and rates for its service; owners of single-family residential premises may
 14 avoid the imposition of such fees and rates by obtaining a self-haul permit; and owners
 15 of any property in the City may avoid the imposition of such fees and rates by leaving
 16 their property undeveloped or unoccupied.

17 **NOW THEREFORE, THE CITY COUNCIL OF THE CITY OF BEAUMONT**
 18 **DOES HEREBY ORDAIN AS FOLLOWS:**

19
 20 **SECTION 1: RECITALS AND FINDINGS**

21 The City Council Of the City Of Beaumont finds the recitals set forth herein to be
 22 true and correct, and incorporates the recitals as findings of the City Council.

23
 24 **SECTION 2: REPEAL OF CHAPTERS 8.12 AND 8.14 AND ADDITION OF**
 25 **CHAPTER 8.12.**

1 Chapters 8.12 and 8.14 of the Beaumont Municipal Code are hereby repealed,
 2 and Chapter 8.12, as set forth in Exhibit A, attached hereto and incorporated herein, is
 3 added to the Beaumont Municipal Code.

4 **SECTION 3: SEVERABILITY.**

5 If any section, subsection, subdivision, sentence, clause, phrase, or portion of
 6 this Ordinance is, for any reason, held to be invalid or unconstitutional by the decision
 7 of any court of competent jurisdiction, such decision shall not affect the validity of the
 8 remaining portions of this Ordinance. The City Council hereby declares that it would
 9 have adopted this Ordinance, and each section, subsection, subdivision, sentence,
 10 clause, phrase, or portion thereof, irrespective of the fact that any one or more
 11 sections, subsections, subdivisions, sentences, clauses, phrases, or portions thereof
 12 be declared invalid or unconstitutional.

13
 14 **SECTION 4: EFFECTIVE DATE.**

15 This Ordinance shall take effect thirty (30) days from its passage by the City
 16 Council of the City of Beaumont.

17 **SECTION 5: PUBLICATION.**

18 The City Clerk is authorized and directed to cause this Ordinance to be
 19 published within fifteen (15) days after its passage in a newspaper of general
 20 circulation and circulated within the City in accordance with Government Code Section
 21 36933(a) or, to cause this Ordinance to be published in the manner required by law
 22 using the alternative summary and pasting procedure authorized under Government
 23 Code Section 39633(c).

24 ///

25 ///

26 **INTRODUCED** at the regular meeting of Beaumont City Council on _____
 27 2019.

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APPROVED AND ADOPTED this ____ day of _____ 2019.

Julio Martinez III, Mayor

ATTEST:

APPROVED AS TO FORM:

Steven Mehlman, City Clerk

City Attorney

1 State of California)
2 County of Riverside)
3 City of Beaumont)

4 I, Steven Mehlman, City Clerk of the City of Beaumont, do hereby certify that the
5 foregoing Ordinance was introduced and first read on the ___ day of _____ 2019,
6 and had its second reading at the regular meeting of the Beaumont City Council on the
7 ___ day of _____, 2019, and was passed by the following vote:

8 **AYES:**

9 **NOES:**

10 **ABSTAIN:**

11 **ABSENT:**

12
13 _____
14 Steven Mehlman, City Clerk
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EXHIBIT "A"

Chapter 8.12 - SOLID WASTE MANAGEMENT

ARTICLE I. GENERAL PROVISIONS
 ARTICLE II. SOLID WASTE MANAGEMENT
 ARTICLE III. FRANCHISES
 ARTICLE IV. SELF-HAULING
 ARTICLE V. RECYCLABLE MATERIALS, GREEN WASTE AND C&D MATERIALS
 ARTICLE VI. PROHIBITED ACTS
 ARTICLE VII. ENFORCEMENT

ARTICLE I. – GENERAL PROVISIONS

Sec. 8.12.010 – Purpose; Findings.

Sec. 8.12.020 – Definitions.

Sec. 8.12.010 – Purpose; Findings.

A. Purpose. The management and proper disposal of Solid Waste is a matter of great importance to the City, its citizens, visitors, property owners and businesses. The City finds that the public health, safety, and well-being require the generation, accumulation, handling, collection, transportation, conversion and disposal of Solid Waste be controlled and regulated by the City through the comprehensive system provided in this Chapter. This Chapter is intended to ensure Solid Waste Handling Services are readily available, adhere to uniform standards, and are reliable, clean, and efficient. The City has a strong interest in reducing the harboring and breeding of rodents and insects, reducing the spread of disease, and preventing pollution and other unsightly degradation of the environment, which can occur with the improper handling of Solid Waste and the excess accumulation of Solid Waste.

B. Findings. The City finds and declares:

1. Article XI, § 7 of the California Constitution authorizes cities to make and enforce within their limits all local, police, sanitary, and other ordinances and regulations not in conflict with general laws.
2. The Legislature of the State of California, by enactment of the California Integrated Waste Management Act of 1989, ("AB 939" or the "Act") (codified at Public Resources Code §§ 4000 et seq.) established a solid waste management process that requires cities and other local jurisdictions to adopt and implement plans to reduce the amount of solid waste generated within their jurisdiction and to maximize reuse and recycling.
3. AB 939 states that the frequency of solid waste collection, the means of solid waste collection and transportation, levels of services, charges and fees for services, and the nature, location and extent of providing solid waste services, are matters of local concern.

4. AB 939 expressly allows cities to provide solid waste services to its residents by its own forces or by authorizing a private entity to provide those services.
5. This Chapter implements Article XI, § 7 of the California Constitution and AB 939 in the City of Beaumont and protects public health and safety by authorizing the City Council to provide solid waste handling service itself or to award one or more franchises to private entities.

Sec. 8.12.020 – Definitions.

For the purposes of this Chapter, the following words and phrases shall have the meanings respectively ascribed to them by this section. Words and phrases not defined in this Chapter shall have the meaning ascribed by Section 1.04.010 of this Code, and if not defined therein, then as applicable, as in: Division 30, Part 1, Chapter 2 of the Public Resources Code, Sections 40100 *et seq.*; the regulations of the California Department of Resources Recycling and Recovery; the Resource Conservation and Recovery Act ("RCRA"), 42 U.S.C. §§ 6901, *et seq.* and the regulations implementing RCRA, as they may be amended.

"AB 939" or **"Act"** means the California Integrated Waste Management Act of 1989, codified in part at Public Resources Code, §§ 40000 *et seq.* as it may be amended, and as implemented by the regulations of CalRecycle or its successor agency.

"Account Holder" means the persons or entities whose name(s) are on a Solid Waste Franchisee's account for a Premises.

"Bin" means a Container, typically between one and eight cubic yards, provided by a Solid Waste Franchisee for the collection of Solid Waste, Recyclable Material and Organic Waste.

"Bulky Waste" means Solid Waste that would not typically fit within a Container, including, but not limited to, large and small household appliances, furniture, carpets, mattresses, automobile tires, and oversized Green Waste such as tree trunks and large branches if no larger than two feet in diameter and four feet in length, and similar large items discarded from a Residential Premises. "Bulky Waste" does not include consumer electronics, such as televisions, radios, computers, monitors, and the like, which are regarded as Universal Waste, the disposal of which is governed by regulation of the Department of Toxic Substances Control.

"CalRecycle" means the California Department of Resources Recycling and Recovery.

"Cart" means a Container, typically between 64 and 96 gallons, provided by a Solid Waste Franchisee for the collection of Solid Waste, Recyclable Material, and Organic Waste.

"City" means the City of Beaumont, California, a municipal corporation, and all of the territory lying within the municipal boundaries of the City as presently existing and all geographic areas which may be added or annexed to the City.

"City Manager" means a person having that title in the employ of the City of Beaumont, or the City Manager's designated representative.

“City Premises” means City-owned or operated Premises where Solid Waste is generated or accumulated.

“Commercial Premises” means all Premises in the City, other than Single Family Residential Premises, Multifamily Residential Premises, and City Premises, where Solid Waste is generated or accumulated. The term “Commercial Premises” includes, but is not limited to, stores; offices; restaurants; boarding houses; hotels; motels; industrial and manufacturing, processing, or assembly shops or plants; hospitals, clinics, convalescent centers and nursing homes.

“Construction and Demolition Material” or **“C&D Material”** means discarded building materials, “inert wastes” as defined in Public Resources Code § 41821.3(a)(1) (e.g. rock, concrete, brick, sand, soil ceramics and cured asphalt), recyclable construction and demolition materials, packaging, plaster, drywall, rubble resulting from construction, remodeling, repair and demolition operations, but does not include asbestos-containing materials or Hazardous Waste.

“Container” means any Cart, Bin or Debris Box.

“Debris Box” means a Container, typically ten to forty cubic yards, provided by a Solid Waste Franchisee for the collection of Solid Waste that is normally tipped loaded onto a motor vehicle and transported to an appropriate facility.

“Green Waste” means leaves, grass clippings, brush, branches and other forms of organic materials generated from maintenance or alteration of landscapes or gardens including, but not limited to, tree trimmings, prunings, brush and weeds and incidental pieces of scrap lumber. “Green Waste” includes unadorned holiday trees (except such trees which are frosted, flocked or which contain tinsel or metal), but does not include stumps or branches exceeding four inches (4”) in diameter or four feet (4’) in length, or palm fronds, or yucca, which are not suitable for composting. “Green Waste” is not a “Recyclable Material”. “Green Waste” is Solid Waste if it is not segregated from Solid Waste and is discarded into the Solid Waste stream.

“Hazardous Waste” means any waste materials or mixture of wastes defined as a “hazardous substance” or “hazardous waste” pursuant to the Resource Conservation and Recovery Act (“RCRA”), 42 U.S.C. §§ 6901 *et seq.*, the Comprehensive Environmental Response, Compensation and Liability Act (“CERCLA”), 42 U.S.C. §§ 9601 *et seq.*, the Carpenter-Presley-Tanner Hazardous Substance Account Act (“HSAA”), codified at California Health & Safety Code §§ 25300 *et seq.*; the Electronic Waste Recycling Act of 2003, codified at California Health & Safety Code §§ 25214.9 *et seq.* and California Public Resources Code §§ 41516 *et seq.*, laws governing Universal Waste, all future amendments to any of them, or as defined by CalRecycle or the Department of Toxic Substances Control, or by their respective successor agencies. If there is a conflict in the definitions employed by two or more agencies having jurisdiction over hazardous or Solid Waste, the term “Hazardous Waste” shall be construed to have the broader, more encompassing definition.

“Household Hazardous Waste” means dry cell household batteries; cell phones and PDAs; used motor oil; used oil filters when contained in a sealed plastic bag; cooking oil; compact fluorescent light bulbs contained in a sealed plastic bag; cleaning products; pesticides; herbicides; insecticides; painting supplies; automotive products; solvents; stripes; and adhesives; auto batteries; and Universal Waste generated at a Single-Family or Multifamily Residential Premises.

“Multifamily Residential Premises” means a multi-family residential building with 5 or more units, including but not limited to mobile home parks, apartments, condominiums and town homes, which utilize Bins for the temporary accumulation and collection of Solid Waste. The City will have sole authority to resolve any ambiguity as to whether a particular Premise is a Single Family Residential Premises or a Multifamily Residential Premises.

“Organic Waste” means food waste, Green Waste, nonhazardous wood waste, compostables and soiled paper waste that is mixed in with food waste.

“Overfill” or **“Overfilled”** means to fill a Container in a manner such that the lid of the Container is unable to fully close and exceeds a 45-degree angle.

“Owner” means the persons or entities listed on the last equalized assessment roll as the owner of a lot or parcel of real property within the City.

“Person in Charge” means an Owner, Account Holder, tenant, occupant or other person or persons responsible for the day to day operation of a Premises.

“Premises” means place where any person resides, or any business is carried on or conducted, or any other place upon which Solid Waste is generated or accumulated.

“Recyclable Material” means materials that can be reused or processed into a form suitable for reuse through reprocessing or remanufacture, consistent with the requirements of AB 939, including but not limited to the following:

1. Aluminum cans;
2. Glass jars and bottles;
3. Steel, bi-metal and tin cans, and empty aerosol containers;
4. recyclable plastics;
12. PVC pipe;
13. Juice boxes and milk cartons (aseptic packaging, Tetra Pak®, and waxed cardboard);
14. Detergent containers;
15. Scrap metal, coat hangers and metal foil;
16. Newspapers and telephone books;
17. Mixed paper (e.g., ledger, computer, junk mail, magazines, paperback books, cereal boxes, envelopes, paper shopping bags and non-metallic wrapping paper);
18. Corrugated cardboard and chipboard;
19. Chlorofluorocarbons (contained in Bulky Waste set out for collection under Section 8.12.230);

20. Tires (if set out for collection as Bulky Waste to be collected under Section 8.12.230.); and
21. Wood (incidental scrap pieces if set out for collection with Green Waste, and larger quantities if set out for collection with Bulky Waste).

"Self-Haul" means the transportation of Solid Waste, Recyclable Materials or Organic Waste directly to a licensed or permitted landfill or other licensed or permitted disposal facility by a person who has received a Self-Haul Permit.

"Self-Haul Permit" means a permit issued by the City to Self-Haul under this Chapter.

"Single-Family Residential Premises" means a detached single family dwelling unit, or each unit in a multifamily residential building with up to four units, such as a duplex, triplex, or quadraplex, a townhouse, a condominium, or a mobile home of permanent character placed in a permanent location, which utilizes one or more Carts, or a Bin, for the temporary accumulation and collection of Solid Waste. The City Manager will have sole authority to resolve any ambiguity as to whether a particular Premise is a Single Family Residential Premises or a Multifamily Residential Premises.

"Solid Waste" means and includes any materials defined as "solid waste" by Section 40191 of the California Public Resources Code, and specifically includes, without limitation, Recyclable Materials and Organic Waste that has been disposed into the Solid Waste stream, Bulky Waste, Construction and Demolition Materials, and all other materials, excluding Universal Waste and Hazardous Waste, that are discarded into the Solid Waste stream, or collected in exchange for a fee or any other consideration, regardless of form or amount.

"Solid Waste Enterprise" means any individual, partnership, joint venture, unincorporated private organization, or private corporation, which is regularly engaged in the business of providing Solid Waste Handling Services.

"Solid Waste Franchisee" means a Solid Waste Enterprise that has been granted the right and privilege by the City, or by operation of law, to perform one or more Solid Waste Handling Services within the City or a portion thereof.

"Solid Waste Handling Services" means the collection, transportation, processing, recycling, composting, conversion, retention and disposal of Solid Waste, Organic Waste, Recyclable Materials, Construction and Demolition Materials, Bulky Waste, and/or Universal Waste.

"Spilled" means deposited, released, spilled, leaked, pumped, poured, emitted, emptied, discharged, injected, dumped or disposed into the environment, or which otherwise has come to be located outside an authorized Container. The term "disposed into the environment" shall include, but is not limited to, the abandonment or discarding of barrels, bags, cans and other closed receptacles containing Solid Waste, Recyclable Materials or Organic Waste.

"Universal Waste" means and includes, but is not limited to, Universal Waste Electronic Devices" or "UWEDs," (i.e., electronic devices subject to the regulation of the Department of Toxic Substances Control, 23 CCR §§ 66273.1, *et seq.*), and other Universal Wastes, including, but not limited to non-empty aerosol cans, fluorescent tubes, high intensity discharge lamps, sodium vapor lamps, and any other lamp exhibiting a characteristic of a hazardous waste, batteries (rechargeable nickel-

cadmium batteries, silver button batteries, mercury batteries, small sealed lead acid batteries [burglar alarm and emergency light batteries] alkaline batteries, carbon-zinc batteries and any other batteries which exhibit the characteristic of a hazardous waste), mercury thermometers, and mercury-containing switches.

ARTICLE II. – SOLID WASTE MANAGEMENT

- Sec. 8.12.100 – Disposal of Solid Waste Required.
- Sec. 8.12.110 – Containers – Use, Placement for Collection, Storage.
- Sec. 8.12.120 – Clean-Up.
- Sec. 8.12.130 – Disposal Frequency.
- Sec. 8.12.140 – AB 939 Fees.
- Sec. 8.12.150 – Recycling Requirements
- Sec. 8.12.160 – Recycling of Organic Waste.

Sec. 8.12.100 – Disposal of Solid Waste Required.

In order to protect the public health, safety and wellbeing, and to prevent the spread of vectors, the Owner or other Person in Charge of a Premises shall make arrangements with the City or the City's Solid Waste Franchisee for Solid Waste Handling Services.

All Premises in the City must have the applicable Solid Waste Handling Services required under this Chapter.

A violation of this Section is a misdemeanor and punishable as provided in Article VII of this Chapter. The City may cite violations as infractions where an appropriate downgrade is approved by the City Prosecutor or City Attorney.

Sec. 8.12.110 – Containers – Use, Placement for Collection, Storage.

- A. Use. Every Person in Charge of a Premises shall:
1. Keep on the Premises a sufficient number of Containers that will hold all Solid Waste, Recyclable Materials, and Organic Waste that accumulates on the Premises each week without spilling, leaking, or emitting odors.
 2. Deposit or cause to be deposited all Solid Waste, Recyclable Materials and Organic Waste generated or accumulated on the Premises into Containers meeting the requirements of this Chapter.
 3. Use those Containers:
 - a. Provided by the appropriate Solid Waste Franchisee; or
 - b. Approved by the City under a valid Self-Haul permit for the Premises.
- B. Placement for Collection. To minimize interference with public rights-of-way, no person shall place a Container in a public right-of-way for collection by the appropriate Solid Waste Franchisee more than 24 hours prior to the normal collection time. Containers placed in a public right-of-way for collection shall be removed from the right-of-way within 24 hours after collection.

- C. Storage. Except during the time a Cart or Bin is placed for collection, no Cart or Bin shall be visible from the public right-of-way. A Debris Box may be placed in a location that is visible from the public right of way at a Single-Family Residential Premises for up to thirty (30) consecutive days and for no more than sixty (60) total days during any twelve (12) month period.

Sec. 8.12.120 – Clean-Up.

- A. Until Solid Waste, Recyclable Materials or Organic Waste has been picked up by the appropriate Solid Waste Franchisee, or is Self-Hauled in accordance with a valid Self-Haul Permit, each Person in Charge of a Premises shall be responsible for the cleanup of any and all Solid Waste, Recyclable Material, or Organic Waste generated or accumulated on the Premises that is Spilled on, at, or in the Premises. This cleanup responsibility includes the cleanup of Solid Waste, Recyclable Materials and Organic Waste Spilled for any reason, including but not limited to human or animal interference with a Container, wind or other natural forces, at any time during storage, collection, removal, or transfer of the materials.
- B. The City's Solid Waste Franchisee(s) shall clean up any Solid Waste, Recyclable Material, or Organic Waste Spilled during its collection, removal, or transfer, as soon as the Spill occurs.

Sec. 8.12.130 – Disposal Frequency.

All Solid Waste accumulating upon a Premises must be disposed of as frequently as required to avoid an accumulation of Solid Waste, but in no case shall disposal occur less frequently than one (1) time per week, except that less than weekly disposal is permitted during any period of time the Premises is temporarily unoccupied and Solid Waste is not accumulating on the Premises due to out-of-town travel or other similar situations.

Sec. 8.12.140 – AB 939 Fees.

Pursuant to Division 30, Part 2, Chapter 8 of the Public Resources Code, Section 41900 *et seq.*, the City may impose fees on Premises in amounts sufficient to pay the costs of preparing, adopting, and implementing a countywide integrated waste management plan, including the costs of preparing, adopting and implementing the City's required Source Reduction and Recycling Element, Household Hazardous Waste Element, and Nondisposal Facility Element, and the costs of setting and collecting the fees.

Sec. 8.12.150 - Recycling Requirements

- A. Purpose. The purpose of this Section is to establish requirements for the recycling of Recyclable Materials generated from Commercial Premises, Single Family Residential Premises, Multifamily Residential Premises, and City Premises. These requirements are intended to increase the diversion of Recyclable Materials from landfills, conserve capacity and extend the useful life of landfills utilized by the City, reduce greenhouse gas emissions, and avoid the potential financial and other consequences to the City of failing to meet State law diversion requirements.
- B. Requirements.

1. Owners, landlords, tenants and occupants of Commercial Premises, Single Family Residential Premises, Multifamily Residential Premises, and City Premises, jointly or severally, shall recycle Recyclable Materials by depositing the same in recycling Containers provided by the City's Solid Waste Franchisee.
2. Occupants or landlords of Commercial Premises and Multifamily Residential Premises shall designate, for the convenience and use of occupants' employees and independent contractors, recycling collection and storage areas and shall place appropriate signs in and around the proximity of such areas.
3. Occupants or landlords of Commercial Premises and Multifamily Residential Premises shall ensure that their employees, occupants, and independent contractors are educated about recycling services available at the site. Information, including the types of Recyclable Materials accepted, the location of recycling Containers, and the employees' and occupants responsibility to recycle shall be distributed periodically, and all new occupants, employees when hired, and independent contractors when retained, shall also be given such information and instruction. All occupants, employees and independent contractors shall also be given appropriate information and instructions concerning any change in recycling services to the Commercial Premises and Multifamily Residential Premises.

Sec. 8.12.160 – Processing or Composting of Organic Waste.

Every Commercial Premises, Multifamily Residential Premises, and City Premises shall make arrangements with the City or the City's Solid Waste Franchisee for Organic Waste recycling services in compliance with AB 1826 (California Public Resources Code section 42649.8 et seq.), as it may be amended from time to time.

ARTICLE III. – FRANCHISES

- Sec. 8.12.200 – Findings.
- Sec. 8.12.210 – Provision of Solid Waste Handling Service.
- Sec. 8.12.220 – Solid Waste Franchises.
- Sec. 8.12.230 – Manner, Time and Frequency of Collection.
- Sec. 8.12.240 – Liability for Solid Waste Collection Fees.

Sec. 8.12.200 – Findings.

- A. California Constitution Articles XIII(C) and XIII(D), commonly known as "Proposition 218," regulates a public agency's imposition of certain fees for property-related services provided by the public agency. Proposition 218 does not restrict or regulate what a private profit-making entity may charge for property-related services provided by a private entity.
- B. The rates and fees established by a Solid Waste Franchisee pursuant to this Article are not subject to Proposition 218 because, among other reasons, the Solid Waste Franchisee independently establishes, charges and collects the fees and rates for its service; Owners of Single-Family Residential Premises may avoid the imposition of such fees and rates by obtaining a Self-Haul Permit; and

Owners of any property in the City may avoid the imposition of such fees and rates by leaving their property undeveloped or unoccupied.

Sec. 8.12.210 – Provision of Solid Waste Handling Service.

- A. The City Council may grant franchises to one or more Solid Waste Enterprises to make arrangements with the Persons in Charge of Premises within the City for Solid Waste Handling Services, in accordance with this Chapter.
- B. The City Council may determine Solid Waste collection categories, (e.g., single-family residential, multifamily residential, commercial, construction & demolition materials, household hazardous waste, universal waste, recyclable materials, Organic Waste and others) and may make or impose franchise, license, contract or permit requirements which may vary for such categories.

Sec. 8.12.220 – Solid Waste Franchises.

- A. The City Council may award exclusive, partially exclusive, or non-exclusive franchises for one or more types of Solid Waste Handling Services for all or a portion of the Premises in the City. Any such franchise shall be in the form of a written agreement, approved by the City Council by written resolution, and shall be subject to all of the continuation rights, if any, held by any other Solid Waste Enterprise pursuant to Public Resources Code § 49520 et seq. Where a franchise agreement is silent on an issue, the provisions of this Chapter shall govern. Where a franchise agreement predates the effective date of this Chapter, the provisions of the franchise agreement shall govern over any inconsistent provisions contained in this Chapter.
- B. Any franchise granted pursuant to paragraph A of this section shall be granted on such terms and conditions as the City Council shall establish in its sole discretion. At a minimum, the franchise shall provide:
 - 1. The Solid Waste Franchisee shall comply with the provisions of this Chapter; and
 - 2. The Solid Waste Franchisee shall protect, defend, indemnify and hold the City harmless from such acts, omissions, liabilities and damages related to the agreement as the City Attorney and City Manager determine to be reasonable necessary to adequately protect the City; and
 - 3. The Solid Waste Franchisee shall be required to cooperate with City in Solid Waste disposal characterization studies and the preparation of waste stream audits, and to submit information required by the City to meet the reporting requirements of AB 939, or any other law or regulation, and to implement measures consistent with the City's Source Reduction and Recycling Element to reach the Solid Waste and recycling goals mandated by the California Integrated Waste Management Act of 1989, as it may be amended from time to time.
 - 4. The Solid Waste Franchisee shall provide commercial recycling service in a manner to exceed compliance with AB 341, as it may be amended from time to time. Solid Waste Franchisee will notify all Commercial Premises of the requirements to comply with the law and must provide the necessary volume of collection services in order for all Commercial Premises to be in full compliance with the law. The Solid Waste

Franchisee will conduct in-person outreach to all non-participating Commercial Premises a minimum of once per calendar year.

5. The Solid Waste Franchisee shall provide Organic Waste recycling services in a manner to exceed compliance with AB 1826 and SB 1383, as they may be amended from time to time. The Solid Waste Franchisee will notify all Commercial Premises, Multifamily Residential Premises, and City Premises of the requirements to comply with the law and must provide the necessary volume of collection services in order to be in full compliance with the law. The Solid Waste Franchisee will conduct in-person outreach to all non-participating Commercial Premises, Multifamily Residential Premises, and City Premises a minimum of once per calendar year.
6. The Solid Waste Franchisee shall provide services to ensure the City is in compliance with State law diversion requirements and AB 1594.

Sec. 8.12.230 – Manner, Time and Frequency of Collection.

- A. Regular Collection. The City's Solid Waste Franchisee(s) shall make arrangements with its Account Holders specifying the manner in which Solid Waste Handling Services are to be regularly provided, subject to the terms of its franchise.
- B. Special Collections. The City's Solid Waste Franchisee(s) shall provide on-call collection of Bulky Waste to its Account Holders, and shall provide its Account Holders with Debris Boxes when requested and collect the Debris Box when the Account Holder no longer requires the Debris Box. The terms and conditions upon which such special collections are provided to Account Holders shall be arranged between the Solid Waste Franchisee and the Account Holder, subject to the terms of the Solid Waste Franchisee's franchise from the City.

Sec. 8.12.240 – Liability for Solid Waste Collection Fees.

- A. Joint and Several Liability. The Owner of a Premises and the Account Holder for a Premises are jointly and severally liable for Solid Waste Handling Services provided to the Premises by a Solid Waste Franchisee.
- B. Delinquencies - Single Family Residential Premises. Pursuant to Health & Safety Code section 5470 et seq., the City may collect delinquent fees or charges for Solid Waste Handling Services on the property tax roll for the Premises. If the City decides to collect delinquent Solid Waste Handling fees or charges on the property tax roll, it shall adhere to the following procedures:
 1. City will fix a time, date and place for hearing the report of delinquencies submitted by the Solid Waste Franchisee and any objections and protests to the report. The Solid Waste Franchisee shall publish and provide notice of the hearing on the report in accordance with Health and Safety Code section 5470 et seq. At the hearing, City shall hear any objections or protests of Owners liable to be assessed for delinquent fees. The City may make revisions or corrections to the report as it deems just, after which, by resolution, the report shall be confirmed.
 2. The delinquent fees set forth in the report as confirmed shall constitute special assessments against the Premises listed in the report and are a

lien on the Premises for the amount of the delinquent fees. A certified copy of the confirmed report shall be filed with the Riverside County Auditor for the amounts of the respective assessments against the respective Premises as they appear on the current assessment roll. The lien created attaches upon recordation, in the office of the Riverside County Recorder, of a certified copy of the resolution of confirmation. The assessment may be collected at the same time and in the same manner as ordinary ad valorem property taxes are collected and shall be subject to the same penalties and the same procedure and sale in case of delinquency as provided for those taxes.

3. City shall remit to its Solid Waste Franchisee(s) amounts collected pursuant to this process within thirty (30) days of receipt from the Riverside County Assessor. Solid Waste Franchisee(s) shall notify the City in the event any delinquency on the report for which a lien has been created is paid or otherwise resolved.

- C. Delinquencies - Commercial Premises and Multifamily Residential Premises. Solid Waste Franchisee(s) may discontinue service to a Commercial Premises if the Account Holder of the Commercial Premises has not remitted required payment for Solid Waste Handling Services and upon thirty (30) days prior written notice by the Solid Waste Franchisee to the service recipient and the City.

ARTICLE IV. – SELF-HAULING

- Sec. 8.12.300 – Applicability.
- Sec. 8.12.310 – Self-Haul Permit.
- Sec. 8.12.320 – AB 939 Fees.

Sec. 8.12.300 – Applicability.

Because it is more difficult to transport larger volumes of Solid Waste, Recyclables and Organic Waste in a manner that is safe and sanitary, Self-Haul Permits are available only to Single Family Residential Premises. The difficulty posed by Self-Hauling larger volumes of Solid Waste, Recyclables and Organic Waste pose an unwarranted threat to the public health, safety and welfare, as it could lead to increased illegal dumping and burning, failure to segregate Recyclables and Organic Waste, unauthorized deposit of Solid Waste in the Containers of another, and the accumulation of Solid Waste at a Premises for more than one (1) week.

Sec. 8.12.310 – Self-Haul Permit.

- A. Permit Required. The Person in Charge of a Single-Family Residential Premises may apply for and obtain a permit to Self-Haul, and shall not Self-Haul without a valid Self-Haul Permit issued pursuant to this section. Every Person in Charge of a Single-Family Residential Premises who desires to Self-Haul in lieu of making arrangements with the appropriate Solid Waste Franchisee for Solid Waste Handling Services shall obtain a Self-Haul permit from the City's public works director or his or her designee prior to commencing Self-Hauling.
- B. Term. A permit to Self-Haul shall be good for one calendar year, or such part of the calendar year that is remaining after the issuance of the permit. All Self-Haul permits shall expire on December 31, and may be renewed annually. Application for a renewal permit must be filed at least sixty (60) days prior to the expiration

date of the permit to allow adequate time for processing, inspection and verifications required to issue the permit.

- C. Issuance of Permit. An applicant for a Self-Haul Permit shall submit a completed application, on a form approved by the City's public works director, to the public works department. The public works director or his or her designee shall determine whether the application is complete within five (5) working days of the receipt of the application. If the director or his or her designee finds the application incomplete, the applicant shall be given a list of further information needed to complete the application.

After it is determined that an application for a Self-Haul Permit is complete, the applicant shall produce the items listed in numbers 1 through 8 below. The director of public works or his or her designee shall issue a Self-Haul Permit within five (5) working days of the production of all of the required items.

1. The applicant produces for inspection the vehicle the applicant intends to use for Self-Hauling, and the vehicle meets the following standards:
 - a. The vehicle is capable of safely hauling a minimum of 32 gallons (4.3 cubic feet) of Solid Waste, Recyclable Materials and Organic Waste in a safe and sanitary manner so that such matter will not Spill; and
 - b. If the vehicle is not fully enclosed, the applicant produces a tarp or other material that is demonstrated to completely secure the materials being Self-Hauled.
2. The applicant produces evidence that he or she owns or leases the vehicle produced for inspection or has a written agreement to use the vehicle for Self-Hauling with the vehicle's owner or lessor;
3. The applicant produces evidence that he or she has a valid California driver's license to operate the vehicle produced for inspection and that the vehicle is registered in the State of California;
4. The applicant provides the City with a certificate of automobile insurance for the vehicle;
5. The vehicle is operational and meets all applicable Vehicle Code standards;
6. The applicant provides the City with proof that the applicant has Containers for the storage of Solid Waste, Recyclable Materials and Organic Waste on the applicant's Premises before the materials are hauled to a disposal facility; and
7. The applicant provides proof that he/she is has no outstanding charges due to the City's Solid Waste Franchisee for Solid Waste Handling Services previously received at the Premises for which the Self-Hauling Permit Application is being submitted; and
8. The applicant pays the fee for a Self-Haul Permit authorized by resolution of the City Council. The fee shall reflect the City's reasonable costs of issuing and monitoring compliance with the permit. Permits issued

between January 1 and March 31 shall pay one hundred percent (100%) of the permit fee; permits issued between April 1 and June 30 shall pay seventy-five percent (75%) of the permit fee; permits issued between July 1 and September 30 shall pay fifty percent (50%) of the permit fee; permits issued between October 1 and December 31 shall pay twenty-five percent (25%) of the permit fee.

- D. Appeal of Denial. An applicant whose application for a Self-Haul permit has been denied may appeal that decision. An appeal may be filed within five (5) days of the date the applicant was notified of the denial. Appeals shall be heard by the City Manager. The decision of the City Manager is final.
- E. Operational Standards.
1. Permittees must dispose of Solid Waste weekly at a licensed or permitted landfill or disposal facility and shall procure and retain weekly receipts from such landfill or other disposal facility. Receipts shall be submitted to the City upon request. Failure to show proof of Solid Waste disposal for each week that a person is permitted to Self-Haul shall constitute a public health and safety nuisance sufficient to permit City to revoke the permittees' Self-Haul permit.
 2. Permittees must notify the City of any change in the vehicle being used to haul Solid Waste by the permittee. Permittees must bring the new vehicle in for an inspection and demonstrate compliance with items 1 through 5 of paragraph B of this section before the new vehicle is used to haul any Solid Waste under the permit.
 3. Permittee must keep on file with the City copies of the current automobile insurance and registration for the vehicle used to Self-Haul and the permittee's current California driver's license. Permittee must provide proof to City of renewed automobile insurance, vehicle registration, and California driver's license within five days of expiration of respective document.
 4. Permittees must separate and bag Solid Waste, Recyclable Materials and Organic Waste. Recyclable Materials shall be disposed of at a licensed or permitted recycling center. Organic Waste shall be disposed of at a licensed or permitted composting center or shall be composted on the Premises covered by the Self-Haul Permit.
 5. Permittees are liable for any damages and clean-up costs resulting from any Solid Waste, Recyclable Materials or Organic Waste Spills during the course of the permittees' Self-Hauling activity.
- F. Revocation of Permit. The Self-Haul permit shall be subject to revocation if the permittee violates any provision of this chapter. A notice of revocation shall be mailed to the permittee informing them that their Self-Haul permit is being revoked, identifying the violations of this chapter that have occurred, and informing the permittee that he or she has the right to dispute the revocation by an appeal to the City Manager. An appeal of a revocation must be filed within five (5) calendar days of the mailing of notice of the revocation. A revocation appeal hearing will be scheduled within five (5) days of the date the City receives the request for an appeal. The City Manager will issue a decision on the appeal within five (5) days of the hearing and provide the permittee written notice of the

decision. The decision of the City Manager on the appeal shall be final. A person whose Self-Haul permit has been revoked pursuant to this paragraph F may not obtain another Self-Haul permit for one (1) year from the date of the revocation.

Sec. 8.12.320 – AB 939 Fees.

Pursuant to Division 30, Part 2, Chapter 8 of the Public Resources Code, Section 41900 *et seq.*, the City may impose fees on persons with a Self-Haul permit in amounts sufficient to pay the costs of preparing, adopting, and implementing a countywide integrated waste management plan, including the costs of preparing, adopting and implementing the City's required Source Reduction and Recycling Element, Household Hazardous Waste Element, and Nondisposal Facility Element, and the costs of setting and collecting the fees.

ARTICLE V. – RECYCLABLE MATERIALS, GREEN WASTE AND C&D MATERIALS

Sec. 8.12.400 – Recyclables – Ownership, Right to Dispose.

Sec. 8.12.410 – Landscapers – Disposal of Green Waste.

Sec. 8.12.420 – Licensed Contractors – Disposal of C&D Materials.

Sec. 8.12.40. – Recyclable Materials – Ownership, Right to Dispose.

- A. Upon placement by the owner of Recyclable Material at a designated recycling collection location, or placement of Recyclable Materials in a Container provided by the appropriate Solid Waste Franchisee, the Recyclable Material becomes the property of the recycler or Solid Waste Franchisee, by operation of state law.
- B. Nothing in this Chapter shall limit the right of any person, organization or other entity to donate, sell or otherwise dispose of any Recyclable Material segregated from the Solid Waste stream owned by that person, organization or other entity, provided that the person, organization or other entity does not pay the buyer or donee any consideration for collecting, processing or transporting such Recyclable Material, or a consulting or broker's fee for recycling services.

Sec. 8.12.410 – Landscapers – Disposal of Green Waste.

Landscapers may collect, transport and compost or dispose of Green Waste without obtaining a Self-Haul permit, provided that any such Green Waste is transported to a site permitted by CalRecycle or exempt from permitting.

Landscapers shall not contract with a Solid Waste Enterprise to collect, transport and compost or dispose of Green Waste unless that Solid Waste Enterprise has a franchise from the City to perform said services.

Sec. 8.12.420 – Licensed Contractors – Disposal of C&D Materials.

Licensed contractors performing work within the scope of their licenses within the City may collect, transport and dispose or recycle self-generated Construction and Demolition Materials without obtaining a Self-Haul permit, provided that the licensed contractor adheres to the standards for disposal of Construction and Demolition Material provided in the California Green Building Standards Code (California Code of Regulations Title 24, Part 11). Construction and Demolition Materials must be transported to a landfill or recycling facility permitted by CalRecycle or exempt from permitting.

Licensed contractors shall not contract with a Solid Waste Enterprise to collect, transport and dispose or recycle of Construction and Demolition Materials unless that Solid Waste Enterprise has a franchise from the City to perform said services.

ARTICLE VI. – PROHIBITED ACTS

- Sec. 8.12.500 – Use of Containers.
- Sec. 8.12.510 – Removal of Solid Waste.
- Sec. 8.12.520 – Bulky Waste.
- Sec. 8.12.530 – Hazardous Waste.
- Sec. 8.12.540 – Solid Waste Burning.
- Sec. 8.12.550 – Franchise Required.
- Sec. 8.12.560 – Public Nuisance.
- Sec. 8.12.570 – Unauthorized Disposal.
- Sec. 8.12.580 – Spills.
- Sec. 8.12.590 – Unlawful Dumping.
- Sec. 8.12.600 – Solid Waste Facilities.

Sec. 8.12.500 – Use of Containers.

- A. Recyclable Materials and Organic Waste contamination is prohibited. No Person in Charge of a Premises shall keep Solid Waste, Recyclable Materials or Organic Waste in any Container other than a Container provided by the appropriate Solid Waste Franchisee or approved by the City pursuant to an approved Self-Haul permit. Recyclable Materials must be separated by the Person in Charge of a Premises from Solid Waste and Organic Waste, and Organic Waste must be separated by the Person in Charge of a Premises from Solid Waste and Recyclable Materials.
- B. Any Container not provided by the appropriate Solid Waste Franchisee or approved by the City pursuant to an approved Self-Haul permit is prima facie evidence that the owner of the Container is engaging in Solid Waste disposal in violation of this Chapter. Any such unauthorized container may be abated as a public nuisance and impounded as provided in Section 8.12.740.
- C. Notwithstanding subsections (A) and (B) of this section, composting organic waste at a single-family residential premise in a container other than one provided by a solid waste franchisee or approved by the City pursuant to an approved self-haul permit shall not be a violation of this section.
- D. No Person in Charge of a Premises may place an Overfilled Container out for collection by a Solid Waste Franchisee.

Sec. 8.12.510 – Removal of Solid Waste.

No person other than the Person in Charge of any Premises or a City Solid Waste Franchisee shall:

- 1. Remove any Container from the location where the Container was placed for storage or collection by the Person in Charge of the Premises; or
- 2. Remove any Solid Waste, Recyclable Materials or Organic Waste from any Container; or

3. Move a Container from the location in which it was placed for storage or collection without the prior written approval of the Person in Charge of the Premises.

Sec. 8.12.520 – Bulky Waste.

No person shall place Bulky Waste adjacent to or in a street or public right-of-way for collection or removal purposes without first making arrangements with the appropriate Solid Waste Franchisee for the collection or removal of such Bulky Waste.

Sec. 8.12.530 – Hazardous Waste.

No person shall place or deposit Hazardous Waste, Household Hazardous Waste, or Universal Waste in any Container provided by a Solid Waste Franchisee, or deposit, release, spill, leak, pump, pour, emit, empty, discharge, inject, dump or dispose into the environment any Hazardous Waste, Household Hazardous Waste or Universal Waste.

Sec. 8.12.540 – Solid Waste Burning.

No person shall burn any Solid Waste within the City, except in an approved incinerator or transformation facility or other device for which a permit has been issued, and which complies with all applicable permit and other regulations of air pollution control authorities, and provided any such act of burning in all respects complies with all other laws, rules and regulations.

Sec. 8.12.550 – Franchise Required.

No person, except a Solid Waste Franchisee, a person with a Self-Haul permit, a landscaper, or a licensed contractor performing work within the scope of that license, shall collect or remove any Solid Waste, Recyclable Materials or Organic Waste from any Premises within the City.

Sec. 8.12.560 – Public Nuisance.

It is unlawful and a public nuisance if one of the following conditions exists at a Premises:

1. The Person in Charge of the Premises has not made arrangements with the appropriate Solid Waste Franchisee for Solid Waste Handling Services, and the Person in Charge of the Premises does not have a valid Self-Haul Permit;
2. The Person in Charge of the Premises has made arrangements with the appropriate Solid Waste Franchisee for Solid Waste Handling Services, but the Solid Waste Franchisee has terminated services to the Premises due to the Account Holder's failure to pay for such services; and
3. The Person in Charge of the Premises has obtained a Self-Haul Permit from the City, but the permittee has violated one or more of the operational standards contained in Section 8.12.310(E).

Sec. 8.12.570 – Unauthorized Disposal.

No person shall place anything in another person's Containers without the permission of such other person.

Sec. 8.12.580. – Spills.

It is unlawful for any person transporting Solid Waste, Recyclable Materials or Organic Waste not to clean up, or arrange for the cleanup, of any Solid Waste, Recyclable Materials or Organic Waste Spilled during removal or transport within the City by such person. If any person transporting Solid Waste, Recyclable Materials or Organic Waste Spills any such materials and does not clean up or arrange for the cleanup of the Spill, the City may clean up the Spill and charge the person responsible for the Spill 100 percent of the costs the City incurred in cleaning up the Spill.

Sec. 8.12.590 – Unlawful Dumping.

It is unlawful for any person to negligently or intentionally Spill upon any property within the City any Solid Waste, Recyclable Materials or Organic Waste, or to cause, suffer, or permit Solid Waste, Recyclable Materials or Organic Waste to be located upon any property in the City, except as authorized by law.

Sec. 8.12.600 – Solid Waste Facilities.

No person shall construct or operate a Solid Waste management facility, including but not limited to a materials recovery facility, Solid Waste transfer or processing station, composting facility, a buy-back or drop-off center, disposal facility or a recycling center without first satisfying all City requirements for land use, environmental and other approvals.

Sec. 8.12.600 – Contamination.

No person shall

ARTICLE VII. - ENFORCEMENT

- Sec. 8.12.700 – Enforcement.
- Sec. 8.12.710 – Violation.
- Sec. 8.12.720 – Fines and Penalties
- Sec. 8.12.720 – Misdemeanor.
- Sec. 8.12.730 – Attorney's Fees.
- Sec. 8.12.740 – Impounding Containers.

Sec. 8.12.700 – Enforcement.

- A. Pursuant to California Penal Code Section 836.5, any City code enforcement officer is authorized to enforce the provisions of this Chapter and as well as those of California Penal Code Sections 374, 374a, 374.2, 374.3, 374.4, 374d, 374.7, and 375; California Government Code Section 68055 et seq.; and California Vehicle Code Sections 23111 and 23112.
- B. Any violation of this Chapter may be enforced in any manner authorized by law, including but not limited to, any enforcement mechanism set forth in the Act, a criminal citation, a civil citation, and/or administrative citation, or nuisance abatement action as authorized by the City's Municipal Code. The City may simultaneously pursue more than one method of enforcement for any violation of this Chapter.

Sec. 8.12.710 – Violation.

Except as otherwise provided in this Chapter, violations of this Chapter are punishable as set out in Chapter 1-17 of this Code.

Sec. 8.12.720 – Fines and Penalties

The City Council may, by resolution, establish fines and penalties for the violation of this Chapter and the Act.

Sec. 8.12.730 – Misdemeanor.

Violation of this Chapter shall be a misdemeanor. The City may cite violations as infractions where an appropriate downgrade is approved by the City Prosecutor or City Attorney.

Sec. 8.12.740 – Attorney's Fees.

In any action or proceeding brought to enforce a violation of this Chapter, including but not limited to a nuisance abatement action and an action to foreclose on a special assessment, the prevailing party shall recover its reasonable attorney's fees and costs.

Sec. 8.12.750 – Impounding Containers.

- A. Containers Subject to Impounding. Any Container within the City that is not provided by the appropriate Solid Waste Franchisee or approved by the City pursuant to an approved Self-Haul permit may be impounded in accordance with this Section. Containers used for composting at single-family residential premises, as allowed by Section 8.12.500(C) of this code, shall not be subject to impounding pursuant to this section.
- B. Notice to Remove. The public works director may cause a notice to remove to be posted on the illegal Container. The notice to remove shall state that the Container must be removed from the Premises within three (3) calendar days from the date the notice is posted on the Container or it will be removed and stored by the City and the contents disposed of at the expense of the owner of the Container. The posting of the notice to remove constitutes constructive notice to the owner of the Container and the Person in Charge of the Premises that the Container must be removed from the Premises.
- C. Removal of Containers. If the Container is not removed within three (3) calendar days of the notice to remove, the public works director may direct the removal and storage of the Container and the disposal of its contents. The City may employ the services of its Solid Waste Franchisee(s) or any other contractor to remove said Containers. Any person whose duty it is to remove and store Containers may enter upon private property with the consent of the Owner or other Person in Charge of the Premises, or by authority of a warrant, or without consent or a warrant if exigent circumstances exist.
- D. Storage of Containers. After a Container is removed and placed in storage, the director shall mail to the owner of the Container a notice to claim the stored Container, if the identity of the owner of the Container is known. The director shall make reasonable efforts to identify the owner of a stored Container. If the Container is not claimed within thirty (30) calendar days after notice to the owner

is mailed, or thirty (30) days after the Container is removed if the owner is not known, the Container shall be deemed abandoned property and may be disposed of accordingly.

- E. Release of Container. No Container shall be released to its owner unless the owner has paid the City for the actual costs of the removal, storage and disposal of contents, plus any administrative and ancillary fees, fines or penalties established by resolution of City Council. All amounts due to the City shall constitute a civil debt owed to the City by the owner of the Container.

Staff Report

TO: Mayor and City Council Members

FROM: Kristine Day, Assistant City Manager

DATE: June 18, 2019

SUBJECT: Consideration of a Resolution Establishing a Solid Waste Self-Haul Permit Fee and Fines and Penalties for the Violation of the City's Solid Waste Management Ordinance

Background and Analysis:

On May 7, 2019, the City Council approved a Collection Services Agreement for the Provision of Residential and Commercial Garbage, Recyclable Materials and Organic Waste Collection Services between the City and USA Waste of California, Inc., d.b.a. Waste Management of the Inland Empire ("Agreement"). On June 4, 2019, the Council approved an urgency ordinance¹ repealing and replacing the solid waste management provisions in the Beaumont Municipal Code.

The City's new solid waste management ordinance permits single-family residential premises that choose not to obtain solid waste services through the City's franchisee to apply for a self-haul permit. The ordinance provides that the fee for the self-haul permit may be established by the Council by resolution.

The new solid waste management ordinance also contains an enforcement mechanism, and provides that the City Council may, by resolution, establish fines and penalties for the violation of the ordinance and the California Integrated Waste Management Act.

The City published notice of this public hearing to establish a solid waste self-haul permit fee, and fines and penalties for the violation of the Solid Waste Ordinance in a newspaper of general circulation in the City on June 7, 2019, and June 17, 2019.

Self-Haul Permit

The former solid waste management provisions in the Beaumont Municipal Code did authorize individuals to self-haul their solid waste. However, the previous self-haul provisions contained minimal administrative oversight to protect the City against the potential abuse of self-hauling and guard against instances in which someone with a self-haul permit may choose to hoard their solid waste instead of disposing of it properly. Under the former solid waste management provisions, there was an application fee of \$50

¹ At the same meeting, the City Council also approved the first reading of a non-urgency version of the same ordinance.

and a required deposit of \$260.

Under Article IV of the new ordinance (Section 8.12.300 *et seq.*), prior to issuing a self-haul permit, among other things, City staff will need to review an application and supporting documents, conduct an inspection of the vehicle the applicant is proposing to use to haul the waste, confirm ownership of the vehicle, verify that the applicant has a valid drivers' license, verify the applicant's proof of insurance, and monitor the applicant's compliance throughout the year. Staff estimates that the issuance and administration a self-haul permit will require approximately 10 hours of staff time, per permit per year.

Per the proposed ordinance, the self-haul permit fee shall reflect the City's reasonable costs of issuing and monitoring compliance with the permit. The administration and compliance duties will fall to the Assistant City Manager, the Public Works Director, and the Solid Waste Manager. The fully burdened salary rate of the Solid Waste Manager will be over \$60 per hour, and the fully burdened salary rate of the Assistant City Manager and Public Works Director is over \$100 per hour. On average, staff believes that administration and the monitoring of compliance with the self-haul permit will cost the City approximately \$100 per hour. Given the estimated 10 hours of staff time, per permit per year, staff is recommending that the self-haul permit fee be set at \$1,000. This fee also reflects additional wear and tear to City roads that will be caused by self-hauling activities.

Fines and Penalties

Pursuant to Section 8.12.720 of the new solid waste ordinance, the City Council may, by resolution, establish fines and penalties for the violation of the solid waste ordinance and the Integrated Waste Management Act. Under the previous ordinance, the City charged a fine of \$100.00 for the first offense, \$200.00 for a second violation within a one-year period, and \$500.00 for a third or subsequent violation within a one-year period. These fine values are consistent with other fines imposed by the City for violations of the Beaumont Municipal Code. Staff recommends adopting, by resolution, fine values consistent with the previous ordinance.

Fiscal Impact:

The cost to prepare this report and resolution is estimated at \$1000.

Recommendation:

1. Conduct a Public Hearing.
2. Waive the full reading and adopt by title only "A Resolution Establishing a Solid Waste Self-Haul Permit Fee and Fines and Penalties for the Violation of the City's Solid Waste Management Ordinance".

City Manager Review: 

Attachments:

- A. Resolution Establishing a Solid Waste Self-Haul Permit Fee and Fines and Penalties for the Violation of the City's Solid Waste Management Ordinance.

Attachment A

CITY OF BEAUMONT

Resolution NO. _____

**Resolution Establishing a Solid Waste Self-Haul Permit Fee and Fines
and Penalties for the Violation of the City's Solid Waste Management
Ordinance**

WHEREAS, on May 7, 2019, the City Council approved a Collection Services Agreement for the Provision of Residential and Commercial Garbage, Recyclable Materials and Organic Waste Collection Services between the City and USA Waste of California, Inc., d.b.a. Waste Management of the Inland Empire.

WHEREAS, on June 4, 2019, the Council approved an urgency ordinance repealing and replacing the solid waste management provisions in the Beaumont Municipal Code, and on June 18, 2019, the Council approved the second reading of a non-urgency ordinance repealing and replacing the solid waste management provisions in the Beaumont Municipal Code (collectively "Solid Waste Ordinance").

WHEREAS, the City's Solid Waste Ordinance permits single-family residential premises that choose not to obtain solid waste services through the City's franchisee to apply for a self-haul permit. The Solid Waste Ordinance provides that the fee for the self-haul permit may be established by the Council by resolution.

WHEREAS, under the Solid Waste Ordinance, prior to issuing a self-haul permit, among other things, City staff will need to review an application and supporting documents, conduct an inspection of the vehicle the applicant is proposing to use to haul the waste, confirm ownership of vehicle and verify that the applicant has a valid drivers' license, inspect the applicants proof of insurance, and monitor the applicant's progress throughout the year. Staff estimates that the issuance, administration, and monitoring of a self-haul permit will require approximately 10 hours of staff time per permit, per year.

WHEREAS, based on the fully-burdened and blended hourly rate of the multiple staff members who will be responsible for self-haul permits, staff believes that issuance, administration, and monitoring of self-haul permits will cost the City approximately \$100 per hour.

WHEREAS, the Solid Waste Ordinance also contains an enforcement mechanism, and provides that the City Council may, by resolution, establish fines and penalties for the violation of the ordinance and the California Integrated Waste Management Act.

WHEREAS, the City published notice of a public hearing to establish a solid waste self-haul permit fee and fines and penalties for the violation of the Solid Waste Ordinance in a newspaper of general circulation in the City on June 7, 2019 and June 17, 2019.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of Beaumont as follows:

Section 1: The City hereby finds the recitals set forth above to be true and correct.

Section 2: The annual fee for a self-haul permit issued in accordance with Section 8.12.300 *et. seq.* of the City of Beaumont Municipal Code shall be one thousand dollars (\$1,000).

Section 3: Pursuant to Section 8.12.720 of the City of Beaumont Municipal Code, the following fines and penalties are established: \$100.00 for the first offense, \$200.00 for a second violation within a one-year period, and \$500.00 for a third or subsequent violation within a one-year period.

Section 4: The City Council exercises its independent judgment and finds that the enactment of this resolution is not subject to the California Environmental Quality Act (“CEQA”) because it does not constitute a project. (See CEQA Guidelines (Chapter 3 of Title 14 of the California Code of Regulations, Section 15378.) Or, in the alternative, the enactment of this resolution is exempt from CEQA pursuant to CEQA Guidelines Sections 15061 (no effect on the environment) and 15273 (approval of fees).

Section 5: This Resolution shall be effective on July 1, 2019.

Section 6: The City Clerk shall certify to the adoption of this Resolution.

Approved at a regular meeting of the City of Beaumont City Council on June 18, 2019.

[INSERT CITY’S STANDARD SIGNATURE LINES]

Agenda Item No. 8

Staff Report

TO: Mayor and City Council

FROM: Todd Parton, City Manager

DATE: June 18, 2019

SUBJECT: Approval of Acquisition Agreement by City of Beaumont and approval by Community Facilities District No. 2016-2 (Sundance) of the Issuance of its Special Tax Bond, Series 2019

Background and Analysis:

The City formed the Community Facilities District 2016-2 (District) on February 7, 2017. Subsequent to a noticed public hearing the City Council adopted resolutions which established the District, authorized the levy of a special tax within the District, determined the necessity to incur bonded indebtedness within the District, and called an election within the District on the proposition of incurring bonded indebtedness, levying a special tax and setting an appropriations limit within the District.

On February 7, 2017, an election was held within the District at which the landowners eligible to vote approved the issuance of bonds for the District in an amount not to exceed \$14,000,000 and approved a rate and method of apportionment of special tax for the District.

The District includes 527 residential lots located in the north-east part of the City and is bounded by Cherry Avenue to the west, Starlight Avenue to the east and Cougar Way to the north. Pardee Homes, a California corporation, (Pardee) is the master developer of the property within the District.

Of the 527 parcels within the District, as of May 1, 2019, 444 parcels have been sold to individual homeowners, 490 have building permits issued and are being assessed for Fiscal Year 2019-20, construction was ongoing on 38 homes, 18 homes were completed but unsold by the Developer and 27 lots were in finished condition.

The aggregate assessed value of the property within the District for Fiscal Year 2018-19 subject to the levy of the Special Tax is \$56,382,061. The aggregate value of the appraised properties as of May 1, 2019, is \$90,523,000 for a total value of \$146,905,061, resulting in an estimated assessed/appraised value-to-lien ratio of

approximately 13.9-to-1* for the property subject to the special tax levy based on the principal amount of the bonds and 11.81-to-1* based on all overlapping debt.

The proposed Special Tax Bonds, Series 2019 (“2019 Bonds”) are expected to be issued in a par amount of approximately \$10,570,000 with a final maturity of 2049. Proceeds from the 2019 Bonds will be primarily used to reimburse Pardee for the cost of public facilities completed by Pardee or fees advanced by Pardee pursuant to its settlement agreement with the City. A description of such facilities and fees is contained in Exhibit A to the Acquisition Agreement and in the Preliminary Official Statement (the “Facilities”).

The attached resolutions approve the Acquisition Agreement, as well as the issuance of the bonds and the forms of an Indenture, Bond Purchase Agreement, Continuing Disclosure Certificate and Preliminary Official Statement. The Preliminary Official Statement contains the SEC mandated disclosure related to the Cease and Desist Order and the Beaumont Financing Authority’s compliance history with its continuing disclosure undertakings. As part of its obligations under federal securities laws, the Council should review the Preliminary Official Statement. The Acquisition Agreement establishes the terms pursuant to which the District will reimburse Pardee for the CFD eligible facilities which Pardee has completed and conveyed to the City or fees that were advanced to the City.

The table below highlights a few estimated financing statistics of the 2019 Bonds (based on current market conditions).

Summary of Financing Statistics*	
Par Amount	\$10,570,000
Average Coupon	4.41%
Total Interest Cost	3.87%
Average Annual Debt Service (over 30-Years)	\$636,981
Average Annual Debt Service Per Parcel FY19-20*	\$1,269

**Preliminary; Subject to Change; Based on Current Market Conditions*

As required under Section 5852.1 of the California Government Code (Code), below are the good faith estimates as provided by the municipal advisor and underwriter:

1. The true interest cost of the bonds is estimated at 3.87%, calculated as provided in Section 5852.1(a)(1)(A) of the Code.
2. The finance charge of the 2019 Bonds, including underwriter’s discount and all other fees and charges paid to third parties, is estimated at \$250,754.
3. Proceeds of the 2019 Bonds received by the District for the sale of the 2019 Bonds, including the estimated principal amount of the proposed

* Preliminary, subject to change.

2019 Bonds of \$10,570,000 plus the net premium of \$710,499, finance charges, and an estimated amount of \$639,525 to be deposited into the reserve account under the Indenture, is equal to \$10,390,220, which will be available to finance the project.

4. The total payment amount calculated as provided in Section 5852.1(a)(1)(D) of the Code is estimated at \$19,171,060.

The foregoing are estimates and the final costs will depend on market conditions and can be expected to vary from the estimated amounts set forth above.

Acquisition Agreement:

As part of the District formation proceedings, the facilities were authorized to be acquired by the District, and the District proceedings contemplated that acquisition agreements would be entered prior to the issuance on of 2019 Bonds. All of the facilities listed for purchase from Pardee have been completed or advanced (in the case of fees).

The attached resolutions authorize the City and the District to execute the Acquisition Agreement.

Fiscal Impact:

The 2019 Bonds are paid from special taxes levied in the District. There is no fiscal impact to the City's General Fund. The City will, however, be required to provide administration for the District, which will be funded as part of the annual special tax levy.

The average annual special tax attributable to each parcel, will be approximately \$1,266 for Fiscal Year 2019-20, which is the average Fiscal Year 2019-20 special tax levy for debt service and administration for developed parcels. These figures are preliminary and subject to prevailing market conditions at the time of sale.

The Acquisition Agreement merely sets forth the process by which Pardee will be reimbursed from bond and special tax proceeds.

Recommendation:

1. Waive the full reading and adopt by title only "A Resolution of the City Council of the City of Beaumont Authorizing the Execution and Delivery of an Acquisition Agreement Relating to the City of Beaumont Community Facilities District No. 2016-2 (Sundance) of the City of Beaumont and Approving Certain Other Actions in Connection Therewith"; and

2. Waive the full reading and adopt by title only "A Resolution of the City Council of the City of Beaumont, Acting as the Legislative Body of the City of Beaumont Community Facilities District No. 2016-2 (Sundance), Authorizing the Issuance of Its 2019 Special Tax Bonds, in an aggregate principal amount not to exceed twelve million five hundred dollars (\$12,500,000) and approving certain documents and taking certain other actions in connection therewith".

City Manager Review: _____



Attachments:

- A. Good Faith Estimates
- B. City Resolution Approving the Acquisition Agreement
- C. CFD Resolution Authorizing the Issuance of Bonds
- D. Acquisition Agreement
- E. Indenture of Trust
- F. Bond Purchase Agreement
- G. Preliminary Official Statement
- H. Appraisal Report

ATTACHMENT A

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the 2019 Bonds in accordance with California Government Code Section 5852.1. Such good faith estimates have been provided to the District by Urban Futures, Inc., the District's Municipal Advisor (the "Municipal Advisor") in consultation with Raymond James (the "Original Purchaser").

Principal Amount. The Municipal Advisor has informed the District that, based on the District's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the 2019 Bonds to be sold is \$10,570,000 (the "Estimated Principal Amounts").

True Interest Cost of the Bonds. The Municipal Advisor has informed the District that, assuming that the respective Estimated Principal Amounts of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the 2019 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the 2019 Bonds, is 3.87%.

Finance Charge of the Bonds. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amounts of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the 2019 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2019 Bonds), is \$250,754. Additionally, there will be an annual Trustee fee of \$1,800 for as long as the 2019 Bonds are outstanding.

Amount of Proceeds to be Received. The Municipal Advisor has informed the District that, assuming the Estimated Principal Amounts of the Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the District for sale of the 2019 Bonds, less the finance charge of the 2019 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2019 Bonds, is \$10,390,220.

Total Payment Amount. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amounts of the 2019 Bonds is sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the District will make to pay debt service on the 2019 Bonds, plus the finance charge for the

2019 Bonds, as described above, not paid with the respective proceeds of the 2019 Bonds, calculated to the final maturity of the 2019 Bonds, is \$19,171,060. Additionally, there will be an annual Trustee fee of \$1,800 for as long as the 2019 Bonds are outstanding.

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the 2019 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the 2019 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2019 Bonds sold being different from the respective Estimated Principal Amounts, (c) the actual amortization of the 2019 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the 2019 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the District's financing plan, or a combination of such factors. The actual date of sale of the 2019 Bonds and the actual principal amount of 2019 Bonds sold will be determined by the District based on various factors. The actual interest rates borne by the 2019 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2019 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the District.

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
BEAUMONT AUTHORIZING THE EXECUTION AND DELIVERY
OF AN ACQUISITION AGREEMENT RELATING TO THE CITY
OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2016-
2 (SUNDANCE) AND APPROVING CERTAIN DOCUMENTS AND
TAKING CERTAIN OTHER ACTIONS IN CONNECTION
THEREWITH**

WHEREAS, the City Council (the “City Council”) of the City of Beaumont, California (the “City”), located in Riverside County, California, has heretofore undertaken proceedings and declared the necessity to issue bonds by the City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the “District”) pursuant to the terms and provisions of 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 “Act”); and

WHEREAS, pursuant to a resolution adopted by the City Council on February 7, 2017 and the Act, the City formed the District; and

WHEREAS, certain facilities (the “Facilities”) are eligible to be financed from a special tax for facilities levied within the District; and

WHEREAS the City now desires to approve the form of an Acquisition Agreement relating to the Facilities, by and among the City, the District and Pardee Homes (the “Acquisition Agreement”); and

NOW, THEREFORE, the City Council of the City of Beaumont does hereby resolve as follows:

SECTION 1. Each of the above recitals is true and correct, as is each of the findings and determinations set forth therein, and each of said recitals, findings and determinations is adopted by the City Council.

SECTION 2. The form of the Acquisition Agreement presented at this meeting is hereby approved; and any one of the Mayor, the City Manager, the Assistant City Manager, or the Finance Director of the City or the written designee of one of the foregoing (collectively, the “Authorized Officers”) is hereby authorized and directed to execute the Acquisition Agreement in the form hereby approved, with such additions therein and changes thereto as the Authorized Officer or Authorized Officers executing the same deem necessary to cure any defect or ambiguity therein if such change does not materially alter the substance or content thereof, with such approval to be conclusively evidenced by the execution and delivery of such Acquisition Agreement.

SECTION 3. Each of the Authorized Officers and the other officers and staff of the City of Beaumont responsible for the fiscal affairs of the City are hereby authorized and directed to take any actions and to execute and deliver any and all documents as are necessary to accomplish the execution and delivery of the Acquisition Agreement and the issuance, sale and delivery of the

“City of Beaumont Community Facilities District No. 2016-2 (Sundance) 2019 Special Tax Bonds” in accordance with the provisions of this Resolution and the fulfillment of the purposes of the Bonds as described in the Bond Indenture relating to such bonds. Any document authorized herein to be signed by the City Clerk may be signed by a duly-appointed deputy city clerk or assistant city clerk.

PASSED AND ADOPTED by the City Council of the City of Beaumont, California, this 18th day of June, 2019, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

MAYOR OF THE CITY OF BEAUMONT

ATTEST:

CITY CLERK

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BEAUMONT, ACTING AS THE LEGISLATIVE BODY OF THE CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE), AUTHORIZING THE ISSUANCE OF ITS 2019 SPECIAL TAX BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$12,500,000 AND APPROVING CERTAIN DOCUMENTS AND TAKING CERTAIN OTHER ACTIONS IN CONNECTION THEREWITH

WHEREAS, the City Council (the “City Council,” and sometimes referred to as the “legislative body of the District”) of the City of Beaumont, California (the “City”), located in Riverside County, California, has heretofore undertaken proceedings and declared the necessity to issue bonds by the City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the “District”) pursuant to the terms and provisions of 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 “Act”); and

WHEREAS, pursuant to a resolution adopted by the City Council on February 7, 2017 and the Act, the City formed the District; and

WHEREAS, pursuant to a resolution adopted by the City Council on February 7, 2017, a bond proposition was submitted to the qualified electors within the District and was approved by more than two-thirds of the votes cast at the elections held within the District on such date; and

WHEREAS, based upon the aforesaid resolutions and elections, the District is authorized pursuant to the Act to issue bonds in an aggregate principal amount not to exceed \$14,000,000; and

WHEREAS, in order to effect the issuance of bonds in an aggregate principal amount not to exceed \$12,500,000 to be designated as the “City of Beaumont Community Facilities District No. 2016-2 (Sundance) 2019 Special Tax Bonds” (the “Bonds”), the legislative body of the District desires to approve the forms, and authorize the execution and delivery, of a Bond Indenture, a Continuing Disclosure Certificate and a Bond Purchase Agreement for the Bonds; and

WHEREAS, in accordance with Government Code Section 53360.4, the legislative body of the District determines that a negotiated sale of the Bonds to Raymond James & Associates, Inc. (the “Underwriter”) in accordance with the terms of the Bond Purchase Agreement for the Bonds to be entered into by the District and the Underwriter (the “Bond Purchase Agreement”) will result in a lower overall cost to the District than a public sale; and

WHEREAS, the legislative body of the District determines that it is prudent in the management of its fiscal affairs to issue the Bonds; and

WHEREAS, pursuant to Section 53345.8 of the Act and the District’s Local Goals and Policies, unless the Bonds are escrowed or otherwise credit enhanced, the District may sell the

Bonds if the legislative body of the District determines prior to the award of the sale of the Bonds that the value of the real property that would be subject to the special tax to pay debt service on the Bonds will be at least three (3) times the principal amount of the Bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act or a special assessment levied on taxable property within the District; and

WHEREAS, the legislative body of the District desires to authorize the preparation of an appraisal of the taxable real property within the District (the "Appraisal") which shall be prepared for the District by Integra Realty Resources, a state-certified real estate appraiser certified as required by Section 11340, et seq. of the California Business and Professions Code, in order for the legislative body of the District to make the above determination; and

WHEREAS, the legislative body of the District further wishes to approve the form of the Preliminary Official Statement with respect to the Bonds (the "Preliminary Official Statement"), presented at this meeting; and

WHEREAS, the legislative body of the District further desires to approve the form of an Acquisition Agreement relating to the District, by and among the City, the District and Pardee Homes (the "Acquisition Agreement"); and

NOW, THEREFORE, the City Council of the City of Beaumont acting as the legislative body of the City of Beaumont Community Facilities District No. 2016-2 (Sundance) does hereby resolve as follows:

SECTION 1. Each of the above recitals is true and correct, as is each of the findings and determinations set forth therein, and each of said recitals, findings and determinations is adopted by the legislative body of the District.

SECTION 2. The issuance of the Bonds in an aggregate principal amount not to exceed \$12,500,000 is hereby authorized; and the exact principal amount to be issued shall be determined by the officer signing the Bond Purchase Agreement in accordance with Section 5 below. The Bonds shall mature on the dates and bear interest at the rates set forth in the Bond Purchase Agreement to be executed on behalf of the District in accordance with Section 5 hereof. The Bonds shall be governed by the terms and conditions of the Bond Indenture between the District and Wilmington Trust, National Association, as trustee (the "Trustee"), presented at this meeting (the "Bond Indenture"). The Bond Indenture shall be executed by one or more of the Mayor, the City Manager, the Assistant City Manager, or the Finance Director of the City or the written designee of one of the foregoing (collectively, the "Authorized Officers") and attested to by the City Clerk, substantially in the form presented at this meeting, with such additions thereto and changes therein as the officer or officers executing the same deem necessary (a) to cure any ambiguity or defect therein, if such addition or change does not materially alter the substance or content thereof, (b) to insert the offering price(s), interest rate(s), selling compensation, principal amount per maturity, redemption dates and prices and such other related terms and provisions as limited by Section 5 hereof, or (c) to conform any provisions therein to the Bond Purchase Agreement or the Official Statement delivered to the purchasers of the Bonds. Approval of such changes shall be conclusively evidenced by the execution and delivery of the Bond Indenture by

one or more Authorized Officers. Capitalized terms used in this Resolution which are not defined herein have the meanings ascribed to them in the Bond Indenture.

SECTION 3. The Bonds shall be executed on behalf of the District by the manual or facsimile signature of the Mayor and attested with the manual or facsimile signature of the City Clerk, and by the Trustee.

SECTION 4. The covenants set forth in the Bond Indenture above are hereby approved and shall be deemed to be covenants of the City Council, in its capacity as the legislative body of the District, and shall be complied with by the District and its officers.

SECTION 5. The form of the Bond Purchase Agreement presented at this meeting and the sale of the Bonds pursuant thereto are hereby approved, provided that the true interest cost on the Bonds does not exceed 5.00% and the discount at which the Underwriter purchases the Bonds (exclusive of original issue discount) does not exceed 0.815% of the principal amount thereof. Any one of the Authorized Officers is hereby authorized to execute the Bond Purchase Agreement, with such additions thereto and changes therein as the officer executing it may approve, such approval to be conclusively evidenced by the execution and delivery of the Bond Purchase Agreement. Each of the Mayor, or his designee, the City Manager, or his designee, the Assistant City Manager, or her designee, and the Finance Director, or her designee, is authorized to determine the day on which the Bonds are to be priced in order to attempt to produce the lowest borrowing cost for the District and may reject any terms presented by the Underwriter if determined not to be in the best interest of the District.

SECTION 6. The form of the Continuing Disclosure Certificate presented at this meeting is hereby approved; and any one of the Authorized Officers is hereby authorized and directed to execute the Continuing Disclosure Certificate in the form hereby approved, with such additions therein and changes thereto as the Authorized Officer or Authorized Officers executing the same deem necessary to cure any defect or ambiguity therein if such change does not materially alter the substance or content thereof, with such approval to be conclusively evidenced by the execution and delivery of such Continuing Disclosure Certificate.

SECTION 7. In accordance with the requirements of Section 53345.8 of the Act, the legislative body of the District hereby determines that the value of the real property in the District subject to the special tax to pay debt service on the Bonds is not less than three (3) 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 Act or a special assessment levied on property within the District. This determination is based on the appraised and assessed value of the property in the District subject to the special tax as set forth in the Appraisal, which Appraisal is in near-final form and was made in a manner consistent with the District's policies adjusted pursuant to Section 53312.7 of the Act.

SECTION 8. The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof is hereby approved, with such changes, insertions and omissions therein as may be approved by any of the Authorized Officers, acting alone, and the use of the Preliminary Official Statement by the Underwriter in connection with the offering and sale of the Bonds is hereby authorized and approved. The Authorized Officers are each hereby

authorized to certify on behalf of the District that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

SECTION 9. The preparation and delivery of the Official Statement, and its use in connection with the offering and sale of the Bonds is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the District, to execute the final Official Statement and any amendment or supplement thereto.

SECTION 10. The form of the Acquisition Agreement presented at this meeting is hereby approved; and any one of the Authorized Officers is hereby authorized and directed to execute the Acquisition Agreement in the form hereby approved, with such additions therein and changes thereto as the Authorized Officer or Authorized Officers executing the same deem necessary to cure any defect or ambiguity therein if such change does not materially alter the substance or content thereof, with such approval to be conclusively evidenced by the execution and delivery of such Acquisition Agreement.

SECTION 11. Each of the Authorized Officers is authorized to provide for all services necessary to effect the issuance of the Bonds. Such services shall include, but not be limited to, effecting the completion of the Appraisal, and obtaining legal services, municipal advisor services, special tax consultant services, trustee services and any other services deemed appropriate by an Authorized Officer. Any one of the Authorized Officers is authorized to pay for the cost of such services, together with other costs of issuance for the Bonds from the proceeds of the Bonds.

SECTION 12. The City Council hereby finds and declares that the issuance of the Bonds complies with the Debt Issuance and Management Policy adopted by the City with respect to debt financing.

SECTION 13. The City Council, acting as the legislative body of the District, hereby ratifies the City of Beaumont Second Amended and Restated Disclosure Procedures and determines that such procedures shall apply to the District.

SECTION 14. Each of the Authorized Officers and the other officers and staff of the City of Beaumont and the District responsible for the fiscal affairs of the District are hereby authorized and directed to take any actions and to execute and deliver any and all documents as are necessary to accomplish the issuance, sale and delivery of the Bonds in accordance with the provisions of this Resolution and the fulfillment of the purposes of the Bonds as described in the Bond Indenture. Any document authorized herein to be signed by the City Clerk may be signed by a duly-appointed deputy city clerk or assistant city clerk.

PASSED AND ADOPTED by the City Council of the City of Beaumont, California, this 18th day of June, 2019, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

MAYOR OF THE CITY OF BEAUMONT

ATTEST:

CITY CLERK

ACQUISITION AGREEMENT

by and among

CITY OF BEAUMONT,

CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)

and

PARDEE HOMES

Dated as of June 1, 2019

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List of Exhibits

- Exhibit A: Description of Authorized Facilities and Discrete Components Eligible for Acquisition from the Owner
- Exhibit B: DIFs
- Exhibit C: DIF Improvements Schedule
- Exhibit D: Form of Payment Requests
- Exhibit E: City CFD Policies

THIS ACQUISITION AGREEMENT (the “Acquisition Agreement”), dated as of June 1, 2019, is by and among the CITY OF BEAUMONT, a general law city (the “City”), the CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE), a community facilities district created pursuant to the Act (defined herein) (the “District”), and PARDEE HOMES, a California corporation (the “Owner”).

RECITALS

A. **The District.** The City Council of the City has established the District under the Act for the financing of, among other things, the acquisition, construction and installation of public facilities identified in the proceedings to form the District therein, which include the facilities listed in Exhibits A and C hereto (the “Facilities”), and which include the DIF Improvements (as hereinafter defined).

B. **The Development.** The land within the District is currently expected to be developed with 527 dwelling units as part of a master-planned community commonly known as “Sundance.”

C. **The Facilities.** As part of the District formation proceedings, the Facilities were authorized to be acquired by the District, and the District proceedings contemplated that acquisition agreements would be entered into from time to time to describe the terms of such acquisition. The Facilities are within or serve the City, and the City and the Owner will benefit from a coordinated plan of design, engineering and construction of the Facilities and the development of the land within the District. The facilities that are eligible for acquisition by the City from the Owner under this Acquisition Agreement are only the Facilities listed in Exhibit A hereto, as such Exhibit may be amended and/or supplemented by any Supplement approved by the City and Owner.

D. **The Settlement Agreement.** The Owner, the City and the District entered into that certain Settlement Agreement (the “Settlement Agreement”) dated February 7, 2017, which is incorporated herein by this reference. This Acquisition Agreement is intended to, among other things, implement the terms of Sections 4 and 5 of the Settlement Agreement. Under the Settlement Agreement, the Owner and the City are to enter into this Acquisition Agreement and similar acquisition agreements with respect to the District, the City’s Community Facilities District No. 2016-3 and Improvement Areas 8E, 8F and 17D of the City’s Community Facilities District No. 93-1 (the “Other Acquisition Agreements”) in order to, among other things, provide the terms pursuant to which the Owner is to design and construct certain DIF Improvements (defined below) or advance funds to the City to design and construct other DIF Improvements. The amount of the advances and expenditures for DIF Improvements shall be reimbursed to the Owner from the proceeds of special taxes and bonds of the District as specifically provided for in this Acquisition Agreement. Under the Settlement Agreement, the Owner has the right to receive a credit against DIFs for its design and construction of identified DIF Improvements.

E. **The Financing.** In order to facilitate development within the District, the Owner, the District and the City wish to enter into this Acquisition Agreement to finance the acquisition of the Facilities, as defined below, and provide for the payment of the Facilities and Discrete Components thereof as shown in Exhibits A and C hereto (as such Exhibits may be amended and supplemented by any Supplement).

G. **The Bonds.** The District may proceed with the authorization and issuance of the Bonds in one or more series under the Act and the Indenture, the proceeds of which Bonds shall be used, in part, to finance the Facilities.

H. **No Advantage to City Construction.** The City, by its approval of this Acquisition Agreement, has determined that it will obtain no advantage from undertaking the construction by the City directly of the Facilities and that the provisions of this Acquisition Agreement require that the Facilities constructed by the Owner and acquired with the funds in the Improvement Fund, as defined below, be constructed as if they had been constructed under the direction and supervision of the City. The Owner hereby represents that it has experience in the supervision of the construction of improvements of the character of the Facilities.

NOW, THEREFORE, in consideration of the mutual promises and covenants set forth herein, and for other valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the City, the District and the Owner agree that the foregoing recitals, as applicable to each, are true and correct and further make the agreements set forth herein.

**ARTICLE I
DEFINITIONS**

Section 1.1 Definitions. The following terms shall have the meanings ascribed to them in this Section 1.1 for purposes of this Acquisition Agreement. Unless otherwise indicated, any other terms, capitalized or not, when used herein shall have the meanings ascribed to them in the Indenture (as hereinafter defined).

“Acceptable Title” means title to land or interest therein, in form acceptable to the Director, free and clear of all liens, taxes, assessments, leases, easements and encumbrances, whether or not recorded, but subject to any exceptions determined by the Director as not interfering with the actual or intended use of the land or interest therein. Notwithstanding the foregoing, an irrevocable offer of dedication may constitute land with an “Acceptable Title” if: (i) such offer is necessary to satisfy a condition to a tentative or final parcel map, (ii) such offer is in a form acceptable to the Director, (iii) the Director has no reason to believe that such offer of dedication will not be accepted by the applicable public agency, and (iv) the Owner commits in writing not to allow any liens to be imposed on such property prior to its acceptance.

“Acceptance Date” means the date the City Council (or other public entity which is to own a Facility) takes final action to accept dedication of or transfer of title to a Facility.

“Acquisition Agreement” means this Acquisition Agreement, together with any Supplement hereto.

“Act” means the Mello-Roos Community Facilities Act of 1982, Section 53311 et seq. of the California Government Code, as amended.

“Actual Cost” means the substantiated cost of a Facility or a Discrete Component, which costs may include: (i) the costs incurred for the construction of such Facility or Discrete Component, (ii) the costs incurred in preparing the Plans for such Facility or Discrete Component and the related costs of environmental evaluations of the Facility or Discrete Component, (iii) the fees paid to governmental agencies or utilities for obtaining permits, licenses or other governmental approvals for

such Facility or Discrete Component, (iv) professional costs incurred that are associated with such Facility or Discrete Component, such as construction management and supervision (not to exceed 15% of the costs in (i) above), engineering, legal, accounting, inspection, construction staking, materials testing and similar professional services; and (v) the costs directly related to the construction and/or acquisition of a Facility or Discrete Component, such as costs of payment, performance and/or maintenance bonds, and insurance costs (including costs of any title insurance required hereunder) (but excluding the cost of real property unless paid to unrelated third parties).

“Advances” means funds advanced by the Owner to the City for DIF Improvements pursuant to and as specifically identified in the DIF Improvements Schedule.

“Affiliate” means any entity with respect to which fifty percent (50%) or more of the ownership or voting power is held individually or collectively by any of the Owner and any other entity owned, controlled or under common ownership or control by or with, as applicable, the Owner, and includes all general partners of any entity which is a partnership. Control shall mean ownership of fifty percent (50%) or more of the voting power of or ownership interest in the respective entity.

“Bonds” means the bonds to be issued by the District pursuant to the Act in one or more series.

“City” means the City of Beaumont, a general law city.

“City Fees” means fees paid by the Owner to the City pursuant to the conditions of development or as development impact fees that relate to the Facilities.

“Conditions of Approval” means, with respect to any portion of the property within the District, the conditions of approval of all land use entitlements approved by the City and the conditions of any development agreement, subdivision improvement agreement or other agreement between the Owner and the City relating to such property which conditions must be satisfied in order to develop such property.

“County” means the County of Riverside, California.

“Deposit” means the amounts paid to the City by the Owner as Fees.

“DIFs” means those development impact, connection and capacity fees of the City imposed on development within the City, as specific in Exhibit B hereto.

“DIF Improvements” means those Facilities identified in Exhibit C, which also includes Facilities or Discrete Components thereof that are or will be the subject of a TUMF Credit Agreement.

“DIF Improvements Schedule” means Exhibit C hereto.

“Director” means the Director of Public Works of the City, or his or her written designee acting as such under this Acquisition Agreement.

“Discrete Component” means a component of a Facility that the Director has agreed can be separately identified, inspected and completed, and be the subject of a Payment Request hereunder. The Discrete Components are described in Exhibit A hereto.

“District” means the City of Beaumont Community Facilities District No. 2016-2 (Sundance), created by the City under the Act.

“Facilities” means the facilities described in Exhibit A hereto which are to be acquired with the proceeds of the Special Taxes and Bonds, and shall include the DIF Improvements.

“Financing Policies” means the City of Beaumont’s Goals and Policies for Community Facilities Districts, as adopted May 8, 1995 by Resolution No. 1995-23, attached hereto as Exhibit E.

“Improvement Fund” means, (a) prior to the initial issuance of Bonds, the fund or account established by the City for the District, howsoever denominated, into which Net Proceeds of the Special Taxes are to be deposited, and (b) from and after the initial issuance of Bonds, the fund or account established under the Indenture for such Bonds, howsoever denominated, into which Net Proceeds of Bonds and Special Taxes are to be deposited.

“Indenture” means the bond indenture or similar document between the City and the Trustee for the District, providing for, among other matters, the issuance of the Bonds and the establishment of the Improvement Fund, as it may be amended from time to time.

“Net Proceeds” means (a) with respect to Special Taxes, the proceeds of such Special Taxes received prior to the initial issuance of Bonds and remaining after the payment or setting aside of, or provision for, administrative expenses of the District, and (b) with respect to Bonds, the proceeds of such Bonds remaining after the payment or setting aside of, or provisions for (i) the underwriter’s discount for such Bonds, (ii) the costs of issuance of such Bonds, including the costs of authorizing the Special Taxes and Bonds of the District incurred by the City and Owner, (iii) any required reserve fund deposit for such Bonds, (iv) capitalized interest on such Bonds, and (v) pre funded administrative expenses of the District.

“Owner” means Pardee Homes, a California corporation, and its successors or assigns to the extent permitted under Section 8.7 hereof.

“Payment Request” means a document, substantially in the form of Exhibit D hereto, to be used by the Owner in requesting payment of a Purchase Price.

“Plans” means the plans, specifications, schedules and related construction contracts for the Facilities and/or any Discrete Components thereof approved pursuant to the applicable standards of the City.

“Purchase Price” means the amount paid by the District for a Facility and/or any Discrete Components thereof determined in accordance with Article III hereof, being an amount equal to the Actual Cost of such Facility or Discrete Component, but subject to the limitations and reductions provided for in Article III.

“Rate and Method” means the rate and method of apportionment of the special taxes of the District approved by the qualified electors of the District.

“Special Taxes” means the special taxes for facilities in the District levied in accordance with the Rate and Method.

“Supplement” means a written document amending, supplementing or otherwise modifying this Acquisition Agreement and any exhibit hereto, including any amendments to the list of Discrete Components in Exhibit A, and/or the addition to Exhibit A of additional Facilities (and Discrete Components) to be financed with the proceeds of the Bonds deposited in the Improvement Fund eligible to be financed by the District.

“Trustee” means a financial institution in its capacity as trustee or fiscal agent under the Indenture, or any successor thereto acting as trustee or fiscal agent under the Indenture.

ARTICLE II FUNDING

Section 2.1 Issuance of Bonds. Upon the written request of the Owner or City, the Owner and the City staff shall meet regarding the amount, timing and other material aspects of each series of the Bonds. The legal proceedings for the issuance of the Bonds and the series, principal amounts, rates, terms, conditions and timing of the sale of the Bonds shall be in all respects be solely determined by the City Council of the City, acting as the governing body of the District, in accordance with this Acquisition Agreement; provided that, subject to satisfaction of the applicable Financing Policies, sound municipal financing practices and the requirements of this Acquisition Agreement, as soon as possible following the execution of this Acquisition Agreement the City shall use commercially reasonable efforts to cause the District to issue and sell the Bonds in an amount sufficient to fund the Facilities. For purposes of sizing each series of Bonds, the priority annual Administrative Expense shall be \$30,000 for the District.

Prior to the Bonds being issued for the District, the Owner will be required to provide all information regarding the development of its property within the District, including the financing plan for such development, which is necessary to ensure that the official statement for such Bonds complies with the requirements of all applicable federal and state securities laws, including without limitation Rule 15c2-12 and Rule 10(b)-5 of the Securities and Exchange Commission (the “Commission”). Moreover, each property owner which is responsible for twenty percent (20%) or more of the maximum special tax within the District at the time each series of Bonds are issued (each a “Major Landowner”) will be required to enter into a continuing disclosure agreement to provide such continuing disclosure pertaining to the development of the land owned by such Major Landowner in the District as necessary to assist the underwriter of the series of Bonds in complying with the continuing disclosure requirements of Rule 15c2-12 of the Commission and/or in marketing the Bonds. Each Major Landowner shall be required to execute a certificate in connection with each public sale of Bonds pursuant to which the Major Landowner shall indemnify and hold harmless City from claims arising from, or based upon, any untrue statement or alleged untrue statement of a material fact or omission or alleged omission of a material fact in the above-referenced information.

Section 2.2 Special Taxes and Bonds. Prior to the issuance of the first series of Bonds for the District, the “Assigned Special Tax” has been and shall continue to be levied in each fiscal year on parcels classified as “Developed Property” pursuant to and as defined in the Rate and Method. The Net Proceeds of such Special Taxes have been and shall continue to be deposited in the Improvement Fund. In addition, the proceeds of each full or partial prepayment of Special Taxes attributable to eligible facilities prior to the issuance of Bonds shall be deposited in the Improvement Fund. The City, the District and the Owner are entering into this Acquisition Agreement and authorized the levy of the Special Taxes for the purpose of creating and allocating certain streams of

revenues that are or will be available to pay directly or reimburse the costs of acquisition and construction of the Facilities and to pay debt service on Bonds and other indebtedness of the District. The District hereby irrevocably pledges the Net Proceeds of Special Taxes to the Owner for the reimbursement of costs of the Facilities, including the payment and Advances of DIFs for DIF Improvements, subordinate only to the payment of debt service on Bonds issued to fund such costs and the replenishment of the reserve fund for the Bonds.

Following the issuance of the Bonds, the District shall have no obligation to levy Special Taxes to pay directly for the costs of reimbursing or paying the Owner for the Facilities. The Owner, the City and the District hereby acknowledge and agree that any reduction or termination of the Special Taxes by exercise of the initiative power or the exercise of discretion of the City or the District would constitute a substantial impairment of revenue stream of Special Taxes that the Owner, the City and the District intend to create for the purpose of providing an assured source of funding for such costs, and the Owner agrees not to participate in or support, directly or indirectly, any such actions.

Section 2.3 Net Proceeds. The proceeds of the Bonds shall be deposited, held, invested, reinvested and disbursed as provided in the Indenture. The Net Proceeds of the Bonds will be set aside under the Indenture in the Improvement Fund. Moneys in the Improvement Fund shall be withdrawn therefrom in accordance with the provisions of the Indenture and the applicable provisions hereof for payment of all or a portion of the costs of construction and/or acquisition of the Facilities (including payment of the Purchase Price of Discrete Components thereof), and to discharge the Owner's obligation to pay the DIFs, all as herein provided. Funds in the Improvement Fund shall be reserved and disbursed in accordance with the following preferred priority:

(i) The first priority shall be the reimbursement of DIFs and Advances paid previously by the Owner;

(ii) The second priority shall be the payment of the Purchase Price of DIF Improvements and Discrete Components of DIF Improvements pursuant to the DIF Improvements Schedule; and

(iii) The third priority shall be the payment of the Purchase Price of other Facilities and Discrete Components.

The Owner acknowledges that any lack of availability of amounts in the Improvement Fund to pay the Purchase Price of Facilities or any Discrete Components thereof and/or to discharge the Owner's obligation to pay the DIFs and/or to reimburse the Owner for Advances shall in no way diminish any obligation of the Owner with respect to the construction of or contributions for public facilities and mitigation measures required by the Conditions of Approval or any subdivision, development or other agreement to which the Owner is a party, or any governmental approval to which the Owner or any land within the District are subject.

Section 2.4 Disclosure of Special Tax. Copies of the executed "Notice of Special Tax" required by California Government Code Section 53341.5 provided to the purchaser of real property within the District shall be provided to the City Director of Finance. The Director of Finance's receipt of such "Notice of Special Tax" shall not be construed as City or District approval of the form of Notice or in any way make the City or District liable for deficiencies in such "Notice of Special Tax." Owner agrees to retain copies of the Notice of Special Tax it has provided to homebuyers

within the District for a period of three (3) years and to provide them to the City upon City's written request.

Section 2.5 City DIF Program. In accordance with the Settlement Agreement, the City and the Owner agree the Owner shall provide for the design, engineering and construction of the DIF Improvements and/or make advances for the DIF Improvements in accordance with the DIF Improvements Schedule attached hereto as Exhibit C. Advances for DIF Improvements shall be diligently completed on a date mutually agreed to by the Owner and the City. The amount the Owner is required to spend for each DIF Improvement or Advance, as specified in the DIF Improvements Schedule, shall be adjusted in accordance with Section 5 of the Settlement Agreement and shall be inclusive of amounts spent or financed by the Owner pursuant to this Acquisition Agreement and all Other Acquisition Agreements.

ARTICLE III

CONSTRUCTION AND ACQUISITION OF FACILITIES

Section 3.1 Schedule for DIF Improvements and/or Advances. In accordance with the Settlement Agreement, the City and Owner agree Owner shall provide for the design, engineering and construction of the DIF Improvements and/or make Advances for the DIF Improvements in accordance with the DIF Improvements Schedule attached hereto as Exhibit C. Advances for DIF Improvements shall be made on the dates provided in Exhibit C or, if not specifically provided therein, will be commenced as soon as reasonably possible following the City's written request and DIF Improvements shall be diligently completed on a date mutually agreed to by Owner and City. The amount Owner is required to spend for each DIF Improvement or Advance, as specified in the DIF Improvements Schedule, shall be adjusted in accordance with Section 5 of the Settlement Agreement and shall be inclusive of amounts spent or financed by Owner pursuant to this Agreement and all Other Acquisition Agreements.

Section 3.2 Duty of Owner to Construct. All Facilities and Discrete Components thereof to be acquired hereunder shall have been constructed at the direction of the Owner in accordance with the approved Plans following the solicitation of competitive bids. The Owner shall have employed at all times adequate staff or consultants with the requisite experience necessary to bid, administer and coordinate all work related to the design, engineering, acquisition, construction and installation of the Facilities to be acquired by the City from the Owner hereunder.

The Owner shall be obligated: (i) to cause the construction and cause conveyance to the City (or other applicable governmental agency) of all DIF Improvements and Discrete Components specified for construction by the Owner in the DIF Improvements Schedule in accordance with this Acquisition Agreement and, as applicable, the TUMF Credit Agreements and Supplement to TUMF Agreement and all other Facilities and Discrete Components thereof in Exhibit A hereto in accordance with the Conditions of Approval, and (ii) with respect to all Facilities other than DIF Improvements, to use its own funds to pay all costs thereof in excess of the Purchase Prices thereof to be paid hereunder, if any.

Section 3.3 Inspection. No payment hereunder shall be made by the City to the Owner for a Facility or Discrete Component thereof until the Facility or Discrete Component thereof has been inspected and found to be completed in accordance with the Plans by the City or other applicable public entity or utility. However, due to the age of some of the Facilities it is understood

that normal wear and tear and aging may have occurred which shall not be a basis for denial. The City shall make or cause to be made periodic site inspections of the Facilities or Discrete Components to be acquired hereunder on a timely basis; provided that in no event shall the City incur any liability for any delay in the inspection of any Facilities or Discrete Components. For Facilities to be acquired by other public entities or utilities, the Owner shall be responsible for obtaining such inspections and providing written evidence thereof to the Director. The Owner agrees to pay all inspection, permit and other similar fees of the City applicable to construction of the Facilities.

Section 3.4 Agreement to Sell and Acquire Facilities. The Owner hereby agrees to sell the Facilities and Discrete Components listed in Exhibit A hereto to the City, and the City hereby agrees to use amounts in the Improvement Fund to pay the Purchase Price of each of such Facilities and Discrete Components to the Owner, subject to the terms and conditions hereof. The City shall not be obligated to acquire any Facility or Discrete Component until the Facility or Discrete Component is completed, and the Acceptance Date for such Facility or Discrete Component has occurred; provided that the City has agreed hereunder to make payments to the Owner for certain Discrete Components of Facilities as shown in Exhibit A hereto. The Owner acknowledges that the Discrete Components have been identified for payment purposes only, and that the City shall not accept a Facility of which a Discrete Component is a part until the entire Facility has been completed. The City acknowledges that the Discrete Components do not have to be accepted by the City as a condition precedent to the payment of the Purchase Price therefor, but any such payment shall not be made until the Discrete Component has been completed in accordance with the Plans therefor, as determined by the Director. In any event, the City shall not be obligated to pay the Purchase Price for any Facility or Discrete Component except from the moneys in the Improvement Fund.

Section 3.5 Payment Requests. In order to receive the Purchase Price for a completed Facility or Discrete Component, inspection thereof under Section 3.1 shall have been made and the Owner shall deliver to the Director: (i) a Payment Request in the form of Exhibit D hereto for such Facility or Discrete Component, together with all attachments and exhibits required by Exhibit D and this Section 3.3 to be included therewith (including, but not limited to Attachments 1 and 2 to Exhibit D), and (ii) if payment is requested for a completed Facility, (a) if the property on which the Facility is located is not owned by the City at the time of the request, a copy of the recorded documents conveying to the City Acceptable Title to the real property on, in or over which such Facility is located, as described in Section 4.1 hereof, (b) to the extent paid for with the proceeds of the Bonds, an assignment to the District of any reimbursements that may be payable with respect to the Facility, such as public or private utility reimbursements, and (c) an assignment of warranties and guaranties for such Facility, as described in Section 4.5 hereof, in a form acceptable to the City.

Upon receipt of a Payment Request (and all accompanying documentation), the Director shall conduct a review in order to confirm that such request is complete, that such Discrete Component or Facility identified therein was constructed in accordance with the Plans therefor, and to verify and approve the Actual Cost of such Discrete Component or Facility specified in such Payment Request provided that, with respect to DIF Improvements and other Facilities (but excluding Completed Facilities), it does not exceed the sum of the contracts and change orders previously approved in writing by the Director. The Director shall also conduct such review as is required in his discretion to confirm the matters certified in the Payment Request. The Owner agrees to cooperate with the Director in conducting each such review and to provide the Director with such additional information and documentation as is reasonably necessary for the Director to conclude each such review. For any Facilities to be acquired by another public entity or utility, the Owner shall provide evidence

acceptable to the Director that such Facilities are acceptable to such entity or utility. Within fifteen (15) business days of receipt of any Payment Request, the Director expects to review the request for completeness and notify the Owner whether such Payment Request is complete, and, if not, what additional documentation must be provided. If such Payment Request is complete, the Director expects to provide a written approval or denial (specifying the reason for any denial) of the request within thirty (30) calendar days of its submittal. However, the Facilities documentation will be delivered by Owner to City in large quantities which may be beyond the ability of City to process, in accordance with the forgoing timeframes. At the request of City or Owner, City may engage an outside contractor to review and process the Facilities documentation on behalf of the City the cost of which shall be borne by Owner subject to a written agreement executed by City and Owner. If a Payment Request seeking reimbursement for more than one Facility or Discrete Component is denied, the Director shall state whether the Payment Request is nevertheless approved and complete for any one or more Facilities or Discrete Components and any such Facilities or Discrete Components shall be processed for payment under Section 3.4 notwithstanding such partial denial. The City's and District's Costs associated with the acquisition of Facilities and processing of Payment Requests shall be reimbursed from the Improvement Fund or from amounts advanced by the Owner to the extent insufficient funds are on deposit in the Improvement Fund, which advances may be later reimbursed to the Owner out of the Improvement Fund.

Section 3.6 Payment. Upon approval of the Payment Request by the Director, the Director shall sign the Payment Request and forward the same to the City Director of Finance. Upon receipt of the reviewed and fully signed Payment Request, the City Director of Finance shall, within the then current City financial accounting payment cycle but in any event within fifteen (15) business days of receipt of the approved Payment Request, cause the same to be paid by the Trustee under the applicable provisions of the Indenture, to the extent of funds then on deposit in the Improvement Fund. Any approved Payment Request not paid due to an insufficiency of funds in the Improvement Fund, shall be paid promptly following the deposit into the Improvement Fund of proceeds of any investment earnings or other amounts transferred to the Improvement Fund under the terms of the Indenture.

The Purchase Price paid hereunder for any Facility or Discrete Component shall constitute payment in full for such Facility or Discrete Component, including, without limitation, payment for all labor, materials, equipment, tools and services used or incorporated in the work, supervision, administration, overhead, expenses and any and all other things required, furnished or incurred for completion of such Facility or Discrete Component, as specified in the Plans.

The City shall withhold payment for any Discrete Component or Facility constructed on land not already owned by the City or other public entity, until Acceptable Title to such land is conveyed to the City or other public entity that will own the respective Facility, as described in Article IV hereof.

The City shall be entitled to withhold any payment hereunder for a Facility or Discrete Component that is the subject of a Payment Request until it is satisfied that any and all claims for labor and materials have been paid by the Owner for the Facility or Discrete Component that is the subject of a Payment Request, or conditional lien releases (and/or unconditional lien releases) have been provided by the Owner for such Facility or Discrete Component. The City, in its discretion, may waive this limitation upon the provision by the Owner of sureties, undertakings, securities and/or bonds of the Owner or appropriate contractors or subcontractors and deemed satisfactory by the Director to assure payment of such claims.

The City shall be entitled to withhold payment for any Facility (or final Discrete Component) hereunder to be owned by the City until: (i) the Director determines that the Facility is ready for its intended use, and (ii) the Acceptance Date for the Facility has occurred and the requirements of Section 4.1, if applicable to such Facility, have been satisfied. The City hereby agrees that the Owner shall have the right to post or cause the appropriate contractor or subcontractor to post a bond with the City to indemnify it for any losses sustained by the City because of any liens that may exist at the time of acceptance of such a Facility, so long as such bond is drawn on an obligor and is otherwise in a form acceptable to the Director. The City shall be entitled to withhold payment for any Facility (or the final Discrete Component of any such Facility) to be owned by other governmental entities, until the Owner provides the Director with evidence that the governmental entity has accepted dedication of and/or title to the Facility. If the Director determines that a Facility is not ready for intended use under (i) above, the Director shall so notify the Owner as soon as reasonably practicable in writing specifying the reason(s) therefor.

Nothing in this Acquisition Agreement shall be deemed to prohibit the Owner from contesting in good faith the validity or amount of any mechanics or materialman's lien nor limit the remedies available to the Owner with respect thereto so long as such delay in performance shall not subject the Facilities or any Discrete Component thereof to foreclosure, forfeiture or sale. In the event that any such lien is contested, the Owner shall only be required to post or cause the delivery of a bond in an amount equal to the amount in dispute with respect to any such contested lien sufficient to cause the release or such lien, so long as such bond is drawn on an obligor and is otherwise in a form acceptable to the Director.

Subject to the last paragraph of this Section 3.5, the City shall withhold in the Improvement Fund an amount equal to ten percent (10%) of the Purchase Price of each Discrete Component to be paid hereunder other than the final Discrete Component of any Facility. Any such retention will be released to the Owner upon final completion and acceptance of the related Facility.

Notwithstanding the foregoing, the Owner shall be entitled to payment of any such retention upon the completion and acceptance of a Discrete Component, if securities meeting the requirements of the California Public Contracts Code are deposited in lieu thereof. Payment of any retention shall also be contingent upon the availability of monies in the Improvement Fund therefore. No retention shall apply if the Owner proves to the Director's satisfaction that the Owner's contracts for the Discrete Components provide for the same retention as herein provided, so that the Purchase Price paid for the Discrete Component is at all times net of the required retention.

Section 3.7 Defective or Nonconforming Work. If any of the work done or materials furnished for a Facility or Discrete Component are found by the Director to be defective or not in accordance with the applicable Plans: (i) and such finding is made prior to payment for the Purchase Price of such Facility or Discrete Component hereunder, the City may withhold payment therefor until such defect or nonconformance is corrected to the satisfaction of the Director, or (ii) and such finding is made after payment of the Purchase Price of such Facility or Discrete Component, the City and the Owner shall act in accordance with the City's standard specification for public works construction.

ARTICLE IV
OWNERSHIP AND TRANSFER OF FACILITIES

Section 4.1 Facilities to be Owned by the City; Conveyance of Land and Easements to City. Acceptable Title to all property on, in or over which each Facility to be acquired by the City will be located, shall be deeded over to the City by way of grant deed, or dedication of such property, or easement thereon, if such conveyance of interest is approved by the City as being a sufficient interest therein to permit the City to properly own, operate and maintain such Facility located therein, thereon or thereover, and to permit the Owner to perform its obligations as set forth in this Acquisition Agreement. The Owner agrees to assist the City in obtaining such documents as are required to obtain Acceptable Title. Completion of the transfer of title to land shall be accomplished prior to the payment of the Purchase Price for a Facility (or the last Discrete Component thereof) and shall be evidenced by recordation of the acceptance thereof by the City Council or the designee thereof.

Section 4.2 Facilities to be Owned by the City; Title Evidence. The Owner shall furnish to the City a preliminary title report for land with respect to Facilities to be acquired by the City and not previously dedicated or otherwise conveyed to the City, for review and approval at least thirty (30) business days prior to the transfer of the Acceptable Title to a Facility to the City. The City shall approve the preliminary title report unless it reveals a matter which, in the judgment of the City, could materially affect the City's use and enjoyment of any part of the property or easement covered by the preliminary title report. In the event the City does not approve the preliminary title report, the City shall not be obligated to accept title to the land with respect to such Facility or pay the Purchase Price for such Facility (or the last Discrete Component thereof) until the Owner has cured such objections to title to the reasonable satisfaction of the City and caused a standard title insurance policy to be issued to the City with respect to such land in the amount of the Purchase Price. In the event the Owner cannot cure such objections to title, City agrees to consider the use of eminent domain pursuant to Section 4.3 hereof for such purpose.

Section 4.3 Facilities Constructed on Private Lands. If any Facilities to be acquired are located on privately-owned land, the owner thereof shall retain title to the land and the completed Facilities until acquisition of the Facilities under Article III hereof. Pending the completion of such transfer, the Owner shall not be entitled to receive any payment for any such Facility or the last Discrete Component thereof. The Owner shall, however, be entitled to receive payment for Discrete Components (other than the last Discrete Component) upon making an irrevocable offer of dedication of such land in form and substance acceptable to the Director. Notwithstanding the foregoing, upon written request of the City before payment for any Discrete Component of such a Facility, the Owner shall convey or cause to be conveyed Acceptable Title thereto in the manner described in Sections 4.1 and 4.2 hereof.

It shall be the responsibility of the Owner to acquire all property rights on property which is not owned by the City or the Owner which is necessary for the construction of any of the Facilities, if any. In the event, despite its exercise of best efforts to do so, the Owner is unable to acquire such property rights, the City shall in good faith consider the undertaking of proceedings to acquire such property rights through its exercise of the power of eminent domain, and the costs of such proceedings and acquisition shall be the responsibility of the Owner and shall comprise part of the Purchase Price of the related Facility.

Section 4.4 Facilities Constructed on City Land. If the Facilities to be acquired are on land owned by the City, including land as to which the City has acquired sufficient property rights in the manner described in Section 4.3 or otherwise, the City hereby grants to the Owner a license to enter upon such land for purposes related to the construction (and maintenance pending acquisition) of the Facilities. The provisions for inspection and acceptance of such Facilities otherwise provided herein shall apply.

Section 4.5 Maintenance and Warranties. The Owner shall maintain or cause to be maintained each Discrete Component in good and safe condition until the Acceptance Date of the Facility of which such Discrete Component is a part. Prior to the Acceptance Date, the Owner shall be responsible for performing any required maintenance on any completed Discrete Component or Facility. On or before the Acceptance Date of the Facility, the Owner shall assign to the City all of the Owner's rights in any warranties, guarantees, maintenance obligations or other evidence of contingent obligations of third persons with respect to such Facility. For each Facility to be owned by the City, the Owner shall provide a warranty bond reasonably acceptable in form and substance to the Director to remain in effect for a period of one year from the date of acceptance of each Facility. The City shall be responsible for maintenance of each Facility from and after the Acceptance Date thereof, except that with respect to landscaping improvements, the Owner shall maintain or cause to be maintained such landscape improvements for a period of one year following the Acceptance Date thereof or shall provide a bond reasonably acceptable in form and substance to the Director for such period and for such purpose (for landscaping improvements only, and for the posting of a warranty bond to remain in effect for one year as to other Facilities), to insure that defects, which appear within said period will be repaired, replaced, or corrected by the Owner, at its own cost and expense, to the satisfaction of the Director. The Owner shall commence to repair, replace or correct any such defects within thirty (30) days after written notice thereof by the City to the Owner, and shall complete such repairs, replacement or correction as soon as practicable. Any warranties, guarantees or other evidences of contingent obligations of third persons with respect to the Facilities to be acquired by the City shall be delivered to the Director as part of the transfer of title.

ARTICLE V INSURANCE

Section 5.1 Insurance Requirements. The Owner shall, at all times prior to the final Acceptance Date of all Facilities, maintain and deliver to the City evidence of and keep in full force and effect, not less than the following coverage and limits of insurance, which shall be maintained with insurers and under forms of policies satisfactory to the Director: (i) Workers Compensation and Employer's Liability - Workers' Compensation - coverage as required by law; Employer's Liability - limits of at least \$1,000,000.00 per occurrence; (ii) Comprehensive General Liability - Combined Single Limit - \$2,000,000.00; (iii) Automobile Liability - Combined Single Limit - \$1,000,000.00; and (iv) Errors and Omissions Insurance - Combined Single Limit - \$2,000,000.00.

All of the Owner's insurance policies shall contain an endorsement providing that written notice shall be given to the City at least 30 calendar days prior to termination or cancellation of coverage of the policy.

The Comprehensive General Liability and Bodily Injury and Property Damage Liability policies shall contain the following:

(a) An endorsement extending coverage to the City and its agents as an additional insured, as respects liabilities arising out of the performance of any work related to the Facilities. Which insurance shall be primary insurance as respects the interest of the City, and any other insurance maintained by the City shall be excess and not contributing insurance with the insurance required hereunder.

(b) Severability of interest clause.

(c) Provision or endorsement stating that such insurance, subject to all of its other terms and conditions, applies to contractual liability assumed by the Owner.

Promptly on execution of this Acquisition Agreement by the Owner, the Owner shall deliver to the Director copies of all required certificates of insurance and endorsements thereto on forms which are acceptable to the Director and the City Attorney.

The Owner shall require and verify similar insurance on the part of its contractors and subcontractors.

The foregoing requirements as to the types, limits and City approval of insurance coverage to be maintained by the Owner are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the Owner under this Acquisition Agreement.

Any policy or policies of insurance that the Owner or its contractors or subcontractors elect to carry as insurance (i) against loss or damage to their construction equipment and tools or other personal property used in fulfillment of this Acquisition Agreement or a contract related to the Facilities shall include a provision waiving the insurer's right of subrogation against the City, and (ii) in fulfillment of this Acquisition Agreement involving a dual obligee bond may contain a clause to the effect that: "provided that Principal and Surety shall not be liable to the Obligees or any of them unless the Obligees or any of them have performed the obligations to the Principal in accordance with the terms of said contract; and provided, further, that Principal and Surety shall not be liable to all Obligees in the aggregate in excess of the penal sum above stated."

Section 5.2 Standards Applicable. The Owner may effect such coverage under blanket insurance policies, provided, however, that (i) such policies are written on a per occurrence basis, (ii) such policies comply in all other respects with the provisions of Section 5.1, and (iii) the protection afforded the City under any such policy shall be no less than that which would be available under a separate, policy relating only to this Acquisition Agreement. All policies of insurance shall be with companies licensed or approved by the State of California Insurance Commissioner and rated (i) A or better with respect to primary levels of coverage, and (ii) B+12 or better with respect to excess levels of coverage, in the most recent edition of Best's Insurance Guide and shall be issued and delivered in accordance with State law and regulations.

Section 5.3 Evidence of Insurance. Prior to the Acceptance Date, the Owner shall furnish to the City, from time to time upon request of the Director, a certificate of insurance regarding each insurance policy required to be maintained by the Owner hereunder.

ARTICLE VI

DIFS

Section 6.1 Reimbursement of DIFs and Advances. As provided in the Settlement Agreement, the Owner may submit to the City from time to time a Payment Request in the form attached hereto as Exhibit D-1 for reimbursement from the Improvement Fund of any DIFs or Advances previously paid to the City. In the event that the amount in the Improvement Fund is less than the total amount of such DIFs or Advances previously paid to the City and requested for reimbursement in a Payment Request, the unpaid amount shall be reimbursed to the Owner when, and if, additional funds are subsequently deposited in the Improvement Fund and designated to construct the facilities authorized to be financed with such DIFs or Advances in an amount equal to or greater than such unpaid amount of the Payment Request. Payment Requests for reimbursement for which moneys on deposit in the Improvement Fund are a prerequisite shall be provided to the City not more than ninety (90) days following issuance of the last series of Bonds issued by the District.

Section 6.2 Disbursement to the City. Upon receipt of a Disbursement Request in the form attached hereto as Exhibit D-2 (a "Disbursement Request"), the City may withdraw from the Improvement Fund the amount specified in such Disbursement Request to pay for DIF Improvements in lieu of payment by the Owner of all or a portion of the DIFs or Advances which are then estimated to be due and payable by Owner. Each time Owner makes an Advance, the City shall provide to Owner a credit against the DIFs equal to the amount of the money advanced.

Section 6.3 DIF Credits. Pursuant to the Settlement Agreement, the Owner shall be entitled to a credit against all DIFs based upon the Actual Costs incurred by the Owner for DIF Improvements it constructs and for Advances made to the City for DIF Improvements the City constructs in accordance with the DIF Improvements Schedule. The credit shall be calculated on a per equivalent dwelling unit ("EDU") basis by dividing the total amount of such Actual Costs incurred and/or Advance paid by the Owner by the total amount of the DIFs per EDU. The result of such calculation shall be a total number of EDUs for which all DIFs are deemed satisfied. In addition, some of the Facilities identified in Exhibit A, in addition to the DIF Improvements specified in the DIF Improvements Schedule, may be in the City DIF program. Owner shall be entitled to full credit, in an amount not to exceed the estimated cost of such Facility in the applicable nexus study, against the applicable DIF for the Owner's construction of such Facility whether or not the Purchase Price of such Facility is funded out of the Improvement Fund provided that the Facility is constructed under the procedures in Article III. If Owner receives a credit against a DIF as the result of Owner's construction of any DIF Improvement or Facility, Owner shall only be entitled to obtain a further credit pursuant to the terms of this Acquisition Agreement of Owner's remaining obligation for such DIF, net of such credit amount.

ARTICLE VII

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 7.1 Representations, Covenants and Warranties of the Owner. The Owner represents and warrants for the benefit of the City, as follows:

(a) **Organization.** Owner is a California corporation and is validly doing business and in good standing in the State of California, is in compliance with all applicable laws of the State

and has the power and authority to own its properties and assets and to carry on its business as now being conducted and as now contemplated.

(b) Authority. The Owner has the power and authority to enter into this Acquisition Agreement and has taken all action necessary to cause this Acquisition Agreement to be executed and delivered, and this Acquisition Agreement has been duly and validly executed and delivered by the Owner.

(c) Binding Obligation. This Acquisition Agreement is a legal, valid and binding obligation of the Owner, enforceable against the Owner in accordance with its terms, subject to bankruptcy and other equitable principles.

(d) Compliance with Laws. The Owner shall not with knowledge commit, suffer or permit any act to be done in, upon or to the lands of the Owner in the District or the Facilities in violation of any law, ordinance, rule, regulation or order of any governmental authority or any covenant, condition or restriction now or hereafter affecting the lands in the District or the Facilities.

(e) Requests for Payment. The Owner represents and warrants that (i) it will not request payment from the City for the acquisition of any improvements that are not part of the Facilities, and (ii) it will diligently follow all procedures set forth in this Acquisition Agreement with respect to the Payment Requests.

(f) Financial Records. Until the final acceptance of the Facilities, the Owner covenants to maintain proper books of record and account for the construction of the Facilities and all costs related thereto, which accounting books shall be maintained in accordance with generally accepted accounting principles and shall be available for inspection by the City or its agent at any reasonable time during regular business hours on reasonable notice.

(g) Prevailing Wages. The Owner covenants that, with respect to any contracts or subcontracts for the construction of the Facilities to be acquired from the Owner hereunder, it has assured complete compliance with any applicable law or regulation for the payment of prevailing wages for such construction.

(h) Plans. The Owner represents that it has obtained or will obtain approval of the Plans for the Facilities to be acquired from the Owner hereunder from all appropriate departments of the City and from any other public entity or public utility from which such approval must be obtained. The Owner further agrees that the Facilities to be acquired from the Owner hereunder have been or will be constructed in full compliance with such approved plans and specifications and any supplemental agreements (change orders) thereto, as approved in the same manner.

Section 7.2 Indemnification and Hold Harmless. The Owner shall assume the defense of, indemnify and save harmless the City, members of the City Council, their officers, officials, employees and agents and each of them, from and against all actions, damages, claims, losses or expense of every type and description to which they may be subjected or put, by reason of, or resulting from the breach of any provision of this Acquisition Agreement by the Owner, the Owner's or any other entity's negligent design, engineering and/or construction of any of the Facilities acquired from the Owner hereunder, the Owner's non-payment under contracts between the Owner and its consultants, engineer's, advisors, contractors, subcontractors and suppliers in the provision of the Facilities, any claims of persons employed by the Owner or its agents to construct the Facilities,

claims for damages to persons or property related to the actions of Owner contemplated by this Acquisition Agreement or any claims arising out of any alleged misstatement of a material fact or omission of a material fact with respect to provisions in any Official Statement for the Bonds for which the Owner certifies in a customary certificate executed in connection with the printing of the Official Statement for such Bonds. Notwithstanding the foregoing, no indemnification is given hereunder for any action, damage, claim, loss or expense directly attributable solely to the intentional acts or negligence of the City, or its officers, directors, employees or agents hereunder.

No provision of this Acquisition Agreement shall in any way limit the Owner's responsibility for payment of damages resulting from the operations of the Owner, its agents, employees or its contractors.

ARTICLE VIII TERMINATION

Section 8.1 Mutual Consent. This Acquisition Agreement may be terminated by the mutual, written consent of the City and the Owner, in which event the City may let contracts for any remaining work related to the Facilities not theretofore acquired from the Owner hereunder, and use all or any portion of the monies in the Improvement Fund to pay for same, and the Owner shall have no claim or right to any further credits against the amount of DIFs payable by the Owner or the Purchase Price of Facilities or Discrete Components hereunder, except as otherwise may be provided in such written consent. In any event, this Acquisition Agreement shall terminate upon the earlier of (i) ten (10) years following the issuance of building permits for all dwelling units expected to be built within the District, (ii) the funding of all Facilities pursuant to this Acquisition Agreement, or (iii) December 31, 2029. Notwithstanding the foregoing, this Acquisition Agreement shall not terminate pursuant to (iii) of the previous sentence if, on December 31, 2029, all of the building permits within the District have been pulled, construction within the District, as contemplated by the parties hereto, is ongoing, and bonds have not been issued to reimburse the Owner for completed Facilities.

Section 8.2 City Election to Terminate for Cause. The following events shall constitute grounds for the City, at its option and in its sole discretion, to terminate this Acquisition Agreement, without the consent of the Owner:

(a) The Owner shall voluntarily file for reorganization or other relief under any Federal or State bankruptcy or insolvency law.

(b) The Owner shall have any involuntary bankruptcy or insolvency action filed against it, or shall suffer a trustee in bankruptcy or insolvency or receiver to take possession of the assets of Owner, or shall suffer an attachment or levy of execution to be made against the property it owns within the District unless, in any of such cases, such circumstance shall have been terminated or released within ninety (90) days thereafter.

(c) The Owner shall abandon construction of the Facilities. Failure for a period of six consecutive months to undertake substantial work related to the construction of Facilities that are required to be constructed at that time pursuant to the Conditions of Approval or DIF Improvements Schedule, other than for a reason specified in Section 7.3 hereof, shall constitute a non-inclusive example of such abandonment.

(d) The Owner shall breach any material covenant or default in the performance of any material obligation hereunder.

(e) The Owner shall transfer any of its rights or obligations under this Acquisition Agreement without the prior written consent of the City or as otherwise permitted hereunder.

(f) The Owner shall have made any material misrepresentation or omission of any written materials furnished in connection with any preliminary official statement, official statement or bond purchase contract used in connection with the sale of any series of the Bonds.

If any such event occurs, the City shall give written notice of its knowledge thereof to the Owner, and the Owner agrees to meet and confer with the Director and other appropriate City staff and consultants as to options available to assure timely completion of the Facilities. Such options may include, but not be limited to the termination of this Acquisition Agreement by the City. If the City elects to terminate this Acquisition Agreement, the City shall first notify the Owner (and any mortgagee or trust deed beneficiary specified in writing by the Owner to the City to receive such notice) of the grounds for such termination and allow the Owner a reasonable period (minimum of thirty (30) days) to eliminate or mitigate to the satisfaction of the Director the grounds for such termination. Such period may be extended, at the sole discretion of the City, if the Owner, to the satisfaction of the City, is proceeding with diligence to eliminate or mitigate such grounds for termination. If at the end of such period (and any extension thereof, as determined solely by the City), the Owner has not eliminated or completely mitigated such grounds, to the satisfaction of the City, the City may then terminate this Acquisition Agreement.

Notwithstanding the foregoing, so long as any event listed in any of clauses (a) through and including (f) above has occurred, notice of which has been given by the City to the Owner, and such event has not been cured or otherwise eliminated by the Owner, the City may in its sole discretion cease making payments for the Purchase Price of Facilities or Discrete Components under Article V hereof.

Section 8.3 Force Majeure. Whenever performance is required of a party hereunder, that party shall use all due diligence and take all necessary measures in good faith to perform, but if completion of performance is delayed by reasons of floods, earthquakes, inclement weather or other acts of God, war, civil commotion, riots, strikes, acts of terrorism, picketing, other labor disputes, damage to work in progress by casualty, government shutdowns, moratoria or other restrictive laws or regulations, or the acts, omissions or breach of agreement by the other party to this Acquisition Agreement or its agents, contractors or subcontractors, or by other cause beyond the reasonable control of the party (financial inability excepted), then the specified time for performance shall be extended by the amount of the delay actually so caused.

ARTICLE IX MISCELLANEOUS

Section 9.1 Limited Liability of City. The Owner agrees that any and all obligations of the City arising out of or related to this Acquisition Agreement are special and limited obligations of the District and City and the City's obligations to make any payments hereunder are restricted entirely to the moneys, if any, in the Improvement Fund and from no other source. No member of

the City Council, or City staff member, employee or agent shall incur any liability hereunder to the Owner or any other party in their individual capacities by reason of their actions hereunder or execution hereof.

Section 9.2 Excess Costs. Subject to the limitations of this Acquisition Agreement, the Owner agrees to pay all costs of the Facilities that it is obligated to construct in excess of the monies available therefor in the Improvement Fund.

Section 9.3 Review of Records. The Director and/or the Finance Manager or other finance officer of the City shall have the right, during normal business hours and upon the giving of two (2) business days prior written notice to the Owner, to review all books and records of the Owner pertaining to the Actual Cost incurred by the Owner in to any of the Facilities, and any bids taken or received for the construction thereof or materials therefor. Owner shall have the right, during normal business hours and upon the giving of two (2) business days prior written notice to the Finance Manager, to review all books and records of the City and District pertaining to the Special Taxes and Bonds and applicable development impact fees.

Section 9.4 Attorney's Fees. In the event that any action or suit is instituted by either party against the other arising out of this Acquisition Agreement, the party in whose favor final judgment shall be entered shall be entitled to recover from the other party all costs and expenses of suit, including reasonable attorneys' fees.

Section 9.5 Notices. Any notice, payment or instrument required or permitted by this Acquisition Agreement to be given or delivered to either party shall be deemed to have been received when personally delivered, or transmitted by telecopy or facsimile transmission (which shall be immediately confirmed by telephone and shall be followed by overnight delivery an original of the same within twenty-four hours after such transmission), addressed as follows:

- | | |
|--------------------|--|
| City and District: | City of Beaumont
550 East 6 th Street
Beaumont, CA 92223
Attention: City Manager, City Clerk |
| With a copy to: | John Pinkney
Slovak Baron Empey Murphy & Pinkney, LLP
1800 E. Tahquitz Canyon Way
Palm Springs, CA 92262 |
| Owner: | Pardee Homes
1250 Corona Pointe Court, Suite 600
Corona, California 92879
Attention: Mike Taylor, Jeff Chambers |
| With a copy to: | John P. Yeager
O'Neil LLP
19900 MacArthur Boulevard, Suite 1050
Irvine, CA 92612 |

Each party may change its address or addresses for delivery of notice by delivering written notice of such change of address to the other party.

Section 9.6 Severability. If any part of this Acquisition Agreement is held to be illegal or unenforceable by a court of competent jurisdiction, the remainder of this Acquisition Agreement shall be given effect to the fullest extent possible.

Section 9.7 Successors and Assigns. This Acquisition Agreement shall be binding upon and inure to the benefit of the successors and assigns of the parties hereto. This Acquisition Agreement shall not be assigned by the Owner, except in whole to an Affiliate, or to any other entity of which the Owner and/or its members or partners will be managing members or general partners which assume all of the Owner's obligations hereunder (which transfer is expressly authorized hereunder, upon notice to the City without further act of the City), without the prior written consent of the City, which consent shall not be unreasonably withheld or delayed. In connection with any required consent of the City, the City may condition its consent upon the acceptability of the financial condition of the proposed assignee, the assignee's express assumption of all obligations of the Owner hereunder, and/or upon any other factor which the City deems relevant in the circumstances. In any event, any such assignment shall be in writing, shall clearly identify the scope of the rights and/or obligations assigned, and shall not be effective until approved by the City. Without the City's written consent, no assignment shall release the Owner from its obligations and liabilities under this Acquisition Agreement.

Section 9.8 Other Agreements. The obligations of the Owner hereunder shall be those of a party hereto and not as an owner of property in the District. Nothing herein shall be construed as affecting the City's or the Owner's rights, or duties to perform their respective obligations, under other agreements, if any, use regulations or subdivision requirements relating to the development of the lands in the District. This Acquisition Agreement shall not confer any additional rights, or waive any rights given, by either party hereto under any development or other agreement to which they are a party.

Section 9.9 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Acquisition Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Acquisition Agreement thereafter.

Section 9.10 Agreements in Writing. No other agreement, statement or promise made by any party or any employee, officer or agent of any party with respect to any matters covered hereby that is not in writing and signed by all the parties to this Acquisition Agreement shall be binding.

Section 9.11 Parties in Interest. Nothing in this Acquisition Agreement, expressed or implied, is intended to or shall be construed to confer upon or to give to any person or entity other than the City, the District and the Owner any rights, remedies or claims under or by reason of this Acquisition Agreement or any covenants, conditions or stipulations hereof; and all covenants, conditions, promises, and agreements in this Acquisition Agreement contained by or on behalf of the City, the District or the Owner shall be for the sole and exclusive benefit of the City, the District and the Owner.

Section 9.12 Amendment. This Acquisition Agreement may be amended, from time to time, by written Supplement hereto and executed by the City, the District and the Owner; provided, further, that Exhibit A may be modified to add additional authorized facilities or make adjustments to the existing Facilities only with the written approval of the City Council and the Owner.

Section 9.13 Counterparts. This Acquisition Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 9.14 Termination. This Acquisition Agreement shall terminate and be of no further force pursuant to Section 7.1 hereof, unless extended by agreement of all the parties. If the Acquisition Agreement is terminated as provided herein, none of the City, the District or the Owner shall have any further responsibility or liability pursuant to this Acquisition Agreement. Upon the termination of this Agreement, the City shall direct the use of any remaining Bond or Special Tax proceeds to complete any remaining authorized facilities, redeem Bonds or use in any way permitted by the Act.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Acquisition Agreement as of the day and year first-above written.

CITY OF BEAUMONT

By: _____

ATTESTED TO:

City Clerk

CITY OF BEAUMONT COMMUNITY FACILITIES
DISTRICT NO. 2016-2 (SUNDANCE)

By: _____

ATTESTED TO:

City Clerk

PARDEE HOMES,
a California corporation

By: _____

Name: _____

Title: _____

**ACQUISITION AGREEMENT
(CFD NO. 2016-2)**

EXHIBIT A

**DESCRIPTION OF FACILITIES AND DISCRETE COMPONENTS ELIGIBLE FOR
ACQUISITION FROM THE OWNER**

None, other than those listed in Exhibit C.

**ACQUISITION AGREEMENT
(CFD NO. 2016-2)**

EXHIBIT B

DIFs

	(Fee Amount per EDU as of June 1, 2019)¹
Traffic Signal	\$271.28
RR Crossing	\$291.53
Fire Station	\$573.19
Local Road Impact	\$2,469.89
TUMF	\$8,873.00
Sewer Capacity	\$5,330.00
Recycled Water	\$786.64
Recreation Facilities	\$721.16
Public Facilities	\$421.94
Police	\$494.92
Emer. Preparedness	\$729.63
Upper Potrero Sewer	\$251.66
Southern Trunk Main	\$90.15
Total per EDU:	\$21,304.99

¹ Each single-family detached dwelling unit equals one (1) EDU. These amounts shall adjust as the DIFs are adjusted by the City or new DIFs are adopted by the City. Nothing in this Acquisition Agreement will restrict the City's ability to adopt, revise, amend or create new DIFs at any time now or in the future and the same shall be applicable to the Property as adopted. The amounts listed are for those DIFs provided for in City of Beaumont Ordinance No. 1095 as of June 1, 2018. Some DIFs contain a 1% administrative fee.

**ACQUISITION AGREEMENT
(CFD NO. 2016-2)**

EXHIBIT C

DIF IMPROVEMENTS SCHEDULE

<i>DIF Facility</i>	<i>Constructing Party</i>	<i>Construction/ Advance Schedule⁽⁴⁾</i>	<i>Estimated Cost/Advance Amount⁽¹⁾</i>
1. Sewage Treatment Plant Expansion	City	2017	\$ 4,191,833
		2018	1,282,424
		2019	1,519,702
		2020	551,693
2. Cherry Avenue Street Paving	Pardee	2017	497,831
3. Oak Valley/I-10 Interchange ⁽²⁾	City	2018	200,000
		2019	2,556,232
		2020	3,000,000
4. Traffic Signals	City	2017	50,000
		2018	247,240
5. Westside Fire Station	City	2018	618,240
6. Pennsylvania Grade Separation	City	2018	319,430
7. Pennsylvania Ave/2 nd Street ⁽²⁾	City	2018	3,000,000
		2019	1,500,000
8. Park Improvements at City Hall and other parks	City	2019	1,000,000
		2020	2,316,814
		2021	2,643,000
9. Potrero Overpass/Interchange ⁽²⁾	City	2018	1,694,743
		TOTAL	<u>\$ 27,189,182</u>

⁽¹⁾ These amounts are based upon the total DIF obligation for DUs for which building permits are expected to be issued within CFD No. 93-1, Improvement Areas 8E, 8F and 17D and CFD Nos. 2016-2 and 2016-3 from [January 1, 2018] through buildout of Sundance and Tournament Hills. The unpaid amounts may be adjusted based upon changes in the amount of the DIF's and changes in the expected or actual DUs.

⁽²⁾ Improvements in TUMF Program.

⁽³⁾ This schedule may be modified with the written consent of the City Council and Owner.

⁽⁴⁾ Advances of funds by Pardee for DIF Improvements to be constructed by the City shall be made within thirty (30) days following the City's written request.

ACQUISITION AGREEMENT

EXHIBIT D

FORM OF PAYMENT REQUEST (FACILITIES)

PAYMENT REQUEST NO. ____

The undersigned (the "Owner"), hereby requests payment to the Payees listed on Attachment 2 in the total amount of \$_____ for the Facilities (as defined in the Acquisition Agreement, dated as of June 1, 2019 by and among the City of Beaumont (the "City"), the City of Beaumont Community Facilities District No. 2016-2 (Sundance) and the Owner), or Discrete Components thereof (as described in Exhibit A to that Acquisition Agreement), all as more fully described in Attachment 1 hereto. In connection with this Payment Request, the undersigned hereby represents and warrants to the City as follows:

1. He (she) is a duly authorized officer of the Owner, qualified to execute this Payment Request for payment on behalf of the Owner and is knowledgeable as to the matters set forth herein.
2. All costs of the Facilities or Discrete Components thereof for which payment is requested hereby are Actual Costs (as defined in the Acquisition Agreement referenced above) and have not been inflated or misrepresented in any respect. The items for which payment is requested have not been the subject of any prior payment request submitted to the City.
3. Supporting documentation (such as third-party invoices) is attached with respect to each cost for which payment is requested.
4. There has been full compliance with applicable laws relating to prevailing wages for the work to construct the Facilities or Discrete Components thereof for which payment is requested.
5. The Facilities or Discrete Components thereof for which payment is requested were constructed in accordance with all applicable City or other governmental standards, and in accordance with Plans approved by the City.
6. The Owner is in compliance with the terms and provisions of the Acquisition Agreement.
7. The Purchase Price for each Facility or Discrete Component (a detailed calculation of which is shown in Attachment 2 hereto for each such Facility or Discrete Component), has been calculated in conformance with the terms of the Acquisition Agreement.

I hereby declare under penalty of perjury that the above representations and warranties are true and correct.

Dated: _____

OWNER:
PARDEE HOMES,
a California corporation

By: _____

Name: _____

Title: _____

Dated: _____

CITY:

Payment Request Approved for Submission to
Finance Manager

By: _____

Director of Public Works

ACQUISITION AGREEMENT

ATTACHMENT 1

EXHIBIT D

[List here all Facilities or Discrete Components thereafter which payment is requested and attach support documentation.]

ACQUISITION AGREEMENT

ATTACHMENT 2

EXHIBIT D

CALCULATION OF PURCHASE PRICE

[Use a separate sheet for each Facility or Discrete Component for which payment is being requested]

- | | | |
|----|--|----|
| 1. | Description (by reference to Exhibit A to the Acquisition Agreement) of the Facility or Discrete Component | \$ |
| 2. | Actual Cost (list here total of supporting invoices and/or other documentation supporting determination of Actual Cost): | \$ |
| 3. | Subtractions from Purchase Price: | \$ |
| | A. Holdback for Lien releases (if any, see Section 3.4 of the Acquisition Agreement) | \$ |
| | B. Retention (if any, see Section 3.4 of the Acquisition Agreement) | \$ |
| 4. | Total disbursement requested (Amount listed in 2, less amounts, if any, listed in 3) | \$ |

Payment shall be directed to following payee(s):

I hereby declare under penalty of perjury that the above representations and warranties are true and correct.

OWNER:

Dated: _____

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

CITY:

Payment Request Approved for Submission to
Finance Manager

Dated: _____

By: _____

Director of Public Works

ACQUISITION AGREEMENT

EXHIBIT D-1

FORM OF PAYMENT REQUEST (DIF/ADVANCE REIMBURSEMENTS)

1. The undersigned (the "Owner") hereby requests reimbursement from the City in the amount of \$ _____ ("Requested Amount"), which amount has previously been paid to the City for DIFs or as an Advance (as defined in the Acquisition Agreement (the "Acquisition Agreement"), dated as of June 1, 2019 relating to the City of Beaumont Community Facilities District No. 2016-2 (Sundance) specified below:

2. The Requested Amount has been paid to the City and has not formed the basis of any prior request or reimbursement.

3. The Owner is in compliance with the terms and provisions of the Acquisition Agreement.

4. Neither the Owner nor any Affiliate (as defined in the Acquisition Agreement) is in default in the payment of ad valorem real property taxes or assessments of special assessments or taxes levied in the District (as defined in the Acquisition Agreement).

I hereby declare under penalty of perjury that the above representations and warranties are true and correct.

OWNER:

Dated: _____

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

CITY:

Payment Request Approved for Submission to
Finance Manager

Dated: _____

By: _____

Director of Public Works

ACQUISITION AGREEMENT

EXHIBIT D-1

FORM OF DISBURSEMENT REQUEST (DIFS/ADVANCES)

1. The City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the "CFD") is hereby requested to disburse from the Improvement Fund, or any applicable account or subaccount thereof, the sum set forth below:

\$_____ (the "Requested Amount")

2. The Requested Amount may be disbursed to the City or its designee to finance facilities authorized to be financed with the DIFs in the aggregate amount of \$_____ with the credit for the DIFs to be provided with respect to any development within the City.

3. The Requested Amount is due and payable and has not formed the basis of any prior request or disbursement.

4. The Requested Amount is authorized and payable pursuant to the terms of that certain Acquisition Agreement dated as of June 1, 2019 relating to the CFD.

OWNER:

Dated: _____

By: _____

Name: _____

Title: _____

By: _____

Name: _____

Title: _____

ACQUISITION AGREEMENT

EXHIBIT E

CITY CFD POLICIES

BOND INDENTURE

By and Between

**CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)**

and

**WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee**

**§ _____
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
2019 SPECIAL TAX BONDS
Dated as of July 1, 2019**

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BOND INDENTURE

THIS BOND INDENTURE (the "Indenture") dated as of July 1, 2019, by and between the CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2016-2 (Sundance) (the "District") and WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee (the "Trustee"), governs the terms of the City of Beaumont Community Facilities District No. 2016-2 (Sundance) 2019 Special Tax Bonds issued in accordance herewith.

RECITALS:

WHEREAS, the City Council of the City of Beaumont, located in Riverside County, California (hereinafter sometimes referred to as the "legislative body of the District" or the "City"), has heretofore undertaken proceedings and declared the necessity to issue bonds on behalf of the District pursuant to the terms and provisions of 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 "Act"); and

WHEREAS, the legislative body of the District adopted a Resolution on February 7, 2017, and held elections within the District on February 7, 2017 to authorize the levy of a special tax and the issuance of bonds by the District, in an aggregate principal amount not to exceed \$14,000,000; and

WHEREAS, the legislative body of the District desires to finance certain public improvements (the "Facilities") eligible for financing by the District through the issuance of bonds in an aggregate principal amount of \$_____ designated as the "City of Beaumont Community Facilities District No. 2016-2 (Sundance) 2019 Special Tax Bonds" (the "Bonds"), to fund a deposit to the Reserve Account, and to pay certain costs related to the issuance of the Bonds; and

WHEREAS, the Bonds are to be issued and sold in accordance with a resolution of the City Council of the City, acting in its capacity as the legislative body of the District, adopted on June 18, 2019, and with this Indenture; and

WHEREAS, the District has determined that all requirements of the Act and the applicable provisions of the policies of the City for the issuance of the Bonds under the Act have been satisfied; and

WHEREAS, upon their issuance, the Bonds will be the only outstanding bonds of the District, and the District may issue Parity Bonds or Subordinated Bonds in the future in accordance herewith but shall not issue any bonds or indebtedness that have a lien, charge, pledge or encumbrance on the Net Taxes that is senior or superior to the lien, charge, pledge and encumbrance thereon for the Bonds;

NOW, THEREFORE, in order to establish the terms and conditions upon and subject to which the Bonds are to be issued, and in consideration of the premises and of the mutual covenants contained herein and of the purchase and acceptance of the Bonds by the Owners thereof, and for other valuable consideration, the receipt of which is hereby acknowledged, the District does hereby covenant and agree, for the benefit of the Owners of the Bonds which may be issued hereunder from time to time, as follows:

ARTICLE I

DEFINITIONS

Section 1.1 Definitions. Unless the context otherwise requires, the following terms shall have the following meanings:

“Account” means any account created pursuant to this Indenture.

“Acquisition Agreement” means that certain Acquisition Agreement relating to the District, by and among the City, the District and Pardee Homes, a California corporation, together with any amendments thereto.

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

“Acquisition and Construction Fund” means the fund by that name established pursuant to Section 3.1 hereof.

“Administrative Expenses” means the following actual or reasonably estimated costs directly related to the administration of the District: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, the District or any designee thereof of complying with arbitrage rebate requirements; the costs to the City, the District or any designee thereof of complying with continuing disclosure requirements of the City, the District or obligated persons associated with applicable federal and state securities laws and the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, the District or any designee thereof related to an appeal of any Special Tax levy; the costs associated with the release of funds from an escrow account; and the City’s annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated by the CFD Administrator (as defined in the RMA) or advanced by the City or the District for any other administrative purposes of the District, including attorney’s fees and other costs related to commencing and pursuing to completion any foreclosure action to collect delinquent Special Taxes.

“Administrative Expense Fund” means the fund by that name established pursuant to Section 3.1 hereof.

“Administrative Expenses Cap” means \$30,000.

“Annual Debt Service” means the principal amount of any Outstanding Bonds or Parity Bonds payable in a Bond Year either at maturity or pursuant to a Sinking Fund Payment and any interest payable on any Outstanding Bonds or Parity Bonds in such Bond Year, if the Bonds and any Parity Bonds are retired as scheduled.

“Authorized Representative of the District” means the Mayor of the legislative body of the District, the City Manager, the Assistant City Manager, the Director of Finance or any other person

or persons designated by the Mayor of the legislative body of the District, the City Manager, the Assistant City Manager or the Director of Finance by a written certificate signed by one of such officers of the City and containing the specimen signature of each such person.

“Bond Counsel” means an attorney at law or a firm of attorneys selected by the District of nationally recognized standing in matters pertaining to the tax-exempt nature of interest on bonds issued by states and their political subdivisions duly admitted to the practice of law before the highest court of any state of the United States of America or the District of Columbia.

“Bond Register” means the books which the Trustee shall keep or cause to be kept on which the registration and transfer of the Bonds and any Parity Bonds shall be recorded.

“Bondowner” or “Owner” means the person or persons in whose name or names any Bond or Parity Bond is registered.

“Bonds” means the District’s 2019 Special Tax Bonds issued on _____, 2019 in the aggregate principal amount of \$_____.

“Bond Year” means the twelve-month period ending on September 1 of each year; provided, however, that the first Bond Year shall begin on the Delivery Date and end on September 1, 2019.

“Business Day” means a day which is not a Saturday or Sunday or a day of the year on which banks in New York, New York, Los Angeles, California, or the city where the corporate trust office of the Trustee is located, are not required or authorized to remain closed.

“Certificate of an Authorized Representative” means a written certificate or warrant request executed by an Authorized Representative of the District.

“Certificate of the Special Tax Consultant” means a certificate of Webb Municipal Finance, LLC, or any successor entity appointed by the District, to administer the calculation and collection of the Special Taxes.

“City” means the City of Beaumont, California.

“Code” means the Internal Revenue Code of 1986, as amended, and any Regulations, rulings, judicial decisions, and notices, announcements, and other releases of the United States Treasury Department or Internal Revenue Service interpreting and construing it.

“Continuing Disclosure Certificate” means that certain Continuing Disclosure Certificate dated _____, 2019, executed and delivered by the District, together with any amendments thereto.

“Costs of Issuance” means the costs and expenses incurred in connection with the issuance and sale of the Bonds or any Parity Bonds, including the acceptance and initial annual fees and expenses of the Trustee, legal fees and expenses, costs of printing the Bonds and Parity Bonds and the preliminary and final official statements for the Bonds and Parity Bonds, fees of financial consultants, fees of special tax consultants and all other related fees and expenses, as set forth in a Certificate of an Authorized Representative of the District.

“Costs of Issuance Fund” means the fund by that name established pursuant to Section 3.1 hereof.

“Delivery Date” means, with respect to the Bonds and each issue of Parity Bonds, the date on which the bonds of such issue were issued and delivered to the initial purchasers thereof.

“Depository” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York, and its successors as securities depository for the Bonds, including any such successor appointed pursuant to Section 2.16 hereof.

“Developed Property” has the meaning ascribed to it in the RMA.

“District” means City of Beaumont Community Facilities District No. 2016-2 (Sundance) established pursuant to the Act and the Resolution of Formation.

“Event of Default” shall mean the “event of default” described in Section 8.1 hereof.

“Federal Securities” means any of the following: (a) non-callable direct obligations of the United States of America (“Treasuries”) or obligations for which the full faith and credit of the United States of America are unconditionally pledged for the payment of interest and principal, (b) evidence of ownership of proportionate interests in future interest and principal payments on Treasuries held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying Treasuries are not available to any person claiming through the custodian or to whom the custodian may be obligated, and (c) pre-refunded municipal obligations rated “AAA” and “Aaa” by Standard & Poor’s and Moody’s, respectively (or any combination thereof).

“Fiscal Year” means the period beginning on July 1 of each year and ending on the next following June 30.

“Fitch” means Fitch Ratings, New York, New York, or its successors, and if such organization shall for any reason no longer perform the functions of a securities rating agency, “Fitch” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

“Gross Taxes” means the amount of all Special Taxes received by the District from the Treasurer, together with all payments made with respect to tax-defaulted parcels (including all delinquent and redemption penalties, fees and costs) and the proceeds collected from the sale of property pursuant to the foreclosure provisions of this Indenture.

“Indenture” means this Bond Indenture, together with any Supplemental Indenture approved pursuant to Article VI hereof.

“Independent Financial Consultant” means a financial consultant or firm of such consultants generally recognized to be well qualified in the financial consulting field, appointed and paid by the District, who, or each of whom:

- (1) is in fact independent and not under the domination of the District or the City;

(2) does not have any substantial interest, direct or indirect, in the District or the City; and

(3) is not connected with the District or the City as a member, officer or employee of the District or the City, but who may be regularly retained to make annual or other reports to the District or the City.

“Information Services” means the Electronic Municipal Market Access System (referred to as “EMMA”), a facility of the Municipal Securities Rulemaking Board, at www.emma.msrb.org; provided, however, in accordance with then current guidelines of the Securities and Exchange Commission, Information Services shall mean such other organizations providing information with respect to called bonds as the District may designate to the Trustee in writing.

“Interest Account” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

“Interest Payment Date” means each March 1 and September 1, commencing September 1, 2019; provided, however, that, if any such day is not a Business Day, interest up to the Interest Payment Date will be paid on the Business Day next succeeding such date.

“Investment Agreement” means one or more agreements for the investment of funds of the District complying with the criteria therefor as set forth in subsection (11) of the definition of Permitted Investments herein.

“Maximum Annual Debt Service” means the maximum sum obtained for any Bond Year prior to the final maturity of the Bonds and any Parity Bonds by adding the following for each Bond Year:

(1) the principal amount of all Outstanding Bonds and Parity Bonds payable in such Bond Year either at maturity or pursuant to a Sinking Fund Payment; and

(2) the interest payable on the aggregate principal amount of all Bonds and Parity Bonds Outstanding in such Bond Year if the Bonds and Parity Bonds are retired as scheduled.

“Moody’s” means Moody’s Investors Service, New York, New York, or its successors, and if such organization shall for any reason no longer perform the functions of a securities rating agency, “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

“Net Taxes” means Gross Taxes minus amounts set aside to pay Administrative Expenses up to the Administrative Expenses Cap.

“Nominee” shall mean the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.16 hereof.

“Outstanding” or “Outstanding Bonds and Parity Bonds” means all Bonds and Parity Bonds theretofore issued by the District, except:

(1) Bonds and Parity Bonds theretofore cancelled or surrendered for cancellation in accordance with Section 10.1 hereof;

(2) Bonds and Parity Bonds for payment or redemption of which monies shall have been theretofore deposited in trust (whether upon or prior to the maturity or the redemption date of such Bonds or Parity Bonds), provided that, if such Bonds or Parity Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been given as provided in this Indenture or any applicable Supplemental Indenture for Parity Bonds; and

(3) Bonds and Parity Bonds which have been surrendered to the Trustee for transfer or exchange pursuant to Section 2.9 hereof or for which a replacement has been issued pursuant to Section 2.10 hereof.

“Parity Bonds” means all bonds, notes or other similar evidences of indebtedness hereafter issued, payable out of the Net Taxes and which, as provided in this Indenture or any Supplemental Indenture, rank on a parity with the Bonds, pursuant to Section 9.2 hereof.

“Participants” shall mean those broker-dealers, banks and other financial institutions from time to time for which the Depository holds Bonds or Parity Bonds as a securities depository.

“Permitted Investments” means any of the following that at the time of investment are legal investments under the laws of the State for the moneys proposed to be invested therein (provided that the Trustee may rely upon investment direction of the District as a determination that such investment is a legal investment):

1. (a) Direct obligations (other than an obligation subject to variation in principal repayment) of the United States of America (“United States Treasury Obligations”), (b) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by the United States of America, (c) obligations fully and unconditionally guaranteed as to timely payment of principal and interest by any agency or instrumentality of the United States of America when such obligations are backed by the full faith and credit of the United States of America, or (d) evidences of ownership of proportionate interests in future interest and principal payments on obligations described above held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying government obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

2. Federal Housing Administration debentures.

3. The listed obligations of government-sponsored agencies which are not backed by the full faith and credit of the United States of America:

(a) Federal Home Loan Mortgage Corporation (FHLMC)

(i) Participation certificates (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)

(ii) Senior Debt obligations

(b) Farm Credit Banks (formerly: Federal Land Banks, Federal

(i) Intermediate Credit Banks and Banks for Cooperatives)

- (ii) Consolidated system-wide bonds and notes
- (c) Federal Home Loan Banks (FHL Banks)
 - (i) Consolidated debt obligations
- (d) Federal National Mortgage Association (FNMA)
 - (i) Senior debt obligations
 - (ii) Mortgage-backed securities (excluded are stripped mortgage securities which are purchased at prices exceeding their principal amounts)
- (e) Financing Corporation (FICO)
 - (i) Debt obligations
- (f) Resolution Funding Corporation (REFCORP)
 - (i) Debt obligations

4. Bank deposit products, unsecured certificates of deposit (including those placed by a third party pursuant to an agreement between the District and the Trustee), trust funds, trust accounts, overnight banking deposits, interest bearing deposits, interest bearing money market accounts, time deposits, demand deposits, and bankers' acceptances (having maturities of not more than 30 days) of any bank (including the Trustee and any affiliate) the short-term obligations of which are rated "A-1" or "A-2" without regard to qualifier by a nationally recognized rating agency service.

5. Deposits (including bank deposit products) the aggregate amount of which are fully insured by the Federal Deposit Insurance Corporation (FDIC), or collateralized by Permitted Investments described in (1) above, in banks (including the Trustee and any affiliate) which have capital and surplus of at least \$5 million.

6. Commercial paper (having original maturities of not more than 270 days rated "A-1" by Standard & Poor's or "Prime-1" by Moody's).

7. Money market mutual funds rated "AAm" or "AAm-G" by a nationally recognized rating agency service, or better (including those for which the Trustee or its affiliates receives and retains a fee for services provided to the fund, whether as a custodian, transfer agent, investment advisor or otherwise) but excluding such funds with a floating net asset value.

8. "State Obligations," which means:

- (a) Direct general obligations of any state of the United States of America or any subdivision or agency thereof to which is pledged the full faith and credit of a state the unsecured general obligation debt of which is rated "A3" by Moody's and "A" by Standard & Poor's, or better, or any obligation fully and unconditionally guaranteed by any state, subdivision or agency whose unsecured general obligation debt is so rated.

(b) Direct general short-term obligations of any state agency or subdivision or agency thereof described in (A) above and rated "A-1+" by Standard & Poor's or "Prime-1" by Moody's.

(c) Special Revenue Bonds (as defined in the United States Bankruptcy Code) of any state, state agency or subdivision described in (A) above and rated "AA" or better by Standard & Poor's or "Aa" or better by Moody's.

9. Pre-refunded municipal obligations rated "AAA" by Standard & Poor's or "Aaa" by Moody's meeting the following requirements:

(a) the municipal obligations are (1) not subject to redemption prior to maturity or (2) the paying agent for the municipal obligations has been given irrevocable instructions concerning their call and redemption and the issuer of the municipal obligations has covenanted not to redeem such municipal obligations other than as set forth in such instructions;

(b) the municipal obligations are secured by cash or United States Treasury Obligations which may be applied only to payment of the principal of, interest and premium on such municipal obligations;

(c) the principal of and interest on the United States Treasury Obligations (plus any cash in the escrow) has been verified by the report of independent certified public accountants to be sufficient to pay in full all principal of, interest, and premium, if any, due and to become due on the municipal obligations ("Verification");

(d) the cash or United States Treasury Obligations serving as security for the municipal obligations are held by an escrow agent or paying agent in trust for owners of the municipal obligations;

(e) no substitution of a United States Treasury Obligation shall be permitted except with another United States Treasury Obligation and upon delivery of a new Verification; and

(f) the cash or United States Treasury Obligations are not available to satisfy any other claims, including those by or against the paying agent or escrow agent.

10. Repurchase or reverse repurchase agreements:

With (1) any domestic bank, or domestic branch of a foreign bank or any non-bank financial institution or primary dealer as designated by the Federal Reserve the long term debt of which is rated at least "BBB+" by Standard & Poor's or Moody's (including the Trustee or any of its affiliates); or (2) any broker-dealer with "retail customers" or a related affiliate thereof which broker-dealer has, or the parent company (which guarantees the provider) of which has, long-term debt rated at least "BBB+" by Standard & Poor's or Moody's, which broker-dealer falls under the jurisdiction of the Securities Investors

Protection Corporation; or (3) any other entity rated “BBB+” or better by Standard & Poor’s or Moody’s, provided that:

(a) The collateral shall be securities described in clause 1(a), (b) or (c) of this subsection, and the market value of the collateral is maintained at levels equal to 104% of the amount of cash transferred by the Trustee or the District to the provider of the repurchase agreement plus accrued interest with the collateral being valued weekly and marked-to-market at current market price plus accrued interest;

(b) The Trustee or a third party acting solely as agent therefor or for the District (the “Holder of the Collateral”) has possession of the collateral or the collateral has been transferred to the Holder of the Collateral in accordance with applicable state and federal laws (other than by means of entries on the transferor’s books);

(c) The repurchase or reverse repurchase agreement shall state and an opinion of counsel shall be rendered at the time such collateral is delivered that the Holder of the Collateral has a first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(d) The repurchase or reverse repurchase agreement shall provide that if during its term the provider’s rating by either Moody’s or Standard & Poor’s is withdrawn or suspended or falls below “BBB” by Standard & Poor’s or “Baa2” by Moody’s, as appropriate, the provider must, at the direction of Trustee, within 10 days of receipt of such direction, repurchase all collateral and terminate the agreement, with no penalty or premium to the Trustee or the District.

Notwithstanding the above, if a repurchase agreement has a term of 270 days or less (with no evergreen provision), collateral levels need not be as specified in (a) above, so long as such collateral levels are 103% or better and the provider is rated at least “A” by Standard & Poor’s or Moody’s, respectively.

11. Investment agreements with a domestic or foreign bank or a non-bank financial institution or a corporation (other than a life or property casualty insurance company) the long-term debt of which or, in the case of a guaranteed corporation the long-term debt, or, in the case of an insurance company, claims paying ability, of the guarantor is rated at least “A” by Standard & Poor’s or “A2” by Moody’s; provided that, by the terms of the investment agreement:

(a) interest payments are to be made to the Trustee or the District at times and in amounts as necessary to pay debt service (or, if the investment agreement is for the Improvement Fund, construction draws) on the Bonds;

(b) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days’ prior notice; the Trustee or the District hereby agrees to give or cause to be given notice in accordance with the terms of the investment agreement so as to receive funds thereunder with no penalty or premium paid;

(c) the investment agreement shall state that is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof, or, in the case of a bank, that the obligation of the bank to make payments under the agreement ranks pari passu with the obligations of the bank to its other depositors and its other unsecured and unsubordinated creditors;

(d) the Trustee and the District receives the opinion of domestic counsel (which opinion shall be addressed to Trustee and the District that such investment agreement is legal, valid, binding and enforceable upon the provider in accordance with its terms and of foreign counsel (if applicable) in form and substance acceptable, and addressed to, the Trustee and the District;

(e) the investment agreement shall provide that if during its term

(i) the provider's rating by either Standard & Poor's or Moody's falls below "BBB" or "Baa2", respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (y) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the District, the Trustee or a third party acting solely as agent therefor (the "Holder of the Collateral") collateral free and clear of any third-party liens or claims the market value of which collateral is at least 102% of the deposit plus accrued interest; or (z) repay the principal of and accrued but unpaid interest on the investment; and

(ii) the provider's rating by either Standard & Poor's or Moody's is withdrawn or suspended or falls below "BBB-" or "Baa3," respectively, the provider must, at the direction of the Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Trustee or District; and

(f) the investment agreement shall state and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement at the time such collateral is delivered, that the Holder of the Collateral has a first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the Holder of the Collateral is in possession);

(g) the investment agreement must provide that if during its term

(i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Trustee or the District, and

(ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc. ("event of insolvency"), the provider's obligations shall automatically be accelerated

and amounts invested and accrued but unpaid interest thereon shall be repaid to the Trustee or the District.

12. The State of California Local Agency Investment Fund.

“Person” means natural persons, firms, corporations, partnerships, associations, trusts, public bodies and other entities.

“Prepayments” means any amounts paid by the District to the Trustee and designated by the District as a prepayment of Special Taxes for one or more parcels in the District made in accordance with the RMA.

“Principal Account” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

“Principal Office of the Trustee” means the office of the Trustee located in Costa Mesa, California, or such other office or offices as the Trustee may designate from time to time, or the office of any successor Trustee where it principally conducts its business of serving as Trustee under indentures pursuant to which municipal or governmental obligations are issued.

“Proceeds Fund” means the fund by that name created and established pursuant to Section 3.1 hereof.

“Project” means those public facilities described in the Acquisition Agreement which are to be acquired or constructed within and outside of the District, including all engineering, planning and design services and other incidental expenses related to such facilities.

“Project Costs” means the amounts necessary to finance the Project, to create and replenish any necessary reserve funds, to pay the initial and annual costs associated with the Bonds or any Parity Bonds, including, but not limited to, remarketing, credit enhancement, Trustee and other fees and expenses relating to the issuance of the Bonds or any Parity Bonds, and to pay any other “incidental expenses” of the District, as such term is defined in the Act.

“Rating Agency” means Fitch, Moody’s and Standard & Poor’s, or any one of such entities, as the context requires.

“Rebate Fund” means the fund by that name established pursuant to Section 3.1 hereof.

“Record Date” means the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

“Redemption Account” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

“Regulations” means the regulations adopted or proposed by the Department of Treasury from time to time with respect to obligations issued pursuant to Section 103 of the Code.

“Representation Letter” shall mean the Blanket Letter of Representations from the District to the Depository as described in Section 2.13 hereof.

“Reserve Account” means the account by that name created and established in the Special Tax Fund pursuant to Section 3.1 hereof.

“Reserve Requirement” means that amount as of any date of calculation equal to the lesser of (i) 10% of the initial principal amount of the Bonds and Parity Bonds, if any; (ii) Maximum Annual Debt Service on the then Outstanding Bonds and Parity Bonds, if any; and (iii) 125% of average Annual Debt Service on the then Outstanding Bonds and Parity Bonds. Notwithstanding the foregoing, in no event shall the Reserve Requirement exceed \$_____, the initial Reserve Requirement.

“Resolution of Formation” means the Resolution adopted by the City Council on February 7, 2017 pursuant to which the City formed the District, and authorized the levy of Special Taxes therein.

“RMA” means that certain Rate and Method of Apportionment for the District approved pursuant to the Resolution of Formation as it may be amended in accordance with the Act.

“Sinking Fund Payment” means the annual payment to be deposited in the Principal Account to redeem a portion of the Term Bonds in accordance with the schedules set forth in Section 4.1(b) hereof and any annual sinking fund payment schedule to retire any Parity Bonds which are designated as Term Bonds.

“Special Tax Fund” means the fund by that name created and established pursuant to Section 3.1 hereof.

“Special Taxes” means the taxes authorized to be levied by the legislative body of the District on property within the District as a Special Tax for Facilities in accordance with the Resolution of Formation, the Act, the RMA and the voter approval obtained at the February 7, 2017 election in the District.

“Standard & Poor’s” or “S&P” means S&P Global Ratings, a Standard & Poor’s Financial Services LLC business or its successors and if such organization shall no longer perform the functions of a securities rating agency, “Standard & Poor’s” shall be deemed to refer to any other nationally recognized securities rating agency designated by the City.

“Subordinated Bonds” means any bonds or indebtedness of the District that have a lien, charge, pledge or encumbrance on the Net Taxes junior and subordinated to the lien, charge, pledge and encumbrance thereon for the Bonds and any Parity Bonds.

“Supplemental Indenture” means any supplemental indenture amending or supplementing this Indenture.

“Surplus Fund” means the fund by that name created and established pursuant to Section 3.1 hereof.

“Tax Certificate” means the certificate by that name to be executed by the District on a Delivery Date to establish certain facts and expectations and which contains certain covenants relevant to compliance with the Code.

“Taxable Property” has the meaning ascribed to it in the RMA.

“Term Bonds” means the Bonds maturing on September 1, 20__ and on September 1, 20__ , and any term maturities of an issue of Parity Bonds as specified in a Supplemental Indenture.

“Treasurer” means the Treasurer-Tax Collector of the County of Riverside, or his or her written designee.

“Trustee” means Wilmington Trust, National Association, a national banking association duly organized and existing under the laws of the United States, at its principal corporate trust office in Los Angeles, California, and its successors or assigns, or any other bank or trust company which may at any time be substituted in its place as provided in Sections 7.2 or 7.3 and any successor thereto.

“Underwriter” means Raymond James & Associates, Inc., with respect to the Bonds and, with respect to each issue of Parity Bonds, the institution or institutions, if any, with whom the District enters into a purchase contract for the sale of such issue.

ARTICLE II

GENERAL AUTHORIZATION AND BOND TERMS

Section 2.1 Amount, Issuance, Purpose and Nature of Bonds and Parity Bonds. Under and pursuant to the Act, the Bonds in the aggregate principal amount of \$_____, together with any Parity Bonds authorized by the legislative body in accordance with Section 9.2 hereof, shall be issued for the purpose of financing the Project, paying Costs of Issuance and funding a Reserve Account. The Bonds and any Parity Bonds shall be and are limited obligations of the District and shall be payable as to the principal thereof and interest thereon and any premiums upon the redemption thereof solely from the Net Taxes and the other amounts in the Special Tax Fund.

Section 2.2 Type and Nature of Bonds and Parity Bonds. Neither the faith and credit nor the taxing power of the City, the State of California, or any political subdivision thereof other than the District is pledged to the payment of the Bonds or any Parity Bonds. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds or any Parity Bonds. The Bonds and any Parity Bonds are not general or special obligations of the City nor general obligations of the District, but are limited obligations of the District payable solely from certain amounts deposited by the District in the Special Tax Fund, as more fully described herein. The District’s limited obligation to pay the principal of, premium, if any, and interest on the Bonds and any Parity Bonds from amounts in the Special Tax Fund is absolute and unconditional, free of deductions and without any abatement, offset, recoupment, diminution or set-off whatsoever. No Owner of the Bonds or any Parity Bonds may compel the exercise of the taxing power by the District (except as pertains to the Special Taxes) or the City or the forfeiture of any of their property. The principal of and interest on the Bonds and any Parity Bonds and premiums upon the redemption thereof, if any, are not a debt of the City, the State of California or any of its political subdivisions within the meaning of any constitutional or statutory limitation or restriction. The Bonds and any Parity Bonds are not a legal or equitable pledge, charge, lien, or encumbrance upon any of the District’s property, or upon any of its income, receipts or revenues, except the Net Taxes and other amounts in the Special Tax Fund which are, under the terms of this Indenture and the Act, set aside for the payment of the Bonds, any Parity Bonds and interest thereon and neither the members of the legislative body of the District or the City Council of the City nor any persons executing the Bonds or any Parity Bonds, are liable personally on the Bonds or any Parity Bonds, by reason of their issuance.

Notwithstanding anything to the contrary contained in this Indenture, the District shall not be required to advance any money derived from any source of income other than the Net Taxes for the payment of the interest on or the principal of the Bonds or any Parity Bonds, or for the performance of any covenants contained herein. The District may, however, advance funds for any such purpose, provided that such funds are derived from a source legally available for such purpose.

Section 2.3 Equality of Bonds and Parity Bonds and Pledge of Net Taxes. Pursuant to the Act and this Indenture, the Bonds and any Parity Bonds shall be secured by a pledge, charge, lien and encumbrance upon and equally payable from the Net Taxes and other amounts in the Special Tax Fund, without priority for number, date of the Bonds or Parity Bonds, date of sale, date of execution, or date of delivery, and the payment of the interest on and principal of the Bonds and any Parity Bonds and any premiums upon the redemption thereof, shall be exclusively paid from the Net Taxes and other amounts in the Special Tax Fund, which are hereby set aside for the payment of the Bonds and any Parity Bonds. Amounts in the Special Tax Fund shall constitute a trust fund held for the benefit of the Owners to be applied to the payment of the interest on and principal of the Bonds and any Parity Bonds and so long as any of the Bonds and any Parity Bonds or interest thereon remain Outstanding shall not be used for any other purpose, except as permitted by this Indenture or any Supplemental Indenture. Notwithstanding any provision contained in this Indenture to the contrary, Net Taxes deposited in the Rebate Fund and the Surplus Fund shall no longer be considered to be pledged to the Bonds or any Parity Bonds, and none of the Rebate Fund, the Surplus Fund, the Acquisition and Construction Fund, the Costs of Issuance Fund or the Administrative Expense Fund shall be construed as a trust fund held for the benefit of the Owners.

Nothing in this Indenture or any Supplemental Indenture shall preclude: (i) subject to the limitations contained hereunder, the redemption prior to maturity of any Bonds or Parity Bonds subject to call and redemption and payment of said Bonds or Parity Bonds from proceeds of refunding bonds issued under the Act as the same now exists or as hereafter amended, or under any other law of the State of California; or (ii) the issuance, subject to the limitations contained herein, of Parity Bonds which shall be payable from Net Taxes.

Section 2.4 Description of Bonds; Interest Rates. The Bonds and any Parity Bonds shall be issued in fully registered form in denominations of \$5,000 or any integral multiple thereof. The Bonds and any Parity Bonds of each issue shall be numbered as desired by the Trustee.

The Bonds shall be designated "CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE) 2019 SPECIAL TAX BONDS." The Bonds shall be dated as of their Delivery Date and shall mature and be payable on September 1 in the years and in the aggregate principal amounts and shall be subject to and shall bear interest at the rates set forth in the table below payable on September 1, 2019 and each Interest Payment Date thereafter:

*Maturity Date
(September 1)*

Principal Amount

Interest Rate

* Term Bond

Interest shall be payable on each Bond and Parity Bond from the date established in accordance with Section 2.5 below on each Interest Payment Date thereafter until the principal sum of that Bond or Parity Bond has been paid; provided, however, that if at the maturity date of any Bond or Parity Bond (or if the same is redeemable and shall be duly called for redemption, then at the date fixed for redemption) funds are available for the payment or redemption thereof in full, in accordance with the terms of this Indenture, such Bonds and Parity Bonds shall then cease to bear interest. Interest due on the Bonds and Parity Bonds shall be calculated on the basis of a 360-day year comprised of twelve 30-day months.

Section 2.5 Place and Form of Payment. The Bonds and Parity Bonds shall be payable both as to principal and interest, and as to any premiums upon the redemption thereof, in lawful money of the United States of America. The principal of the Bonds and Parity Bonds and any premiums due upon the redemption thereof shall be payable upon presentation and surrender thereof at the Principal Office of the Trustee, or at the designated office of any successor Trustee. Interest on any Bond or Parity Bond shall be payable from the Interest Payment Date next preceding the date of authentication of that Bond or Parity Bond, unless (i) such date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication; (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond or Parity Bond, in which

event interest shall be payable from the dated date of such Bond or Parity Bond, as applicable; provided, however, that if at the time of authentication of such Bond or Parity Bond, interest is in default, interest on that Bond or Parity Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on that Bond or Parity Bond, interest on that Bond or Parity Bond shall be payable from its dated date. Interest on any Bond or Parity Bond shall be paid to the person whose name shall appear in the Bond Register as the Owner of such Bond or Parity Bond as of the close of business on the Record Date. Such interest shall be paid by check of the Trustee mailed by first class mail, postage prepaid, to such Bondowner at his or her address as it appears on the Bond Register. In addition, upon a request in writing received by the Trustee on or before the applicable Record Date from an Owner of \$1,000,000 or more in principal amount of the Bonds or of any issue of Parity Bonds, payment shall be made on the Interest Payment Date by wire transfer in immediately available funds to an account designated by such Owner.

Section 2.6 Form of Bonds and Parity Bonds. The definitive Bonds may be printed from steel engraved or lithographic plates or may be typewritten. The Bonds and the certificate of authentication shall be substantially in the form attached hereto as Exhibit A, which form is hereby approved and adopted as the form of such Bonds and of the certificate of authentication. Each issue of Parity Bonds and the certificate of authentication therefor shall be in the form provided in the Supplemental Indenture for such issue of Parity Bonds.

Until definitive Bonds or Parity Bonds, as applicable, shall be prepared, the District may cause to be executed and delivered in lieu of such definitive Bonds or Parity Bonds temporary bonds in typed, printed, lithographed or engraved form and in fully registered form, subject to the same provisions, limitations and conditions as are applicable in the case of definitive Bonds or Parity Bonds, except that they may be in any denominations authorized by the District. Until exchanged for definitive Bonds or Parity Bonds, as applicable, any temporary bond shall be entitled and subject to the same benefits and provisions of this Indenture as definitive Bonds and Parity Bonds. If the District issues temporary Bonds or Parity Bonds, it shall execute and furnish definitive Bonds or Parity Bonds, as applicable, without unnecessary delay and thereupon any temporary Bond or Parity Bond may be surrendered to the Trustee at its office, without expense to the Owner, in exchange for a definitive Bond or Parity Bond of the same issue, maturity, interest rate and principal amount in any authorized denomination. All temporary Bonds or Parity Bonds so surrendered shall be cancelled by the Trustee and shall not be reissued.

Section 2.7 Execution and Authentication. The Bonds and Parity Bonds shall be signed on behalf of the District by the manual or facsimile signature of the Mayor of the City and countersigned by the manual or facsimile signature of the City Clerk, or any duly appointed deputy City Clerk, in their capacity as officers of the District. In case any one or more of the officers who shall have signed any of the Bonds or Parity Bonds shall cease to be such officer before the Bonds or Parity Bonds so signed have been authenticated and delivered by the Trustee (including new Bonds or Parity Bonds delivered pursuant to the provisions hereof with reference to the transfer and exchange of Bonds or Parity Bonds or to lost, stolen, destroyed or mutilated Bonds or Parity Bonds), such Bonds and Parity Bonds shall nevertheless be valid and may be authenticated and delivered as herein provided, and may be issued as if the person who signed such Bonds or Parity Bonds had not ceased to hold such office.

Only the Bonds as shall bear thereon such certificate of authentication in the form set forth in Exhibit A attached hereto shall be entitled to any right or benefit under this Indenture, and no Bond

shall be valid or obligatory for any purpose until such certificate of authentication shall have been duly executed by the Trustee.

Section 2.8 Bond Register. The Trustee will keep or cause to be kept, at its office, sufficient books for the registration and transfer of the Bonds and any Parity Bonds which shall upon reasonable prior notice be open to inspection by the District during all regular business hours, and, subject to the limitations set forth in Section 2.9 below, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be transferred on said Bond Register, Bonds and any Parity Bonds as herein provided.

The District and the Trustee may treat the Owner of any Bond or Parity Bond whose name appears on the Bond Register as the absolute Owner of that Bond or Parity Bond for any and all purposes, and the District and the Trustee shall not be affected by any notice to the contrary. The District and the Trustee may rely on the address of the Bondowner as it appears in the Bond Register for any and all purposes. It shall be the duty of the Bondowner to give written notice to the Trustee of any change in the Bondowner's address so that the Bond Register may be revised accordingly.

Section 2.9 Registration of Exchange or Transfer. Subject to the limitations set forth in the following paragraph, the registration of any Bond or Parity 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 or her duly authorized attorney, upon surrender of such Bond or Parity Bond for cancellation at the office of the Trustee, accompanied by delivery of written instrument of transfer in a form acceptable to the Trustee and duly executed by the Bondowner or his or her duly authorized attorney.

Bonds or Parity Bonds may be exchanged at the office of the Trustee for a like aggregate principal amount of Bonds or Parity Bonds for other authorized denominations of the same maturity and issue. The Trustee shall not collect from the Owner any charge for any new Bond or Parity Bond issued upon any exchange or transfer, but shall require the Bondowner requesting such exchange or transfer to pay any tax or other governmental charge required to be paid with respect to such exchange or transfer. Whenever any Bonds or Parity Bonds shall be surrendered for registration of transfer or exchange, the District shall execute and the Trustee shall authenticate and deliver a new Bond or Bonds or a new Parity Bond or Parity Bonds, as applicable, of the same issue and maturity, for a like aggregate principal amount; provided that the Trustee shall not be required to register transfers or make exchanges of (i) Bonds or Parity Bonds for a period of 15 days next preceding any selection of the Bonds or Parity Bonds to be redeemed; or (ii) any Bonds or Parity Bonds chosen for redemption.

Section 2.10 Mutilated, Lost, Destroyed or Stolen Bonds or Parity Bonds. If any Bond or Parity Bond shall become mutilated, the District shall execute, and the Trustee shall authenticate and deliver, a new Bond or Parity Bond of like tenor, date, issue and maturity in exchange and substitution for the Bond or Parity Bond so mutilated, but only upon surrender to the Trustee of the Bond or Parity Bond so mutilated. Every mutilated Bond or Parity Bond so surrendered to the Trustee shall be cancelled by the Trustee pursuant to Section 10.1 hereof. If any Bond or Parity Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence is satisfactory to the Trustee and, if any indemnity satisfactory to the Trustee shall be given, the District shall execute and the Trustee shall authenticate and deliver, a new Bond or Parity Bond, as applicable, of like tenor, maturity and issue, numbered and dated as the Trustee shall determine in lieu of and in substitution for the Bond or Parity Bond so lost, destroyed or

stolen. Any Bond or Parity Bond issued in lieu of any Bond or Parity Bond alleged to be mutilated, lost, destroyed or stolen, shall be equally and proportionately entitled to the benefits hereof with all other Bonds and Parity Bonds issued hereunder. The Trustee shall not treat both the original Bond or Parity Bond and any replacement Bond or Parity Bond as being Outstanding for the purpose of determining the principal amount of Bonds or Parity Bonds which may be executed, authenticated and delivered hereunder or for the purpose of determining any percentage of Bonds or Parity Bonds Outstanding hereunder, but both the original and replacement Bond or Parity Bond shall be treated as one and the same. Notwithstanding any other provision of this Section, in lieu of delivering a new Bond or Parity Bond which has been mutilated, lost, destroyed or stolen, and which has matured, the Trustee may make payment with respect to such Bonds or Parity Bonds.

Section 2.11 Validity of Bonds and Parity Bonds. The validity of the authorization and issuance of the Bonds and any Parity Bonds shall not be affected in any way by any defect in any proceedings taken by the District and the recital contained in the Bonds or any Parity Bonds that the same are issued pursuant to the Act and other applicable laws of the State shall be conclusive evidence of their validity and of the regularity of their issuance.

Section 2.12 Book-Entry System. The Bonds shall be initially delivered in the form of a separate single fully registered Bond (which may be typewritten) for each of the maturities of the Bonds. Upon initial delivery, the ownership of each such Bond shall be registered in the registration books kept by the Trustee in the name of the Nominee as nominee of the Depository. Except as provided in Section 2.14 hereof, all of the Outstanding Bonds shall be registered in the registration books kept by the Trustee in the name of the Nominee. At the election of the District, any Parity Bonds may also be issued as book-entry bonds registered in the name of the Nominee as provided herein, in which case the references in Sections 2.12 through 2.15 to "Bonds" shall be applicable to such Parity Bonds.

With respect to Bonds registered in the registration books kept by the Trustee in the name of the Nominee, the District and the Trustee shall have no responsibility or obligation to any such Participant or to any Person on behalf of which such a Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee, or any Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any Participant or any other Person, other than an Owner as shown in the registration books kept by the Trustee, of any notice with respect to the Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in the Bonds to be redeemed in the event the Bonds are redeemed in part, or (iv) the payment to any Participant or any other Person, other than an Owner as shown in the registration books kept by the Trustee, of any amount with respect to principal of, premium, if any, or interest due with respect to the Bonds. The District and the Trustee may treat and consider the Person in whose name each Bond is registered in the registration books kept by the Trustee as the holder and absolute owner of such Bond for the purpose of payment of the principal of, 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 with respect to such Bond, and for all other purposes whatsoever. The Trustee shall pay all principal of, premium, if any, and interest due on the Bonds only to or upon the order of the respective Owner, as shown in the registration books kept by the Trustee, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to satisfy and discharge fully the District's obligations with respect to payment of the principal, premium, if any, and interest due on the Bonds to the extent of the sum or sums so paid. No Person other than an

Owner, as shown in the registration books kept by the Trustee, shall receive a Bond evidencing the obligation of the District to make payments of principal, premium, if any, and interest pursuant to this Indenture. Upon delivery by the Depository to the Trustee and the District of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such new nominee of the Depository.

Section 2.13 Representation Letter. In order to qualify the Bonds and any Parity Bonds which the District elects to register in the name of the Nominee for the Depository's book-entry system, an authorized representative of the District is hereby authorized to execute from time to time and deliver to such Depository the Representation Letter. The execution and delivery of the Representation Letter shall not in any way limit the provisions of Section 2.12 or in any other way impose upon the District or the Trustee any obligation whatsoever with respect to persons having interests in the Bonds other than the Owners, as shown on the registration books kept by the Trustee. The Trustee agrees to take all action necessary to continuously comply with all representations made with respect to the Trustee in the Representation Letter. In addition to the execution and delivery of the Representation Letter, each Authorized Representative of the District is hereby authorized to take any other actions, not inconsistent with this Indenture, to qualify the Bonds for the Depository's book-entry program.

Section 2.14 Transfers Outside Book-Entry System. In the event (i) the Depository determines not to continue to act as securities depository for the Bonds, or (ii) the District determines that the Depository shall no longer so act, then the District will discontinue the book-entry system with the Depository. If the District fails to identify another qualified securities depository to replace the Depository then the Bonds so designated shall no longer be restricted to being registered in the registration books kept by the Trustee in the name of the Nominee, but shall be registered in whatever name or names Persons transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 2.9 hereof.

Section 2.15 Payments to the Nominee. Notwithstanding any other provisions 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, premium, if any, and interest due with respect to such Bond and all notices with respect to such Bond shall be made and given, respectively, as provided in the Representation Letter or as otherwise instructed by the Depository.

Section 2.16 Initial Depository and Nominee. The initial Depository under this Article II shall be The Depository Trust Company, New York, New York. The initial Nominee shall be Cede & Co., as Nominee of The Depository Trust Company, New York, New York.

ARTICLE III

CREATION OF FUNDS AND APPLICATION OF PROCEEDS

Section 3.1 Creation of Funds; Application of Proceeds.

(a) There is hereby created and established and shall be maintained by the Trustee the following funds and accounts in accordance with the terms of this Article:

(1) The City of Beaumont Community Facilities District No. 2016-2 Proceeds Fund (the "Proceeds Fund").

(2) The City of Beaumont Community Facilities District No. 2016-2 Special Tax Fund (the "Special Tax Fund") (in which there shall be established and created an Interest Account, a Principal Account, a Redemption Account and a Reserve Account).

(3) The City of Beaumont Community Facilities District No. 2016-2 Rebate Fund (the "Rebate Fund").

(4) The City of Beaumont Community Facilities District No. 2016-2 Acquisition and Construction Fund (the "Acquisition and Construction Fund").

(5) The City of Beaumont Community Facilities District No. 2016-2 Costs of Issuance Fund (the "Costs of Issuance Fund").

(6) The City of Beaumont Community Facilities District No. 2016-2 Surplus Fund (the "Surplus Fund").

(7) The City of Beaumont Community Facilities District No. 2016-2 Administrative Expense Fund (the "Administrative Expense Fund").

The amounts on deposit in the foregoing funds, accounts and subaccounts shall be held by the Trustee and the Trustee shall invest and disburse the amounts in such funds, accounts and subaccounts in accordance with the provisions of this Article III and shall disburse investment earnings thereon in accordance with the provisions of Sections 3.11 hereof.

In connection with the issuance of any Parity Bonds, the Trustee, at the direction of an Authorized Representative of the District, may create new funds, accounts or subaccounts, or may create additional accounts and subaccounts within any of the foregoing funds and accounts for the purpose of separately accounting for the proceeds of the Bonds and any Parity Bonds.

(b) The proceeds of the sale of the Bonds shall be received by the Trustee on behalf of the District and deposited in the Proceeds Fund, which proceeds shall be deposited and transferred as follows:

(1) \$_____ shall be deposited to the Costs of Issuance Fund to pay the Costs of Issuance of the Bonds;

(2) \$_____ shall be deposited to the Acquisition and Construction Fund to pay Project Costs; and

(3) \$_____ shall be deposited to the Reserve Account of the Special Tax Fund to fund the Reserve Requirement.

Upon making the deposits and transfers set forth in this subsection (b), the Trustee shall close the Proceeds Fund. The Trustee may, in its discretion, establish a temporary fund or account in its books and records to facilitate such transfers.

Section 3.2 Deposits to and Disbursements from Special Tax Fund.

(a) Except for Prepayments which shall be deposited to the Redemption Account as specified in a Certificate of an Authorized Representative, the Trustee shall, on each date on which the Special Taxes are received from the District, deposit the Special Taxes in the Special Tax Fund to be held in trust for the Owners. The Trustee shall transfer the Special Taxes on deposit in the Special Tax Fund on the dates and in the amounts set forth in the following Sections, in the following order of priority, to:

- (1) the Administrative Expense Fund;
- (2) the Interest Account of the Special Tax Fund;
- (3) the Principal Account of the Special Tax Fund;
- (4) the Redemption Account of the Special Tax Fund;
- (5) the Reserve Account of the Special Tax Fund;
- (6) the Rebate Fund; and
- (7) the Surplus Fund.

(b) At maturity of all of the Bonds and Parity Bonds and, after all principal and interest then due on the Bonds and Parity Bonds then Outstanding has been paid or provided for and any amounts owed to the Trustee have been paid in full, moneys in the Special Tax Fund and any accounts therein may be used by the District for any lawful purpose.

Section 3.3 Administrative Expense Fund. The Trustee shall deposit in the Administrative Expense Fund from time to time amounts necessary to make timely payment of Administrative Expenses; provided, however, that, the total amount transferred in a Bond Year shall not exceed the Administrative Expenses Cap until such time as there has been deposited to the Interest Account and the Principal Account an amount, together with any amounts already on deposit therein, that is sufficient to pay the interest and principal on all Bonds and Parity Bonds due in such Bond Year and to restore the Reserve Account to the Reserve Requirement.

Section 3.4 Interest Account and Principal Account of the Special Tax Fund. The principal of and interest due on the Bonds and any Parity Bonds until maturity, other than principal due upon optional or extraordinary redemption, shall be paid by the Trustee from the Principal Account and the Interest Account of the Special Tax Fund, respectively. For the purpose of assuring that the payment of principal of and interest on the Bonds and any Parity Bonds will be made when due, after making the transfer required by Section 3.3, at least five Business Days prior to each March 1 and September 1, the Trustee shall make the following transfers from the Special Tax Fund first to the Interest Account and then to the Principal Account; provided, however, that, if amounts in the Special Tax Fund (exclusive of the Reserve Account) are inadequate to make the foregoing transfers, then any deficiency shall be made up by transfers from the Reserve Account:

(a) To the Interest Account, an amount such that the balance in the Interest Account five Business Days prior to each Interest Payment Date shall be equal to the installment of interest due on the Bonds and any Parity Bonds on said Interest Payment Date and any installment of interest due on

a previous Interest Payment Date which remains unpaid. Moneys in the Interest Account shall be used for the payment of interest on the Bonds and any Parity Bonds as the same become due.

(b) To the Principal Account, an amount such that the balance in the Principal Account five Business Days prior to September 1 of each year, commencing September 1, 2019, shall equal the principal payment due on the Bonds and any Parity Bonds on such September 1, whether at maturity or by Sinking Fund Payment, and any principal payment due on a previous September 1 which remains unpaid. Moneys in the Principal Account shall be used for the payment of the principal of such Bonds and any Parity Bonds as the same become due at maturity or by Sinking Fund Payment.

Section 3.5 Redemption Account of the Special Tax Fund.

(a) After making the transfer to the Administrative Expense Fund, the Interest Account and the Principal Account of the Special Tax Fund pursuant to Sections 3.3 and 3.4 above, and in accordance with the District's election to call Bonds for optional redemption as set forth in Section 4.1(a) hereof, or to call Parity Bonds for optional redemption as set forth in any Supplemental Indenture for Parity Bonds, the Trustee shall establish the Redemption Account and transfer from the Special Tax Fund and deposit in the Redemption Account moneys available for the purpose and sufficient to pay the principal and the premiums, if any, payable on the Bonds or Parity Bonds called for optional redemption; provided, however, that amounts in the Special Tax Fund may be applied to optionally redeem Bonds and Parity Bonds only if immediately following such redemption the amount in the Reserve Account will equal the Reserve Requirement.

(b) Prepayments deposited to the Redemption Account, along with any amounts that an Authorized Officer of the District directs to be transferred from the Reserve Account to the Redemption Account in connection with any Prepayments, shall be applied on the redemption date established pursuant to Section 4.1(c) hereof for the use of such Prepayments to the payment of the principal of, premium, and interest on the Bonds and Parity Bonds to be redeemed with such Prepayments; provided that amounts shall be transferred from the Reserve Account only if immediately following such redemption the amount in the Reserve Account will meet the Reserve Requirement.

(c) Moneys set aside in the Redemption Account shall be used solely for the purpose of redeeming Bonds and Parity Bonds and shall be applied on or after the redemption date to the payment of principal of and premium, if any, on the Bonds or Parity Bonds to be redeemed upon presentation and surrender of such Bonds or Parity Bonds and in the case of an optional redemption or an extraordinary redemption from Prepayments to pay the interest thereon; provided, however, that in lieu or partially in lieu of such call and redemption, moneys deposited in the Redemption Account may be used to purchase Outstanding Bonds or Parity Bonds in the manner hereinafter provided. Purchases of Outstanding Bonds or Parity Bonds may be made by the District at public or private sale as and when and at such prices as the District may in its discretion determine but only at prices (including brokerage or other expenses) not more than par plus accrued interest, plus, in the case of moneys set aside for an optional redemption or an extraordinary redemption, the premium applicable at the next following call date according to the premium schedule established pursuant to Section 4.1(a) or 4.1(c) hereof, as applicable, or in the case of Parity Bonds the premium established in any Supplemental Indenture. Any accrued interest payable upon the purchase of Bonds or Parity Bonds may be paid from the amount reserved in the Interest Account of the Special Tax Fund for the payment of interest on the next following Interest Payment Date.

Section 3.6 Reserve Account of the Special Tax Fund. There shall be maintained in the Reserve Account of the Special Tax Fund an amount equal to the Reserve Requirement. The amounts in the Reserve Account shall be applied as follows:

(a) Moneys in the Reserve Account shall be used solely for the purpose of paying the principal of, including Sinking Fund Payments, and interest on the Bonds and any Parity Bonds when due in the event that the moneys in the Interest Account and the Principal Account of the Special Tax Fund are insufficient therefor and for the purpose of making any required transfer to the Rebate Fund pursuant to Section 3.7 hereof upon written direction from the District. If the amounts in the Interest Account or the Principal Account of the Special Tax Fund are insufficient to pay the principal of, including Sinking Fund Payments, or interest on the Bonds or any Parity Bonds when due, or amounts in the Special Tax Fund are insufficient to make transfers to the Rebate Fund when required, the Trustee shall withdraw from the Reserve Account for deposit in the Interest Account or the Principal Account of the Special Tax Fund or the Rebate Fund, as applicable, moneys necessary for such purposes.

(b) Whenever moneys are withdrawn from the Reserve Account, after making the required transfers referred to in Sections 3.3, 3.4 and 3.5 above, the Trustee shall transfer to the Reserve Account from available moneys in the Special Tax Fund, or from any other legally available funds which the District elects to apply to such purpose, the amount needed to restore the amount of such Reserve Account to the Reserve Requirement. Moneys in the Special Tax Fund shall be deemed available for transfer to the Reserve Account only if the Trustee determines that such amounts will not be needed to make the deposits required to be made to the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund on or before the next September 1. If amounts in the Special Tax Fund together with any other amounts transferred to replenish the Reserve Account are inadequate to restore the Reserve Account to the Reserve Requirement, then the District, subject to any limitations in the Act, shall include the amount necessary to restore the Reserve Account to the Reserve Requirement in the next annual Special Tax levy to the extent of the maximum permitted Special Tax rates and the limitations of the Act.

(c) In connection with a redemption of Bonds pursuant to Section 4.1(a) or (c) or Parity Bonds in accordance with any Supplemental Indenture, or a partial defeasance of Bonds or Parity Bonds in accordance with Section 9.1 hereof, amounts in the Reserve Account may be applied to such redemption or partial defeasance so long as the amount on deposit in the Reserve Account following such redemption or partial defeasance equals the Reserve Requirement. The District shall set forth in a Certificate of an Authorized Representative the amount in the Reserve Account to be transferred to the Redemption Account on a redemption date or to be transferred pursuant to the Indenture to partially defease Bonds, and the Trustee shall make such transfer on the applicable redemption or defeasance date, subject to the limitation in the preceding sentence.

(d) To the extent that the Reserve Account is at the Reserve Requirement as of the first day of the final Bond Year for the Bonds or an issue of Parity Bonds, amounts in the Reserve Account may be applied to pay the principal of and interest due on the Bonds and Parity Bonds, as applicable, in the final Bond Year for such issue. Moneys in the Reserve Account in excess of the Reserve Requirement not transferred in accordance with the preceding provisions of this section shall be withdrawn from the Reserve Account on the Business Day before each March 1 and September 1 and shall be transferred to the Interest Account of the Special Tax Fund.

Section 3.7 Rebate Fund.

(a) General. The Trustee shall establish and maintain, when needed, a fund separate from any other fund established and maintained hereunder designated as the Rebate Fund. The District shall cause to be deposited in the Rebate Fund such amounts as required under the Tax Certificate. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, for payment to the United States Treasury. All amounts on deposit in the Rebate Fund shall be governed by this Section 3.7 and the Tax Certificate.

Without limiting the generality of the foregoing, the District agrees that there shall be paid from time to time all amounts required to be rebated to the United States pursuant to Section 148(f) of the Code and any temporary, proposed or final treasury regulations as may be applicable to the Bonds from time to time, which the District covenants to pay or cause to be paid to the United States at the times and in the amounts determined under the Tax Certificate. The Trustee agrees to comply with all instructions given to it by the District in accordance with this covenant. The Trustee shall conclusively be deemed to have complied with the provisions of this Section 3.7 and the Tax Certificate if it follows the instructions of the District and shall not be required to take any actions hereunder in the absence of instructions from the District.

(b) Disposition of Unexpended Funds. Any funds remaining in the Rebate Fund with respect to the Bonds and each series of Parity Bonds after payment in full of such issue and after making the payments required to comply with this Section 3.7 and the applicable Tax Certificate for such issue may be withdrawn by the Trustee at the written direction of the District and utilized in any manner by the District.

(c) Survival of Defeasance and Final Payment. Notwithstanding anything in this Section or this Indenture to the contrary, the obligation to comply with the requirements of this Section shall survive the defeasance and final payment of the Bonds and any Parity Bonds.

(d) Amendment Without Consent of Owners. This Section 3.7 may be deleted or amended in any manner without the consent of the Owners, provided that prior to such event there is delivered to the District an opinion of Bond Counsel to the effect that such deletion or amendment will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds issued on a tax-exempt basis. Notwithstanding any provision of this Section, if the District shall provide to the Trustee an opinion of a nationally recognized bond or tax counsel that any specified action required under this Section 3.7 is no longer required or that some further or different action is required to maintain the tax-exempt status of interest on the Bonds and any Parity Bonds issued on a tax-exempt basis, the Trustee and the District may conclusively rely on such opinion in complying with the requirements of this Section, and the covenants hereunder shall be deemed to be modified to that extent.

Section 3.8 Surplus Fund. After making the transfers required by Sections 3.3, 3.4, 3.5, 3.6 and 3.7 hereof, as soon as practicable after each September 1, and in any event prior to each September 15, the Trustee shall transfer all remaining amounts in the Special Tax Fund to the Surplus Fund, unless on or prior to such date, it has received a Certificate of an Authorized Representative directing (i) that certain amounts be retained in the Special Tax Fund because the District has included such amounts as being available in the Special Tax Fund in calculating the amount of the levy of Special Taxes for such Fiscal Year pursuant to Section 5.2(b) hereof, or (ii) that certain amounts be transferred to the Acquisition and Construction Fund because such

amounts were included in the levy of Special Taxes for the previous Fiscal Year to pay for the acquisition or construction of the Project; provided, however, that, if a transfer is made to the Acquisition and Construction Fund and unexpended proceeds of the Bonds or an issue of Parity Bonds remain in the Acquisition and Construction Fund, the Trustee shall establish an account within the Acquisition and Construction Fund for amounts transferred from the Surplus Fund. Moneys deposited in the Surplus Fund will be transferred by the Trustee at the direction of an Authorized Representative of the District (i) to the Interest Account, the Principal Account or the Redemption Account of the Special Tax Fund to pay the principal of, including Sinking Fund Payments, premium, if any, and interest on the Bonds and any Parity Bonds when due in the event that moneys in the Special Tax Fund and the Reserve Account of the Special Tax Fund are insufficient therefor; (ii) to the Reserve Account in order to replenish the Reserve Account to the Reserve Requirement; (iii) to the Administrative Expense Fund to pay Administrative Expenses to the extent that the amounts on deposit in the Administrative Expense Fund are insufficient to pay Administrative Expenses; (iv) to the Acquisition and Construction Fund to pay Project Costs; or (v) for any other lawful purpose of the District.

The amounts in the Surplus Fund are not pledged to the repayment of the Bonds or the Parity Bonds and may be used by the District for any lawful purpose. In the event that the District reasonably expects to use any portion of the moneys in the Surplus Fund to pay debt service on any Outstanding Bonds or Parity Bonds, the District will notify the Trustee in a Certificate of an Authorized Representative and the Trustee will segregate such amount into a separate subaccount and the moneys on deposit in such subaccount of the Surplus Fund shall be invested at the written direction of the District in Permitted Investments the interest on which is excludable from gross income under Section 103 of the Code (other than bonds the interest on which is a tax preference item for purposes of computing the alternative minimum tax of individuals and corporations under the Code) or in Permitted Investments at a yield not in excess of the yield on the issue of Bonds or Parity Bonds to which such amounts are to be applied, unless, in the opinion of Bond Counsel, investment at a higher yield will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or any Parity Bonds which were issued on a tax-exempt basis for federal income tax purposes.

Section 3.9 Costs of Issuance Fund.

(a) The moneys in the Costs of Issuance Fund shall be disbursed by the Trustee pursuant to a Certificate of an Authorized Representative of the District to pay Costs of Issuance, substantially in the form attached as Exhibit B, and all payments shall be made by check or wire transfer in accordance with the payment instructions set forth in such Certificate, and the Trustee may rely on such payment instructions with no duty to investigate or inquire as to their authenticity or the authority under which they were given.

(b) Upon the receipt of a Certificate of an Authorized Representative of the District stating that all or a specified portion of the amount remaining in the Costs of Issuance Fund is no longer needed to pay Costs of Issuance, the Trustee shall transfer all or such specified portion, as applicable, of the moneys remaining on deposit in the Costs of Issuance Fund to the Acquisition and Construction Fund. On the date which is six months after the date of issuance of each series of Bonds and Parity Bonds, all amounts remaining in the Costs of Issuance Fund shall be transferred to the Acquisition and Construction Fund and the Costs of Issuance Fund shall be closed.

Section 3.10 Acquisition and Construction Fund.

(a) The Trustee shall hold the moneys in the Acquisition and Construction Fund and apply such moneys to pay Project Costs. Amounts for Project Costs shall be disbursed by the Trustee on behalf of the District from the Acquisition and Construction Fund as specified in a Request for Disbursement of Project Costs, substantially in the form of Exhibit C attached hereto, which must be submitted by an Authorized Representative of the District to the Trustee in connection with each requested disbursement.

(b) Upon receipt of a Certificate of an Authorized Representative of the District stating that all or a specified portion of the amount remaining in the Acquisition and Construction Fund or in any of the accounts therein is no longer needed to pay Project Costs, the Trustee shall transfer all or such specified portion, as applicable, of the moneys remaining on deposit in the Acquisition and Construction Fund and the accounts therein to the Principal Account or Redemption Account of the Special Tax Fund or to the Surplus Fund, as directed in the Certificate, provided that in connection with any direction to transfer amounts to the Surplus Fund there shall have been delivered to the Trustee with such Certificate an opinion of Bond Counsel to the effect that such transfer to the Surplus Fund will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds or any Parity Bonds which were issued on a tax-exempt basis for federal income tax purposes.

Section 3.11 Investments. Moneys held in any of the Funds, Accounts and Subaccounts under this Indenture shall be invested at the written direction of the District in accordance with the limitations set forth below only in Permitted Investments which shall be deemed at all times to be a part of such Funds, Accounts and Subaccounts. Any loss resulting from such Permitted Investments shall be credited or charged to the Fund, Account or Subaccount from which such investment was made, and any investment earnings on a Fund, Account or Subaccount shall be applied as follows: (i) investment earnings on all amounts deposited in the Costs of Issuance Fund, the Acquisition and Construction Fund, the Special Tax Fund, the Surplus Fund and the Rebate Fund and each Account therein (other than the Reserve Account of the Special Tax Fund) shall be deposited in those respective Funds and Accounts, and (ii) investment earnings on all amounts deposited in the Reserve Account shall be deposited therein to be applied as set forth in Section 3.6. Moneys in the Funds, Accounts and Subaccounts held under this Indenture shall be invested by the Trustee as directed in writing by the District, from time to time, in Permitted Investments subject to the following restrictions:

(a) Moneys in the Costs of Issuance Fund and the Acquisition and Construction Fund shall be invested in Permitted Investments which will by their terms mature, or in the case of an Investment Agreement are available without penalty, as close as practicable to the date the District estimates the moneys represented by the particular investment will be needed for withdrawal from the Costs of Issuance Fund and the Acquisition and Construction Fund.

(b) Moneys in the Interest Account, the Principal Account and the Redemption Account of the Special Tax Fund shall be invested only in Permitted Investments which will by their terms mature, or in the case of an Investment Agreement are available for withdrawal without penalty, on such dates so as to ensure the payment of principal of, premium, if any, and interest on the Bonds and any Parity Bonds as the same become due.

(c) Moneys in the Reserve Account of the Special Tax Fund may be invested only in Permitted Investments; provided that no such Permitted Investment of amounts in the Reserve Account shall mature later than the earlier of the final maturity date of the Bonds or any Parity Bonds.

(d) Moneys in the Rebate Fund shall be invested only in Permitted Investments of the type described in clause (1) of the definition thereof which by their terms will mature, as nearly as practicable, on the dates such amounts are needed to be paid to the United States Government pursuant to Section 3.7 hereof or in Permitted Investments of the type described in clause (10) of the definition thereof as the District shall designate on forms provided by the Trustee.

(e) In the absence of written investment directions from the District, the Trustee shall invest solely in Permitted Investments specified in clause (7) of the definition thereof; and, if no such written direction is so received, the Trustee shall hold such moneys uninvested.

The Trustee shall sell, or present for redemption, any Permitted Investment whenever it may be necessary to do so in order to provide moneys to meet any payment or transfer to such Funds and Accounts or from such Funds and Accounts. For the purpose of determining at any given time the balance in any such Funds and Accounts, any such investments constituting a part of such Funds and Accounts shall be valued at their cost, except that amounts in the Reserve Account shall be valued at the market value thereof at least annually within 5 Business Days prior to each September 1. In making any valuations hereunder, the Trustee may utilize such computerized securities pricing services as may be available to it, including, without limitation, those available through its regular accounting system, and conclusively rely thereon. Notwithstanding anything herein to the contrary, the Trustee shall not be responsible for any loss from investments, sales or transfers undertaken in accordance with the provisions of this Indenture.

The Trustee may act as principal or agent in the making or disposing of any investment and shall be entitled to its customary fee for making such investment. The Trustee may sell at the best market price obtainable, or present for redemption, any Permitted Investment so purchased 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 Permitted Investment is credited, and, subject to the provisions of Section 7.4, the Trustee shall not be liable or responsible for any loss resulting from such investment. For investment purposes, the Trustee may commingle the funds and accounts established hereunder, but shall account for each separately.

The Trustee shall furnish the District periodic cash transaction statements which include detail for all investment transactions effected by the Trustee or brokers selected by the District. Upon the District's election, such statements will be delivered via the Trustee's online service and, upon electing such service, paper statements will be provided only upon request. The District acknowledges that, to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the District the right to receive brokerage confirmations of security transactions effected by the Trustee as they occur, the District specifically waives receipt of such confirmations to the extent permitted by law. The District further understands that trade confirmations for securities transactions effected by the Trustee will be available upon request and at no additional cost, and other trade confirmations may be obtained from the applicable broker.

ARTICLE IV

REDEMPTION OF BONDS AND PARITY BONDS

Section 4.1 Redemption of Bonds.

(a) Optional Redemption. The Bonds may be redeemed, at the option of the District from any source of funds, other than Prepayments, on any date on or after September 1, 2025, in whole, or in part by lot, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, at the following redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed):

<i>Redemption Dates</i>	<i>Redemption Price</i>
September 1, 2025 through August 31, 2026	103%
September 1, 2026 through August 31, 2027	102
September 1, 2027 through August 31, 2028	101
September 1, 2028 and any date thereafter	100

In the event the District elects to redeem Bonds as provided above, the District shall give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds of each maturity to be redeemed. The notice to the Trustee shall be given at least 45 but no more than 60 days prior to the redemption date, or by such later date as is acceptable to the Trustee, in its sole discretion.

(b) Mandatory Sinking Fund Redemption. The Term Bonds maturing on September 1, 20__ shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Principal Account, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

BONDS MATURING SEPTEMBER 1, 20__

<i>Redemption Date</i> <i>(September 1)</i>	<i>Principal Amount</i>
--	-------------------------

(maturity)

The Term Bonds maturing on September 1, 20__ shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Principal Account, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed

Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

BONDS MATURING SEPTEMBER 1, 20__

<i>Redemption Date</i> <i>(September 1)</i>	<i>Principal Amount</i>
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(maturity)

If the District purchases Term Bonds during the Fiscal Year immediately preceding one of the sinking fund redemption dates specified above, the District is required to notify the Trustee at least 45 days prior to the redemption date as to the principal amount purchased, and the amount purchased will be credited at the time of purchase to the next Sinking Fund Payment for the Term Bond so purchased, to the extent of the full principal amount of the purchase. All Bonds purchased pursuant to this subsection shall be cancelled pursuant to Section 10.1 hereof.

In the event of a partial optional redemption or extraordinary mandatory redemption of any of the Term Bonds, each of the remaining Sinking Fund Payments for such Term Bonds will be reduced, as nearly as practicable, on a pro rata basis in the amount of \$5,000 or any integral multiple thereof as directed by an Authorized Representative of the District.

(c) Extraordinary Redemption. The Bonds are subject to extraordinary redemption as a whole or in part, on any Interest Payment Date, and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account pursuant to Section 3.2, plus amounts transferred from the Reserve Account pursuant to Section 3.6(c), at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Dates</i>	<i>Redemption Price</i>
Interest Payment Dates to and including March 1, 2026	103%
September 1, 2026 and March 1, 2027	102
September 1, 2027 and March 1, 2028	101
September 1, 2028 and each Interest Payment Date thereafter	100

Prepayments and amounts released from the Reserve Account in connection with Prepayments will be allocated to the redemption of the Bonds and any Parity Bonds as nearly as practicable on a proportionate basis based on the outstanding principal amount of the Bonds and any Parity Bonds and shall be applied to redeem Bonds and Parity Bonds as nearly as practicable on a pro rata basis among maturities in increments of \$5,000; provided, however, that, for Prepayments of less than \$50,000, the District may specify in a Certificate of an Authorized Representative that Prepayments be applied to one or more maturities of the Bonds or Parity Bonds so long as there is delivered to the Trustee a Certificate of the Special Tax Consultant that, following such redemption from Prepayments, the maximum Special Taxes that may be levied in each Fiscal Year on Developed

Property is not less than 110% of Maximum Annual Debt Service net of the Administrative Expense Cap.

(d) The redemption provisions for Parity Bonds shall be set forth in a Supplemental Indenture.

Section 4.2 Selection of Bonds and Parity Bonds for Redemption. If less than all of the Bonds or Parity Bonds Outstanding are to be redeemed, the portion of any Bond or Parity Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof. The procedure for the selection of Parity Bonds for redemption may be modified as set forth in the Supplemental Indenture for such Parity Bonds. So long as the Bonds are registered in the name of the Nominee, such Bonds or any portion thereof shall be selected by the Depository in accordance with its operating procedures.

Section 4.3 Notice of Redemption. When Bonds or Parity Bonds are due for redemption under Section 4.1 above or under another redemption provision set forth in a Supplemental Indenture relating to any Parity Bonds and the Trustee has received the required notice from the District, the Trustee shall give notice, in the name of the District, of the redemption of such Bonds or Parity Bonds; provided, however, that, with respect to a redemption to be made from Prepayments pursuant to Section 4.1(c), notice of redemption shall not be given unless there is on deposit with the Trustee sufficient money to pay the redemption price of the Bonds or Parity Bonds to be redeemed. With respect to any notice of optional redemption of the Bonds and any Parity Bonds, such notice may state that such redemption shall be conditional upon the receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys sufficient to pay the principal of, premium if any, and interest on the Bonds and any Parity Bonds to be redeemed and upon other conditions set forth therein and that, if such money shall not have been so received and such other conditions shall not have been satisfied, said notice shall be of no force and effect and the Trustee shall not be required to redeem such Bonds or Parity Bonds. If any condition stated in the redemption notice for an optional redemption shall not have been satisfied on or prior to the redemption date: (i) the redemption notice shall be of no force and effect, (ii) the District shall not be required to redeem such Bonds or Parity Bonds, (iii) the redemption shall not be made, and (iv) the Trustee shall within a reasonable time thereafter give notice to the persons in the manner in which the conditional redemption notice was given that such condition or conditions were not met and that the redemption was canceled.

Such notice of redemption shall (i) specify the CUSIP numbers (if any), the bond numbers and the maturity date or dates of the Bonds or Parity Bonds selected for redemption, except that where all of the Bonds or all of an issue of Parity Bonds are subject to redemption, or all the Bonds or Parity Bonds of one maturity, are to be redeemed, the bond numbers of such issue need not be specified; (ii) state the date fixed for redemption and surrender of the Bonds or Parity Bonds to be redeemed; (iii) state the redemption price; (iv) state the place or places where the Bonds or Parity Bonds are to be redeemed; (v) in the case of Bonds or Parity Bonds to be redeemed only in part, state the portion of such Bond or Parity Bond which is to be redeemed; (vi) state the date of issue of the Bonds or Parity Bonds as originally issued; (vii) state the rate of interest borne by each Bond or Parity Bond being redeemed; and (viii) state any other descriptive information needed to identify accurately the Bonds or Parity Bonds being redeemed as shall be specified by the Trustee. Such notice shall further state that on the date fixed for redemption, there shall become due and payable on each Bond, Parity Bond or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon shall cease to accrue and be payable.

At least 30 days but no more than 45 days prior to the redemption date, the Trustee shall mail a copy of such notice, by first class mail, postage prepaid, to the respective Owners thereof at their addresses appearing on the Bond Register, and to the original purchaser of the Bonds or Parity Bonds, as applicable; provided, however, so long as the Bonds or Parity Bonds are registered in the name of the Nominee, notice shall be given in such manner as complies with the requirements of the Depository. So long as notice has been provided as set forth above, the actual receipt by the Owner of any Bond or Parity Bond or the original purchaser of any Bond or Parity Bond of notice of such redemption shall not be a condition precedent to redemption, and neither the failure to receive nor any defect in such notice shall affect the validity of the proceedings for the redemption of such Bonds or Parity Bonds, or the cessation of interest on the redemption date. A certificate by the Trustee that notice of such redemption has been given as herein provided shall be conclusive as against all parties and the Owner shall not be entitled to show that he or she failed to receive notice of such redemption.

In addition to the foregoing notice, further notice shall be given by the Trustee as set out below, but no defect or omission in said further notice nor any failure to give all or any portion of such further notice shall in any manner defeat the legality or effectiveness of a call for redemption if notice thereof is given as above prescribed.

Each further notice of redemption shall be sent not later than the date that notice of redemption is sent to the Bondowners pursuant to the first paragraph of this Section by registered or certified mail or overnight delivery service to the Depository (if the Depository has not already received such notice of redemption as the registered owner of the Bonds or Parity Bonds, as applicable) and to the Information Services.

Upon the payment of the redemption price of any Bonds and Parity Bonds 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 and Parity Bonds being redeemed with the proceeds of such check or other transfer.

Section 4.4 Partial Redemption of Bonds or Parity Bonds. Upon surrender of any Bond or Parity Bond to be redeemed in part only, the District shall execute and the Trustee shall authenticate and deliver to the Bondowner, at the expense of the District, a new Bond or Bonds or a new Parity Bond or Parity Bonds of authorized denominations equal in aggregate principal amount to the unredeemed portion of the Bonds surrendered, with the same interest rate and the same maturity or, in the case of surrender of a Parity Bond, a new Parity Bond or Parity Bonds subject to the foregoing limitations.

Section 4.5 Effect of Notice and Availability of Redemption Money. Notice of redemption having been duly given, as provided in Section 4.3 hereof, and the amount necessary for the redemption having been made available for that purpose and being available therefor on the date fixed for such redemption:

(a) the Bonds and Parity Bonds, or portions thereof, designated for redemption shall, on the date fixed for redemption, become due and payable at the redemption price thereof as provided in this Indenture or in any Supplemental Indenture with respect to any Parity Bonds, anything in this Indenture or in the Bonds or the Parity Bonds to the contrary notwithstanding;

(b) upon presentation and surrender thereof at the office of the Trustee, the redemption price of such Bonds and Parity Bonds shall be paid to the Owners thereof;

(c) as of the redemption date the Bonds or the Parity Bonds, or portions thereof so designated for redemption shall be deemed to be no longer Outstanding and such Bonds or Parity Bonds, or portions thereof, shall cease to bear further interest; and

(d) as of the date fixed for redemption no Owner of any of the Bonds, Parity Bonds or portions thereof so designated for redemption shall be entitled to any of the benefits of this Indenture or any Supplemental Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

ARTICLE V

COVENANTS AND WARRANTY

Section 5.1 Warranty. The District warrants that it shall preserve and protect the security pledged hereunder to the Bonds and any Parity Bonds against all claims and demands of all persons.

Section 5.2 Covenants. So long as any of the Bonds or Parity Bonds issued hereunder are Outstanding and unpaid, the District makes the following covenants with the Bondowners under the provisions of the Act and this Indenture (to be performed by the District or its proper officers, agents or employees), which covenants are necessary and desirable to secure the Bonds and Parity Bonds; provided, however, that said covenants do not require the District to expend any funds or moneys other than the Special Taxes and other amounts deposited to the Special Tax Fund:

(a) Punctual Payment; Against Encumbrances. The District covenants that it will receive all Special Taxes in trust for the Owners and will instruct the Treasurer to deposit all Special Taxes with the Trustee as soon as reasonably practicable following their apportionment to the District, and the District shall have no beneficial right or interest in the amounts so deposited except as provided by this Indenture. All such Special Taxes shall be disbursed, allocated and applied solely to the uses and purposes set forth herein, and shall be accounted for separately and apart from all other money, funds, accounts or other resources of the District.

The District covenants that it will duly and punctually pay or cause to be paid the principal of and interest on every Bond and Parity Bond issued hereunder, together with the premium, if any, thereon on the date, at the place and in the manner set forth in the Bonds and the Parity Bonds and in accordance with this Indenture to the extent that Net Taxes and other amounts pledged hereunder are available therefor, and that the payments into the Funds and Accounts created hereunder will be made, all in strict conformity with the terms of the Bonds, any Parity Bonds, and this Indenture, and that it will faithfully observe and perform all of the conditions, covenants and requirements of this Indenture and all Supplemental Indentures and of the Bonds and any Parity Bonds issued hereunder.

The District will not mortgage or otherwise encumber, pledge or place any charge upon any of the Special Taxes except as provided in this Indenture, and will not issue any obligation or security having a lien, charge, pledge or encumbrance upon the Net Taxes senior or superior to the Bonds or Parity Bonds or on a parity with the Bonds, other than Parity Bonds. Nothing herein shall prevent the District from issuing Subordinated Bonds or incurring other indebtedness which is payable from a pledge of Net Taxes which is subordinate in all respects to the pledge of Net Taxes to repay the Bonds and the Parity Bonds.

(b) Levy of Special Tax. Beginning in Fiscal Year 2019-20 and so long as any Bonds or Parity Bonds issued under this Indenture are Outstanding, subject to the limitations set forth in the Act and the RMA, the legislative body of the District covenants to levy the Special Tax in an amount sufficient (taking into account reasonably anticipated delinquencies), together with other amounts on deposit in the Special Tax Fund, to pay (1) the principal of and interest on the Bonds and any Parity Bonds when due, (2) the Administrative Expenses, and (3) any amounts required to replenish the Reserve Account of the Special Tax Fund to the Reserve Requirement. The District further covenants that it will take no actions that would discontinue or cause the discontinuance of the Special Tax levy or the District's authority to levy the Special Tax for so long as the Bonds and any Parity Bonds are Outstanding.

(c) Commence Foreclosure Proceedings. The District hereby covenants with and for the benefit of the Owners of the Bonds and the landowners of the District securing such Bonds that it will review the public records of the County of Riverside, California, in connection with the collection of the Special Tax not later than July 1 of each year to determine the amount of Special Tax collected in the prior Fiscal Year; and with respect to individual delinquencies within the District, if the District determines that any single property owner subject to the Special Tax is delinquent in the payment of Special Taxes in the aggregate of \$2,500 or more or as to any single parcel the delinquent Special Taxes represent more than 5% of the aggregate Special Taxes within the District, then the District will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) the District will cause judicial foreclosure proceedings to be filed in the Superior Court within ninety (90) days of such determination against all properties for which the Special Taxes remain delinquent.

The City Attorney is hereby authorized to employ counsel to conduct any such foreclosure proceedings. The fees and expenses of any such counsel and costs and expenses of the City Attorney (including a charge for City or District staff time) in conducting foreclosure proceedings shall be an Administrative Expense hereunder.

(d) Payment of Claims. The District will pay and discharge any and all lawful claims for labor, materials or supplies which, if unpaid, might become a lien or charge upon the Net Taxes or other funds in the Special Tax Fund, or which might impair the security of the Bonds or any Parity Bonds then Outstanding; provided, however, that nothing herein contained shall require the District to make any such payments so long as the District in good faith shall contest the validity of any such claims.

(e) Books and Accounts. The District will keep proper books of records and accounts, separate from all other records and accounts of the District, in which complete and correct entries shall be made of all transactions relating to the improvements constructed with the proceeds of bonded indebtedness issued by the District, the levy of the Special Tax and the deposits to the Special Tax Fund. Such books of records and accounts shall at all times during business hours be subject to the inspection of the Trustee or of the Owners of not less than 10% of the principal amount of the Bonds or the Owners of not less than 10% of any issue of Parity Bonds then Outstanding or their representatives authorized in writing.

(f) Federal 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 and any Parity Bonds issued on a tax-exempt basis for federal income tax purposes will not be adversely

affected for federal income tax purposes, the District 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:

(1) Private Activity. The District will take no action or refrain from taking any action or make any use of the proceeds of the Bonds or any Parity Bonds or of any other monies or property which would cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be “private activity bonds” within the meaning of Section 141 of the Code.

(2) Arbitrage. The District will make no use of the proceeds of the Bonds or any Parity Bonds or of any other amounts or property, regardless of the source, or take any action or refrain from taking any action which will cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be “arbitrage bonds” within the meaning of Section 148 of the Code.

(3) Federal Guaranty. The District will make no use of the proceeds of the Bonds or any Parity Bonds or take or omit to take any action that would cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be “federally guaranteed” within the meaning of Section 149(b) of the Code.

(4) Information Reporting. The District will take or cause to be taken all necessary action to comply with the informational reporting requirement of Section 149(c) of the Code.

(5) Hedge Bonds. The District will make no use of the proceeds of the Bonds or any Parity Bonds or any other amounts or property, regardless of the source, or take any action or refrain from taking any action that would cause the Bonds or any Parity Bonds issued on a tax-exempt basis for federal income tax purposes to be considered “hedge bonds” within the meaning of Section 149(g) of the Code unless the District takes all necessary action to assure compliance with the requirements of Section 149(g) of the Code to maintain the exclusion from gross income for federal income tax purposes of interest on the Bonds and any applicable Parity Bonds.

(6) Miscellaneous. The District will take no action or refrain from taking any action inconsistent with its expectations stated in the Tax Certificate executed on the Delivery Date by the District in connection with the Bonds and any issue of Parity Bonds and will comply with the covenants and requirements stated therein and incorporated by reference herein.

(7) Other Tax Exempt Issues. The District will not use proceeds of other tax exempt securities to redeem any Bonds or Parity Bonds without first obtaining the written opinion of Bond Counsel that doing so will not impair the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds issued on a tax-exempt basis.

(g) Reduction of Maximum Special Taxes. The District hereby finds and determines that, historically, delinquencies in the payment of special taxes authorized pursuant to the Act in community facilities districts in Southern California have from time to time been at levels requiring the levy of special taxes at the maximum authorized rates in order to make timely payment of principal of and interest on the outstanding indebtedness of such community facilities districts. For this reason, the District hereby determines that a reduction in the maximum Special Tax rates authorized to be levied on parcels in the District below the levels provided in Section 5.2(b) would

interfere with the timely retirement of the Bonds and Parity Bonds. The District determines it to be necessary in order to preserve the security for the Bonds and Parity Bonds to covenant, and, to the maximum extent that the law permits it to do so, the District hereby does covenant, that it shall not initiate proceedings to reduce the maximum Special Tax rates for the District, unless, in connection therewith, (i) the District receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that, on the basis of the parcels of land and improvements existing in the District as of the July 1 preceding the reduction, the maximum amount of the Special Tax which may be levied on then existing Developed Property in each Bond Year for any Bonds and Parity Bonds Outstanding will equal at least the sum of the Administrative Expense Cap and 110% of gross debt service in each Bond Year on all Bonds and Parity Bonds to remain Outstanding after the reduction is approved, (ii) the District finds that any reduction made under such conditions will not adversely affect the interests of the Owners of the Bonds and Parity Bonds, and (iii) the District is not delinquent in the payment of the principal of or interest on the Bonds or any Parity Bonds. For purposes of estimating Administrative Expenses for the foregoing calculation, the Independent Financial Consultant shall assume an amount equal to the Administrative Expenses Cap.

Notwithstanding the foregoing, the District may modify, alter or amend the RMA in any manner so long as such changes do not reduce the maximum Special Taxes that may be levied in each year on Developed Property below the amounts which are necessary to pay Administrative Expenses and to provide Special Taxes in an amount equal to one hundred ten percent (110%) of Maximum Annual Debt Service on the Bonds and Parity Bonds Outstanding as of the date of such amendment.

(h) Covenants to Defend. The District covenants that, in the event that any initiative is adopted by the qualified electors in the District which purports to reduce the maximum Special Tax below the levels specified in Section 5.2(b) above or to limit the power of the District to levy the Special Taxes for the purposes set forth in Section 5.2(b) above, it will commence and pursue legal action in order to preserve its ability to comply with such covenants.

(i) Limitation on Right to Tender Bonds. The District hereby covenants that it will not adopt any policy pursuant to Section 53344.1 of the Act permitting the tender of Bonds or Parity Bonds in full payment or partial payment of any Special Taxes unless the District shall have first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Special Tax revenues to pay the principal of and interest on the Bonds and Parity Bonds when due.

(j) Continuing Disclosure. The District covenants to comply with the terms of the Continuing Disclosure Certificate and with the terms of any agreement executed by the District with respect to any Parity Bonds to assist the Underwriter in complying with Rule 15(c)2-12 adopted by the Securities and Exchange Commission.

(k) Further Assurances. The District shall preserve and protect the security pledged to the Bonds and any Parity Bonds against all claims and demands as long as the Bonds or Parity Bonds are Outstanding and shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or desirable 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 and any Parity Bonds of the rights and benefits provided in this Indenture.

ARTICLE VI

AMENDMENTS TO INDENTURE

Section 6.1 Supplemental Indentures or Orders Not Requiring Bondowner Consent.

The District may from time to time, and at any time, without notice to or consent of any of the Bondowners, adopt Supplemental Indentures for any of the following purposes:

(a) to cure any ambiguity, to correct or supplement any provisions herein which may be inconsistent with any other provision herein, or to make any other provision with respect to matters or questions arising under this Indenture or in any additional resolution or order, provided that such action is not materially adverse to the interests of the Bondowners;

(b) to add to the covenants and agreements of and the limitations and the restrictions upon the District contained in this Indenture, other covenants, agreements, limitations and restrictions to be observed by the District which are not contrary to or inconsistent with this Indenture as theretofore in effect or which further secure Bond or Parity Bond payments;

(c) to provide for the issuance of any Parity Bonds, and to provide the terms and conditions under which such Parity Bonds may be issued, subject to and in accordance with the provisions of this Indenture;

(d) to modify, amend or supplement this Indenture in such manner as to permit the qualification hereof under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect, or to comply with the Code or regulations issued thereunder, and to add such other terms, conditions and provisions as may be permitted by said act or similar federal statute, and which shall not materially adversely affect the interests of the Owners of the Bonds or any Parity Bonds then Outstanding; or

(e) to modify, alter, amend or supplement this Indenture in any other respect which is not materially adverse to the Bondowners.

Section 6.2 Supplemental Indentures or Orders Requiring Bondowner Consent.

Exclusive of the Supplemental Indentures described in Section 6.1, the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding shall have the right to consent to and approve the adoption by the District of such Supplemental Indentures as shall be deemed necessary or desirable by the District for the purpose of waiving, modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained in this Indenture; provided, however, that nothing herein shall permit, or be construed as permitting, (a) an extension of the maturity date of the principal, or the payment date of interest on, any Bond or Parity Bond; (b) a reduction in the principal amount of, or redemption premium on, any Bond or Parity Bond or the rate of interest thereon; (c) a preference or priority of any Bond or Parity Bond over any other Bond or Parity Bond; or (d) a reduction in the aggregate principal amount of the Bonds and Parity Bonds the Owners of which are required to consent to such Supplemental Indenture, without the consent of the Owners of all Bonds and Parity Bonds then Outstanding.

If at any time the District shall desire to adopt a Supplemental Indenture, which pursuant to the terms of this Section shall require the consent of the Bondowners, the District shall so notify the Trustee and shall deliver to the Trustee a copy of the proposed Supplemental Indenture. The Trustee

shall, at the expense of the District, cause notice of the proposed Supplemental Indenture to be mailed, by first class mail, postage prepaid, to all Bondowners at their addresses as they appear in the Bond Register. Such notice shall briefly set forth the nature of the proposed Supplemental Indenture and shall state that a copy thereof is on file at the office of the Trustee for inspection by all Bondowners. The failure of any Bondowners to receive such notice shall not affect the validity of such Supplemental Indenture when consented to and approved by the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding as required by this Section. Whenever at any time within one year after the date of the first mailing of such notice, the Trustee shall receive an instrument or instruments purporting to be executed by the Owners of not less than a majority in aggregate principal amount of the Bonds and Parity Bonds Outstanding, which instrument or instruments shall refer to the proposed Supplemental Indenture described in such notice, and shall specifically consent to and approve the adoption thereof by the District substantially in the form of the copy referred to in such notice as on file with the Trustee, such proposed Supplemental Indenture, when duly adopted by the District, shall thereafter become a part of the proceedings for the issuance of the Bonds and any Parity Bonds. In determining whether the Owners of a majority of the aggregate principal amount of the Bonds and Parity Bonds have consented to the adoption of any Supplemental Indenture, Bonds or Parity Bonds which are owned by the District or by any person directly or indirectly controlling or controlled by or under the direct or indirect common control with the District, shall be disregarded and shall be treated as though they were not Outstanding for the purpose of any such determination.

Upon the adoption of any Supplemental Indenture and the receipt of consent to any such Supplemental Indenture from the Owners of not less than a majority in aggregate principal amount of the Outstanding Bonds and Parity Bonds in instances where such consent is required pursuant to the provisions of this section, this Indenture shall be, and shall be deemed to be, modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the District and all Owners of Outstanding Bonds and Parity Bonds shall thereafter be determined, exercised and enforced hereunder, subject in all respects to such modifications and amendments.

Section 6.3 Notation of Bonds or Parity Bonds; Delivery of Amended Bonds or Parity Bonds. After the effective date of any action taken as hereinabove provided, the District may determine that the Bonds or any Parity Bonds may bear a notation, by endorsement in form approved by the District, as to such action, and in that case upon demand of the Owner of any Outstanding Bond or Parity Bond at such effective date and presentation of his Bond or Parity Bond for the purpose at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, a suitable notation as to such action shall be made on such Bonds or Parity Bonds. If the District shall so determine, new Bonds or Parity Bonds so modified as, in the opinion of the District, shall be necessary to conform to such action shall be prepared and executed, and in that case upon demand of the Owner of any Outstanding Bond or Parity Bond at such effective date such new Bonds or Parity Bonds shall be exchanged at the office of the Trustee or at such additional offices as the Trustee may select and designate for that purpose, without cost to each Owner of Outstanding Bonds or Parity Bonds, upon surrender of such Outstanding Bonds or Parity Bonds.

ARTICLE VII

TRUSTEE

Section 7.1 Trustee. Wilmington Trust, National Association, shall be the Trustee for the Bonds and any Parity Bonds unless and until another Trustee is appointed by the District

hereunder. The Trustee represents that it has a combined capital (exclusive of borrowed capital) and surplus of at least \$100,000,000. The District may, at any time, appoint a successor Trustee satisfying the requirements of Section 7.2 below for the purpose of receiving all money which the District is required to deposit with the Trustee hereunder and to allocate, use and apply the same as provided in this Indenture.

The Trustee is hereby authorized to and shall mail by first class mail, postage prepaid, or wire transfer in accordance with Section 2.5 above, interest payments to the Bondowners, to select Bonds and Parity Bonds that are not held in the name of the Nominee for redemption, and to maintain the Bond Register. The Trustee is hereby authorized to pay the principal of and premium, if any, on the Bonds and Parity Bonds when the same are duly presented to it for payment at maturity or on call and redemption, to provide for the registration of transfer and exchange of Bonds and Parity Bonds presented to it for such purposes, to provide for the cancellation of Bonds and Parity Bonds all as provided in this Indenture, and to provide for the authentication of Bonds and Parity Bonds, and shall perform all other duties assigned to or imposed on it as provided in this Indenture. The Trustee shall keep accurate records of all funds administered by it and all Bonds and Parity Bonds paid, discharged and cancelled by it.

The Trustee is hereby authorized to redeem the Bonds and Parity Bonds when duly presented for payment at maturity, or on redemption prior to maturity. The Trustee shall cancel all Bonds and Parity Bonds upon payment thereof in accordance with the provisions of Section 10.1 hereof.

The District shall indemnify and save the Trustee, its officers, directors, employees and agents, harmless against costs, claims, expenses and liabilities, including, without limitation, fees and expenses of its attorneys, not arising from its own negligence or willful misconduct which it may incur in the exercise and performance of its powers and duties hereunder. The foregoing obligation of the District to indemnify the Trustee shall survive the removal or resignation of the Trustee, the discharge of the Bonds or termination of this Indenture.

The Trustee shall receive reasonable compensation for its services hereunder and the Trustee shall be entitled to be reimbursed by the District for its other reasonable expenses hereunder, including the reasonable compensation, expenses and disbursements of such agents, representatives, experts and counsel as the Trustee may employ in connection with the exercise and performance of its rights and its duties hereunder. All such fees and reimbursements shall be paid solely from amounts held in the Administrative Expense Fund.

Except during the continuance of an Event of Default, the Trustee undertakes to perform only such duties as are specifically set forth in this Indenture, and no implied covenants, duties or obligations shall be read into this Indenture against the Trustee. If an Event of Default has occurred and is continuing, the Trustee shall 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 prudent corporate Trustee.

Section 7.2 Removal of Trustee. The District may at any time at its sole discretion remove the Trustee initially appointed, and any successor thereto, by delivering to the Trustee a written notice of its decision to remove the Trustee and may appoint a successor or successors thereto; provided that any such successor shall be a bank or trust company having a combined capital (exclusive of borrowed capital) and surplus of at least \$100,000,000, and subject to supervision or examination by federal or state authority. Any removal shall become effective only upon acceptance of appointment by the successor Trustee. If any bank or trust company appointed as a successor

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 the combined capital and surplus of such bank 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. Any removal of the Trustee and appointment of a successor Trustee shall become effective only upon acceptance of appointment by the successor Trustee and notice being sent by the successor Trustee to the Bondowners of the successor Trustee's identity and address.

Section 7.3 Resignation of Trustee. The Trustee may at any time resign by giving written notice to the District and by giving to the Owners notice of such resignation, which notice shall be mailed to the Owners at their addresses appearing in the registration books in the office of the Trustee. Upon receiving such notice of resignation, the District shall promptly appoint a successor Trustee satisfying the criteria in Section 7.2 above by an instrument in writing. 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. In the event the District shall for any reason whatsoever fail to appoint a successor Trustee within ninety (90) days following the receipt of notice by the District, the Trustee may apply to a court of competent jurisdiction for the appointment of a successor Trustee meeting the requirements of Section 7.2 hereof. Any such successor Trustee appointed by such court shall become the successor Trustee hereunder notwithstanding any action by the District purporting to appoint a successor Trustee following the expiration of such 90-day period.

Section 7.4 Liability of Trustee. The recitals of fact and all promises, covenants and agreements contained herein and in the Bonds and any Parity Bonds shall be taken as statements, promises, covenants and agreements of the District, and the Trustee assumes no responsibility for the correctness of the same and makes no representations as to the validity or sufficiency of this Indenture, the Bonds or any Parity Bonds, and shall incur no responsibility in respect thereof, other than in connection with its duties or obligations specifically set forth herein, in the Bonds and any Parity Bonds, or in the certificate of authentication assigned to or imposed upon the Trustee. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds or any Parity Bonds for value. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, Bond, Parity Bond 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 counsel, who may be counsel to the District, 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 hereunder in good faith and in accordance therewith.

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

Whenever in the administration of its duties under this Indenture the Trustee 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 bad faith on the part of the Trustee, be deemed to be conclusively proved and established by a written certificate of the District, and such certificate shall be full warrant to the Trustee for any action taken or suffered under the provisions of this Indenture upon the faith thereof,

but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as to it may seem reasonable.

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, but its liability shall be limited to the proper accounting for such funds as it shall actually receive. No provision in this Indenture shall require the Trustee 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 its rights or powers.

The Trustee shall not be deemed to have knowledge of any default or Event of Default until an officer at the Trustee's Principal Office of the Trustee responsible for the administration of its duties hereunder shall have actual knowledge thereof or the Trustee shall have received written notice thereof at the Principal Office of the Trustee.

The Trustee shall be under no responsibility or duty with respect to (i) the issuance of the Bonds for value, (ii) the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee, or (iii) the application of any moneys paid to the District or others in accordance with this Indenture except as to the application of any moneys paid to it in its capacity as Trustee. The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct. The Trustee shall not be liable for any action taken or omitted 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. The Trustee and its officers and employees may become the Owner of 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 Bond Owners, whether or not such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

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

The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than 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.

The Trustee shall not be considered in breach of or in default in its obligations hereunder and will not incur any liability for not performing any act or fulfilling any duty, obligation or responsibility 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, natural catastrophes, civil or military disturbances, loss or malfunctions of utilities, any act of God or war, terrorism or the unavailability of the Federal Reserve Bank or other wire or communication facility, or any similar event and/or occurrences beyond the control of the Trustee; provided, that in the event of any such unavoidable delay, the Trustee shall notify the District in writing within five (5) Business Days after (i) the occurrence of the event giving rise to such unavoidable delay, (ii) the Trustee's actual knowledge of

the impending unavoidable delay, or (iii) the Trustee's knowledge of sufficient facts under which a reasonable person would conclude the unavoidable delay will occur.

If the Trustee acts in good faith on any communication (including, but not limited to, communication with respect to the delivery of securities or the wire transfer of funds) sent by electronic transmission and believed by the Trustee to be genuine and to have been signed or presented by the proper person or persons, the Trustee, absent negligence or willful misconduct, will not be responsible or liable in the event such communication is not an authorized or authentic communication of the party involved or is not in the form the party involved sent or intended to send (whether due to fraud, distortion or otherwise). Absent negligence or willful misconduct on the part of the Trustee, the Trustee will not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's good faith reliance upon and compliance with such instructions notwithstanding such instructions conflict or are inconsistent with a subsequent written instruction received by the Trustee after the Trustee has acted upon such original instructions. Subject to the foregoing, the District agrees to assume all risks arising out of the use of such electronic transmission to submit instructions and directions 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.

Section 7.5 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, shall be the successor to the Trustee without the execution or filing of any paper or further act, anything herein to the contrary notwithstanding; provided, however, such successor shall provide the District with a notice of merger or conversion as soon as practicable.

ARTICLE VIII

EVENTS OF DEFAULT; REMEDIES

Section 8.1 Events of Default. Any one or more of the following events shall constitute an "Event of Default":

(a) default in the due and punctual payment of the principal of or redemption premium, if any, on any Bond or Parity Bond when and as the same shall become due and payable, whether at maturity as therein expressed, by declaration or otherwise;

(b) default in the due and punctual payment of the interest on any Bond or Parity Bond when and as the same shall become due and payable; or

(c) except as described in (a) or (b), default shall be made by the District in the observance of any of the agreements, conditions or covenants on its part contained in this Indenture, the Bonds or any Parity Bonds, and such default shall have continued for a period of 30 days after the District shall have been given notice in writing of such default by the Trustee or the Owners of 25% in aggregate principal amount of the Outstanding Bonds and Parity Bonds.

The Trustee agrees to give notice to the Owners as soon as practicable upon the occurrence of an Event of Default under (a) or (b) above and within 10 days of the Trustee's knowledge of a default

of the type described in (c) above which, if not cured, with the passage of time would become an Event of Default.

Section 8.2 Remedies of Owners. 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 Parity Bonds, and to enforce any rights of the Trustee under or with respect to this Indenture, including:

(a) by mandamus or other suit or proceeding at law or in equity to enforce his rights against the District and any of the members, officers and employees of the District, and to compel the District or any such members, officers or employees to perform and carry out their duties under the Act and their agreements with the Owners as provided in this Indenture;

(b) by suit in equity to enjoin any actions or things which are unlawful or violate the rights of the Owners; or

(c) by a suit in equity to require the District and its members, officers and employees to account as the Trustee of an express trust.

If an Event of Default shall have occurred and be continuing and if requested so to do by the Owners of at least twenty-five percent (25%) in aggregate principal amount of Outstanding Bonds and Parity Bonds and if indemnified to its satisfaction, the Trustee shall be obligated to exercise such one or more of the rights and powers conferred by this Article 8, as the Trustee, being advised by counsel, shall deem most expedient in the interests of the Owners of the Bonds and Parity Bonds.

No remedy herein conferred upon or reserved to the Trustee or 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 Act or any other law.

Section 8.3 Application of Revenues and Other Funds After Default. All amounts received by the Trustee pursuant to any right given or action taken by the Trustee under the provisions of this Indenture relating to the Bonds and Parity Bonds shall be applied by the Trustee in the following order upon presentation of the several Bonds and Parity Bonds:

First, to the payment of the fees, costs and expenses of the Trustee in declaring such Event of Default and in carrying out the provisions of this Article 8, including reasonable compensation to its agents, attorneys and counsel, 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 and Parity 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 and Parity 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 and Parity Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing;

(b) second, to the payment of all installments of principal, including Sinking Fund Payments, of the Bonds and Parity Bonds then due and unpaid on a pro rata basis based on the total amount then due and owing; and

(c) third, to the payment of interest on overdue installments of principal and interest on the Bonds and Parity Bonds on a pro rata basis based on the total amount then due and owing.

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 twenty-five percent (25%) in aggregate principal amount of the Bonds and Parity Bonds then Outstanding, it shall have full power, in the exercise of its discretion for the best interests of the Owners of the Bonds and Parity 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 at the time there has been filed with it a written request signed by the Owners of a majority in aggregate principal amount of the Outstanding Bonds and Parity Bonds hereunder opposing such discontinuance, withdrawal, compromise, settlement or other such litigation. Any suit, action or proceeding which any Owner of Bonds or Parity 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 and Parity Bonds similarly situated and the Trustee is hereby appointed (and the successive respective Owners of the Bonds and Parity 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 and Parity 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 and Parity 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 Owners of the Bonds and Parity Bonds under this Indenture, the Trustee shall be entitled, as a matter of right, to the appointment of a receiver or receivers of the Net Taxes 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 8 or in any other provision of this Indenture, or in the Bonds or the Parity Bonds, shall affect or impair the obligation of the District, which is absolute and unconditional, to pay the interest on and principal of the Bonds and Parity Bonds to the respective Owners of the Bonds and Parity Bonds at the respective dates of maturity, as herein provided, out of the Net Taxes and other moneys herein pledged for such payment.

A waiver of any default or breach of duty or contract by the Trustee or any 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 or Parity 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 the Owners by the Act or by this Article 8 may be enforced and exercised from time to time and as often as shall be deemed expedient by the Trustee or the Owners, as the case may be.

Section 8.7 Limitations on Rights and Remedies of Owners. No Owner of any Bond or Parity 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 and Parity 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 and Parity Bonds of any remedy hereunder; it being understood and intended that no one or more Owners of Bonds and Parity 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 and Parity Bonds.

The right of any Owner of any Bond and Parity Bond to receive payment of the principal of and interest and premium (if any) on such Bond and Parity 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 District, the Trustee and the 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

DEFEASANCE AND PARITY BONDS

Section 9.1 Defeasance. If the District shall pay or cause to be paid, or there shall otherwise be paid, to the Owner of an Outstanding Bond or Parity Bond the interest due thereon and the principal thereof, at the times and in the manner stipulated in this Indenture or any Supplemental Indenture, then the Owner of such Bond or Parity Bond shall cease to be entitled to the pledge of Net Taxes, and, other than as set forth below, all covenants, agreements and other obligations of the

District to the Owner of such Bond or Parity Bond under this Indenture and any Supplemental Indenture relating to such Parity Bond shall thereupon cease, terminate and become void and be discharged and satisfied. In the event of a defeasance of all Outstanding Bonds and Parity Bonds pursuant to this Section, the Trustee shall execute and deliver to the District all such instruments as may be desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the District all money or securities held by it pursuant to this Indenture which are not required for the payment of the principal of, premium, if any, and interest due on such Bonds and Parity Bonds.

Any Outstanding Bond or Parity Bond shall be deemed to have been paid within the meaning expressed in the first paragraph of this Section if such Bond or Parity Bond is paid in any one or more of the following ways:

(a) by paying or causing to be paid the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same become due and payable;

(b) by depositing with the Trustee, in trust, at or before maturity, money which, together with the amounts then on deposit in the Special Tax Fund and available for such purpose, is fully sufficient to pay the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same shall become due and payable; or

(c) by depositing with the Trustee or another escrow bank appointed by the District, in trust, Federal Securities, in which the District may lawfully invest its money, in such amount as will be sufficient, together with the interest to accrue thereon and moneys then on deposit in the Special Tax Fund and available for such purpose, together with the interest to accrue thereon, to pay and discharge the principal of, premium, if any, and interest on such Bond or Parity Bond, as and when the same shall become due and payable.

If paid as provided above, then, at the election of the District, and notwithstanding that any Outstanding Bonds and Parity Bonds shall not have been surrendered for payment, all obligations of the District under this Indenture and any Supplemental Indenture with respect to such Bond or Parity Bond shall cease and terminate, except for the obligation of the Trustee to pay or cause to be paid to the Owners of any such Bond or Parity Bond not so surrendered and paid, all sums due thereon and except for the covenants of the District contained in Section 5.2(f) or any covenants in a Supplemental Indenture relating to compliance with the Code. Notice of such election shall be filed with the Trustee not less than ten days prior to the proposed defeasance date, or such shorter period of time as may be acceptable to the Trustee. In connection with a defeasance under (c) above, there shall be provided to the District a verification report from an independent nationally recognized certified public accountant stating its opinion as to the sufficiency of the moneys or securities deposited with the Trustee or the escrow bank to pay and discharge the principal of, premium, if any, and interest on all Outstanding Bonds and Parity Bonds to be defeased in accordance with this Section, as and when the same shall become due and payable, and an opinion of Bond Counsel (which may rely upon the opinion of the certified public accountant) to the effect that the Bonds or Parity Bonds being defeased have been legally defeased in accordance with this Indenture and any applicable Supplemental Indenture.

Upon a defeasance, the Trustee, upon request of the District, shall release the rights of the Owners of such Bonds and Parity Bonds which have been defeased under this Indenture and any Supplemental Indenture and execute and deliver to the District all such instruments as may be

desirable to evidence such release, discharge and satisfaction. In the case of a defeasance hereunder of all Outstanding Bonds and Parity Bonds, the Trustee shall pay over or deliver to the District any funds held by the Trustee at the time of a defeasance, which are not required for the purpose of paying and discharging the principal of or interest on the Bonds and Parity Bonds when due. The Trustee shall, at the written direction of the District, mail, first class, postage prepaid, a notice to the Bondowners whose Bonds or Parity Bonds have been defeased, in the form directed by the District, stating that the defeasance has occurred.

Section 9.2 Conditions for the Issuance of Parity Bonds and Other Additional Indebtedness. The District may at any time after the issuance and delivery of the Bonds hereunder issue Parity Bonds payable from the Net Taxes and other amounts deposited in the Special Tax Fund and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds and any other Parity Bonds theretofore issued hereunder or under any Supplemental Indenture; provided, however, that Parity Bonds may only be issued for the purpose of refunding all or a portion of the Bonds or any Parity Bonds then Outstanding. Parity Bonds which may only be issued to effect a partial refunding may be issued subject to the following additional specific conditions, which are hereby made conditions precedent to the issuance of any such Parity Bonds:

(a) The District shall be in compliance with all covenants set forth in this Indenture and any Supplemental Indenture then in effect and a certificate of the District to that effect shall have been filed with the Trustee; provided, however, that Parity Bonds may be issued notwithstanding that the District is not in compliance with all such covenants so long as immediately following the issuance of such Parity Bonds the District will be in compliance with all such covenants.

(b) The issuance of such Parity Bonds shall have been duly authorized pursuant to the Act and all applicable laws, and the issuance of such Parity Bonds shall have been provided for by a Supplemental Indenture duly adopted by the District which shall specify the following:

(1) the purpose for which such Parity Bonds are to be issued and the fund or funds into which the proceeds thereof are to be deposited, including a provision requiring the proceeds of such Parity Bonds to be applied solely for the purpose of refunding any Outstanding Bonds or Parity Bonds, including payment of all costs and the funding of all reserves incidental to or connected with such refunding;

(2) the authorized principal amount of such Parity Bonds;

(3) the date and the maturity date or dates of such Parity Bonds; provided that (i) each maturity date shall fall on a September 1, (ii) all such Parity Bonds of like maturity shall be identical in all respects, except as to number, and (iii) fixed serial maturities or Sinking Fund Payments, or any combination thereof, shall be established to provide for the retirement of all such Parity Bonds on or before their respective maturity dates;

(4) the description of the Parity Bonds, the place of payment thereof and the procedure for execution and authentication;

(5) the denominations and method of numbering of such Parity Bonds;

(6) the amount and due date of each mandatory Sinking Fund Payment, if any, for such Parity Bonds;

(7) the amount, if any, to be deposited from the proceeds of such Parity Bonds in the Reserve Account of the Special Tax Fund such that, following delivery of the Parity Bonds, the Reserve Requirement will be satisfied;

(8) the form of such Parity Bonds; and

(9) such other provisions as are necessary or appropriate and not inconsistent with this Indenture.

(c) The District shall have received the following documents, all of such documents dated or certified, as the case may be, as of the date of delivery of such Parity Bonds by the Trustee (unless the Trustee shall be directed by the District to accept any of such documents bearing a prior date):

(1) a certified copy of the Supplemental Indenture authorizing the issuance of such Parity Bonds;

(2) a written request of the District as to the delivery of such Parity Bonds;

(3) an opinion of Bond Counsel and/or general counsel to the District to the effect that (i) the District has the right and power under the Act to adopt this Indenture and the Supplemental Indentures relating to such Parity Bonds, and this Indenture and all such Supplemental Indentures have been duly and lawfully adopted by the District, are in full force and effect and are valid and binding upon the District and enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights); (ii) this Indenture creates the valid pledge which it purports to create of the Net Taxes and other amounts as provided in this Indenture, subject to the application thereof to the purposes and on the conditions permitted by this Indenture; and (iii) such Parity Bonds are valid and binding limited obligations of the District, enforceable in accordance with their terms (except as enforcement may be limited by bankruptcy, insolvency, reorganization and other similar laws relating to the enforcement of creditors' rights) and the terms of this Indenture and all Supplemental Indentures thereto and entitled to the benefits of this Indenture and all such Supplemental Indentures, and such Parity Bonds have been duly and validly authorized and issued in accordance with the Act (or other applicable laws) and this Indenture and all such Supplemental Indentures; and a further opinion of Bond Counsel to the effect that, assuming compliance by the District with certain tax covenants, the issuance of the Parity Bonds will not adversely affect the exclusion from gross income for federal income tax purposes of interest on the Bonds and any Parity Bonds theretofore issued on a tax exempt basis, or the exemption from State of California personal income taxation of interest on any Outstanding Bonds and Parity Bonds theretofore issued;

(4) a certificate of the District containing such statements as may be reasonably necessary to show compliance with the requirements of this Indenture;

(5) a certificate of an Independent Financial Consultant certifying that in each Bond Year the Annual Debt Service on the Bonds and Parity Bonds to remain Outstanding

following the issuance of the Parity Bonds proposed to be issued is less than the Annual Debt Service on the Bonds and Parity Bonds Outstanding prior to the issuance of such Parity Bonds; and

(6) such further documents, money and securities as are required by the provisions of this Indenture and the Supplemental Indenture providing for the issuance of such Parity Bonds.

ARTICLE X

MISCELLANEOUS

Section 10.1 Cancellation of Bonds and Parity Bonds. All Bonds and Parity Bonds surrendered to the Trustee for payment upon maturity or for redemption shall be upon payment therefor, and any Bond or Parity Bond purchased by the District as authorized herein and delivered to the Trustee for such purpose shall be, cancelled forthwith and shall not be reissued. The Trustee shall destroy such Bonds and Parity Bonds, as provided by law, and furnish to the District a certificate of such destruction.

Section 10.2 Execution of Documents and Proof of Ownership. Any request, direction, consent, revocation of consent, or other instrument in writing required or permitted by this Indenture to be signed or executed by Bondowners may be in any number of concurrent instruments of similar tenor may be signed or executed by such Owners in person or by their attorneys appointed by an instrument in writing for that purpose, or by the bank, trust company or other depository for such Bonds. Proof of the execution of any such instrument, or of any instrument appointing any such attorney, and of the ownership of Bonds or Parity Bonds shall be sufficient for the purposes of this Indenture (except as otherwise herein provided), if made in the following manner:

(a) The fact and date of the execution by any Owner or his or her attorney of any such instrument and of any instrument appointing any such attorney, may be proved by a signature guarantee of any bank or trust company located within the United States of America. Where any such instrument is executed by an officer of a corporation or association or a member of a partnership on behalf of such corporation, association or partnership, such signature guarantee shall also constitute sufficient proof of his authority.

(b) As to any Bond or Parity Bond, the person in whose name the same shall be registered in the Bond Register shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of or on account of the principal of any such Bond or Parity Bond, and the interest thereon, shall be made only to or upon the order of the registered Owner thereof or his or her legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond or Parity Bond and the interest thereon to the extent of the sum or sums to be paid. Neither the District nor the Trustee shall be affected by any notice to the contrary.

Nothing contained in this Indenture shall be construed as limiting the Trustee or the District to such proof, it being intended that the Trustee or the District may accept any other evidence of the matters herein stated which the Trustee or the District may deem sufficient. Any request or consent of the Owner of any Bond or Parity Bond shall bind every future Owner of the same Bond or Parity Bond in respect of anything done or suffered to be done by the Trustee or the District in pursuance of such request or consent.

Section 10.3 Unclaimed Moneys. Anything in this Indenture to the contrary notwithstanding, any money held by the Trustee in trust for the payment and discharge of any of the Outstanding Bonds and Parity Bonds which remain unclaimed for two years after the date when such Outstanding Bonds or Parity Bonds have become due and 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 such Outstanding Bonds or Parity Bonds become due and payable, shall be repaid by the Trustee to the District, as its absolute property and free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owners shall look only to the District for the payment of such Outstanding Bonds or Parity Bonds; provided, however, that, before being required to make any such payment to the District, the Trustee, at the expense of the District, shall cause to be mailed by first-class mail, postage prepaid, to the registered Owners of such Outstanding Bonds or Parity Bonds at their addresses as they appear on the registration books of the Trustee a notice that said money remains unclaimed and that, after a date named in said notice, which date shall not be less than 30 days after the date of the mailing of such notice, the balance of such money then unclaimed will be returned to the District.

Section 10.4 Provisions Constitute Contract. The provisions of this Indenture shall constitute a contract between the District and the Bondowners and the provisions hereof shall be construed in accordance with the laws of the State of California.

In case any suit, action or proceeding to enforce any right or exercise any remedy shall be brought or taken and, should said suit, action or proceeding be abandoned, or be determined adversely to the Bondowners or the Trustee, then the District, the Trustee and the Bondowners shall be restored to their former positions, rights and remedies as if such suit, action or proceeding had not been brought or taken.

After the issuance and delivery of the Bonds this Indenture shall be irrevocable, but shall be subject to modifications to the extent and in the manner provided in this Indenture, but to no greater extent and in no other manner.

Section 10.5 Future Contracts. Nothing herein contained shall be deemed to restrict or prohibit the District from making contracts or issuing Subordinated Bonds or creating other indebtedness payable from a pledge, lien, charge and encumbrance upon the Net Taxes which is subordinate to the pledge hereunder, or which is payable from the general fund of the District or from taxes or any source other than the Net Taxes and other amounts pledged hereunder.

Section 10.6 Further Assurances. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or desirable 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 or any Parity Bonds the rights and benefits provided in this Indenture.

Section 10.7 Severability. If any covenant, agreement or provision, or any portion thereof, contained in this Indenture, or the application thereof to any person or circumstance, is held to be unconstitutional, invalid or unenforceable, the remainder of this Indenture and the application of any such covenant, agreement or provision, or portion thereof, to other persons or circumstances, shall be deemed severable and shall not be affected thereby, and this Indenture, the Bonds and any Parity Bonds issued pursuant hereto shall remain valid and the Bondowners shall retain all valid rights and benefits accorded to them under the laws of the State of California.

Section 10.8 Notices. Any notices required to be given to the District with respect to the Bonds or this Indenture shall be mailed, first class, postage prepaid, or personally delivered to the Assistant City Manager of the City of Beaumont at 55 East Sixth Street, Beaumont, California 92223, and all notices to the Trustee in its capacity as Trustee shall be mailed, first class, postage prepaid, personally delivered or sent via facsimile or electronic (email) transmission (with a portable document format or similar attachment) to the Trustee, Wilmington Trust, National Association, 650 Town Center Drive, Suite 600, Costa Mesa, California 92626, Attention: Corporate Trust Department.

Section 10.9 Governing Law. This Indenture shall be governed by and construed in accordance with the laws of the State of California.

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IN WITNESS WHEREOF, CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2016-2 (Sundance) has caused this Bond Indenture to be signed by an Authorized Representative of the District and Wilmington Trust, National Association, in token of its acceptance of the trust created hereunder, has caused this Bond Indenture to be signed in its corporate name by its officers identified below, all as of the day and year first above written.

CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)

By: _____
City Manager of the City of Beaumont, acting on behalf of City of Beaumont Community Facilities District No. 2016-2 (Sundance)

ATTEST:

City Clerk of the City of Beaumont, acting on behalf of City of Beaumont Community Facilities District No. 2016-2 (Sundance)

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Officer

EXHIBIT A

FORM OF 2019 SPECIAL TAX BOND

UNLESS THIS BOND IS PRESENTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY (AS DEFINED IN THE INDENTURE) 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 THE DEPOSITORY (AND ANY PAYMENT IS MADE TO CEDE & CO. OR TO SUCH OTHER ENTITY AS IS REQUESTED BY AN AUTHORIZED REPRESENTATIVE OF THE DEPOSITORY), 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.

R-_____

\$_____

**UNITED STATES OF AMERICA
STATE OF CALIFORNIA
COUNTY OF RIVERSIDE**

**CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
2019 SPECIAL TAX BOND**

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
_____%	September 1, _____	_____, 2019	_____

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE) (the "District") which was formed by the City of Beaumont (the "City") and is situated in the County of Riverside, State of California, FOR VALUE RECEIVED, hereby promises to pay, solely from certain amounts held under the Indenture (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 Interest Payment Date (as hereinafter defined) next preceding the date of authentication hereof, unless (i) the date of authentication is an Interest Payment Date in which event interest shall be payable from such date of authentication, (ii) the date of authentication is after a Record Date (as hereinafter defined) but prior to the immediately succeeding Interest Payment Date, in which event interest shall be payable from the Interest Payment Date immediately succeeding the date of authentication, or (iii) the date of authentication is prior to the close of business on the first Record Date in which event interest shall be payable from the Dated Date set forth above. Notwithstanding the foregoing, if at the time of authentication of this Bond

interest is in default, interest on this Bond shall be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment, interest on this Bond shall be payable from the Dated Date set forth above. Interest will be paid semiannually on March 1 and September 1 (each an "Interest Payment Date"), commencing September 1, 2019, at the Interest Rate set forth above, until the Principal Amount hereof is paid or made available for payment.

The principal of and premium, if any, on this Bond are payable to the Registered Owner hereof in lawful money of the United States of America upon presentation and surrender of this Bond at the Principal Office of the Trustee (as such term is defined in the Indenture defined below), initially Wilmington Trust, National Association (the "Trustee"). Interest on this Bond shall be paid by check of the Trustee mailed, by first class mail, postage prepaid, or in certain circumstances described in the Indenture by wire transfer to an account within the United States of America, to the Registered Owner hereof as of the close of business on the fifteenth day of the month preceding an Interest Payment Date (the "Record Date") at such Registered Owner's address as it appears on the registration books maintained by the Trustee.

Capitalized terms used herein and not defined shall have the meanings given them in the Indenture.

This Bond is one of a duly authorized issue of "City of Beaumont Community Facilities District No. 2016-2 (Sundance) 2019 Special Tax Bonds" (the "Bonds") issued in the aggregate principal amount of \$ _____ pursuant to the Mello-Roos Community Facilities Act of 1982, as amended, being Sections 53311, *et seq.*, of the California Government Code (the "Act") for the purpose of financing certain public improvements, funding a reserve account and paying certain costs related to the issuance of the Bonds. The issuance of the Bonds and the terms and conditions thereof are provided for by a resolution adopted by the City Council of the City, acting in its capacity as the legislative body of the District (the "Legislative Body"), on June 18, 2019 and a Bond Indenture (the "Indenture") dated as of July 1, 2019, by and between the District and the Trustee, and this reference incorporates the Indenture herein, and by acceptance hereof the Registered Owner of this Bond assents to said terms and conditions. The Indenture is executed under and this Bond is issued under, and both are to be construed in accordance with, the laws of the State of California.

Pursuant to the Act and the Indenture, the principal of, premium, if any, and interest on this Bond are payable solely from the portion of the annual special taxes authorized under the Act to be levied and collected within the District of the District described in the Indenture (the "Special Taxes") and certain other amounts pledged to the repayment of the Bonds as set forth in the Indenture. Any amounts for the payment hereof shall be limited to the Special Taxes pledged and collected or foreclosure proceeds received following a default in payment of the Special Taxes and other amounts deposited to the Special Tax Fund established under the Indenture. The District has covenanted for the benefit of the owners of the Bonds that under certain circumstances described in the Indenture it will commence foreclosure proceedings in the event of delinquencies of Special Tax installments levied for payment of principal and interest on the Bonds and will diligently pursue such foreclosure proceedings until the delinquent Special Taxes are paid.

The Bonds may be redeemed, at the option of the District from any source of funds, other than Prepayments, on any date on or after September 1, 2025, in whole, or in part by lot, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the

date of redemption, at the following redemption prices (expressed a percentages of the principal amount of the Bonds to be redcmcd):

<i>Redemption Dates</i>	<i>Redemption Price</i>
September 1, 2025 through August 31, 2026	103%
September 1, 2026 through August 31, 2027	102
September 1, 2027 through August 31, 2028	101
September 1, 2028 and any date thereafter	100

The Term Bonds maturing on September 1, 20__ shall be called before maturity and redeemed, from Sinking Fund Payments deposited into the Principal Account, on September 1, __ and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth in the Indenture, and the Term Bonds called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

The Term Bonds maturing on September 1, 20__ shall be called before maturity and redeemed, from Sinking Fund Payments deposited into the Principal Account, on September 1, 20__ and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth in the Indenture, and the Term Bonds called for redemption shall be selected by the Trustee by lot and shall be redcmcd at a redemption price equal to the principal amount thereof, plus accrued interest to the redemption date, without premium.

In the event of a partial optional redemption or extraordinary mandatory redemption of the Term Bonds, each of the remaining Sinking Fund Payments for such Term Bonds will be reduced, as nearly as practicable, on a pro rata basis in the amount of \$5,000 or any integral multiple thereof as directed by an Authorized Representative of the District.

The Bonds are subject to extraordinary redemption as a whole, or in part on any Interest Payment Date, and shall be redcmcd by the Trustee, from Prepayments deposited to the Redemption Account plus amounts transferred from the Reserve Account in connection with such transfers, at the following redemption prices expressed as a percentage of the principal amount to be redcmcd, together with accrued interest to the redemption date:

<i>Redemption Date</i>	<i>Redemption Price</i>
Interest Payment Dates to and including March 1, 2026	103%
September 1, 2026 and March 1, 2027	102
September 1, 2027 and March 1, 2028	101
September 1, 2028 and each Interest Payment Date thereafter	100

The Bonds shall be selected for extraordinary redemption as nearly as practicable on a pro rata basis among maturities in increments of \$5,000; provided, however, that, for Prepayments of less than \$50,000, the District may specify in a Certificate of an Authorized Representative that Prepayments be applied to one or more maturities of the Bonds or Parity Bonds so long as there is delivered to the Trustee a Certificate of the Special Tax Consultant that, following such redemption from Prepayments, the maximum Special Taxes that may be levied in each Fiscal Year on Developed

Property is not less than 110% of Maximum Annual Debt Service net of the Administrative Expense Cap.

Notice of redemption with respect to the Bonds to be redeemed shall be mailed to the registered owners thereof not less than 30 nor more than 45 days prior to the redemption date by first class mail, postage prepaid, to the addresses set forth in the registration books in accordance with the provisions of the Indenture or so long as the Bonds are registered in the name of the Nominee to the Depository in accordance with its procedures. Neither a failure of the Registered Owner hereof to receive such notice nor any defect therein will affect the validity of the proceedings for redemption. All Bonds or portions thereof so called for redemption will cease to accrue interest on the specified redemption date, provided that funds for the redemption are on deposit with the Trustee on the redemption date. Thereafter, the registered owners of such Bonds shall have no rights except to receive payment of the redemption price upon the surrender of the Bonds.

This Bond shall be registered in the name of the Registered Owner hereof, as to both principal and interest, and the District and the Trustee may treat the Registered Owner hereof as the absolute owner for all purposes and shall not be affected by any notice to the contrary.

The Bonds are issuable only in fully registered form in the denomination of \$5,000 or any integral multiple thereof and may be exchanged for a like aggregate principal amount of Bonds of other authorized denominations of the same issue and maturity, all as more fully set forth in the Indenture. This Bond is transferable by the Registered Owner hereof, in person or by his attorney duly authorized in writing, at the Principal Office of the Trustee, but only in the manner, subject to the limitations and upon payment of the charges provided in the Indenture, upon surrender and cancellation of this Bond. Upon such transfer, a new registered Bond of authorized denomination or denominations for the same aggregate principal amount of the same issue and maturity will be issued to the transferee in exchange therefor.

The Trustee shall not be required to register transfers or make exchanges of (i) any Bonds for a period of 15 days next preceding any selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

The rights and obligations of the District and of the registered owners of the Bonds may be amended at any time, and in certain cases without notice to or the consent of the registered owners, to the extent and upon the terms provided in the Indenture.

THE BONDS DO NOT CONSTITUTE OBLIGATIONS OF THE CITY OF BEAUMONT, THE COUNTY OF RIVERSIDE OR OF THE DISTRICT FOR WHICH THE CITY OF BEAUMONT, THE COUNTY OF RIVERSIDE OR THE DISTRICT IS OBLIGATED TO LEVY OR PLEDGE, OR HAS LEVIED OR PLEDGED, GENERAL OR SPECIAL TAXES, OTHER THAN THE SPECIAL TAXES REFERENCED HEREIN. THE BONDS ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE FROM THE PORTION OF THE SPECIAL TAXES DESCRIBED IN THE INDENTURE AND OTHER AMOUNTS PLEDGED UNDER THE INDENTURE BUT ARE NOT A DEBT OF THE CITY OF BEAUMONT, THE COUNTY OF RIVERSIDE, THE STATE OF CALIFORNIA OR ANY OF ITS POLITICAL SUBDIVISIONS WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY LIMITATION OR RESTRICTION.

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 Trustec.

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 do exist, have happened and have 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 District, does not exceed any debt limit prescribed by the laws or Constitution of the State of California.

IN WITNESS WHEREOF, City of Beaumont Community Facilities District No. 2016-2 (Sundance) has caused this Bond to be signed on behalf of the District by the Mayor of the City Council by his facsimile signature and attested by the facsimile signature of the City Clerk.

Mayor of the City Council of the City of Beaumont,
acting in its capacity as the legislative body of City of
Beaumont Community Facilities District No. 2016-2
(Sundance)

ATTEST:

City Clerk of the City of Beaumont, acting in
its capacity as the legislative body of City of
Beaumont Community Facilities District
No. 2016-2 (Sundance)

[FORM OF TRUSTEE'S CERTIFICATE
OF AUTHENTICATION AND REGISTRATION]

This is one of the Bonds described in the within-defined Indenture.

Dated: _____

WILMINGTON TRUST, NATIONAL
ASSOCIATION, as Trustee

By: _____
Authorized Signatory

[FORM OF LEGAL OPINION]

The following is a true copy of the opinion rendered by Stradling Yocca Carlson & Rauth, a Professional Corporation, in connection with the issuance of, and dated as of the date of the original delivery of, the Bonds. A signed copy is on file in my office.

City Clerk of the City of Beaumont, acting in its capacity as the legislative body of City of Beaumont Community Facilities District No. 2016-2 (Sundance)

[FORM OF ASSIGNMENT]

For value received the undersigned do(es) hereby sell, assign and transfer unto

whose tax identification number is _____,
the within-mentioned registered Bond and hereby irrevocably constitute(s) and appoint(s)

attorney to transfer the same on the books of the Trustee with full power of substitution in the premises.

Dated: _____

Signature guaranteed:

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

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.

EXHIBIT B

FORM OF REQUISITION FOR DISBURSEMENT OF COSTS OF ISSUANCE

COSTS OF ISSUANCE FUND

REQUISITION FOR DISBURSEMENT OF COSTS OF ISSUANCE

The undersigned, on behalf of City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the "District"), hereby requests Wilmington Trust, National Association, as Trustee, to pay from the City of Beaumont Community Facilities District No. 2016-2 Costs of Issuance Fund, established by the Bond Indenture between the Trustee and the District dated as of July 1, 2019, upon receipt of an invoice from each of the payees set forth on Schedule I hereto, the amount specified in such invoice but no more than the amount set forth on Schedule I and to the payees listed on Schedule I for payment of the Costs of Issuance set forth in the invoice attached hereto.

All payments shall be made by check or wire transfer in accordance with the payment instructions included on Schedule I or the accompanying invoices and the Trustee has no responsibility to verify or authenticate the payment instructions or the invoices or the authority under which they were given.

CITY OF BEAUMONT COMMUNITY FACILITIES
DISTRICT NO. 2016-2 (SUNDANCE)

Signature:

By: _____
Name:
Title:

Dated:
Requisition No.:

EXHIBIT C

FORM OF REQUISITION FOR DISBURSEMENT OF PROJECT COSTS

ACQUISITION AND CONSTRUCTION FUND

REQUISITION FOR DISBURSEMENT OF PROJECT COSTS

The undersigned, on behalf of City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the "District"), hereby requests Wilmington Trust, National Association, as Trustee, to pay from the City of Beaumont Community Facilities District No. 2016-2 Acquisition and Construction Fund, established by the Bond Indenture between the Trustee and the District dated as of July 1, 2019, the amount set forth on Schedule I to the payees listed on Schedule I for payment of Project Costs.

All payments shall be made by check or wire transfer in accordance with the payment instructions included on Schedule I and the Trustee has no responsibility to verify or authenticate the payment instructions or the authority under which they were given.

CITY OF BEAUMONT COMMUNITY FACILITIES
DISTRICT NO. 2016-2 (SUNDANCE)

Signature:

By: _____
Name:
Title:

Dated:
Requisition No.:

§ _____
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
2019 SPECIAL TAX BONDS

BOND PURCHASE AGREEMENT

_____, 2019

City of Beaumont
 Community Facilities District No. 2016-2 (Sundance)
 550 East 6th Street
 Beaumont, California 92223

Ladies and Gentlemen:

Raymond James & Associates, Inc., 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 (the “**Purchase Agreement**”) with the City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the “**Community Facilities District**”), which upon acceptance will be binding upon the Underwriter and the Community Facilities District. The agreement of the Underwriter to purchase the Bonds (as hereinafter defined) is contingent upon the Community Facilities District satisfying all of the obligations imposed upon them under this Purchase Agreement. This offer is made subject to the Community Facilities District’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 Community Facilities District at any time prior to the acceptance hereof by the Community Facilities District. All capitalized terms used herein, which are not otherwise defined, shall have the meaning provided for such terms in the Bond Indenture, dated as of July 1, 2019 (the “**Indenture**”), between the Community Facilities District and Wilmington Trust, National Association, as trustee (the “**Trustee**”).

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 Community Facilities District and the Community Facilities District hereby agrees to sell to the Underwriter all (but not less than all) of the \$_____ aggregate principal amount of the City of Beaumont Community Facilities District No. 2016-2 (Sundance) 2019 Special Tax Bonds (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, plus a net original issue premium of \$_____ and less an Underwriter’s discount of \$_____).

The Underwriter agrees to make a bona fide public offering of all of the Bonds initially at the public offering prices (or yields) set forth in 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 it deems necessary in connection with the marketing of the Bonds, provided that the Underwriter shall not change the interest rates set forth in Exhibit A. The Bonds may be offered and sold to certain dealers at prices lower than such initial offering prices.

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 Net Taxes as provided in the Indenture, the Preliminary Official Statement (as hereinafter defined), and the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California) (the “**Community Facilities District Act**”). The issuance of the Bonds has been duly authorized by the City Council of the City of Beaumont (the “**City**”), as the legislative body for the Community Facilities District pursuant to a resolution (the “**Community Facilities District Resolution of Issuance**”) adopted on _____, 2019.

The proceeds of the Bonds will be used to: (i) pay the cost and expense of the acquisition and construction of certain public facilities in connection with the development of the Community Facilities District; (ii) fund a reserve account securing the Bonds; and (iii) pay costs of issuance of the Bonds.

The Bonds shall 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 the Indenture.

A. The Community Facilities District hereby acknowledges that the Underwriter is entering into this Purchase Agreement in reliance on the representations, warranties and agreements made by the Community Facilities District herein, and the Community Facilities District 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, warranty or agreement made by the Community Facilities District herein is incorrect in any material respect.

The Community Facilities District 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 Community Facilities District and the Underwriter, (ii) in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as principal and not as the agent or fiduciary of the Community Facilities District, (iii) the Underwriter has not assumed an advisory or fiduciary responsibility in favor of the Community Facilities District with respect to (a) the offering of the Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Community Facilities District on other matters) or (b) any other obligations to the Community Facilities District with respect to the offering contemplated hereby, except the obligations expressly set forth in this Purchase Agreement or otherwise imposed by law, (iv) the Underwriter has financial and other interests that differ from those of the Community Facilities District and (v) the Community Facilities District has consulted their own legal, financial and other advisors to the extent they have deemed appropriate in connection with this transaction. The Community Facilities District acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the Municipal Securities Rulemaking Board (“**MSRB**”). The Community Facilities District acknowledges and represents that it has engaged Urban Futures, Inc. (the “**Municipal Advisor**”) as its municipal advisor (as defined in Securities and Exchange Commission Rule 15Ba1) and will rely solely on the financial advice of the Municipal Advisor with respect to the Bonds.

B. Pursuant to the authorization of the Community Facilities District, 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." By its acceptance of this Purchase Agreement, the Community Facilities District hereby ratifies the use by the Underwriter of the Preliminary Official Statement, and the Community Facilities District agrees to execute 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 Stradling Yocca Carlson & Rauth, a Professional Corporation, Bond Counsel ("**Bond Counsel**"), Stradling Yocca Carlson & Rauth, a Professional Corporation, Disclosure Counsel ("**Disclosure Counsel**"), and the Underwriter, and to provide copies thereof to the Underwriter as set forth herein. The Community Facilities District 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 Community Facilities District further authorizes the Underwriter to use and distribute, in connection with the offer and sale of the Bonds, the Indenture, the Continuing Disclosure Certificate executed by the Community Facilities District in connection with the Bonds (the "**Continuing Disclosure Certificate**"), this Purchase Agreement and all information contained herein, and all other documents, certificates and statements furnished by or on behalf of the Community Facilities 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 Community Facilities District will undertake pursuant to the Continuing Disclosure Certificate, in the form attached to the Official Statement as an appendix, to provide annual reports and notices of certain enumerated events. A description of this undertaking 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 Community Facilities District may otherwise agree, the Community Facilities District will deliver to the Underwriter, at the offices of Bond Counsel in Newport Beach, California, or at such other location as may be mutually agreed upon by the Underwriter and the Community Facilities District, the documents hereinafter mentioned; and the Community Facilities District will deliver to the Underwriter through the facilities of The Depository Trust Company ("**DTC**"), the Bonds, in definitive form (all Bonds bearing CUSIP numbers), duly executed by the Community Facilities District and authenticated by the Trustee in the manner provided for in the Indenture and the Community Facilities District Act at 8:00 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.

2. Representations, Warranties and Covenants of the Community Facilities District. The Community Facilities District represents, warrants and covenants to the Underwriter on behalf of itself and the City that:

A. The City is duly organized and validly existing as a general law city under the Constitution and laws of the State of California (the "**State**") and has duly authorized the formation of the Community Facilities District pursuant to resolutions duly adopted by the City Council (the

“Community Facilities District Formation Resolution” and, together with the Community Facilities District Resolution of Issuance, the **“Community Facilities District Resolutions”**) and the Community Facilities District Act. The City Council, as the legislative body of the City and the Community Facilities District, has duly adopted the Community Facilities District Formation Resolution, and has caused to be recorded in the real property records of the County of Riverside, a notice of special tax lien (the **“Notice of Special Tax Lien”**) (the Community Facilities District Formation Resolution and Notice of Special Tax Lien being collectively referred to herein as the **“Formation Documents”**), and has duly adopted a Community Facilities District Resolution of Issuance. Each of the Formation Documents remains in full force and effect as of the date hereof and has not been amended. The Community Facilities District is duly organized and validly existing as a Community Facilities District under the laws of the State. The Community Facilities District has, and at the Closing Date will have, as the case may be, full legal right, power and authority: (i) to execute, deliver and perform its obligations under this Purchase Agreement, the Continuing Disclosure Certificate and the Indenture, and to carry out all transactions contemplated by each of such agreements; (ii) to issue, sell and deliver the Bonds as provided herein; and (iii) to carry out, give effect to and consummate the transactions contemplated by the Formation Documents, the Community Facilities District Resolution of Issuance, the Indenture, the Bonds, the Continuing Disclosure Certificate, this Purchase Agreement and the Official Statement.

This Purchase Agreement, the Indenture, the Bonds and the Continuing Disclosure Certificate are collectively referred to herein as the **“Community Facilities District Documents.”**

B. The Community Facilities District and the City, as applicable, have each complied, and will at the Closing Date be in compliance in all material respects, with the Formation Documents, the Community Facilities District Resolution of Issuance and the Community Facilities District Documents, and any immaterial noncompliance by the Community Facilities District and the City, if any, will not impair the ability of the Community Facilities District and the City, as applicable, to carry out, give effect to or consummate the transactions contemplated by the foregoing. From and after the date of issuance of the Bonds, the Community Facilities District will continue to comply with the covenants of the Community Facilities District contained in the Community Facilities District Documents.

C. The information in the Preliminary Official Statement and in the Official Statement relating to the Community Facilities District and the Bonds (other than statements pertaining to the book entry system, as to which no view is expressed), is true and correct in all material respects and 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 Community Facilities District 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 Community Facilities District 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 written notice delivered to the Community Facilities District 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. Except as described in the Preliminary Official Statement, the Community Facilities District is not, 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, 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 Community Facilities District is a party or is otherwise subject or bound, and the performance of its obligations under the Community Facilities District Documents and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, 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 Community Facilities District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the Community Facilities District of its obligations under the Community Facilities District Documents or the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this Purchase Agreement.

F. 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 Community Facilities District of its obligations under the Community Facilities District Documents, and the performance of the conditions precedent to be performed by the Community Facilities District pursuant to this 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.

G. The Community Facilities District Documents conform as to form and tenor to the descriptions thereof contained in the Official Statement.

H. The Bonds are payable from the Special Tax of the Community Facilities District to be levied within the Community Facilities District, as set forth in the Indenture, which levy has been duly and validly authorized pursuant to the Community Facilities District Act and the Special Taxes to be levied within the Community Facilities District will be fixed and levied in an amount which, together with other available funds, is required for the payment of the principal of, and interest on, the Bonds when due and payable, all as provided in the Indenture. The Community Facilities District has covenanted to cause the Special Taxes to be levied as set forth in the Indenture.

I. The Indenture creates a valid pledge of, first lien upon and security interest in, the Net Taxes, and in the moneys in the Special Tax Fund (other than the Administrative Expense Fund) established pursuant to the Indenture, on the terms and conditions set forth in the Indenture.

J. Except as disclosed in the Preliminary Official Statement and Official Statement, there are, to the best of the Community Facilities District's knowledge, no entities with outstanding assessment liens against any of the properties within the Community Facilities District or which are senior to or on a parity with the pledge of the Special Taxes of the Community Facilities District referred to in paragraph (H) hereof.

K. The Official Statement as of the date hereof, 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 light of the circumstances under which they were made, not misleading (excluding statements therein pertaining to the DTC and its book-entry system and any information provided by the Special Tax Consultant (as such term is defined below) and the Underwriter, as to which no view is expressed).

L. The Preliminary Official Statement was deemed final by a duly authorized officer of the Community Facilities District 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 Community Facilities District 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 Community Facilities District 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 Municipal Securities Rulemaking Board.

M. At the time of acceptance hereof there is and as of the Closing there will be no 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 Community Facilities District) or to the best knowledge of the Community Facilities District or the City threatened, in which any such Action: (i) in any way questions the existence of the Community Facilities District or the titles of the officers of the Community Facilities District to their respective offices; (ii) affects, contests or seeks to prohibit, restrain or enjoin the issuance or delivery of the Bonds or the payment or collection of Special Taxes 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 Community Facilities District Documents or the consummation of the transactions on the part of the Community Facilities District contemplated thereby; (iii) contests the exemption of interest on the Bonds from federal or State income taxation or contests the powers of the Community Facilities District which may result in any material adverse change relating to the financial condition of the Community Facilities District; 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 and, as of the Closing Date, there will be no basis for any action, suit, proceeding, inquiry or investigation of the nature described in clauses (i) through (iv) of this sentence.

N. Any certificate signed on behalf of the Community Facilities District by any officer or employee of the Community Facilities District authorized to do so shall be deemed a representation and warranty by the Community Facilities District to the Underwriter on behalf of itself and the Community Facilities District as to the statements made therein.

O. At or prior to the Closing, the Community Facilities District will have duly authorized, executed and delivered the Continuing Disclosure Certificate in substantially the form attached as an appendix to the Official Statement. Based upon a review of its previous undertakings, and except as disclosed in the Preliminary Official Statement, the Community Facilities District has not failed to comply in all respects with any previous undertakings with regard to the Rule to provide annual reports or notices of enumerated events in the last five years.

P. The Community Facilities District will apply the proceeds of the Bonds in accordance with the Indenture and as described in the Preliminary Official Statement and Official Statement.

Q. 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 Community Facilities District will faithfully perform and abide by all of the covenants, undertakings and provisions contained in the Indenture.

R. Between the date of this Purchase Agreement and the date of Closing, the Community Facilities District will not offer or issue any bonds, notes or other obligations for borrowed money not previously disclosed to the Underwriter.

The Community Facilities District 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 Community Facilities District 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 Community Facilities District to the Underwriter in connection with the transactions contemplated by this Purchase Agreement.

The execution and delivery of this Purchase Agreement by the Community Facilities District shall constitute a representation by the Community Facilities District to the Underwriter that the representations and warranties contained in this Section 2 with respect to the Community Facilities District 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 and warranties on the part of the Community Facilities District contained herein, to the accuracy in all material respects of the statements of the officers and other officials of the Community Facilities District made in any certificates or other documents furnished pursuant to the provisions hereof, to the performance by the

Community Facilities District of their obligations to be performed hereunder at or prior to the Closing Date and to the following additional conditions:

A. At the Closing Date, the Community Facilities District Resolutions and the Community Facilities District 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, 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 City 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, 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 is a party or is otherwise subject or bound, and the performance of the conditions precedent to be performed hereunder will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, 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 is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance of the conditions precedent to be performed by the City hereunder.

C. At the Closing Date, except as described in the Preliminary Official Statement, the Community Facilities District 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, 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 Community Facilities District is a party or is otherwise subject or bound, and the performance by the Community Facilities District of its obligations under the Bonds, the Community Facilities District Resolutions, the Indenture, and any other instruments contemplated by any of such documents, and compliance with the provisions of each thereof, or the performance of the conditions precedent to be performed hereunder, will not conflict with or constitute a breach of or default under any applicable law or administrative rule or regulation of the State, 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 Community Facilities District is a party or is otherwise subject or bound, in any manner which would materially and adversely affect the performance by the Community Facilities District of its obligations under the Indenture, the Bonds or the performance of the conditions precedent to be performed by the Community Facilities District hereunder.

D. The information contained in the Official Statement is, 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 does 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.

E. 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, of the Bonds or the ability of the Underwriter to enforce contracts for the sale of the Bonds, shall not have been materially adversely affected, in the judgment of the Underwriter (evidenced by a written notice to the Community Facilities District 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; or

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 (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, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended (the "Securities Act"), or that the Indenture is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended (the "Trust Indenture Act"), or that the issuance, offering or sale of obligations of the general character of the Bonds, 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; or

3. A general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, 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 any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction; or

4. The introduction, proposal or enactment of any amendment to the federal or State Constitution or any action by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Community Facilities District, its property, income, securities (or interest thereon), the validity or enforceability of Special Taxes, or the ability of the Community Facilities District to issue the Bonds as contemplated by the Indenture and the Official Statement; or

5. 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; or

6. Any national securities exchange, the Comptroller of the Currency, or any other governmental authority, shall impose as to the Bonds, or obligations of the general character of the Bonds, 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; or

7. There shall have occurred (1) an outbreak or escalation of hostilities or the declaration by the United States of a national emergency or war, (2) any other calamity or crisis in the financial markets of the United States or elsewhere, (3) the sovereign debt rating of the United States is downgraded by any major credit rating agency or a payment default occurs on United States Treasury obligations, or (4) a default with respect to the debt obligations of, or the institution of proceedings under any federal bankruptcy laws by or against, any state of the United States or any city, county or other political subdivision located in the United States having a population of over 500,000; or

8. Except as disclosed in or contemplated by the Official Statement, any material adverse change in the affairs of the City or Community Facilities District shall have occurred; or

9. Any event or circumstance shall exist that either makes untrue or incorrect in any material respect any statement or information in the Official Statement (other than any statement provided by the Underwriter) or is not reflected in the Official Statement but should be reflected therein in order to make the statements therein, in the light of the circumstances under which they were made, not misleading and, in either such event, the Community Facilities District refuses to permit the Official Statement to be supplemented to supply such statement or information, or the effect of the Official Statement as so supplemented is to materially adversely affect the market price or marketability of the Bonds or the ability of the Underwriters to enforce contracts for the sale of the Bonds; or

10. A general banking moratorium shall have been declared by federal or State authorities having jurisdiction and be in force; or

11. A material disruption in securities settlement, payment or clearance services affecting the Bonds shall have occurred; or

12. Any new restriction on transactions in securities materially affecting the market for securities (including the imposition of any limitation on interest rates) or the extension of credit by, or a charge to the 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, or by Executive Order; or

13. A decision by a court of the United States 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 the Securities Act, the Securities Exchange Act of 1934, as amended and the Trust Indenture Act; or

14. The marketability of the Bonds or the market price thereof, in the opinion of the Underwriter, has been materially and adversely affected by disruptive events, occurrences or conditions in the securities or debt markets; or

15. Any proceeding shall have been commenced or be threatened in writing by the SEC against the City or the Community Facilities District; or

16. The commencement of any Action as described in items (i) through (iv) of Section 2(M) hereof.

F. 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 Community Facilities District by an authorized officer;

2. The Indenture, duly executed and delivered by the Community Facilities District and the Trustee;

3. The Community Facilities District Resolutions and the Community Facilities District Documents and the Formation Documents, together with a certificate dated as of the Closing Date of the City Clerk to the effect that the Community Facilities District Resolutions are true, correct and complete copies of the ones duly adopted by the City Council;

4. The Continuing Disclosure Certificate executed and delivered by the Community Facilities District;

5. An unqualified approving opinion of Bond Counsel for the Bonds, dated the Closing Date and addressed to the Community Facilities District, to the effect that the Bonds are the valid, legal and binding obligations of the Community Facilities District and that the interest thereon is excluded from gross income for federal income tax purposes and exempt from personal income taxes of the State, in substantially the form included as an appendix to the Official Statement, together with a letter of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that such opinion addressed to the Community Facilities District may be relied upon by the Underwriter to the same extent as if such opinion was addressed to it;

6. A supplemental opinion or opinions of Bond Counsel, dated the Closing Date and addressed to the Underwriter, to the effect that:

(i) this Purchase Agreement and the Continuing Disclosure Certificate have been duly authorized, executed and delivered by the Community Facilities District and, assuming due authorization, execution and delivery by the other parties thereto, as applicable, constitute the legal, valid and binding agreement of the Community Facilities District and are enforceable in accordance with their terms, except to the extent that enforceability may be limited by moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting creditors' rights

generally or by the exercise of judicial discretion in accordance with general principles of equity or otherwise in appropriate cases and by limitations on legal remedies against public agencies in the State;

(i) the Bonds are not subject to the registration requirements of the Securities Act, and the Indenture is exempt from qualification under the Trust Indenture Act;

(iii) the information contained in the Official Statement on the cover and under the captions "THE BONDS" (other than the caption "Debt Service Schedule"), "SOURCES OF PAYMENT FOR THE BONDS," "TAX MATTERS" and "LEGAL MATTERS" and in Appendices B and D to the Official Statement, are accurate insofar as such statements purport to summarize certain provisions of the Bonds, the Indenture and Bond Counsel's final approving opinion.

7. The letter of Disclosure Counsel, dated the Closing Date and addressed to the Community Facilities District 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 Community Facilities District, the Special Tax Consultant 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 contained or 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 financial statements or other financial, statistical or engineering data or forecasts, numbers, charts, estimates, projections, assumptions, or expressions of opinion, any information about valuation, appraisals, absorption, archeological or environmental matters, or any information with respect to the City, or about DTC or the book-entry-only system);

8. A certificate dated the Closing Date and signed by an authorized representative of the Community Facilities District or an authorized designee, on behalf of the Community Facilities District to the effect that: (i) the representations and warranties made by the Community Facilities District 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 Community Facilities District has complied with all the agreements and satisfied all the conditions on its part to be satisfied under this Purchase Agreement, the Community Facilities District Resolutions, the Community Facilities District Documents and the Official Statement at or prior to the Closing Date;

9. An opinion of the City Attorney of the City, dated the date of Closing and addressed to the Underwriter and the City, to the effect that:

(i) The City is a municipal corporation and general law city, duly organized and existing under the Constitution and laws of the State of California;

(ii) The Community Facilities District Resolutions have been duly adopted at meetings of the City Council, which were 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 Community

Facilities District Resolutions are in full force and effect and have not been modified, amended, rescinded or repealed since the respective dates of their adoption;

(iii) The Community Facilities District Documents and the Official Statement have been duly authorized, executed and delivered by the City and the Community Facilities District Documents constitute the legal, valid and binding obligations of the Community Facilities District enforceable against the Community Facilities District in accordance with their terms, subject to bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights, to the application of equitable principles where equitable remedies are sought and to the exercise of judicial discretion in appropriate cases;

(iv) Except as may be stated in the Official Statement, there is no action, suit, proceeding or investigation before or by any court, public board or body pending (notice of which has been served on the City or the Community Facilities District) or, to such counsel's knowledge, threatened wherein an unfavorable decision, ruling or finding would: (a) affect the creation, organization, existence or powers of the City, or the titles of its members and officers to their respective offices; or (b) affect the validity of the Community Facilities District Documents or restrain or enjoin the repayment of the Bonds or in any way contest or affect the validity of the Community Facilities District Documents or contest the authority of the Community Facilities District or the City to enter into or perform its obligations under any of the Community Facilities District Documents, questions the right of the Community Facilities District to use Special Taxes levied within the Community Facilities District for the repayment of the Bonds or affects in any manner the right or ability of the Community Facilities District to collect or pledge the Special Taxes levied within the Community Facilities District for the repayment of the Bonds;

10. A certificate dated the Closing Date from Webb Municipal Finance, LLC (the "**Special Tax Consultant**") addressed to the Community Facilities District and the Underwriter to the effect that: (i) the Special Tax if collected in the maximum amounts permitted pursuant to the Rate and Method of Apportionment of Special Taxes of the Community Facilities District as of the Closing Date would generate at least 110% of the annual debt service payable with respect to the Bonds plus budgeted administrative expenses in each year, based on such assumptions and qualifications as shall be acceptable to the Underwriter; and (ii) the statements in the Official Statement provided by the Special Tax Consultant concerning Special Taxes in the Community Facilities District and all information supplied by it for use in the Official Statement were as of the date of the Official Statement and are as of the Closing Date true and correct, and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;

11. Certified copies of the general resolution of the Trustee authorizing the execution and delivery of certain documents by certain officers of the Trustee, which resolution authorizes the execution of the Indenture and the authentication of the Bonds;

12. A certificate of the Trustee, addressed to the Underwriter, and the Community Facilities District dated the Closing Date, to the effect that: (i) the Trustee is authorized to carry out corporate trust powers, and have full power and authority to perform its duties under the Indenture; (ii) the Trustee is duly authorized to execute and deliver the Indenture, to accept the obligations created by the Indenture and to authenticate the Bonds pursuant to the terms of the Indenture; (iii) no consent, approval, authorization or other action by any governmental or regulatory authority having jurisdiction over the Trustee that has not been obtained is or will be required for the

authentication of the Bonds or the consummation by the Trustee of the other transactions contemplated to be performed by the Trustee in connection with the authentication of the Bonds and the acceptance and performance of the obligations created by the Indenture; and (iv) to the best of its knowledge, compliance with the terms of the Indenture will not conflict with, or result in a violation or breach of, or constitute a default under, any loan agreement, indenture, bond, note, resolution or any other agreement or instrument to which the Trustee 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 the Trustee or any of its activities or properties;

13. An opinion of counsel to the Trustee dated the Closing Date, addressed to the Underwriter, and the Community Facilities District to the effect that the Trustee 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 that such documents have been duly authorized, executed and delivered by the Trustee, and, assuming due execution and delivery by the other parties thereto, constitutes the legal, valid and binding obligation of the Trustee, 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;

14. A certificate of the Community Facilities District dated the Closing Date, in a form acceptable to Bond Counsel and the Underwriter, that the Bonds are not arbitrage bonds within the meaning of Section 148 of the Internal Revenue Code of 1986, as amended;

15. A certificate of Pardee Homes ("**Pardee**"), dated the date of the Preliminary Official Statement, in a form acceptable to Bond Counsel and the Underwriter, that the information in the Preliminary Official Statement relating to Pardee does not contain any untrue statement of a material fact and does not 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;

16. A certificate of Pardee dated the Closing Date, in a form acceptable to Bond Counsel and the Underwriter, that the information in the Official Statement relating to Pardee, did not, as of the date of the Official Statement, and as of the Closing Date, does not contain any untrue statement of a material fact, and did not, as of the date of the Official Statement, and as of the Closing Date, does not 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;

17. An opinion of Kutak Rock LLP, counsel to the Underwriter ("**Underwriter's Counsel**"), dated the date of Closing and addressed to the Underwriter in form and substance acceptable to the Underwriter;

18. A certificate in form and substance as set forth in Exhibit C hereto of Integra Realty Resources, Rocklin, California, the appraiser of the property within the Community Facilities District, dated as of the Closing Date; and

19. 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 and warranties of the Community

Facilities District contained herein, and of the statements and information contained in the Official Statement and the due performance or satisfaction by the Community Facilities District at or prior to the Closing of all agreements then to be performed and all conditions then to be satisfied by the Community Facilities District in connection with the transactions contemplated hereby and by the Indenture and the Official Statement.

If the Community Facilities District 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 Community Facilities District nor the Underwriter shall be under any further obligation hereunder, except that the respective obligations of the Underwriter and the Community Facilities District set forth in Section 5 hereof shall continue in full force and effect.

4. Establishment of Issue Price.

A. The Underwriter agrees to assist the Community Facilities District in establishing the issue price of the Bonds and shall execute and deliver to the Community Facilities District 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 B, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Community Facilities District 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 Community Facilities District under this section to establish the issue price of the Bonds may be taken on behalf of the Community Facilities District by the Community Facilities District’s Municipal Advisor identified herein and any notice or report to be provided to the Community Facilities District may be provided to the Community Facilities District’s Municipal Advisor.

B. Except as otherwise set forth in Exhibit A attached hereto, the Community Facilities District will treat the first price at which 10% of each maturity of the Bonds (the “**10% test**”), identified under the column “10% Test Used” in Exhibit A, is sold to the public as the issue price of that maturity (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% test). At or promptly after the execution of this Purchase Agreement, the Underwriter shall report to the Community Facilities District 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 Community Facilities District 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 the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public.

C. 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. 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 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 Community Facilities District and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Community Facilities District 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:

- (1) the close of the fifth (5th) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

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

D. 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)(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 at 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.

(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.

E. The Community Facilities District 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.

F. 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 Community Facilities District (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 (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

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

5. Expenses. Whether or not the transactions contemplated by this Purchase Agreement are consummated, the Underwriter shall be under no obligation to pay, and the Community Facilities District shall pay only from the proceeds of the Bonds, or any other legally available funds of the City, or the Community Facilities District, but only as the Community Facilities District and such other party providing such services may agree, all expenses and costs of the Community Facilities District 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 Trustee, including fees and disbursements of their counsel, if any, fees and disbursements of Bond Counsel, Disclosure Counsel and other professional advisors employed by the City, 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 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, including fees and disbursements of Underwriter's 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 Community Facilities District under this Purchase Agreement may be given by delivering the same in writing to the City of Beaumont, 550 East 6th Street, Beaumont, California 92223, Attention: City Manager; 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 Raymond James & Associates, Inc., 44 Stevens Avenue, Suite 200, Solana Beach, California 92075, Attention: Leslie Bloom.

7. Parties In Interest. This Purchase Agreement is made solely for the benefit of the Community Facilities District 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 and Warranties. The representations and warranties of the Community Facilities District under this Purchase Agreement shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter, and shall survive the delivery and payment for the Bonds and the termination of this Purchase Agreement.

9. 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.

10. Effective. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Community Facilities District and shall be valid and enforceable as of the time of such acceptance.

11. 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 Community Facilities District.

12. Governing Law. This Purchase Agreement shall be governed by the laws of the State of California.

13. Effective Date. This Purchase Agreement shall become effective and binding upon the respective parties hereto upon the execution of the acceptance hereof by the Community Facilities District and shall be valid and enforceable as of the time of such acceptance.

Very truly yours,

RAYMOND JAMES & ASSOCIATES, INC., as
Underwriter

By: _____
Managing Director

The foregoing is hereby agreed to and
accepted as of the date first above written:

**CITY OF BEAUMONT COMMUNITY
FACILITIES DISTRICT NO. 2016-2**

By: _____
Authorized Officer

Time of Execution: _____ p.m. California time

[EXECUTION PAGE OF BOND PURCHASE AGREEMENT]

EXHIBIT A

\$ _____
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
2019 SPECIAL TAX BONDS

Maturity (September 1)	Principal Amount	Interest Rate	Yield	Price	10% Test Satisfied*	10% Test Not Satisfied	Subject to Hold-The- Offering- Price Rule
2020					X		
2021					X		
2022					X		
2023					X		
2024					X		
2025					X		
2026						X	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		
2039					X		
2044 ^(T)					X		
2049 ^(T)					X		

^(T) Term Bond.

^(C) Priced to optional call at [par][10__%] on September 1, 20__.

* 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**FORM OF ISSUE PRICE CERTIFICATE**

§ _____
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
2019 SPECIAL TAX BONDS

The undersigned, on behalf of Raymond James & Associates, Inc. (“Raymond James”) 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) Raymond James 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 Raymond James and City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the “Community Facilities District”), Raymond James 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 Raymond James 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 Beaumont Community Facilities District No. 2016-2 (Sundance).

(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 Raymond James's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by Stradling Yocca Carlson & Rauth, 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.

RAYMOND JAMES & ASSOCIATES, INC.

By: _____

Name: _____

Dated: [Closing Date]

SCHEDULE A

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

(To be attached)

SCHEDULE B
PRICING WIRE OR EQUIVALENT COMMUNICATION

EXHIBIT C

**CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
2019 SPECIAL TAX BONDS**

CERTIFICATE OF APPRAISER

The undersigned hereby states and certifies:

1. That he or she is an authorized principal of Integra Realty Resources, Rocklin, California (the "Appraiser") and as such is familiar with the facts herein certified and is authorized and qualified to certify the same.

2. That the Appraiser has prepared an appraisal report dated February 13, 2019, with a date of value of May 1, 2019 (the "Appraisal Report"), of the City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the "Community Facilities District") and in connection with the Official Statement dated _____, 2019 ("Official Statement"), concerning the City of Beaumont Community Facilities District No. 2016-2 (Sundance) 2019 Special Tax Bonds (the "Bonds").

3. That the Appraiser hereby consents to the reproduction and use of the Appraisal Report appended to the Preliminary Official Statement and the Official Statement. The Appraiser also consents to the references to the Appraiser and the Appraisal made in the Preliminary Official Statement and the Official Statement.

4. In the opinion of the Appraiser the assumptions made in the Appraisal Report are reasonable.

5. That the Official Statement has been reviewed on behalf of the Appraiser and to the best knowledge of the Appraiser the statements concerning the Appraisal Report and the value of the property contained under the captions "INTRODUCTION – Appraisal Report," "THE COMMUNITY FACILITIES DISTRICT – Appraisal Report," and "APPENDIX H APPRAISAL REPORT" are true, correct and complete in all material respects and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

6. Each of the parcels appraised by the Appraiser is encompassed within the Community Facilities District as set forth in the boundary map of the Community Facilities District.

7. That, as of the date of the Official Statement and as of the date hereof, the Appraisal Report appended to the Official Statement, to the best of my knowledge and belief, and subject to all of the Limiting Conditions and Major Assumptions set forth in the Appraisal Report, does not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein, in the light of the circumstances under which they were made, not misleading, and no events or occurrences have been ascertained by us or have come to our attention that would substantially change the estimated values stated in the Appraisal Report. However, we have not performed any procedures since the date of the Appraisal Report to obtain knowledge of such events or occurrences nor are we obligated to do so in the future.

8. The Community Facilities District and Raymond James & Associates, Inc., as underwriter, are entitled to rely on the Certificate.

Dated: [Closing Date]

INTEGRA REALTY RESOURCES

By: _____

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2019

NEW ISSUE—BOOK-ENTRY-ONLY

NO RATING

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, subject to certain qualifications described in the Official Statement, under existing statutes, regulations, rules and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described in the Official Statement, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference of the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, such interest is exempt from State of California personal income tax. See "TAX MATTERS" herein.

\$10,570,000*

CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
2019 SPECIAL TAX BONDS

Dated: Delivery Date

Due: September 1, as shown on the inside cover page

This Official Statement describes bonds that are being issued by the City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the "District"). The City of Beaumont Community Facilities District No. 2016-2 (Sundance) 2019 Special Tax Bonds (the "Bonds") are being issued by the District to: (a) pay the cost and expense of the acquisition and construction of certain public facilities in connection with the development of the District; (b) fund a reserve account securing the Bonds; and (c) pay costs of issuance of the Bonds.

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 *et seq.* of the Government Code of the State of California), and pursuant to a resolution adopted by the City Council of the City of Beaumont (the "City"), acting as the legislative body of the District, and a Bond Indenture, dated as of July 1, 2019 (the "Indenture"), by and between the District and Wilmington Trust, National Association, as trustee (the "Trustee").

The Bonds are limited obligations of the District and are payable solely from revenues derived from certain annual Special Taxes (as defined herein) to be levied on and collected from the owners of parcels within the District subject to the Special Taxes and from certain other funds pledged under the Indenture, all as further described herein. The Special Taxes are to be levied according to the rate and method of apportionment approved by the City Council of the City and the qualified electors within the District. See "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes." The City Council of the City is the legislative body of the District.

The Bonds are issuable 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"). Individual purchases of the Bonds may be made in principal amounts of \$5,000 and integral multiples thereof and will be in book-entry form only. Purchasers of Bonds will not receive certificates representing their beneficial ownership of the Bonds but will receive credit balances on the books of their respective nominees. Interest on the Bonds will be payable semiannually on each March 1 and September 1, commencing September 1, 2019. The Bonds will not be transferable or exchangeable except for transfer to another nominee of DTC or as otherwise described herein. Principal of and interest on the Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS—General Provisions" and APPENDIX F—"BOOK-ENTRY ONLY SYSTEM" herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE COUNTY OF RIVERSIDE, THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY OR GENERAL OBLIGATIONS OF THE DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET TAXES TO BE LEVIED IN THE DISTRICT AND CERTAIN OTHER AMOUNTS HELD UNDER THE BOND INDENTURE AS MORE FULLY DESCRIBED HEREIN.

The Bonds are subject to redemption prior to maturity as set forth herein. See "THE BONDS—Redemption" herein.

THE BONDS ARE NOT RATED BY ANY RATING AGENCY, AND INVESTMENT IN THE BONDS INVOLVES SIGNIFICANT RISKS THAT ARE NOT APPROPRIATE FOR CERTAIN INVESTORS. CERTAIN EVENTS COULD AFFECT THE ABILITY OF THE DISTRICT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN DUE. SEE THE SECTION OF THIS OFFICIAL STATEMENT ENTITLED "SPECIAL RISK FACTORS" FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN EVALUATING THE INVESTMENT QUALITY OF THE BONDS.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE
(See Inside Cover Page)

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, and subject to certain other conditions. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California is serving as Disclosure Counsel to the District with respect to the Bonds. Certain legal matters will be passed on for the City and the District by Slovak, Baron, Empey, Murphy & Pinkney LLP, Palm Springs, California, and for the Underwriter by its counsel, Kutak Rock LLP, Irvine, California. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC on or about July 2019.

[RAYMOND JAMES LOGO]

Dated: _____, 2019

* Preliminary; subject to change.

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 them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the 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.

\$10,570,000*
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
2019 SPECIAL TAX BONDS

MATURITY SCHEDULE

Base *CUSIP* No.[†] _____

Serial Bonds

<i>Maturity Date</i> (September 1)	<i>Principal</i> <i>Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP No.</i> [†]
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Term Bonds

\$ _____ % Term Bonds due September 1, _____, Yield: _____ % Price: _____ CUSIP No.[†] _____

* Preliminary, subject to change.

† CUSIP® Copyright 2019, 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. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. None of the City, the District or the Underwriter or its counsel takes any responsibility for the accuracy of CUSIP data in this Official Statement. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**CITY OF BEAUMONT
COUNTY OF RIVERSIDE**

**CITY COUNCIL
Serving as the Legislative Body of
City of Beaumont Community Facilities District No. 2016-2 (Sundance)**

Julio Martinez, Mayor
Rey Santos, Mayor Pro Tem
Nancy Carroll
Mike Lara
Lloyd White

CITY OFFICIALS

Todd Parton, City Manager
Kristine Day, Assistant City Manager
Melana Taylor, Director of Finance
Steven Mehlman, City Clerk
John Pinkney, City Attorney

BOND COUNSEL AND DISCLOSURE COUNSEL

Stradling Yocca Carlson & Rauth,
a Professional Corporation,
Newport Beach, California

MUNICIPAL ADVISOR

Urban Futures, Inc.
Tustin, California

SPECIAL TAX CONSULTANT

Webb Municipal Finance, LLC
Riverside, California

REAL ESTATE APPRAISER

Integra Realty Resources
Rocklin, California

TRUSTEE

Wilmington Trust, National Association
Costa Mesa, California

Except where otherwise indicated, all information contained in this Official Statement has been provided by the City and the District. No dealer, broker, salesperson or other person has been authorized by the City, the District, the Trustee or the Underwriter 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 representations must not be relied upon as having been authorized by the City, the District, the Trustee 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.

This Official Statement is not to be construed as a contract with the purchasers or owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described in this Official Statement, are intended solely as such and are not to be construed as representations of fact. This Official Statement, including any supplement or amendment to this Official Statement, is intended to be deposited with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found at www.emma.msrb.org.

The information set forth in this Official Statement which has been obtained from third party sources is believed to be reliable, but such information is not guaranteed as to accuracy or completeness by the City or the District. 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 hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the District or any other parties described in this Official Statement since the date of this Official Statement. All summaries of the Indenture or 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 made by this Official Statement to such documents on file with the City for further information. While the City maintains an internet website for various purposes, none of the information on that website is incorporated by reference herein or intended to assist investors in making any investment decision or to provide any continuing information with respect to the Bonds or any other bonds or obligations of the City. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded.

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 a 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.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption "THE COMMUNITY FACILITIES DISTRICT."

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE 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. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH 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 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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[INSERT LOCATION MAP HERE]

[INSERT REGIONAL MAP HERE]

[INSERT AERIAL PHOTO HERE]

\$10,570,000^{*}
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
2019 SPECIAL TAX BONDS

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the table of contents and the appendices (collectively, the “Official Statement”), is to provide certain information concerning the issuance by the City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the “District”) of its 2019 Special Tax Bonds (the “Bonds”) in the aggregate principal amount of \$10,570,000.^{*} The proceeds of the Bonds will be used to: (a) pay the cost and expense of the acquisition and construction of certain public facilities required in connection with the development of the District; (b) fund a reserve account securing the Bonds; and (c) pay costs of issuance of the Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS.”

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California) (the “Act”), and pursuant to a resolution adopted by the City Council of the City of Beaumont (the “City Council”), acting as the legislative body of the District, on June 18, 2019 and a Bond Indenture dated as of July 1, 2019 (the “Indenture”), by and between the District and Wilmington Trust, National Association, as trustee (the “Trustee”).

The Bonds are secured under the Indenture by a pledge of and lien upon Net Taxes (as defined herein) levied on parcels within the District and all moneys in the Special Tax Fund as described in the Indenture. See “SOURCES OF PAYMENT FOR THE BONDS.”

The Bonds are being issued and delivered pursuant to the provisions of the Act and the Indenture. The Bonds are being sold pursuant to a Bond Purchase Agreement between the Underwriter (defined below) and the District. For more complete information, see “THE BONDS –General Provisions” and “UNDERWRITING” herein.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined shall have the meaning set forth in APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE-DEFINITIONS” herein.

The District

General. The District is located in the north-east part of the City of Beaumont (the “City”) and is bounded by Cherry Avenue to the west, Starlight Avenue to the east and Cougar Way to the north. As of May 1, 2019, 444 homes within the District had been built and sold to individual homeowners while 83 parcels were still owned by Pardee Homes, a California corporation (the “Developer”), the entity developing the land within the District. No parcel has prepaid its Special Tax obligation to date; accordingly, all residential parcels will be subject to the Special Tax levy going forward, subject to future Special Tax prepayments, if any. As of May 1, 2019, 500 lots had building permits pulled. As of June 1, 2019, building permits had been pulled for an additional 23 lots, and the remaining building permits are expected to be pulled by late 2020; accordingly, all lots are expected to be classified and levied against as Developed Property beginning in Fiscal Year 2021-22. See the

^{*} Preliminary; subject to change.

caption "PROPERTY OWNERSHIP AND THE DEVELOPMENTS" for more information regarding the Developer and development within the District.

Formation Proceedings. The District was formed by the City pursuant to the Act and constitutes a governmental entity separate and apart from the City. The Act was enacted by the California legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as defined in the Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities and services. Generally, the legislative body of the local agency which forms a community facilities district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness.

Pursuant to the Act, the City formed the District on February 7, 2017. Subsequent to a noticed public hearing on February 7, 2017, the City Council adopted resolutions which established the District, authorized the levy a special tax within the District, determined the necessity to incur bonded indebtedness within the District, and called an election within the District on the proposition of incurring bonded indebtedness, levying a special tax and setting an appropriations limit within the District.

On February 7, 2017, an election was held within the District at which the landowners eligible to vote approved the issuance of bonds for the District in an amount not to exceed \$14,000,000 and approved a rate and method of apportionment of special tax for the District (the "Rate and Method"). A copy of the Rate and Method is attached hereto as Appendix A.

Property Ownership and Development Status

The District is located in the north-east part of the City and is bounded by Cherry Avenue to the west, Starlight Avenue to the east and Cougar Way to the north. The development within the District is planned for 527 proposed single family homes. The balance of the property within the District is anticipated to be used for recreational facilities, parks and open space.

The District is part of the Developer's master planned community of "Sundance." The Developer has reported to the City that Sundance is expected to consist of approximately 4,450 residential units on approximately 1,195 acres of land, with 13.5 acres of commercial/industrial land uses and the balance set aside for public/quasi/public uses.

The Developer is the sole entity developing the property within the District. The area included in the District has been graded and major infrastructure (sewer, water, storm drains, utilities, and arterial roads) to be installed by the Developer has been completed. As of May 1, 2019, 444 of the 527 lots had been conveyed to individual homeowners, and 5 were in escrow with individual homeowners. As of May 1, 2019, construction was ongoing on 38 homes, 18 homes were completed but unsold by the Developer and 27 lots were in finished condition. As of May 1, 2019, building permits had been pulled for 500 lots within the District. As of June 1, 2019, building permits had been pulled for an additional 23 lots. See "PROPERTY OWNERSHIP AND THE DEVELOPMENT" herein.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as a "plan," "expect," "estimate," "project," "budget" or similar words. Such forward-looking statements

include, but are not limited to certain statements contained in the information under the captions “—Appraisal Report” and “THE COMMUNITY FACILITIES DISTRICT—Appraisal Report.”

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE 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. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Sources of Payment for the Bonds

General. The Bonds and any Parity Bonds are limited obligations of the District, and the interest on and principal of and redemption premiums, if any, on the Bonds and any Parity Bonds are payable solely from the Special Taxes to be levied annually against the property in the District, or, to the extent necessary, from the moneys on deposit in the Reserve Account. As described herein, the Special Taxes are collected along with *ad valorem* property taxes on the tax bills mailed by the Treasurer-Tax Collector of the County of Riverside (the “County”). Although the Special Taxes will constitute a lien on the property subject to taxation in the District, they will not constitute a personal indebtedness of the owners of such property. There is no assurance that such owners will be financially able to pay the annual Special Taxes or that they will pay such taxes even if they are financially able to do so.

Limited Obligations. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds and any Parity Bonds. The Bonds and any Parity Bonds are not general or special obligations of the City nor general obligations of the District, but are special obligations of the District payable solely from Special Taxes collected in the District and amounts held under the Indenture as more fully described herein.

Special Tax. As used in this Official Statement, the term “Special Tax” is that tax which has been authorized pursuant to the Act to be levied against certain land within the District pursuant to the Act and in accordance with the Rate and Method to pay for facilities only, but excluding penalties and interest imposed upon delinquent installments. See “SOURCES OF PAYMENT FOR THE BONDS—Special Taxes” and APPENDIX A—“RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” Under the Indenture, the District will pledge to repay the Bonds and any Parity Bonds from the Special Tax revenues remaining after the payment of annual Administrative Expenses of the District up to the Administrative Expenses Cap (the “Net Taxes”) and from amounts on deposit in the Special Tax Fund established under the Indenture.

The Special Taxes are the primary security for the repayment of the Bonds and any Parity Bonds. In the event that the Special Taxes are not paid when due, the only sources of funds available to pay the debt service on the Bonds and any Parity Bonds are amounts held by the Trustee in the Special Tax Fund, including amounts held in the Reserve Account therein. See “SOURCES OF PAYMENT FOR THE BONDS —Reserve Account of the Special Tax Fund.”

Special Taxes within the District were first levied in Fiscal Year 2017-18.

Reserve Account. The Indenture creates a Reserve Account for the Bonds. In order to secure further the payment of principal of and interest on the Bonds, the District is required, upon delivery of the Bonds, to deposit in the Reserve Account an amount equal to the Reserve Requirement for the Bonds and thereafter to maintain in the Reserve Account an amount equal to the Reserve Requirement for the Bonds. The initial Reserve Requirement for the Bonds shall be \$_____, and the Reserve Requirement shall never exceed this amount. See “SOURCES OF PAYMENT FOR THE BONDS —Reserve Account of the Special Tax Fund.”

Foreclosure Proceeds. The District will covenant in the Indenture for the benefit of the Owners of the Bonds and the landowners of the District securing such Bonds that it will review the public records of the County of Riverside, California, in connection with the collection of the Special Tax not later than July 1 of each year to determine the amount of Special Tax collected in the prior Fiscal Year; and with respect to individual delinquencies within the District, if the District determines that any single property owner subject to the Special Tax is delinquent in the payment of Special Taxes in the aggregate of \$2,500 or more or as to any single parcel the delinquent Special Taxes represent more than 5% of the aggregate Special Taxes within the District, then the District will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) the District will cause judicial foreclosure proceedings to be filed in the Superior Court within ninety (90) days of such determination against all properties for which the Special Taxes remain delinquent.

The District will further covenant that it will deposit any Gross Taxes received in connection with a foreclosure in the Special Tax Fund and will apply such proceeds remaining after the payment of Administrative Expenses to make current payments of principal and interest on the Bonds and any Parity Bonds, to bring the amount on deposit in the Reserve Account up to the Reserve Requirement and to pay any delinquent installments of principal or interest due on the Bonds and any Parity Bonds.

The District does not participate in the County's Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"); accordingly, the collection of Special Taxes are subject to delinquency. See "SOURCES OF PAYMENT FOR THE BONDS—No Teeter Plan."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE COUNTY OF RIVERSIDE, THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE SPECIAL TAXES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY OR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET TAXES AND CERTAIN AMOUNTS HELD UNDER THE BOND INDENTURE AS MORE FULLY DESCRIBED HEREIN.

Parity Bonds for Refunding Purposes Only. Under the terms of the Indenture, the District may issue additional bonds secured by the Net Taxes on a parity with the Bonds ("Parity Bonds") if certain conditions are met; provided, however, that Parity Bonds may only be issued for the purpose of refunding the Bonds or other Parity Bonds. See "SOURCES OF PAYMENT FOR THE BONDS—Issuance of Parity Bonds." Parity Bonds may be issued by means of a supplemental indenture and without any requirement for the consent of any Bond owners. See APPENDIX D—"SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE—DEFEASANCE AND PARITY BONDS."

Liens. Other taxes and/or special assessments with liens equal in priority to the continuing lien of the Special Taxes have been levied and may also be levied in the future on the property within the District which could adversely affect the willingness of the landowners to pay the Special Taxes when due. See "SPECIAL RISK FACTORS—Parity Taxes and Special Assessments" herein. See Table 4 for a description of the direct and overlapping debt applicable to the parcels within the District.

Appraisal Report

An MAI appraisal of certain land and existing improvements within the District (the "Appraisal Report") was prepared by Integra Realty Resources, Rocklin, California (the "Appraiser"). The Appraisal Report is dated June 4, 2019. See APPENDIX H—"APPRAISAL REPORT." The Appraisal Report provides an estimate of the approximate market value of certain of the property in the District, assuming development of the property as currently planned, and assessed value of the remainder of the taxable property in the District. As currently planned, development in the District will consist of 527 residential units. The Appraisal Report

appraised 340 of the lots within the District and relied on the assessed value for the remaining 187 lots. As of May 1, 2019, the Appraiser estimates that the value of all of the Taxable Parcels (based on appraised and assessed value) within the District subject to the Special Tax was \$146,905,061.

The Appraisal Report is based upon a variety of assumptions and limiting conditions that are described in Appendix II. The City, the District and the Underwriter make no representations as to the accuracy of the Appraisal Report. See “THE COMMUNITY FACILITIES DISTRICT—Appraisal Report” and “—Value-to-Lien Ratios.” There is no assurance that property within the District can be sold for the prices set forth in the Appraisal Report or that any parcel can be sold for a price sufficient to pay the Special Tax for that parcel in the event of a default in payment of Special Taxes by the land owner. See “THE COMMUNITY FACILITIES DISTRICT,” “SPECIAL RISK FACTORS—Land Values” and APPENDIX II—“APPRAISAL REPORT” herein.

Description of the Bonds

The Bonds will be issued and delivered as fully registered Bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) in the denominations of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry-only system described herein is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See APPENDIX F—“BOOK-ENTRY ONLY SYSTEM.”

Principal of, premium, if any, and interest on the Bonds is payable by the Trustee to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. In the event that the book-entry only system is no longer used with respect to the Bonds, the Beneficial Owners will become the registered owners of the Bonds and will be paid principal and interest by the Trustee, all as described in the Indenture. See APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE- GENERAL AUTHORIZATION AND BOND TERMS—Transfers Outside Book-Entry System” herein.

The Bonds are subject to optional redemption, extraordinary redemption, and mandatory sinking fund redemption as described herein. See “THE BONDS—Redemption.” For a more complete description of the Bonds and the basic documentation pursuant to which they are being sold and delivered, see “THE BONDS” and APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE” herein.

Professionals Involved in the Offering

Wilmington Trust, National Association, Costa Mesa, California, will act as Trustee under the Indenture. Raymond James & Associates, Inc., will serve as the underwriter (the “Underwriter”) of the Bonds. Certain proceedings in connection with the issuance and delivery of the Bonds are subject to the approval of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel and Disclosure Counsel to the District in connection with the issuance of the Bonds. Certain legal matters will be passed on for the District and the City by Slovak, Baron, Empey, Murphy & Pinkney LLP, Palm Springs, California, for the Underwriter by Kutak Rock LLP, Irvine, California, as counsel to the Underwriter, and for the Trustee by its counsel. Other professional services have been performed by Integra Realty Resources, Rocklin, California, as the Appraiser, Urban Futures, Inc., Tustin, California, as Municipal Advisor to the City and the District, and Webb Municipal Finance, LLC, Riverside, California, as Special Tax Consultant.

Certain of the above-mentioned professionals, advisors, counsel and consultants may have a financial or other interest in the offering of the Bonds. See “FINANCIAL INTERESTS” herein.

Continuing Disclosure

The District has agreed to provide, or cause to be provided, pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission (the "Rule") certain financial information and operating data on an annual basis (the "District Reports"). The District has further agreed to provide, in a timely manner, notice of certain events with respect to the Bonds (the "Listed Events"). These covenants have been made in order to assist the Underwriter in complying with the Rule. The District Reports will be filed with the Electronic Municipal Market Access System ("EMMA") of the Municipal Securities Rulemaking Board (the "MSRB") available on the Internet at <http://emma.msrb.org>. Notices of Listed Events will also be filed with the MSRB. The District has not previously entered into any continuing disclosure obligations. The City will assist the District in preparing the District Reports. Within the last five years, certain related entities of the City have failed to comply in certain respects with prior continuing disclosure undertakings. See "CONTINUING DISCLOSURE."

See "CONTINUING DISCLOSURE" herein and Appendix E- "FORM OF CONTINUING DISCLOSURE CERTIFICATE" hereto for a description of the specific nature of the annual reports to be filed by the District and notices of Listed Events and a copy of the continuing disclosure undertaking pursuant to which such District Reports are to be made.

SEC Order

On August 23, 2017, following an offer of settlement by the Beaumont Financing Authority (the "BFA"), the U.S. Securities and Exchange Commission ("SEC") entered a Cease-and-Desist Order and imposed certain undertakings on the BFA (the "SEC Order"). The BFA neither admits nor denies the findings in the SEC Order. The members of the City Council of the City act as the Board of Directors of the BFA and City staff acts as the staff of the BFA. A copy of the SEC Order is attached hereto as Appendix G.

Bond Owners' Risks

Certain events could affect the ability of the District to pay the principal of and interest on the Bonds when due. See the section of this Official Statement entitled "SPECIAL RISK FACTORS" for a discussion of certain factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds. The Bonds are not rated by any nationally recognized rating agency. The purchase of the Bonds involves significant risks, and the Bonds may not be appropriate investments for certain investors. See "SPECIAL RISK FACTORS" herein.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Brief descriptions of the Bonds and the Indenture are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture, the Bonds and the constitution and laws of the State as well as the proceedings of the Board, acting as the legislative body of the District, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Indenture. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.

Copies of the Indenture and other documents and information are available for inspection and (upon request and payment to the District of a charge for copying, mailing and handling) for delivery from the City at 550 East 6th Street, Beaumont, California 92223.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the expected sources and uses of Bond proceeds.

Sources of Funds:	
Principal Amount of Bonds	
Plus Net Original Issue Premium	
Total Sources	
Uses of Funds:	
Acquisition and Construction Fund ⁽¹⁾	
Costs of Issuance ⁽²⁾	
Reserve Account	
Total Uses	

⁽¹⁾ See "THE COMMUNITY FACILITIES DISTRICT Description of Authorized Facilities" for a list of facilities eligible to be financed with Bond proceeds deposited into the Acquisition and Construction Fund.

⁽²⁾ Includes Underwriter's Discount, Bond Counsel fees, Disclosure Counsel fees, Special Tax Consultant fees, Municipal Advisor fees, Trustee fees, printing costs and other issuance costs.

Source: The Underwriter.

THE BONDS

General Provisions

The Bonds will be dated as of their date of delivery and will bear interest at the rates per annum set forth on the inside cover page hereof, payable semiannually on each March 1 and September 1, commencing on September 1, 2019 (each, an "Interest Payment Date"), and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement.

Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months. Interest on any Bond will be payable from the Interest Payment Date next preceding the date of authentication of that Bond, unless (i) such date of authentication is an Interest Payment Date, in which event interest will be payable from such date of authentication; (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest will be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond, in which event interest will be payable from the dated date of the Bond; provided, however, that if at the time of authentication of a Bond, interest is in default, interest on that Bond will be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on that Bond, interest on that Bond will be payable from its dated date.

As used herein, Record Date means the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

Interest on any Bond will be paid to the person whose name appears in the Bond Register as the Owner of such Bond as of the close of business on the Record Date. Such interest will be paid by check of the Trustee mailed by first class mail, postage prepaid, to the Bondowner at its address on the Bond Register. In addition, with respect to any Bonds owned by the District and upon a request in writing received by the Trustee on or before the applicable Record Date from an Owner of \$1,000,000 or more in principal amount of the Bonds, payment will be made by wire transfer in immediately available funds to an account designated by such Owner.

Principal of the Bonds and any premium due upon redemption is payable upon presentation and surrender of the Bonds at the principal corporate trust office of the Trustee in Costa Mesa, California.

The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of \$5,000 and any integral multiple thereof. So long as DTC is the securities depository all payments of principal and interest on the Bonds will be made to DTC and will be paid to the Beneficial Owners in accordance with DTC's procedures and the procedures of DTC's Participants. See APPENDIX F—"BOOK-ENTRY-ONLY SYSTEM."

Debt Service Schedule

The following table presents the annual debt service on the Bonds (including sinking fund redemption), assuming there are no optional or extraordinary redemptions. See "SOURCES OF PAYMENT FOR THE BONDS" and "THE BONDS—Redemption."

<i>Date (September 1)</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
Total			

Source: The Underwriter.

Redemption

Optional Redemption. The Bonds may be redeemed, at the option of the District, from any source of funds, other than Prepayments, on any date on or after September 1, 20 __, in whole, or in part by lot, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, at the following redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed):

<i>Redemption Dates</i>	<i>Redemption Price</i>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and any date thereafter	100

In the event the District elects to optionally redeem Bonds, the District shall give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds of each maturity to be redeemed. The notice to the Trustee shall be given at least 45 but no more than 60 days prior to the redemption date, or by such later date as is acceptable to the Trustee, in its sole discretion.

Extraordinary Redemption from Special Tax Prepayments. The Bonds are subject to extraordinary redemption as a whole or in part, on any Interest Payment Date, and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account plus amounts transferred from the Reserve Account pursuant to the Indenture, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Dates</i>	<i>Redemption Price</i>
Interest Payment Dates to and including March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and each Interest Payment Date thereafter	100

Prepayments and amounts released from the Reserve Account in connection with Prepayments will be allocated to the redemption of the Bonds and any Parity Bonds as nearly as practicable on a proportionate basis based on the outstanding principal amount of the Bonds and any Parity Bonds and shall be applied to redeem Bonds and Parity Bonds as nearly as practicable on a pro rata basis among maturities in increments of \$5,000; provided, however, that, for Prepayments of less than \$50,000, the District may specify in a Certificate of an Authorized Representative that Prepayments be applied to one or more maturities of the Bonds or Parity Bonds so long as there is delivered to the Trustee a Certificate of the Special Tax Consultant that, following such redemption from Prepayments, the maximum Special Taxes that may be levied in each Fiscal Year on Developed Property is not less than 110% of Maximum Annual Debt Service net of the Administrative Expenses Cap.

Mandatory Sinking Fund Redemption. The Term Bonds maturing on September 1, 20__ (the "20__ Term Bonds") shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Principal Account, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Sinking Fund Redemption Date
(September 1)

Sinking Fund Payments

(maturity)

In the event of a partial optional redemption or extraordinary redemption of 20___ Term Bonds, each of the remaining Sinking Fund Payments for such Term Bonds will be reduced, as nearly as practicable, on a pro rata basis, in integral multiples of \$5,000.

Selection of Bonds and Parity Bonds for Redemption. If less than all of the Bonds Outstanding are to be redeemed, the portion of any Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof. So long as the Bonds are registered in the name of the Nominee, such Bonds or any portion thereof shall be selected by the Depository in accordance with its operating procedures.

Notice of Redemption. So long as the Bonds are held in book-entry form, the Beneficial Owners will not be mailed any notice of redemption by the Trustee. It is the responsibility of DTC Participants to provide such notice. See APPENDIX F—"BOOK-ENTRY ONLY SYSTEM." The Trustee is obligated to provide at least 30 days but not more than 45 days prior to the date of redemption, notice of intended redemption, by first-class mail, postage prepaid, to the respective registered owners of the Bonds at the addresses appearing on the Bond registration books; provided, however, so long as the Bonds and Parity Bonds are registered in the name of the Nominee, such notice shall be given in such manner as complies with the requirements of the Depository. The notice of redemption must: (i) specify the CUSIP numbers (if any), the bond numbers and the maturity date or dates of the Bonds selected for redemption, except that where all of the Bonds are subject to redemption, or all the Bonds or Parity Bonds of one maturity are to be redeemed, the bond numbers of such issue need not be specified; (ii) state the date fixed for redemption and surrender of the Bonds to be redeemed; (iii) state the redemption price; (iv) state the place or places where the Bonds are to be redeemed; (v) in the case of Bonds to be redeemed only in part, state the portion of such Bond which is to be redeemed; (vi) state the date of issue of the Bonds as originally issued; (vii) state the rate of interest borne by each Bond being redeemed; and (viii) state any other descriptive information needed to identify accurately the Bonds being redeemed as shall be specified by the Trustee. Such notice must further state that on the date fixed for redemption, there will become due and payable on each Bond or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon will cease to accrue and be payable.

So long as notice of redemption has been provided as set forth in the Indenture, the actual receipt by the owner of any Bond of notice of such redemption is not a condition precedent to redemption, and neither the failure to receive such notice nor any defect therein will affect the validity of the proceedings for redemption of such Bonds or the cessation of interest on the date fixed for redemption.

Any redemption notice for an optional redemption of the Bonds delivered in accordance with the Indenture may be conditional, and, if any condition stated in the redemption notice has not been satisfied on or prior to the redemption date: (i) the redemption notice will be of no force and effect, (ii) the District will not be required to redeem such Bonds, (iii) the redemption will not be made, and (iv) the Trustee will within a reasonable time thereafter give notice to the persons to whom such conditional redemption notice was given in the manner in which the conditional redemption notice was given that such condition or conditions were not met and that the redemption was canceled.

Effect of Redemption. When notice of redemption has been given, and when the amount necessary for redemption has been made available for that purpose and is available therefor on the date fixed for such

redemption, the Bonds designated for redemption will become due and payable on the date fixed for redemption upon presentation and surrender of the Bonds at the place specified in the notice of redemption. Bonds or portions thereof so designated for redemption will be deemed to be no longer Outstanding and such Bonds, or portions thereof, will cease to bear further interest. As of the date fixed for redemption no Owner of any of the Bonds or portions thereof so designated for redemption will be entitled to any of the benefits of the Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

Purchase in lieu of Redemption. The Bonds may be purchased by the District in lieu or partially in lieu of redemption of Bonds. See APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE—CREATION OF FUNDS AND APPLICATION OF PROCEEDS—Redemption Account of the Special Tax Fund.”

Registration, Transfer and Exchange

Registration. The Trustee will keep sufficient books for the registration and transfer of the Bonds. The ownership of the Bonds will be established by the Bond registration books held by the Trustee.

Transfer or Exchange. Whenever any Bond is surrendered for registration of transfer or exchange, the Trustee will authenticate and deliver a new Bond or Bonds of the same maturity, for a like aggregate principal amount of authorized denominations; provided that the Trustee will not be required to register transfers or make exchanges of (i) Bonds for a period of 15 days next preceding the date of any selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations

The Bonds are special, limited obligations of the District payable only from amounts pledged under the Indenture and from no other sources.

In the event that the Special Tax revenues are not received when due, the only sources of funds available to pay the debt service on the Bonds are amounts held by the Trustee in the Special Tax Fund, including amounts held in the Reserve Account therein, for the exclusive benefit of the owners of the Bonds, and foreclosure proceeds resulting from the sale of delinquent parcels if and when available. See “ Reserve Account of the Special Tax Fund.”

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE COUNTY OF RIVERSIDE, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY OR GENERAL OBLIGATIONS OF THE DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET TAXES TO BE LEVIED IN THE DISTRICT AND CERTAIN OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

Special Taxes

Authorization and Pledge. In accordance with the provisions of the Act, the City established the District on February 7, 2017 for the purpose of financing the various public improvements and services required in connection with the proposed development within the District. On February 7, 2017, an election was held within the District at which the landowners eligible to vote approved the issuance of bonds for the District in an amount not to exceed \$14,000,000, secured by special taxes levied on property within the District to finance the

Facilities (as defined under the caption “THE COMMUNITY FACILITIES DISTRICT—Description of Authorized Facilities”). The landowners within the District also voted to approve the Rate and Method which authorized the Special Tax to be levied to repay indebtedness issued by the District, including the Bonds. There are two types of special taxes levied by the District: a special tax for facilities and a special tax for services. Throughout this Official Statement, all references to the Special Tax shall refer to the special tax for facilities. **The special tax for services is not pledged to, and shall not be available to make payments on, the Bonds.**

The District will covenant in the Indenture that it will levy Special Taxes up to the maximum rates permitted under the Rate and Method in an amount sufficient, together with other amounts on deposit in the Special Tax Fund, to pay the principal of and interest on any Outstanding Bonds and any Parity Bonds, to maintain the Reserve Account at the Reserve Requirement and to pay the estimated Administrative Expenses.

The “Special Taxes” are the special taxes for facilities authorized to be levied and collected by the District in accordance with the Rate and Method and the Act. The Special Taxes are collected in the manner and at the same time as *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 *ad valorem* property taxes. See APPENDIX A “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

The “Net Taxes” pledged by the District to the Bonds (and any Parity Bonds) is defined in the Indenture as the “Gross Taxes” minus amounts permitted to be set aside prior to the payment of the principal of and interest on the Bonds and Parity Bonds in order to pay Administrative Expenses up to the Administrative Expenses Cap. The Administrative Expenses Cap shall be \$30,000 annually.

“Gross Taxes” is defined in the Indenture as the amount of all Special Taxes received by the District from the Treasurer, together with all payments made with respect to tax-defaulted parcels (including all delinquent and redemption penalties, fees and costs) and the proceeds collected from the sale of property pursuant to the foreclosure provisions of the Indenture.

Except for Prepayments which shall be deposited to the Redemption Account, the Trustee will, on each date on which the Special Taxes are received from the District, deposit the Special Taxes in the Special Tax Fund. The Trustee will transfer the Special Taxes on deposit in the Special Tax Fund on the dates and in the amounts set forth in the Indenture, in the following order of priority, to:

- (1) The Administrative Expenses Fund;
- (2) The Interest Account of the Special Tax Fund;
- (3) The Principal Account of the Special Tax Fund;
- (4) The Redemption Account of the Special Tax Fund;
- (5) The Reserve Account of the Special Tax Fund;
- (6) The Rebate Fund; and
- (7) The Surplus Fund.

Notwithstanding the foregoing, the total amount transferred to the Administrative Expenses Fund in a Bond Year shall not exceed the Administrative Expenses Cap until such time as there has been deposited to the Interest Account and the Principal Account an amount, together with any amounts already on deposit therein, that is sufficient to pay the interest and principal on all Bonds and Parity Bonds due in such Bond Year and to restore the Reserve Account to the Reserve Requirement.

See APPENDIX D—"SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE."

The Special Taxes levied in any fiscal year may not exceed the maximum rates authorized pursuant to the Rate and Method. The initial Special Tax levy commenced in Fiscal Year 2017-18. See APPENDIX A—"RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" hereto. There is no assurance that the Special Tax proceeds will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. See the caption "*Limitation on Special Tax Levy and Potential Impact on Coverage*" below and "SPECIAL RISK FACTORS—Insufficiency of Special Taxes" herein.

Rate and Method of Apportionment of Special Tax. The District is legally authorized and will covenant to cause the levy of the Special Taxes in an amount determined according to a methodology, i.e., the Rate and Method which the City Council and the electors within the District have approved. The Rate and Method apportions the total amount of Special Taxes to be collected among the taxable parcels in the District as more particularly described below. There are two types of special taxes levied by the District: a special tax for facilities and a special tax for services. Throughout this Official Statement, all references to the Special Tax shall refer to the special tax for facilities. **The special tax for services is not pledged to, and shall not be available to make payments on, the Bonds.**

The following is a synopsis of the provisions of the Rate and Method for the District, which should be read in conjunction with the complete text of the Rate and Method which is attached to this Official Statement as APPENDIX A—"RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." The meaning of the defined terms used in this section are as set forth in Appendix A. This section provides only a summary of the Rate and Method, and is qualified by more complete and detailed information contained in the entire Rate and Method attached as Appendix A.

"*Building Permit*" means a permit for new construction for a residential or non-residential structure. For purposes of this definition, "Building Permit" shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not intended for human habitation.

"*Developed Property*" means all Assessor's Parcels for which Building Permits were issued on or before March 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year and that each such Assessor Parcel is associated with a Lot, as determined by the CFD Administrator.

"*Exempt Property*" means all Assessor's Parcels designated as being exempt from Special Taxes as more fully set forth below.

"*Final Map Property*" means Assessor's Parcels: (i) that are included in a Final Map that was recorded prior to the January 1 preceding the Fiscal Year in which the Special Tax is being levied, and (ii) for which a Building Permit was not issued prior to the March 1 preceding the Fiscal Year in which the Special Tax is being levied, as determined by the CFD Administrator.

"*Minimum Acreage*" means the smallest allowable amount of taxable acreage. For the District, it shall not be less than 65.74 acres. The acreage per Zone is as follows: (i) Zone 1 - 17.94 acres, (ii) Zone 2 - 33.66 acres, and (iii) Zone 3 - 14.14 acres.

"*Special Tax for Facilities*" means any of the special taxes authorized to be levied within the District pursuant to the Act to fund the Special Tax Requirement for Facilities.

"*Special Tax Requirement for Facilities*" means the amount required in any Fiscal Year to pay: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account, (iv) any amount required to establish or replenish any reserve funds established in association with the

Bonds, (v) the collection or accumulation of funds for the acquisition or construction of facilities authorized by the District provided that the inclusion of such amount does not cause an increase in the levy of Special Tax for Facilities on Final Map Property or Undeveloped Property, less (vi) any amounts available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, or trust agreement.

"Taxable Property" means all Assessor's Parcels within the District, which are not Exempt Property, as determined by the CFD Administrator.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property or Final Map Property, as determined by the CFD Administrator.

"Zones" means Zone 1, 2 or 3 as geographically identified on the CFD Boundary Map.

"Zone 1" means the specific geographic area as depicted in the Rate and Method.

"Zone 2" means the specific geographic area as depicted in the Rate and Method.

"Zone 3" means the specific geographic area as depicted in the Rate and Method.

Exempt Property. The City shall classify as Exempt Property: (i) Assessor's Parcels owned by the State of California, Federal or other local governments, (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor's Parcels used exclusively by a homeowners' association, or (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, provided that no such classification would reduce the sum of all Taxable Property to less than the Minimum Acreage per Zone. Notwithstanding the above, the City Council shall not classify an Assessor's Parcel as Exempt Property pursuant to this paragraph if such classification would reduce the sum of all Taxable Property to less than the Minimum Acreage per Zone. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Acreage per Zone will continue to be classified as Taxable Property, and will continue to be subject to Special Taxes accordingly.

Maximum Special Tax. The Maximum Special Tax provided for in the Rate and Method is as follows:

Developed Property

The Maximum Special Tax for each Assessor's Parcel of Residential Property that is classified as Developed Property in any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Special Tax or (ii) the application of the Backup Special Tax. The Maximum Special Tax for each Assessor's Parcel of Non-Residential Property that is classified as Developed Property in any Fiscal Year shall be the Assigned Annual Special Tax.

Undeveloped Property and Final Map Property

The Maximum Special Tax for each Assessor's Parcel classified as Undeveloped Property and Final Map Property in any Fiscal Year shall be the Assigned Special Tax for the applicable Zone. The Assigned Special Tax for Final Map Property and Undeveloped Property is \$13,139 per Acre in Zone 1, \$10,049 per Acre in Zone 2 and \$12,090 per acre in Zone 3.

Assigned Special Tax. The Assigned Special Tax is determined as follows:

Developed Property

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to an Assigned Special Tax. The Assigned Special Tax applicable to an Assessor's Parcel of Developed Property for any Fiscal Year shall range from: \$1,184 to \$1,496 for Residential Property within Zone 1; from \$1,254 to \$1,726 for Residential Property within Zone 2; and from \$1,663 to \$2,058 for Residential Property within Zone 3. The Assigned Special Tax for Non-Residential Property is \$13,139 per Acre within Zone 1, \$10,049 per Acre within Zone 2 and \$12,090 per Acre within Zone 3.

Backup Special Tax. The Backup Special Tax shall be determined as follows:

Each Fiscal Year, each Assessor's Parcel of Developed Property classified as Residential Property shall be subject to a Backup Special Tax. In each Fiscal Year, the Backup Special Tax rate for Developed Property classified as Residential Property within each Zone shall be the maximum Special Tax rate per acre for Undeveloped Property in the respective Zone for the applicable Fiscal Year multiplied by the acreage of Developed Property classified or to be classified as Residential Property in such Zone, divided by the number of Lots in the Zone which are classified or to be classified as Residential Property.

Notwithstanding the foregoing, if Assessor's Parcels of Developed Property which are classified or to be classified as Residential Property are subsequently changed or modified by recordation of a lot line adjustment or similar instrument, then the Backup Special Tax for the area that has been changed or modified shall be a rate per square foot of Acreage for each Zone calculated as follows:

1. Determine the total Backup Special Tax anticipated to apply to the changed or modified Final Map area prior to the change or modification.
2. The result of paragraph 1 above shall be divided by the Acreage of Developed Property classified or to be classified as Residential Property which is ultimately expected to exist in such changed or modified Final Map area, as reasonably determined by the CFD Administrator.
3. The result of paragraph 2 above shall be divided by 43,560. The result is the Backup Special Tax per square foot of Acreage which shall be applicable to Assessor's Parcels of Developed Property classified as Residential Property in such changed or modified Final Map area for all remaining Fiscal Years in which the Special Tax may be levied.

Method of Apportionment of Special Tax. Commencing Fiscal Year 2017-18 and for each subsequent Fiscal Year until terminated, the City Council shall levy Special Taxes on all Taxable Property until the amount of Special Taxes levied equals the Special Tax Requirement in accordance with the following steps:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax rate as needed to satisfy the Special Tax Requirement for Facilities;

Second: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first step has been completed, the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Final Map Property, at up to 100% of the Assigned Special Tax for Facilities applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities;

Third: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property, excluding any Undeveloped Property pursuant to Section J

of the Rate and Method, at up to 100% of the Assigned Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities;

Fourth: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then for each Assessor's Parcel of Developed Property whose Maximum Special Tax for Facilities is the Backup Special Tax for Facilities shall be increased Proportionately from the Assigned Special Tax for Facilities up to 100% of the Backup Special Tax for Facilities as needed to satisfy the Special Tax Requirement for Facilities; and

Fifth: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first four steps have been completed, the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Property Owner's Association Property and Public Property, found not to be exempt pursuant to Section J of the Rate and Method, at up to 100% of the Assigned Special Tax for Facilities applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities.

Prepayment of Special Taxes. The Special Tax obligation of an Assessor's Parcel of Developed Property, an Assessor's Parcel of Final Map Property or Undeveloped Property for which a building permit has been issued or an Assessor's Parcel of Undeveloped Property that is classified as Undeveloped Property and will be classified as Developed Property in the next Fiscal Year may be prepaid in part or in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time that the Special Tax obligation would be prepaid. The Prepayment Amount is calculated based on the Bond Redemption Amount plus Redemption Premium plus Future Facilities Amount plus the Defeasance amount plus the Administrative Fee, and less a credit for the resulting reduction in the Reserve Requirement for the Bonds (if any), all as specified in APPENDIX A --"RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX --Section G." No parcel within the District has prepaid its Special Tax obligation.

Estimated Debt Service Coverage. Pursuant to the Rate and Method, and subject to the Maximum Special Taxes prescribed therein and permitted by the Act, the District will levy Special Taxes on all Taxable Property until the amount of Special Taxes levied equals the Special Tax Requirement. The Bonds have been sized so that the Assigned Special Taxes that may be levied in each Fiscal Year produce an amount equal to at least 110% of the debt service due on the Bonds in such Fiscal Year plus Administrative Expenses of \$30,000. The District expects to levy Special Taxes only on Developed Property going forward, though it has the ability under the Rate and Method to levy against Final Map Property and Undeveloped Property if necessary. In Fiscal Year 2018-19, Special Taxes were levied only against the 278 lots then classified as Developed Property. It is expected that all remaining building permits will be pulled by late 2020, in which case all taxable property within the District is expected to be classified as Developed Property beginning in Fiscal Year 2021-22.

Limitation on Special Tax Levy and Potential Impact on Coverage. Pursuant to Section 53321(d) of the Government Code, the Special Tax levied against any Assessor's parcel for which a building permit has been issued shall not be increased as a consequence of delinquency or default by the owner of any other Assessor's parcel within the District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. As a result, it is possible that the District may not be able to increase the tax levy to the Assigned Special Tax in all years. In addition, under the Rate and Method, the Maximum Special Tax for Facilities may not be levied after Fiscal Year 2055-56.

Collection of Special Taxes. The Special Taxes are levied and collected by the Treasurer-Tax Collector of the County of Riverside in the same manner and at the same time as *ad valorem* property taxes. The District may, however, collect the Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

The County of Riverside assesses and collects secured and unsecured property taxes for the cities, school districts, and special districts within the County of Riverside, including the Special Taxes for the District. The

delinquency dates for property tax payments are December 10 for the first installment and April 10 for the second installment. Once the property taxes are collected, the County of Riverside conducts its internal reconciliation for accounting purposes and distributes the City's share of such taxes (including the Special Taxes) to the City, periodically and typically pursuant to a published schedule. Prior to distribution, the moneys are deposited in an account established on behalf of the County of Riverside in the Riverside County Investment Pool (the "Pool") which is invested by the County Treasurer. If the County of Riverside or the Pool were at any time to become subject to bankruptcy proceedings, it is possible that District property taxes held in the Pool (including the Special Taxes), if any, could be temporarily unavailable to the County of Riverside. The District does not participate in the County's Tecter Plan, which is an alternate method for allocating property taxes by counties. Accordingly, the collection of Special Taxes is subject to delinquencies.

The Special Taxes for Fiscal Year 2018-19 were levied on 278 parcels in the District in the amount of \$367,636. As of June 5, 2019, 2019, no parcels were delinquent in the payment of Special Taxes and remained outstanding. See "THE COMMUNITY FACILITIES DISTRICT-- Delinquency History."

The District will make certain covenants in the Indenture for the purpose of ensuring that the current maximum Special Tax rates and method of collection of the Special Taxes are not altered in a manner that would impair the District's ability to collect sufficient Special Taxes to pay debt service on the Bonds and Administrative Expenses when due. First, the District will covenant that, to the extent it is legally permitted to do so, it will not reduce the maximum Special Tax rates and will oppose the reduction of maximum Special Tax rates by initiative where such reduction would reduce the maximum Special Taxes below current levels unless, in connection therewith, (i) the District receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that, among other things, on the basis of the parcels of land and improvements existing in the District as of the July 1 preceding the reduction, the maximum amount of the Special Tax which may be levied on then existing Developed Property (as defined in the Rate and Method then in effect in the District) in each Bond Year for any Bonds and Parity Bonds Outstanding will equal at least the sum of the estimated Administrative Expenses and 110% of gross debt service in each Bond Year on all Bonds and Parity Bonds to remain Outstanding after the reduction is approved, (ii) the District finds that any reduction made under such conditions will not adversely affect the interests of the Owners of the Bonds and Parity Bonds, and (iii) the District is not delinquent in the payment of the principal of or interest on the Bonds or any Parity Bonds. For purposes of estimating Administrative Expenses for the foregoing calculation, the Independent Financial Consultant shall assume Administrative Expenses equal to the Administrative Expense Cap.

Second, the District will covenant not to permit the tender of Bonds or Parity Bonds in payment of any Special Taxes unless the District shall have first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Special Tax revenues to pay the principal of and interest on the Bonds and Parity Bonds when due. See APPENDIX D—"SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE."

Although the Special Taxes constitute liens on taxed parcels within the District, they do not constitute a personal indebtedness of the owners of property within the District. In addition to the obligation to pay Special Taxes, properties in the District are subject to other assessments and special taxes as set forth under Table 5 herein. These other special taxes and assessments are co-equal to the lien for the Special Taxes. Moreover, other liens for taxes and assessments could come into existence in the future in certain situations without the consent or knowledge of the City or the landowners in the District. See "SPECIAL RISK FACTORS—Parity Taxes and Special Assessments" herein. There is no assurance that property owners will be financially able to pay the annual Special Taxes or that they will pay such taxes even if financially able to do so, all as more fully described in the section of this Official Statement entitled "SPECIAL RISK FACTORS."

Proceeds of Foreclosure Sales. The proceeds of delinquent Special Taxes received following a judicial foreclosure sale of parcels within the District resulting from a landowner's failure to pay the Special Taxes when due, up to the amount of the delinquent Special Tax lien, are included within the Special Tax revenues pledged to the payment of principal and interest on the Bonds under the Indenture.

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of any Special Tax or receipt by the District of Special Taxes in an amount which is less than the Special Tax levied, the City Council, as the legislative body of the District, may order that Special Taxes be collected by a superior court action to foreclose the lien within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at a judicial foreclosure sale. Under the Act, the commencement of judicial foreclosure following the nonpayment of a Special Tax is not mandatory. However, the District will covenant in the Indenture for the benefit of the Owners of the Bonds and the landowners of the District securing such Bonds that it will review the public records of the County of Riverside, California, in connection with the collection of the Special Tax not later than July 1 of each year to determine the amount of Special Tax collected in the prior Fiscal Year; and with respect to individual delinquencies within the District, if the District determines that any single property owner subject to the Special Tax is delinquent in the payment of Special Taxes in the aggregate of \$2,500 or more or as to any single parcel the delinquent Special Taxes represent more than 5% of the aggregate Special Taxes within the District, then the District will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) the District will cause judicial foreclosure proceedings to be filed in the Superior Court within ninety (90) days of such determination against all properties for which the Special Taxes remain delinquent.

The District covenants that it will deposit any Gross Taxes received in connection with a foreclosure in the Special Tax Fund and will apply such proceeds remaining after the payment of Administrative Expenses to make current payments of principal and interest on the Bonds and any Parity Bonds, to bring the amount on deposit in the Reserve Account up to the Reserve Requirement and to pay any delinquent installments of principal or interest due on the Bonds and any Parity Bonds.

See APPENDIX D—"SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE—COVENANTS AND WARRANTY" herein.

If foreclosure is necessary and other funds (including amounts in the Reserve Account) have been exhausted, debt service payments on the Bonds could be delayed until the foreclosure proceedings have ended with the receipt of any foreclosure sale proceeds. Judicial foreclosure actions are subject to the normal delays associated with court cases and may be further slowed by bankruptcy actions, involvement by agencies of the federal government and other factors beyond the control of the City and the District. See "SPECIAL RISK FACTORS—Bankruptcy and Foreclosure" herein. Moreover, no assurances can be given that the real property subject to foreclosure and sale at a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. See "SPECIAL RISK FACTORS --Property Values" herein. Although the Act authorizes the District to cause such an action to be commenced and diligently pursued to completion, the Act does not impose on the District or the City any obligation to purchase or acquire any lot or parcel of property sold at a foreclosure sale if there is no other purchaser at such sale. The Act provides that, in the case of a delinquency, the Special Tax will have the same lien priority as is provided for *ad valorem* taxes.

No Teeter Plan

The District does not participate in the County's Teeter Plan described above. Accordingly, the collection of Special Taxes is subject to delinquencies.

Reserve Account of the Special Tax Fund

In order to secure further the payment of principal of and interest on the Bonds, the District is required, upon delivery of the Bonds, to deposit in the Reserve Account an amount equal to the Reserve Requirement and thereafter to maintain in the Reserve Account an amount equal to the Reserve Requirement.

In the Indenture, "Reserve Requirement" is defined to mean that amount as of any date of calculation equal to the lesser of (i) 10% of the initial principal amount of the Bonds and Parity Bonds, if any, (ii) Maximum Annual Debt Service on the then Outstanding Bonds and Parity Bonds, if any; and (iii) 125% of average Annual Debt Service on the then Outstanding Bonds and Parity Bonds, if any. Notwithstanding the foregoing, in no event shall the Reserve Requirement exceed the initial Reserve Requirement of \$ _____.

Subject to the limits on the maximum annual Special Tax which may be levied within the District in accordance with the Rate and Method set forth in Appendix A, the District will covenant to levy Special Taxes in an amount that is anticipated to be sufficient, in light of the other intended uses of the Special Tax proceeds, to maintain the balance in the Reserve Account at the Reserve Requirement. Amounts in the Reserve Account are to be applied to (i) pay debt service on the Bonds and any Parity Bonds, to the extent other moneys in the Interest Account and the Principal Account are insufficient therefor; (ii) make any required transfer to the Rebate Fund pursuant to the Indenture; (iii) redeem the Bonds and any Parity Bonds in whole or in part; and (iv) pay the principal and interest due in the final year of maturity of a series of the Bonds and any Parity Bonds. See APPENDIX D—"SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE— CREATION OF FUNDS AND APPLICATION OF PROCEEDS—Reserve Account of the Special Tax Fund" herein.

Surplus Fund

After the transfer of Administrative Expenses to the Administrative Expense Fund up to the Administrative Expenses Cap, the payment of principal of and interest on the Bonds when due, transfers to the Redemption Account to pay principal and premium, if any, on Bonds called for redemption, transfers to replenish the Reserve Account to the Reserve Requirement and any required transfers to the Rebate Fund, as soon as practicable after each September 1, and in any event prior to each September 15, the Trustee will transfer all remaining amounts in the Special Tax Fund to the Surplus Fund, other than amounts in the Special Tax Fund which (i) the District has included as being available in the Special Tax Fund in calculating the amount of the levy of Special Taxes for such Fiscal Year pursuant to the Indenture or (ii) amounts to be transferred to the Acquisition and Construction Fund because such amounts were included in the levy of Special Taxes for the previous Fiscal Year to pay for the acquisition or construction of the Project. Moneys deposited in the Surplus Fund may be applied to pay the principal of, including Sinking Fund Payments, premium, if any, and interest on the Bonds and any Parity Bonds when due in the event that moneys in the Special Tax Fund and the Reserve Account of the Special Tax Fund are insufficient therefor, to replenish the Reserve Account to the Reserve Requirement, to pay Administrative Expenses in excess of the Administrative Expenses Cap, to pay Project Costs, or for any other lawful purpose of the District.

The amounts in the Surplus Fund are not pledged to the repayment of the Bonds or any Parity Bonds and may be used by the District for any lawful purpose.

Issuance of Parity Bonds

The District may at any time after the issuance and delivery of the Bonds issue Parity Bonds payable from the Net Taxes and other amounts deposited in the Special Tax Fund and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds and any other Parity Bonds theretofore issued under the Indenture or under any Supplemental Indenture; provided, however, that Parity Bonds may only be issued for the purpose of refunding all or a portion of the Bonds or any Parity Bonds then Outstanding. Parity Bonds which may only be issued to effect a partial refunding may be issued if the Annual Debt Service on the Bonds and Parity Bonds to remain Outstanding following the issuance of the Parity Bonds proposed to be issued is less than the Annual Debt Service on the Bonds and Parity Bonds Outstanding prior to the issuance of such Parity Bonds in each Bond Year.

See APPENDIX D "SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE— DEFEASANCE AND PARITY BONDS—Conditions for the Issuance of Parity Bonds and Other Additional Indebtedness."

THE COMMUNITY FACILITIES DISTRICT

General

The City formed the District on February 7, 2017. The District is located in the north-east part of the City and is bounded by Cherry Avenue to the west, Starlight Avenue to the east and Cougar Way to the north. The District is comprised of approximately 97.05 acres of land, of which approximately 73.05 acres is taxable. The District is being developed by the Developer and is expected to consist of 527 residential units at full buildout, which is expected to occur by early 2021.

The District is part of the Developer's master planned community of "Sundance." The Developer has reported to the City that Sundance is expected to consist of approximately 4,450 residential units on approximately 1,195 acres of land, with 13.5 acres of commercial/industrial land uses and the balance set aside for public/quasi/public uses.

Status of Development in the District

The property within the District contains 527 lots, which, as of May 1, 2019, consisted of 500 parcels classified as Developed Property and 27 parcels classified as Final Map Property. As of May 1, 2019, individual homeowners owned 444 lots (with another 5 homes in escrow to be sold to individual homeowners), and the Developer owned 83 lots. Of the 83 lots owned by the Developer, 18 were completed and unsold homes, 38 were homes under construction and 27 were finished lots. As of May 1, 2019, 500 lots had building permits pulled. As of June 1, 2019, building permits had been pulled for an additional 23 lots.

The model homes within the District are also being used to sell homes being constructed within a neighboring development. The building permits for the four buildout lots adjacent to the models are anticipated to be pulled and homes constructed thereon in late 2020. As a result, all taxable parcels within the District are expected to be classified as Developed Property for the Fiscal Year 2021-22 Special Tax levy. The District expects to only levy Special Taxes against Developed Property in the future, although it has the ability under the Rate and Method to levy against Final Map Property and Undeveloped Property, if necessary.

See "PROPERTY OWNERSHIP AND THE DEVELOPMENT" herein for further information regarding property ownership within the District.

Annual Debt Service for the Bonds has been structured so that Assigned Special Taxes levied on all taxable parcels of Developed Property at buildout, assuming no delinquencies, will generate in each Fiscal Year not less than 110% of debt service payable with respect to the Bonds in the calendar year that begins in that Fiscal Year, plus estimated Administrative Expenses, assuming that Special Taxes are levied and collected on such Developed Property in the District pursuant to the Rate and Method.

Table 1 below sets forth the Assigned Special Tax per unit of Developed Property and Final Map Property, the projected Fiscal Year 2019-20 Special Tax levy and the percent of such levy based on land use class as of March 1, 2019.

**TABLE 1
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
ASSIGNED SPECIAL TAXES**

Zone/Land Use Class	Land Use⁽¹⁾	No. of Parcels	FY 2019-20 Assigned Special Tax	Unit	FY 2019-20 Projected Special Tax Per Parcel	Total Projected FY 2019-20 Special Tax Levy ⁽²⁾	Percent of Total
Zone 1							
1	Residential Less than 1,750 sq. ft.	51	\$ 1,184.00	Per Parcel	\$ 1,175	\$ 59,922	8.96%
2	Residential 1,750 sq. ft. to 2,100 sq. ft.	137	1,219.00	Per Parcel	1,210	165,725	24.78
3	Residential 2,101 sq. ft. to 2,450 sq. ft.	0	1,294.00	Per Parcel	0	0	0.00
4	Residential 2,451 sq. ft. to 2,800 sq. ft.	0	1,369.00	Per Parcel	0	0	0.00
5	Residential Greater than 2,800 sq. ft.	0	1,496.00	Per Parcel	0	0	0.00
N/A	Final Map Property	7	13,139.00	Per Acre	0	0	0.00
Zone 2							
1	Residential Less than 1,750 sq. ft.	43	1,254.00	Per Parcel	1,244	53,509	8.00
2	Residential 1,750 sq. ft. to 2,100 sq. ft.	137	1,324.00	Per Parcel	1,314	180,000	26.92
3	Residential 2,101 sq. ft. to 2,450 sq. ft.	26	1,499.00	Per Parcel	1,488	38,676	5.78
4	Residential 2,451 sq. ft. to 2,800 sq. ft.	34	1,599.00	Per Parcel	1,587	53,950	8.07
5	Residential Greater than 2,800 sq. ft.	0	1,726.00	Per Parcel	0	0	0.00
N/A	Final Map Property	4	10,049.00	Per Acre	0	0	0.00
Zone 3							
1	Residential Less than 1,750 sq. ft.	2	1,663.00	Per Parcel	1,650	3,301	0.49
2	Residential 1,750 sq. ft. to 2,100 sq. ft.	7	1,738.00	Per Parcel	1,725	12,073	1.81
3	Residential 2,101 sq. ft. to 2,450 sq. ft.	16	1,813.00	Per Parcel	1,799	28,786	4.30
4	Residential 2,451 sq. ft. to 2,800 sq. ft.	20	1,918.00	Per Parcel	1,903	38,066	5.69
5	Residential Greater than 2,800 sq. ft.	17	2,058.00	Per Parcel	2,042	34,718	5.19
N/A	Final Map Property	26	12,090.00	Per Acre	0	0	0.00
Total		527				\$ 668,725	100.00%

⁽¹⁾ Reflects Developed Property unless otherwise noted as Final Map Property.

⁽²⁾ Levied in an amount sufficient to cover debt service on the Bonds and pay Administrative Expenses of \$30,000.

Source: Webb Municipal Finance, LLC.

Description of Authorized Facilities

Certain facilities are authorized to be financed by Special Taxes collected within the District and the proceeds of the Bonds (the "Facilities"). The Developer paid certain development impact fees ("DIF Fees") to the City that were used to finance the construction of the Facilities. These Facilities include, but are not limited to the following:

- [TO COME]

The Facilities have all been completed and the Developer has completed all in-tract infrastructure within the District. The total cost of the Facilities was approximately \$_____, and the District estimates that approximately \$10.3 million* will be paid to the Developer as reimbursement for the DIF Fees from the proceeds of the Bonds and Special Taxes collected prior to the issuance of the Bonds.

* Preliminary, subject to change.

Appraisal Report

The estimated assessed value of the property within the District, as shown on the County's assessment roll for Fiscal Year 2018-19, is approximately \$62,077,386. However, as a result of the requirements of Article XIII A of the California Constitution, a property's assessed value is not necessarily indicative of its market value. In order to provide information with respect to the value of the property within the District, the City engaged Integra Realty Resources, the Appraiser, to prepare the Appraisal Report. The Appraiser has an "MAI" designation from the Appraisal Institute and has prepared numerous appraisals for the sale of land-secured municipal bonds. The Appraiser was selected by the City through a request for proposal process and has no material relationships with the City, the District, or the owners of the land within the District other than the relationship represented by the engagement to prepare the Appraisal Report. The City instructed the Appraiser to prepare its analysis and report in conformity with City-approved guidelines and the Appraisal Standards for Land Secured Financings published in 1994 and revised in 2004 by the California Debt and Investment Advisory Commission. A copy of the Appraisal Report is included as APPENDIX H—"APPRAISAL REPORT" to this Official Statement.

The purpose of the Appraisal Report was to estimate the market value, by parcel, and aggregate value of the "as is" condition of certain of the property within the District subject to the Special Taxes that did not have an improved value on the Fiscal Year 2018-19 County Assessor's roll. The remainder of the taxable property is valued in the Appraisal based on its assessed value. The estimate of market value takes into consideration and assumes the improvements to be funded with the proceeds of the Bonds have been installed and that the development costs provided to the Appraiser by the Developer include all of the costs necessary to bring the subject properties to a finished lot condition. Subject to the contingencies, assumptions and limiting conditions set forth in the Appraisal Report, the Appraiser concluded that, as of May 1, 2019 the value of the Taxable Parcels (based on not less than market and assessed values) within the District was \$146,905,061. Of the 527 lots within the District, the Appraisal Report appraised 340 of the lots and relied on the assessed value for the remaining 187 lots. See "INTRODUCTION—Appraisal Report."

In estimating the market value, the Appraiser utilized a direct comparison approach and static residual analysis for all of the property owned by the Developer to derive a value indication for the finalized lots within each tract adjusted by any costs to complete such finished lots.

Reference is made to Appendix II for a complete list of the assumptions and limiting conditions and a full discussion of the appraisal methodology and the basis for the Appraiser's opinions. In the event that any of the contingencies, assumptions and limiting conditions are not actually realized, the value of the property within the District may be less than the amount reported in the Appraisal Report. In any case, there can be no assurance that any portion of the property within the District would actually sell for the amount indicated by the Appraisal Report.

The Appraisal Report merely indicates the Appraiser's opinion as to the market value of the property referred to therein as of the date and under the conditions specified therein. The Appraiser's opinion reflects conditions prevailing in the applicable market as of the date of the Appraisal Report. The Appraiser's opinion does not predict the future value of the subject property, and there can be no assurance that market conditions will not change adversely in the future.

It is a condition precedent to the issuance of the Bonds that the Appraiser deliver to the District a certification to the effect that, while the Appraiser has not updated the Appraisal Report since its date and has not undertaken any obligation to do so, nothing has come to the attention of the Appraiser subsequent to the date of the Appraisal Report that would cause the Appraiser to believe that the value of the property that it appraised in the District is less than the value reported in the Appraisal Report. However, the Appraiser notes that acts and events may have occurred since the date of the Appraisal Report which could result in both positive and negative effects on market value within the District.

Value-to-Lien Ratios

Table 2 below incorporates the values assigned to parcels in the Appraisal Report, the estimated principal amount of the Bonds allocable to each category of parcels based on the projected Fiscal Year 2019-20 Special Tax levy and development status as of March 1, 2019, and the estimated assessed/appraised value-to-lien ratios for various categories of parcels based upon land values as of May 1, 2019 as set forth in the Appraisal Report and based on information received from the Developer. Based on the principal amount of the Bonds, the estimated assessed/appraised District-wide value-to-lien ratio including all Taxable Property as of May 1, 2019 is 13.90-to-1*. This ratio does not include other direct and overlapping debt within the District. See “ –Direct and Overlapping Indebtedness” below. Taking that direct and overlapping debt into account, the ratio of the aggregate assessed/appraised value of the Taxable Property within the District to the total principal amount of all direct and overlapping bonded debt for the District is approximately 11.81-to-1*.

* Preliminary, subject to change.

**TABLE 2
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
ASSESSED/APPAISED VALUE-TO-LIEN RATIOS
ALLOCATED BY PROPERTY OWNER***

Property Owner ⁽¹⁾	Parcels	Projected Fiscal Year 2019-20		Projected Fiscal Year 2019-20 Total Assigned Special Tax	Projected Fiscal Year 2019-20 Total Assigned Special Tax	Projected Fiscal Year 2018-19 Assessed/ Appraised Value	Allocation of Bonds ⁽³⁾	Aggregate Value-to-Lien Ratio ⁽⁴⁾
		Special Tax Levy ⁽²⁾	Percent of Fiscal Year Levy					
Developed - Pardee Homes	46	\$ 67,101	10.03%	\$ 67,619	9.07%	\$ 7,427,531	\$ 1,060,619	7.00:1
Developed - Individual Owned	444	601,624	89.97	606,264	81.28	135,962,530	9,509,381	14.30:1
Subtotal Developed	490	\$ 668,725	100.00%	\$ 673,883	90.35%	\$ 143,390,061	\$ 10,570,000	13.57:1
Final Map - Pardee Homes	37	\$ 0	0.00%	\$ 0	9.65%	\$ 3,515,000	\$ 0	0.00:1
Subtotal Final Map	37	\$ 0	0.00%	\$ 72,004	9.65%	\$ 3,515,000	\$ 0	0.00:1
Totals	527	\$ 668,725	100.00%	\$ 745,887	100.00%	\$ 146,905,061	\$ 10,570,000	13.90:1

* Preliminary, subject to change.

⁽¹⁾ Ownership status is based on information from Appraisal and from the Developer as of May 1, 2019. Development status is as of March 1, 2019.

⁽²⁾ Based on par amount of the Bonds plus Administrative Expenses in the amount of \$30,000.

⁽³⁾ Based on projected Fiscal Year 2019-20 Special Tax Levy.

⁽⁴⁾ Aggregate Value-to-Lien based upon the par amount of the Bonds. Excludes direct and overlapping debt shown in Table 4.

Source: Wehh Municipal Finance, I.T.C.

Table 3 below summarizes the assessed/appraised value-to-lien of the individual parcels within the District by value-to-lien range based on development status as of March 1, 2019.

**TABLE 3
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
ASSESSED/APPAISED VALUE-TO-LIEN STRATIFICATION***

Assessed/Appraised Value-to-Lien ⁽¹⁾	No. of Parcels	Percent of Total Parcels	Projected Fiscal Year 2019-20		Projected Fiscal Year 2019-20 Levy ⁽⁴⁾	Projected Fiscal Year 2019-20 Levy ⁽⁵⁾	Projected Fiscal Year 2019-20		Projected Fiscal Year 2018-19 Assessed/ Appraised Value	Percent of Fiscal Year 2018-19 Assessed/ Appraised Value	Allocation of Bonds ⁽⁵⁾	Aggregate Value-to-Lien
			Projected Fiscal Year 2019-20 Special Tax	Percent of Total Assigned Special Tax			Projected Fiscal Year 2019-20 Assigned Special Tax	Percent of Total Assigned Special Tax				
Less than 5.00:1 ⁽²⁾	28	5.31%	\$ 42,728	6.39%	\$ 43,058	5.77%	\$ 2,660,000	1.81%	\$ 675,374		\$ 3,94:1	
5.00:1 to 9.99:1	8	1.52	11,330	1.69	11,417	1.53	1,622,724	1.10	179,078		9.06:1	
10.00:1 to 14.99:1	275	52.18	391,542	58.55	394,562	52.90	82,401,794	56.09	6,188,790		13.31:1	
Greater than 14.99:1 ⁽³⁾	179	33.97	223,125	33.37	224,846	30.14	56,705,543	38.60	3,526,758		16.08:1	
Final Map Property	37	7.02	0	0.00	72,004	9.65	3,515,000	2.39	0		N/A	
Total	527	100.00%	\$ 668,725	100.00%	\$ 745,887	100.00%	\$ 146,905,061	100.00%	\$ 10,570,000		13.90:1	

* Preliminary, subject to change.
⁽¹⁾ Assessed/Appraised Value-to-Lien based upon par amount of the Bonds. Excludes direct and overlapping debt shown in Table 4. Reflects value-to-lien for Developed Property except for the Final Map Property row. Based on development status as of March 1, 2019.
⁽²⁾ Minimum estimated appraised value-to-lien is 2.94:1. If the Bonds were allocated based on the share of the projected Fiscal Year 2019-20 Assigned Special Tax, the value-to-lien for all parcels identified as Final Map Property would be 3.45:1.
⁽³⁾ Highest estimated appraised value-to-lien is 19.61:1.
⁽⁴⁾ Based on par amount of the Bonds plus Administrative Expenses in the amount of \$30,000.
⁽⁵⁾ Based on projected Fiscal Year 2019-20 Special Tax levy.
 Source: Webb Municipal Finance, LLC.

Direct and Overlapping Debt

The District is included within the boundaries of overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The existing and authorized indebtedness payable from taxes and assessments that may be levied upon the property within the District is shown in Table 4 below. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within the District; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments.

**TABLE 4
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
DIRECT AND OVERLAPPING DEBT**

I. ASSESSED/APPAIRED VALUE									
Assessed/Appraised Valuation ⁽¹⁾									
II. LAND SECURED BOND INDEBTEDNESS									
Outstanding Direct and Overlapping Bonded Debt									
Type	Issued	Outstanding	% Applicable	Parcels in 2016-2	Amount Applicable				
CFD 2016-2 BEAUMONT	\$10,570,000*	\$10,570,000 ⁽²⁾	100.0000%	527	\$10,570,000*				
TOTAL OUTSTANDING LAND SECURED BONDED DEBT ⁽³⁾									
Authorized and Unissued Direct and Overlapping Bonded Debt									
Type	Authorized	Unissued	% Applicable	Parcels in 2016-2	Amount Applicable				
CFD 2016-2 BEAUMONT	\$14,000,000	\$3,430,000*	100.00%	527	\$3,430,000*				
TOTAL UNISSUED LAND SECURED INDEBTEDNESS ⁽³⁾									
TOTAL OUTSTANDING AND UNISSUED LAND SECURED INDEBTEDNESS									
III. GENERAL OBLIGATION BOND INDEBTEDNESS									
Outstanding Direct and Overlapping Bonded Debt									
Type	Issued	Outstanding	% Applicable ⁽⁴⁾	Parcels in 2016-2	Amount Applicable				
Beaumont Unified School B & I (0.07432%)	\$91,658,585	\$ 88,450,508	1.07%	527	\$946,573				
MT San Jacinto Comm (0.01320%)	190,000,000	172,650,000	0.07	527	\$117,952				
San Geronimo Memorial Healthcare District (0.08692%)	108,000,000	108,660,000	0.74	527	\$801,683				
San Geronimo Pass Water Agency (0.18250%)	0	0	0.68	527	\$0				
TOTAL OUTSTANDING GENERAL OBLIGATION BONDED DEBT									
Authorized and Unissued Direct and Overlapping Indebtedness									
Type	Authorized	Unissued	% Applicable ⁽⁵⁾	Parcels in 2016-2	Amount Applicable				
Beaumont Unified School B & I (0.07432%)	\$141,000,000	\$ 49,341,417	1.07%	527	\$528,038				
MT San Jacinto Comm (0.01320%)	293,000,000	105,000,000	0.07	527	\$71,722				
San Geronimo Memorial Healthcare District (0.08692%)	108,000,000	0	0.74	527	\$0				
San Geronimo Pass Water Agency (0.18250%)	0	0	0.68	527	\$0				
TOTAL UNISSUED GENERAL OBLIGATION INDEBTEDNESS									
TOTAL OUTSTANDING AND UNISSUED GENERAL OBLIGATION INDEBTEDNESS									
					\$599,761				
					\$2,465,949				

[TABLE CONTINUED ON PREVIOUS PAGE]

TOTAL OF ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT ⁽¹⁾	\$12,436,188*
TOTAL OF ALL OUTSTANDING AND UNISSUED DIRECT AND OVERLAPPING INDEBTEDNESS	\$13,035,949*

IV. Ratios to 2018-2019 Appraised Valuation

Outstanding Land Secured Bonded Debt	: 3.90:1*
Total Outstanding Bonded Debt	: 1.81:1*

- * Preliminary, subject to change.
 - (1) Assessed/appraised value is per the Appraisal and as of May 1, 2019.
 - (2) Amount outstanding is equal to the initial principal amount of the Bonds.
 - (3) The District has covenanted in the Indenture not to issue additional bonds other than for refunding purposes. See "SOURCES OF PAYMENT FOR THE BONDS Issuance of Parity Bonds."
 - (4) Percentage applicable determined by Fiscal Year 2018-19 Equalized Roll Assessed Value information.
- Source: Webb Municipal Finance, LLC.

Annual Debt Service for the Bonds has been structured so that Assigned Special Taxes levied on all taxable parcels of Developed Property at buildout, assuming no delinquencies, will generate in each Fiscal Year not less than 110% of debt service payable with respect to the Bonds in the calendar year that begins in that Fiscal Year, plus estimated Administrative Expenses, assuming that Special Taxes are levied and collected on such Developed Property in the District pursuant to the Rate and Method.

Based on the principal amount of the Bonds, interest costs and estimated Administrative Expenses, and Fiscal Year 2018-19 tax rates for all other taxing jurisdictions within the District, the total projected Fiscal Year 2019-20 average effective tax rate for Developed Property in the District is approximately 2.07%* of the Fiscal Year 2018-19 average assessed value for parcels with improvement values.

The following Table 5 sets forth the estimated total tax obligation of property in the District based on the average home size and an average assessed value (as provided by the County) in the District.

**TABLE 5
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
ESTIMATED AVERAGE FISCAL YEAR 2019-20 TAX OBLIGATION⁽¹⁾**

Average Home Value ⁽²⁾	\$	301,508.00
Ad Valorem Property Taxes:		
Ad-Valorem Tax Rate (1.00%)	\$	3,015.08
Beaumont Unified School (0.07432%)		224.08
San Gorgonio Pass Memorial Hospital (0.08692%)		262.07
San Gorgonio Pass Water District (0.18250%)		550.25
Mt. San Jacinto Community College District (0.01320%)		39.80
Total Ad Valorem Property Taxes	\$	<u>4,091.29</u>
Assessment, Special Taxes & Parcel Charges:		
FLD CNTL STORMWATER/CLEANWATER		3.60
SAN GORGONIO HOSPITAL MEASURE D		55.10
CFD No. 2016-2 BEAUMONT SERVICE		814.68
CFD No. 2016-2 BEAUMONT FACILITIES ⁽³⁾		1,266.29*
Total Assessment Charges	\$	<u>2,139.67*</u>
Average Total Property Tax	\$	6,230.96*
Average Effective Tax Rate		2.07%*

* Preliminary, subject to change.

⁽¹⁾ Average Fiscal Year 2018-19 tax rates based upon Fiscal Year 2018-19 Overlapping Taxes and Assessment Rates.

⁽²⁾ Average Home Value is based upon average assessed values for developed parcels with improvement value for Fiscal Year 2018-19 per Riverside County Equalized Roll data.

⁽³⁾ Reflects the District's Average Fiscal Year 2019-20 Special Tax levy for facilities for developed parcels with an assessed value for improvements.

Source: Webb Municipal Finance, LLC, based on assessed value information provided by the County.

Delinquency History

Fiscal Year 2017-18 was the first fiscal year in which Special Taxes were levied within the District. Unpaid amounts of the Special Taxes become delinquent after December 10 and April 10 of each Fiscal Year. Table 6 below summarizes the Special Tax delinquencies within the District for Fiscal Years 2017-18 through 2018-19, as of June 5, 2019.

* Preliminary, subject to change.

**TABLE 6
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
SPECIAL TAX LEVIES, DELINQUENCIES, AND DELINQUENCY RATES
FISCAL YEARS 2017-18 THROUGH 2018-19⁽¹⁾**

Fiscal Year	Amount Levied	Parcels Levied	Delinquencies Following Fiscal Year End			Delinquencies as of June 5, 2019		
			Parcels Delinquent	Amount Delinquent	Percent Delinquent	Parcels Delinquent	Amount Delinquent	Percent Delinquent
2017-18 ⁽²⁾	\$ 54,435.00	45	0	\$0.00	0.00%	0	\$0.00	0.00%
2018-19	367,636.00	278	0	0.00	0.00	0	0.00	0.00

⁽¹⁾ Delinquency information is as of June 5, 2019.

⁽²⁾ The Special Tax was first levied in Fiscal Year 2017-18.

Source: Webb Municipal Finance, LLC and Riverside County Tax Collector

Top Taxpayers

As of May 1, 2019, individual homeowners owned 444 of the 527 parcels in the District. Based on ownership status as of May 1, 2019 and development status as of March 1, 2019, individual homeowners are projected to be responsible for 89.78% of the Special Taxes to be levied in Fiscal Year 2019-20, with the Developer projected to be responsible for 10.22%. The District is not aware of any individual, other than the Developer, who owns more than one parcel within the District.

PROPERTY OWNERSHIP AND THE DEVELOPMENT

The information regarding the development and ownership of the Property contained under this caption, "PROPERTY OWNERSHIP AND THE DEVELOPMENT," has been provided by representatives of Pardee Homes, a California corporation (the "Developer"), and has not been independently confirmed or verified by the Underwriter, the City or the District. The Underwriter, the City and the District make no representation as to the accuracy or adequacy of the information contained under this caption. There may be material adverse changes in this information after the date of this Official Statement. Neither the Bonds nor the Special Taxes securing the Bonds are personal obligations of the Developer or any affiliate thereof, or any other property owner and, in the event that any property owner defaults in the payment of its Special Taxes, the District may proceed with judicial foreclosure but has no direct recourse to the assets of any property owner or any affiliate thereof. See "SPECIAL RISK FACTORS" herein."

The Developer is developing the property within the District. The District consists of approximately 97.05 gross acres and approximately 73.05 net acres. All of the property within the District is located within Tract Map Nos. 31469-4, 31469-7, 31469-8, 31469-9 and 31469-10. The property within the District is being developed into a residential development of 527 single family detached homes in five neighborhoods that have been marketed as part of the master planned community of "Sundance." The Developer is an indirect, wholly-owned subsidiary of TRI Pointe Group, Inc., a Delaware corporation ("TRI Pointe Group"), a publicly traded company whose common stock is traded on the New York Stock Exchange under the ticker symbol "TPH." TRI Pointe Group is engaged in the design, construction and sale of single-family homes through its portfolio of six quality brands across ten states, including Maracay Homes in Arizona, the Developer in California and Nevada, Quadrant Homes in Washington, Trendmaker Homes in Texas, TRI Pointe Homes in California, Colorado, South Carolina and North Carolina, and Winchester Homes in Maryland and Virginia.

TRI Pointe Group is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information, including financial statements, with the Securities and Exchange Commission (the "SEC"). Such filings, particularly TRI Pointe Group's Annual Report on Form 10-K for the fiscal year ended December 31,

2018, as filed with the SEC on February 26, 2019, and its Quarterly Report on Form 10-Q for the quarter ending March 31, 2019, as filed with the SEC on April 25, 2019, set forth, among other things, certain data relative to the consolidated results of operations and financial position of TRI Pointe Group and its subsidiaries, including the Developer, as of such dates.

The SEC maintains an Internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including TRI Pointe Group. The address of such Internet web site is www.sec.gov. All documents subsequently filed by TRI Pointe Group pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes. Copies of TRI Pointe Group's Annual Report and each of its other quarterly and current reports, including any amendments, are available from TRI Pointe Group's website at www.tripointegroup.com. The foregoing Internet addresses and references to filings with the SEC are included for reference only, and the information on these Internet sites and on file with the SEC are not a part of this Official Statement and are not incorporated by reference into this Official Statement.

General. Of the 527 lots within the District, as of May 1, 2019, 444 had been completed and conveyed to individual homeowners, 18 had been completed and were owned by the Developer, 38 homes were under construction and were owned by the Developer and 27 were owned by the Developer and were in finished lot condition. The Developer expects to pull the last of the building permits in late 2020; accordingly, all lots within the District are expected to be classified as Developed Property, and Special Taxes are expected to be levied against such properties, beginning in Fiscal Year 2021-22. As of June 1, 2019, an additional 23 homes had been conveyed to individual homeowners. Home sales and closings within the District began in October, 2016. The Developer anticipates that complete buildout of the District will occur by early 2021 and expects that the last units will be transferred to individual homeowners by the first quarter of 2021. All backbone and intract infrastructure relating to the development within the District is complete.

The Developer's total site improvement, home construction, marketing and other carrying and soft costs for the development within the District are estimated to be approximately \$146,531,151. As of May 1, 2019, the Developer expects its remaining home construction costs and other development, marketing and sales costs within the District to be approximately \$1,281,417; the Developer will pay any such remaining costs from home sale proceeds or other internal sources.

Although the Developer expects to have sufficient funds available to complete its planned construction of homes in the District, no assurance can be given that the sources of financing available to the Developer will be sufficient to complete the home construction as currently anticipated. While TRI Pointe Group has made such internal financing available in the past, there can be no assurance whatsoever of its willingness or ability to do so in the future. Neither the Developer nor any affiliate thereof has any legal obligation of any kind to make any such funds available or to obtain loans. If and to the extent that internal financing and home sales revenues are inadequate to pay the costs to complete the Developer's planned home construction within the District and other financing by the Developer is not put into place, there could be a shortfall in the funds required to complete the proposed home construction by the Developer.

SPECIAL RISK FACTORS

The purchase of the Bonds involves significant risks and is not an appropriate investment for all investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds. The Bonds have not been rated by a rating agency. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District to pay their Special Taxes when due. Such failures to pay Special Taxes could result in the inability of the District to make full and punctual payments of debt service on the Bonds. In addition,

the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the District. See “—Property Values” and “—Limited Secondary Market.”

Concentration of Ownership

Based on ownership status as of May 1, 2019 and development status as of March 1, 2019, approximately 10.22% of the Special Taxes projected to be levied in Fiscal Year 2019-20 will be payable by the Developer. Failure of the Developer, entities affiliated with the Developer or any successor(s), to pay the annual Special Taxes when due could result in a draw on the Reserve Account of the Special Tax Fund, and ultimately a default in payments of the principal of, and interest on, the Bonds, when due. No assurance can be given that the Developer or any of its successors, will complete the remaining intended construction and development in the District. See “—Failure to Develop Properties.”

Risks of Real Estate Secured Investments Generally

The Bond owners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the District, the supply of or demand for competitive properties in such area, and the market value of residential property or buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; and (iii) natural disasters (including, without limitation, earthquakes, fires and floods), which may result in uninsured losses.

No assurance can be given that any future homeowners within the District will pay Special Taxes in the future or that they will be able to pay such Special Taxes on a timely basis. See “—Bankruptcy and Foreclosure” below, for a discussion of certain limitations on the City’s ability to pursue judicial proceedings with respect to delinquent parcels.

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 Code. For example, the Tax Act reduces the 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 District. However, neither the City nor the District can predict the effect that the Tax Act may have on the cost of home ownership or the price of homes in the District or the ability or willingness of homeowners to pay Special Taxes or property taxes.

Limited Obligations

The Bonds and interest thereon are not payable from the general funds of the City. Except with respect to the Special Taxes, neither the faith and credit nor the taxing power of the District or the City is pledged for the payment of the Bonds or the interest thereon, and, except as provided in the Indenture, no owner of the Bonds may compel the exercise of any taxing power by the District or the City or force the forfeiture of any City or District property. The principal of, premium, if any, and interest on the Bonds are not a debt of the City or a legal or equitable pledge, charge, lien or encumbrance upon any of the City’s or the District’s property or upon any of the City’s or the District’s income, receipts or revenues, except the Net Taxes and other amounts pledged under the Indenture.

Insufficiency of Special Taxes

Under the Rate and Method, the annual amount of Special Tax to be levied on each taxable parcel in the District will generally be based on the land use class to which a parcel of Developed Property is assigned. See APPENDIX A - "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" and "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—*Rate and Method of Apportionment of Special Tax.*"

In order to pay debt service on the Bonds, it is necessary that the Special Taxes be paid in a timely manner. The District will establish and fund upon the issuance of the Bonds a Reserve Account of the Special Tax Fund in an amount equal to the Reserve Requirement to pay debt service on the Bonds to the extent other funds are not available. See "SOURCES OF PAYMENT FOR THE BONDS—Reserve Account of the Special Tax Fund." The District will covenant to maintain in the Reserve Account of the Special Tax Fund an amount equal to the Reserve Requirement subject, however, to the limitation that the District may not levy the Special Tax in the District in any fiscal year at a rate in excess of the maximum amounts permitted under the Rate and Method and the Act. As a result, if a significant number of delinquencies occurs, the District could be unable to replenish the Reserve Account of the Special Tax Fund to the Reserve Requirement due to the limitations on the maximum Special Tax. If such defaults were to continue in successive years, the Reserve Account of the Special Tax Fund could be depleted and a default on the Bonds could occur. See "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—*Limitation on Special Tax Levy and Potential Impact on Coverage.*"

The District will covenant in the Indenture that, under certain conditions, it will institute foreclosure proceedings to sell any property with delinquent Special Taxes in order to obtain funds to pay debt service on the Bonds. If foreclosure proceedings were ever instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of the delinquent Special Tax to protect its security interest. See "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—*Proceeds of Foreclosure Sales*" for provisions which apply in the event of such foreclosure and which the District is required to follow in the event of delinquencies in the payment of the Special Tax.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to owners of the Bonds (if the Reserve Account of the Special Tax Fund has been depleted) pending such sales or the prosecution of such foreclosure proceedings and receipt by the District of the proceeds of sale. The District may adjust the future Special Tax levied on taxable parcels in the District, subject to the limitation on the maximum Special Tax, to provide an amount required to pay interest on, principal of, and redemption premiums, if any, on the Bonds, and the amount, if any, necessary to replenish the Reserve Account of the Special Tax Fund to an amount equal to the Reserve Requirement and to pay all current expenses. There is, however, no assurance that the total amount of the Special Tax that could be levied and collected against taxable parcels in the District will be at all times sufficient to pay the amounts required to be paid by the Indenture, even if the Special Tax is levied at the maximum Special Tax rates. See "—Bankruptcy and Foreclosure" for a discussion of potential delays in foreclosure actions.

The Rate and Method governing the levy of the Special Tax provides that no Special Tax shall be levied on property that is not located in the District. No Special Tax shall be levied on Exempt Property. See APPENDIX A—"RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." If for any reason property within the District becomes exempt from taxation by reason of ownership by a non-taxable entity such as the federal government or another public agency, subject to the limitations of the maximum authorized rates, the Special Tax will be reallocated to the remaining taxable properties within the District. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the ability and willingness of the owners of such property to pay the Special Tax when due.

The Rate and Method governing the levy of the Special Tax provides that, once a parcel is classified as Taxable Property, it will remain subject to a Special Tax levy even if it is subsequently acquired by a public agency. The Act provides that, if any property within the District not otherwise exempt from the Special Tax is acquired by a public entity through a negotiated transaction, or by gift or devise, the Special Tax will continue

to be levied on and enforceable against the public entity that acquired the property. In addition, the Act provides that, if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment and be paid from the eminent domain award. The constitutionality and operation of these provisions of the Act have not been tested in the courts. Due to problems of collecting taxes from public agencies, if a substantial portion of land within the District was to become owned by public agencies, collection of the Special Tax might become more difficult and could result in collections of the Special Tax which might not be sufficient to pay principal of and interest on the Bonds when due and a default could occur with respect to the payment of such principal and interest.

Natural Disasters

The District, like all California communities, may be subject to unpredictable seismic activity, fires, floods, or other natural disasters. Southern California is a seismically active area. Seismic activity represents a potential risk for damage to buildings, roads, and property within the District. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event. The property within the District is not located in an Alquist Priolo Earthquake Study Zone though it is located less than 10 miles from the San Andreas Fault. The District is not located in a flood plain area.

In recent years, wildfires have caused extensive damage throughout the State. In some instances, entire neighborhoods have been destroyed. Several of the fires that occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and more damaging wildfires in the future. Additionally, wildfires increase the risk of mudslides in areas like the District that are surrounded by hillsides. In general, property damage due to wildfire or mudslides could result in a significant decrease in the market value of property in the District and in the ability or willingness of property owners to pay Special Taxes.

Western Riverside County, in which the District is located, has previously experienced large scale wildfires that resulted in the destruction of homes and businesses. According to the City's Municipal Code, which incorporates portions of the County's Ordinance 787 and the California Fire Code by reference, the District is not located in a Very High Fire Hazard Severity Zone. More information regarding Fire Hazard Severity Zones, including the most recent Fire Hazard Severity Zone Maps, can be found at the California Department of Forestry and Fire Protection website at <http://frap.fire.ca.gov/index>, though such website is not incorporated herein by reference. Homeowner's insurance is available to property owners within the District, and the coverage provided by such insurance typically insures against fire damage, although there is no assurance that homeowners within the District will purchase or maintain such insurance.

In the event of a severe earthquake, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Special Taxes when due. In addition, the value of land in the District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

Hazardous Substances

The presence of hazardous substances on a parcel may result in a reduction in the value of a parcel. In general, the owners and operators of a parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also 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. The effect, therefore, should any of the taxed parcels be affected

by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming the owner, will become obligated to remedy the condition just as is the seller.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling such substance. All of these possibilities could significantly affect the value of a parcel that is realizable upon a delinquency and the willingness or ability of the owner of any parcel to pay the Special Tax installments.

The value of the taxable property within the District, as set forth in the various tables in this Official Statement, does not reflect the presence of any hazardous substance or the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the property. The District has not independently verified, but is not aware, that any owner (or operator) of any of the parcels within the District has such a current liability with respect to any such parcel. However, it is possible that such liabilities do currently exist and that the District is not aware of them.

Payment of the Special Tax is not a Personal Obligation of the Property Owners

An owner of a taxable parcel is not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation which is secured only by a lien against the taxable parcel. If the value of a taxable parcel is not sufficient, taking into account other liens imposed by public agencies, to secure fully the Special Tax, the District has no recourse against the property owner.

Property Values

The value of the property within the District is a critical factor in determining the investment quality of the Bonds. If a property owner is delinquent in the payment of Special Taxes, the District's only remedy is to commence foreclosure proceedings against the delinquent parcel in an attempt to obtain funds to pay the Special Taxes. Reductions in property values due to a downturn in the economy, physical events such as earthquakes, fires or floods, stricter land use regulations, delays in development or other events will adversely impact the security underlying the Special Taxes. See "THE COMMUNITY FACILITIES DISTRICT—Value-to-Lien Ratios."

The Appraiser has estimated, on the basis of certain definitions, assumptions and limiting conditions contained in the Appraisal Report that as of May 1, 2019, the value (assessed and appraised) of the Taxable Parcels within the District was not less than \$146,905,061. The Appraisal Report is based on a number of assumptions and limiting conditions as stated in APPENDIX H—"APPRAISAL REPORT." The Appraisal Report does not reflect any possible negative impact which could occur by reason of future slow or no growth voter initiatives, an economic downturn, any potential limitations on development occurring due to time delays, an inability of any landowner to obtain any needed development approval or permit, the presence of hazardous substances or other adverse soil conditions within the District, the listing of endangered species or the determination that habitat for endangered or threatened species exists within the District, or other similar situations.

Prospective purchasers of the Bonds should not assume that the land and improvements within the District could be sold for the amount stated in the Appraisal Report at a foreclosure sale for delinquent Special Taxes. In arriving at the estimate of market value of the appraised parcels in the Appraisal, the Appraiser assumes that any sale will be sold in a competitive market after a reasonable exposure time, and assuming that neither the buyer or seller is under duress, which is not always present in a foreclosure sale. See APPENDIX H—

“APPRAISAL REPORT AND SUPPLEMENT” for a description of other assumptions made by the Appraiser and for the definitions and limiting conditions used by the Appraiser. Any event which causes one of the Appraiser’s assumptions to be untrue could result in a reduction of the value of the land within the District from that estimated by the Appraiser.

The assessed values set forth in this Official Statement do not represent market values arrived at through an appraisal process and generally reflect only the sales price of a parcel when acquired by its current owner, adjusted annually by an amount determined by the County Assessor, generally not to exceed an increase of more than 2% per fiscal year. No assurance can be given that a parcel could actually be sold for its assessed value.

No assurance can be given that any bid will be received for a parcel with delinquent Special Taxes offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes. See APPENDIX D “SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE—COVENANTS AND WARRANTY—Covenants—*Commence Foreclosure Proceedings*.”

Parity Taxes and Special Assessments

Property within the District is subject to taxes and assessments imposed by other public agencies also having jurisdiction over the land within the District. See “THE COMMUNITY FACILITIES DISTRICT—Direct and Overlapping Indebtedness.”

The Special Taxes and any penalties thereon will constitute a lien against the lots and parcels of land on which they will be annually imposed until they are paid. Such lien is on a parity with all special taxes and special assessments levied by other agencies and is co-equal to and independent of the lien for general property taxes regardless of when they are imposed upon the same property. The Special Taxes have priority over all existing and future private liens imposed on the property except, possibly, for liens or security interests held by the Federal Deposit Insurance Corporation. See “ Bankruptcy and Foreclosure.”

Neither the District nor the City has control over the ability of other entities and districts to issue indebtedness secured by special taxes, *ad valorem* taxes or assessments payable from all or a portion of the property within the District. In addition, the landowners within the District may, without the consent or knowledge of the District, petition other public agencies to issue public indebtedness secured by special taxes and *ad valorem* taxes or assessments. Any such special taxes or assessments may have a lien on such property on a parity with the Special Taxes and could reduce the estimated value-to-lien ratios for the property within the District described herein. See “SOURCES OF PAYMENT FOR THE BONDS” and “THE COMMUNITY FACILITIES DISTRICT—Direct and Overlapping Indebtedness” and “—Value-to-Lien Ratios.”

Disclosures to Future Purchasers

The willingness or ability of an owner of a parcel to pay the Special Tax even if the value is sufficient may be affected by whether or not the owner was given due notice of the Special Tax authorization at the time the owner purchased the parcel, was informed of the amount of the Special Tax on the parcel should the Special Tax be levied at the maximum tax rate and the risk of such a levy and, at the time of such a levy, has the ability to pay it as well as pay other expenses and obligations. The District has caused a notice of the Special Tax to be recorded in the Office of the Recorder for the County of Riverside against each parcel. 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 property within the District or lending of money thereon.

The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a special tax under the Act 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 the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Special Tax Delinquencies

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the Bonds are derived, will be billed to the properties within the District on the regular *ad valorem* property tax bills sent to owners of such properties by the County of Riverside Tax Collector. The Act currently provides that such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do *ad valorem* property tax installments.

See APPENDIX D—"SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE—COVENANTS AND WARRANTY—Covenants—*Commence Foreclosure Proceedings*" for a discussion of the provisions which apply, and procedures which the District is obligated to follow under the Indenture, in the event of delinquencies in the payment of Special Taxes. See "— Bankruptcy and Foreclosure" for a discussion of the policy of the Federal Deposit Insurance Corporation regarding the payment of special taxes and assessment and limitations on the District's ability to foreclosure on the lien of the Special Taxes in certain circumstances.

The District does not participate in the County's Teeter Plan. Accordingly, the collection of Special Taxes is subject to delinquencies. See "THE COMMUNITY FACILITIES DISTRICT—Delinquency History" for a discussion on delinquent Special Taxes in the District.

FDIC/Federal Government Interests in Properties

General. The ability of the 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 has or obtains an interest.

The supremacy clause of the United States Constitution reads as follows: "This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding."

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the District but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government's mortgage interest. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association ("FNMA") is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

The District has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes

within the District, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

FDIC. 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, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the District to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited. The 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 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 has issued a ruling on August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from special taxes under the Act.

The District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the District in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Taxes to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a draw on the Reserve Account and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the Bonds.

Bankruptcy and Foreclosure

Bankruptcy, insolvency and other laws generally affecting creditors' rights could adversely impact the interests of owners of the Bonds in at least two ways. First, the payment of property owners' taxes and the ability of the District to foreclose the lien of a delinquent unpaid Special Tax pursuant to its covenant to pursue judicial foreclosure proceedings may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. See "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—*Proceeds of Foreclosure Sales.*" In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

Second, the Bankruptcy Code might prevent moneys on deposit in the Acquisition and Construction Fund from being applied to pay interest on the Bonds and/or to redeem Bonds if bankruptcy proceedings were brought by or against a landowner or other party and if the court found that the landowner or other party had an interest in such moneys within the meaning of Section 541(a)(1) of the Bankruptcy Code.

Although a bankruptcy proceeding would not cause the Special Taxes to become extinguished, the amount of any Special Tax lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a property owner could result in a delay in prosecuting Superior Court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of delinquent Special Tax installments and the possibility of delinquent Special Tax installments not being paid in full.

On July 30, 1992, the United States Court of Appeals for the Ninth Circuit issued its opinion in a bankruptcy case entitled *In re Glasply Marine Industries*. In that case, the court held that *ad valorem* property taxes levied by Snohomish County in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien on the property. Although the court upheld the priority of unpaid taxes imposed before the bankruptcy petition, unpaid taxes imposed after the filing of the bankruptcy petition were declared to be “administrative expenses” of the bankruptcy estate, payable after all secured creditors. As a result, the secured creditor was able to foreclose on the property and retain all the proceeds of the sale except the amount of the pre-petition taxes.

The Bankruptcy Reform Act of 1994 (the “Bankruptcy Reform Act”) included a provision which excepts from the Bankruptcy Code’s automatic stay provisions, “the creation of a statutory lien for an *ad valorem* property tax imposed by . . . a political subdivision of a state if such tax comes due after the filing of the petition [by a debtor in bankruptcy court].” This amendment effectively makes the *Glasply* holding inoperative as it relates to *ad valorem* real property taxes. However, it is possible that the original rationale of the *Glasply* ruling could still result in the treatment of post-petition special taxes as “administrative expenses,” rather than as tax liens secured by real property, at least during the pendency of bankruptcy proceedings.

According to the court’s ruling, as administrative expenses, post-petition taxes would be paid, assuming that the debtor had sufficient assets to do so. In certain circumstances, payment of such administrative expenses may be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise), it would at that time become subject to current *ad valorem* taxes.

The Act provides that the Special Taxes are secured by a continuing lien which is subject to the same lien priority in the case of delinquency as *ad valorem* taxes. No case law exists with respect to how a bankruptcy court would treat the lien for Special Taxes levied after the filing of a petition in bankruptcy court. *Glasply* is controlling precedent on bankruptcy courts in the State. If the *Glasply* precedent was applied to the levy of the Special Taxes, the amount of Special Taxes received from parcels whose owners declare bankruptcy could be reduced.

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 moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No Acceleration Provision

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture or in the event interest on the Bonds becomes included in gross income for federal income tax purposes. Pursuant to the Indenture, an owner is given the right for the equal benefit and protection of all owners of the Bonds similarly situated to pursue certain remedies described in APPENDIX D “SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE—EVENTS OF DEFAULT; REMEDIES” and “—Limitations on Remedies.”

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS" herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the District in violation of its covenants in the Indenture with respect to compliance with certain provisions of the Internal Revenue Code of 1986. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed under the redemption provisions contained in the Indenture.

Limited Secondary Market

There can be no guarantee 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. Although the District has committed to provide certain statutorily required financial and operating information, there can be no assurance that such information will be available to Bondowners on a timely basis. See "CONTINUING DISCLOSURE." Any failure to provide annual financial information, if required, does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the Bonds 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, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Proposition 218

An initiative measure commonly referred to as the "Right to Vote on Taxes Act" (the "Initiative") was approved by the voters of the State at the November 5, 1996 general election. The Initiative added Article XIIC and Article XIID to the California Constitution. According to the "Title and Summary" of the Initiative prepared by the California Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." The provisions of the Initiative as they may relate to community facilities district are subject to interpretation by the courts. The Initiative could potentially impact the Special Taxes available to the District to pay the principal of and interest on the Bonds as described below.

Among other things, Section 3 of Article XIIC states that ". . . the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Act provides for a procedure which includes notice, hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, a bill was signed into law by the Governor of the State 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 the Initiative has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the Bonds.

It may be possible, however, for voters or the City Council, acting as the legislative body of the District, to reduce the Special Taxes in a manner which does not interfere with the timely repayment of the Bonds, but

which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely retirement of the Bonds. Therefore, no assurance can be given with respect to the levy of Special Taxes for Administrative Expenses. Nevertheless, to the maximum extent that the law permits it to do so, the District will covenant that it will not initiate proceedings under the Act to reduce the maximum Special Tax rates on parcels within the District. In connection with the foregoing covenant, the City Council has made a legislative finding and determination that any elimination or reduction of Special Taxes below the foregoing level would interfere with the timely retirement of the Bonds. The District will also covenant that, in the event an initiative is adopted which purports to alter the Rate and Method, it will commence and pursue legal action in order to preserve its ability to comply with the foregoing covenant. However, no assurance can be given as to the enforceability of the foregoing covenants.

The California Court of Appeal, Fourth Appellate District, Division One, issued its opinion in *City of San Diego v. Melvin Shapiro, et al.* (D063997) (the “San Diego Decision”). The case involved a Convention Center Facilities District (the “CCFD”) established by the City of San Diego (“San Diego”). The CCFD is a financing district much like a community facilities district established under the provisions of the Act. The CCFD is comprised of all of the real property in San Diego. However, the special tax to be levied within the CCFD was to be levied only on hotel properties located within the CCFD.

The election authorizing the special tax was limited to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel is located. Thus, the election was not a registered voter election. Such approach to determining who would constitute the qualified electors of the CCFD was modeled after Section 53326(c) of the Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed district whose property would be subject to the special tax. The Court held that the CCFD special tax election was invalid under the California Constitution because Article XIII A, Section 4 thereof and Article XIII C, Section 2 thereof require that the electors in such an election be the registered voters within the district.

The facts of the San Diego Decision show that there were thousands of registered voters within the CCFD (*viz.*, all of the registered voters in San Diego). The elections held in the District had less than 12 registered voters at the time of the election to authorize the Special Tax. In the San Diego Decision, the Court expressly stated that it was not addressing the validity of landowner voting to impose special taxes pursuant to the Act in situations where there are fewer than 12 registered voters. Thus, by its terms, the Court’s holding does not apply to the Special Tax election in the District. Moreover, Section 53341 of the 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 Act provides that any action to determine the validity of bonds issued pursuant to the Act be brought within 30 days of the voters approving the issuance of such bonds.

The interpretation and application of Article XIII C and Article XIII D will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination or the timeliness of any remedy afforded by the courts. See “SPECIAL RISK FACTORS—Limitations on Remedies.”

No Ratings – Limited Secondary Market

The District has not applied to have the Bonds rated by any nationally recognized bond rating company, and it does not expect to do so in the future. See “—Limited Secondary Market.”

Ballot Initiatives

Articles XIII A, XIII B, XIII C and XIII D were adopted pursuant to measures qualified for the ballot pursuant to California’s constitutional initiative process and the State Legislature has in the past enacted

legislation which has altered the spending limitations or established minimum funding provisions for particular activities. On March 6, 1995, in the case of *Rossi v. Brown*, the State Supreme Court held that an initiative can repeal a tax ordinance and prohibit the imposition of further such taxes and that the exemption from the referendum requirements does not apply to initiatives. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the legislature. The adoption of any such initiative or legislation might place limitations on the ability of the State, the City, or local districts to increase revenues or to increase appropriations within the District.

Potential Early Redemption of Bonds from Prepayments or Other Sources

Property owners within the District, including the Developer, and any individual property owner, are permitted to prepay their Special Taxes at any time. Such Prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. Such Prepayments will result in an extraordinary redemption of the Bonds on the Interest Payment Date for which timely notice may be given under the Indenture following the receipt of the Prepayment. The resulting extraordinary redemption of Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See the caption "THE BONDS—Redemption—Extraordinary Redemption from Special Tax Prepayments."

Limitations on Remedies

Remedies available to the owners of the Bonds 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 interest on the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of 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 and by limitations on remedies against public agencies in the State of California. The Bonds are not subject to acceleration. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the owners.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Certificate (the "Continuing Disclosure Certificate"), the District will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) website, or other repository authorized under Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (the "Rule"), certain annual financial information and operating data concerning the District. The District Reports are to be filed not later than February 10 of each year, beginning February 10, 2020. The District Reports will include the audited financial statements of the City, if any are prepared. The District does not currently prepare audited financial statements and does not anticipate doing so in the future. The full text of the Continuing Disclosure Certificate is set forth in APPENDIX E—"FORM OF CONTINUING DISCLOSURE CERTIFICATE."

Notwithstanding any provision of the Indenture, failure of the District to comply with the Continuing Disclosure Certificate shall not be an event of default under the Indenture. However, any Owner or Beneficial Owner of the Bonds may take such action as is necessary and appropriate, including seeking mandate or a judgment for specific performance, to cause the District to comply with its obligations with respect to the Continuing Disclosure Certificate.

In connection with the SEC Order, the BFA conducted a review of noncompliance with all existing continuing disclosure undertakings of the City of Beaumont Community Facilities District No. 93-1 ("CFD No. 93-1") with respect to bonds issued by the BFA. See the caption "INTRODUCTION—SEC Order." The BFA

identified omissions and deficiencies in prior continuing disclosure filings for Fiscal Years 2003 through 2017. Such omissions and deficiencies included the late filing of annual reports, the late filing of or failure to file the City's audited financial statements, the failure to file completed information on the status of facilities being constructed with bond proceeds, and information concerning the certificates of occupancy and certificates of final inspection. Such omissions and deficiencies also included the failure to report certain information concerning the assessed valuation date, special tax delinquency data and reserve fund balances, cash flow management fund balances, rate stabilization fund balances, improvement fund balances, residual fund balances, special escrow fund balances, the aggregate number of building permits issued, statements of the reserve requirement, cash flow management fund requirement and rate stabilization fund requirement, and to link certain annual reports to all relevant CUSIPs. See Appendix G – "SECURITIES AND EXCHANGE COMMISSION ORDER."

The BFA has caused CFD No. 93-1 to make corrective filings for Fiscal Years 2014 through 2018 with EMMA, including the filing of audited and unaudited financial statements for Fiscal Years 2014 through 2018, supplements to certain prior continuing disclosure annual reports and notices of the failure to file certain continuing disclosure annual reports and audited financial statements.

The City will assist the District in preparing the District Reports. In order to ensure ongoing compliance by the District with its continuing disclosure undertaking, (i) City staff will take steps to ensure that the filing due date is correctly documented in policies and procedures and a single City staff member has been assigned primary responsibility to monitor compliance; and (ii) the City has contracted with a consultant to assist in filing accurate, complete and timely disclosure reports on behalf of the District.

STATE AND FEDERAL INVESTIGATIONS AND CRIMINAL CHARGES INVOLVING FORMER CITY OFFICIALS

On April 22, 2015, the Federal Bureau of Investigation and the Riverside County District Attorney's Office served search warrants on Beaumont City Hall and two other locations. The search warrants and the subsequent investigation resulted in charges for corruption and embezzlement being brought against seven (7) former City officials: former City Manager Alan Kapanicas, former Economic Development Director David Dillon, former City Planner Ernest Egger, former Finance Director William Aylward, former Police Chief Francis Dennis Coc Jr., former Public Works Director Deepak Moorjani and former City Attorney Joseph Sandy Aklufi. All seven (7) of these former City officials have pled guilty to date with several of them having agreed to pay restitution in connection with their plea arrangements. All of the former officials either resigned or were terminated by 2015.

In addition to the SEC Order described under the caption "INTRODUCTION- SEC Order" and attached as Appendix G, in August 2017, the SEC entered into settlements with former City Manager Alan Kapanicas, the BFA's former underwriter, O'Connor & Company Securities, Inc., and former investment banker Anthony Wetherbee in connection with the BFA's failure to meet its annual continuing disclosure obligations from 2003 to 2013. In consenting to the SEC settlement without admitting or denying the findings, Mr. Kapanicas agreed to be barred from participating in any future municipal offerings and pay a penalty of \$37,500. Additionally, in consenting to the SEC settlement without admitting or denying the findings, O'Connor & Company Securities, Inc., agreed to comply with a number of undertakings and pay a \$150,000 penalty, and Mr. Wetherbee agreed to serve a suspension from the securities industry for six (6) months and pay a \$15,000 penalty.

On May 11, 2017, the Riverside County District Attorney on behalf of the Criminal Grand Jury of the County of Riverside filed an indictment against former Beaumont City Councilmember Mark Orozco accusing him of ten (10) felony counts, including attempting to solicit a bribe from Pardee Homes. On September 28, 2017, Mr. Orozco pleaded guilty to one (1) felony count of bribery and one (1) felony count of perjury. Mr. Orozco resigned from the City Council on October 24, 2017, and agreed not to seek another public office.

STATE CONTROLLER INVESTIGATION

In May 2015, the State Controller began an investigation into the City's internal accounting controls. In November 2015, the State Controller published its report that included a determination that 75 of the 79 internal control elements evaluated were found to be inadequate. In response, the City immediately took action to address the concerns of the State Controller, and the City has revised its internal control practices to align with the State Controller's recommendations. As a result of the issuance of the audit for Fiscal Year 2016-17, the City believes it is now in compliance with all 79 internal control elements.

GRAND JURY REQUEST FOR DOCUMENTS

On November 1, 2018, the City received a request for documents from the Riverside County Civil Grand Jury (the "Grand Jury Request") seeking, among other things, materials and information concerning the City's community facilities districts, including related contracts and expenditures, the planned use of proceeds from litigation against former city employees, and the findings from the investigation by the SEC. A copy of the Grand Jury Request is attached hereto as Appendix I. The City is fully cooperating with the Grand Jury Request, and believes some of the issues relate to matters which were the subject of the investigations by the Riverside County District Attorney's office. See "STATE AND FEDERAL INVESTIGATIONS AND CRIMINAL CHARGES INVOLVING FORMER CITY OFFICIALS." The City believes that the Grand Jury Request does not impact the validity of the Bonds or the ability of the District to levy the Special Taxes and pay debt service on the Bonds.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax.

The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner's basis in the Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of a Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District, the City and others and is subject to the condition that the District, the City and others making such representations comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District and the City will covenant to comply with all such requirements.

The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call

date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of other similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District and the City continue to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

Should interest on the Bonds (including any original issue discount) become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed in accordance with the indenture.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix B.

LEGAL MATTERS

The legal opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, approving the validity of the Bonds in substantially the form set forth as Appendix B hereto, will be made available to purchasers at the time of original delivery. Certain legal matters will be passed upon for the District and the City by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel and for the Underwriter by Kutak Rock LLP, Irvine, California, as counsel to the Underwriter. Bond Counsel expresses no opinion to the Owners of the Bonds as to the accuracy, completeness or fairness of this Official Statement or other offering materials relating to the Bonds and expressly disclaims any duty to do so.

ABSENCE OF LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds and a certificate of the District to that effect will be furnished to the Underwriter at the time of the original delivery of the Bonds. Neither the City nor the District is aware of any litigation pending or threatened which questions the existence of the District or the City or contests the authority of the District to levy and collect the Special Taxes or to issue and retire the Bonds.

NO RATING

The District has not made and does not contemplate making application to any rating agency for the assignment of a rating to the Bonds.

UNDERWRITING

The Bonds are being purchased by the Underwriter. The Underwriter has agreed to purchase the Bonds at a price of \$ _____, being \$ _____ aggregate principal amount thereof, plus net original issue premium of \$ _____ and less Underwriter's discount of \$ _____). The purchase contract relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in the purchase contract, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering price stated on the cover page thereof. The offering price may be changed from time to time by the Underwriter.

FINANCIAL INTERESTS

The fees being paid to the Underwriter, Bond Counsel, Disclosure Counsel, Municipal Advisor to the City, the Special Tax Consultant, the Trustee and Underwriter's Counsel are contingent upon the issuance and delivery of the Bonds. The fees being paid to the Appraiser are not contingent upon the issuance and delivery of the Bonds. From time to time, Bond Counsel represents the Underwriter on matters unrelated to the Bonds.

PENDING LEGISLATION

The District is not aware of any significant pending legislation which would have material adverse consequences on the Bonds or the ability of the District to pay the principal of and interest on the Bonds when due.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations and summaries and explanations of the Bonds and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents for full and complete statements and their provisions. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The execution and delivery of this Official Statement by the City Manager of the City has been duly authorized by the City Council acting in its capacity as the legislative body of the District.

CITY OF BEAUMONT COMMUNITY FACILITIES
DISTRICT NO. 2016-2 (SUNDANCE)

By: _____

City Manager

APPENDIX A

**RATE AND METHOD OF APPORTIONMENT FOR
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
OF THE CITY OF BEAUMONT**

A Special Tax as hereinafter defined shall be levied on and collected in Community Facilities District No. 2016-2 (Sundance) ("CFD No. 2016-2") each Fiscal Year, in an amount determined by the City Council of the City of Beaumont through the application of the appropriate Special Tax for "Developed Property", "Final Map Property" and "Undeveloped Property". All of the real property in CFD No. 2016-2, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

**SECTION A
DEFINITIONS**

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map or instrument. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

"Act" means the Mello-Roos Communities Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2016-2: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 2016-2 or any designee thereof of complying with arbitrage rebate requirements; the costs to the City, CFD No. 2016-2 or any designee thereof of complying with City or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs associated with the release of funds from an escrow account; the costs associated with the issuance of Bonds, and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2016-2 for any other administrative purposes, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure, or otherwise addressing the disposition of delinquent Special Taxes.

"Assessor's Parcel" means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of CFD No. 2016-2.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assigned Special Tax" means the Special Tax of that name described in Section D below.

"Backup Special Tax for Facilities" means the Special Tax of that name described in Section E below.

"Bonds" means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which Special Taxes for Facilities have been pledged.

"Building Permit" means a permit for new construction for a residential dwelling or non-residential structure. For purpose of this definition, "Building Permit" shall not include permits for construction or installation, retaining walls, utility improvements, or other such improvements not intended for human habitation.

"Building Square Footage" or **"BSF"** means the square footage of assessable internal living space, exclusive of garages or other structures not used as living space, as determined by reference to the building permit application for such Assessor's Parcel, as determined by the CFD Administrator.

"Calendar Year" means the period commencing January 1 of any year and ending the following December 31.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement for Facilities, the Special Tax Requirement for Maintenance Services, the Special Tax Requirement for Public Services, and providing for the levy and collection of the Special Taxes.

"CFD Boundary Map" means the map recorded at CFD formation, and attached hereto as Exhibit A.

"CFD No. 2016-2" or **"CFD"** means City of Beaumont Community Facilities District No. 2016-2 (Sundance) established by the City under the Act.

"City" means the City of Beaumont.

"City Council" means the City Council of the City, acting as the legislative body of CFD No. 2016-2, or its designee.

"Consumer Price Index" means the index published monthly by the U.S. Department of Labor, Bureau of Labor Statistics for all urban consumers in the Los Angeles-Riverside-Orange County area.

"County" means the County of Riverside.

"Developed Property" means all Assessor's Parcels for which Building Permits were issued on or before March 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year and that each such Assessor Parcel is associated with a Lot, as determined by the CFD Administrator.

"Dwelling Unit" means each separate residential dwelling unit that comprises an independent facility capable of conveyance or rental separate from adjacent residential dwelling units.

"Exempt Property" means all Assessor's Parcels designated as being exempt from Special Taxes as provided for in Section J, as determined by the CFD Administrator.

"Final Map" means a subdivision of property evidenced by the recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or the recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which building permits may be issued without further subdivision.

"Final Map Property" means Assessor's Parcels: (i) that are included in a Final Map that was recorded prior to the January 1 preceding the Fiscal Year in which the Special Tax is being levied, and (ii) for which a Building Permit was not issued prior to March 1 preceding the Fiscal Year in which the Special Tax is being levied, as determined by the CFD Administrator.

"Fiscal Year" means the period commencing on July 1 of any year and ending the following June 30.

"Indenture" means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

"Land Use Category" means any of the categories listed in the tables included in Section D.

"Lot" means an individual legal lot created by a Final Map for which a Building Permit could be issued.

"Maintenance Services" means the services permitted under the Act including, without limitation, street sweeping, traffic signal maintenance, the maintenance, landscaping and lighting of publicly owned parks, parkways, streets, roads and open spaces, flood and storm protection services, and the operation of storm drainage systems contained within the boundaries of CFD No. 2016-2 and the City.

"Maximum Special Tax" means the Maximum Special Tax for Facilities, the Maximum Special Tax for Maintenance Services, and the Maximum Special Tax for Public Services.

"Maximum Special Tax for Facilities" means the maximum Special Tax for Facilities, determined in accordance with Section C, which can be levied by CFD No. 2016-2 in any Fiscal Year on any Assessor's Parcel.

"Maximum Special Tax for Maintenance Services" means the maximum Special Tax for Maintenance Services, determined in accordance with Section C, which can be levied by CFD No. 2016-2 in any Fiscal Year on any Assessor's Parcel.

"Maximum Special Tax for Public Services" means the maximum Special Tax for Public Services, determined in accordance with Section C, which can be levied by CFD No. 2016-2 in any Fiscal Year on any Assessor's Parcel.

"Minimum Acreage" means the smallest allowable amount of taxable acreage. For CFD No. 2016-2, it shall not be less than 65.74 acres. The minimum acreage per Zone is as follows: (i) Zone 1 – 17.94 acres, (ii) Zone 2 – 33.66 acres, and (iii) Zone 3 – 14.14 acres.

"Non-Residential Property" means all Assessor's Parcels of Developed Property for which a building permit was issued for any type of non-residential use, as determined by the CFD Administrator.

"Operating Fund for Maintenance Services" means a fund that shall be maintained for CFD No. 2016-2 for any Fiscal Year to pay for the actual costs of providing the Maintenance Services and the Administrative Expenses attributable to providing such Maintenance Services.

"Operating Fund for Public Services" means a fund that shall be maintained for CFD No. 2016-2 for any Fiscal Year to pay for the actual costs of providing the Public Services and the Administrative Expenses attributable to providing such Public Services.

"Operating Fund Balance" means the amount of funds in the applicable Operating Fund at the end of the preceding Fiscal Year.

"Partial Prepayment Amount" means the amount required to prepay a portion of the Special Tax for the Facilities obligation for an Assessor's Parcel, as described in Section H.

"Prepayment Amount" means the amount required to prepay the Special Tax for the Facilities obligation in full for an Assessor's Parcel, as described in Section G.

"Property Owner Association" means a corporation formed by a real estate developer for the purpose of marketing, managing, and selling of homes and lots in a residential subdivision.

"Property Owner's Association Property" means all Assessor's Parcels which, as of July 1st of the Fiscal Year in which the Special Tax is being levied, have been conveyed, dedicated to, or irrevocably offered for dedication to a property owner association, including any master or sub-association.

"Proportionately" means that the ratio of the actual Special Tax levy to the applicable Maximum Special Tax is equal for all applicable Assessors' Parcels.

"Public Property" means all Assessor's Parcels which, as of July 1st of the Fiscal Year in which the Special Tax is being levied, are used for rights-of-way or any other purpose and is owned by, dedicated to, or irrevocably offered for dedication to the federal government, the State of California, the County, or any other local jurisdiction, provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

"Public Services" means the services permitted under the Act including, without limitation, police and fire protection, ambulance and paramedic services provided within the boundaries of CFD No. 2016-2 and the City.

"Residential Floor Area" means all of the square footage of living area within the perimeter of a residential dwelling unit, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The CFD Administrator shall determine the Residential Floor Area based upon the Building Permit issued for such residential dwelling unit.

"Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units, as determined by the CFD Administrator.

"Special Tax(es)" means the Special Tax for Facilities, the Special Tax for Maintenance Services, and the Special Tax for Public Services.

"Special Tax for Facilities" means any of the Special Taxes authorized to be levied within CFD No. 2016-2 pursuant to the Act to fund the Special Tax Requirement for Facilities.

"Special Tax for Maintenance Services" means any of the Special Taxes authorized to be levied by CFD No. 2016-2 pursuant to the Act to fund the Special Tax Requirement for Maintenance Services. Under no circumstances shall this Special Tax be eligible for prepayment of any kind.

"Special Tax for Public Services" means any of the Special Taxes authorized to be levied by CFD No. 2016-2 pursuant to the Act to fund the Special Tax Requirement for Public Services. Under no circumstances shall this Special Tax be eligible for prepayment of any kind.

"Special Tax Requirement for Facilities" means the amount required in any Fiscal Year to pay: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account, (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds, (v) the collection or accumulation of funds for the acquisition or construction of facilities authorized by CFD No. 2016-2 provided that the inclusion of such amount does not cause an increase in the levy of Special Tax for Facilities on Final Map Property or Undeveloped Property, less (vi) any amounts available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond Indenture, fiscal agent agreement, or trust agreement.

"Special Tax Requirement for Maintenance Services" means that amount to be collected in any Fiscal Year to pay for certain costs as required to meet the needs of CFD No. 2016-2 for Maintenance Services in both the current Fiscal Year and the next Fiscal Year. The costs to be covered shall be the (i) direct costs for Maintenance Services (ii) amount necessary to fund an operating reserve for the costs of Maintenance Services as determined by the Administrator, and (iii) Administrative Expenses, less (iv) a credit in an amount equal to the Operating Fund Balance. Under no circumstances shall the Special Tax Requirement for Maintenance Services include funds for bonds.

"Special Tax Requirement for Public Services" means the amount to be collected in any Fiscal Year to pay for certain costs as required to meet the needs of CFD No. 2016-2 for Public Services in both the current Fiscal Year and the next Fiscal Year. The costs to be covered shall be the (i) direct costs for Public Services (ii) amount necessary to fund an operating reserve for the costs of Public Services as determined by the Administrator, and

(iii) Administrative Expenses, less (iv) a credit in an amount equal to the Operating Fund Balance. Under no circumstances shall the Special Tax Requirement for Public Services include funds for bonds.

"Taxable Property" means all Assessor's Parcels within CFD No. 2016-2, which are not Exempt Property, as determined by the CFD Administrator.

"Trustee" means the firm that holds and administers assets on behalf of CFD No. 2016-2 under and pursuant to the Indenture.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property or Final Map Property, as determined by the CFD Administrator.

"Zone(s)" means Zone 1, 2 or 3 as geographically identified in Exhibit B attached herein.

"Zone 1" means the specific geographic area as depicted in Exhibit B attached herein.

"Zone 2" means the specific geographic area as depicted in Exhibit B attached herein.

"Zone 3" means the specific geographic area as depicted in Exhibit B attached herein.

**SECTION B
CLASSIFICATION OF ASSESSOR'S PARCELS**

Each Fiscal Year, beginning with Fiscal Year 2017-18, each Assessor's Parcel shall be classified as Taxable Property or Exempt Property. In addition, each Assessor's Parcel of Taxable Property shall be assigned to one of the three Zones based upon its geographic location and further classified as Developed Property, Final Map Property or Undeveloped Property. Lastly, each Assessor's Parcel of Developed Property shall further be classified as Residential Property or Non-Residential Property.

**SECTION C
MAXIMUM SPECIAL TAXES**

1. Developed Property

- a. The Maximum Special Tax for Facilities for each Assessor's Parcel of Residential Property that is classified as Developed Property in any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Special Tax for Facilities in the tables included in Section D below or (ii) the application of the Backup Special Tax for Facilities. The Maximum Special Tax for Facilities for each Assessor's Parcel of Non-Residential Property that is classified as Developed Property in any Fiscal Year shall be the Assigned Special Tax in the tables included in Section D below.
- b. The Maximum Special Tax for Maintenance Services for each Assessor's Parcel of Residential Property that is classified as Developed Property in Fiscal Year 2017-18 shall be \$333 per unit. The Maximum Special Tax for Maintenance Services for each Assessor's Parcel of Non-Residential Property that is classified as Developed Property in Fiscal Year 2017-18 shall be \$2,669 per Acre.

On each July 1, commencing July 1, 2018, the Maximum Special Tax for Maintenance Services for the prior Fiscal Year shall be adjusted by the greater of (i) an amount equal to the percentage change increase in the Consumer Price Index for the Calendar Year ending in December of the prior Fiscal Year or (ii) two percent (2%).

- c. The Maximum Special Tax for Public Services for each Assessor's Parcel of Residential Property that is classified as Developed Property in Fiscal Year 2017-18 shall be \$419 per unit.

On each July 1, commencing July 1, 2018, the Maximum Special Tax for Public Services for the prior Fiscal Year shall be adjusted by the greater of (i) an amount equal to the percentage change increase in the Consumer Price Index for the Calendar Year ending in December of the prior Fiscal Year or (ii) five percent (5%).

2. Final Map Property

- a. The Maximum Special Tax for Facilities for each Assessor's Parcel classified as Final Map Property shall be the Assigned Special Tax for the Zone in which the Assessor's Parcel is located as set forth in Section D below.
- b. The Maximum Special Tax for Maintenance Services for each Assessor's Parcel of Residential Property that is classified as Final Map Property in Fiscal Year 2017-18 shall be \$2,669 per Acre.

On each July 1, commencing July 1, 2018, the Maximum Special Tax for Maintenance Services for the prior Fiscal Year shall be adjusted by the greater of i) an amount equal to the percentage change increase in the Consumer Price Index for the Calendar Year ending in December of the prior Fiscal Year or ii) two percent (2%).

- c. Final Map Property shall not be subject to the Maximum Special Tax for Public Services.

3. Undeveloped Property

- a. The Maximum Special Tax for Facilities for each Assessor's Parcel classified as Undeveloped Property shall be the Assigned Special Tax for the Zone in which the Assessor's Parcel is located as set forth in Section D below.
- b. Undeveloped Property shall not be subject to the Maximum Special Tax for Maintenance Services.
- c. Undeveloped Property shall not be subject to the Maximum Special Tax for Public Services.

**SECTION D
ASSIGNED SPECIAL TAX FOR FACILITIES**

1. Developed Property

Each Fiscal Year, beginning with Fiscal Year 2017-18, each Assessor's Parcel of Developed Property shall be subject to an Assigned Special Tax. The Assigned Special Tax applicable to an Assessor's Parcel of Developed Property for any Fiscal Year shall be determined pursuant to Table 1, Table 2, and Table 3 below based upon the Zone in which the Assessor's Parcel is located.

**TABLE 1
ASSIGNED SPECIAL TAX RATES FOR FACILITIES
FOR DEVELOPED PROPERTY WITHIN ZONE 1**

Land Use Category	Building Square Footage	Assigned Special Tax
Residential Property	< 1,750	\$1,184 per Dwelling Unit
Residential Property	1,750 – 2,100	\$1,219 per Dwelling Unit
Residential Property	2,101 – 2,450	\$1,294 per Dwelling Unit
Residential Property	2,451 - 2,800	\$1,369 per Dwelling Unit
Residential Property	>2,800	\$1,496 per Dwelling Unit
Non-Residential Property	N/A	\$13,139 per Acre

**TABLE 2
ASSIGNED SPECIAL TAX RATES FOR FACILITIES
FOR DEVELOPED PROPERTY WITHIN ZONE 2**

Land Use Category	Building Square Footage	Assigned Special Tax
Residential Property	< 1,750	\$1,254 per Dwelling Unit
Residential Property	1,750 – 2,100	\$1,324 per Dwelling Unit
Residential Property	2,101 – 2,450	\$1,499 per Dwelling Unit
Residential Property	2,451 - 2,800	\$1,599 per Dwelling Unit
Residential Property	>2,800	\$1,726 per Dwelling Unit
Non-Residential Property	N/A	\$10,049 per Acre

**TABLE 3
ASSIGNED SPECIAL TAX RATES FOR FACILITIES
FOR DEVELOPED PROPERTY WITHIN ZONE 3**

Land Use Category	Building Square Footage	Assigned Special Tax
Residential Property	< 1,750	\$1,663 per Dwelling Unit
Residential Property	1,750 – 2,100	\$1,738 per Dwelling Unit
Residential Property	2,101 – 2,450	\$1,813 per Dwelling Unit
Residential Property	2,451 - 2,800	\$1,918 per Dwelling Unit
Residential Property	>2,800	\$2,058 per Dwelling Unit
Non-Residential Property	N/A	\$12,090 per Acre

2. Final Map Property and Undeveloped Property

Each Fiscal Year, beginning with Fiscal Year 2017-18, each Assessor's Parcel of Final Map Property and Undeveloped Property shall be subject to an Assigned Special Tax. The Assigned Special Tax applicable to an Assessor's Parcel of Final Map Property and Undeveloped Property for any Fiscal Year shall be determined pursuant to the rate per Acre below for the Zone in which the Assessor's Parcel is located:

1. Zone 1 rate per Acre - \$13,139
2. Zone 2 rate per Acre - \$10,049
3. Zone 3 rate per Acre - \$12,090

**SECTION E
BACKUP ANNUAL SPECIAL TAX FOR FACILITIES**

Each Fiscal Year, beginning with Fiscal Year 2017-18, each Assessor's Parcel of Developed Property classified as Residential Property shall be subject to a Backup Special Tax for Facilities. In each Fiscal Year, the Backup Special Tax for Facilities rate for Developed Property classified as Residential Property within each Zone shall be the rate per Lot calculated according to the following formula:

$$B = \frac{R \times A}{L}$$

The terms above have the following meanings:

B = Backup Special Tax for Facilities per Lot in each Fiscal Year.

R = Maximum Special Tax for Facilities rate per Acre for Undeveloped Property in each Zone for the applicable Fiscal Year.

A = Acreage of Developed Property classified or to be classified as Residential Property in such Zone.

L = Lots in each Zone which are classified or to be classified as Residential Property.

Notwithstanding the foregoing, if Assessor's Parcels of Developed Property which are classified or to be classified as Residential Property are subsequently changed or modified by recordation of a lot line adjustment or similar instrument, then the Backup Special Tax for Facilities for the area that has been changed or modified shall be a rate per square foot of Acreage for each Zone calculated as follows:

1. Determine the total Backup Special Tax for Facilities anticipated to apply to the changed or modified Final Map area prior to the change or modification.
2. The result of paragraph 1 above shall be divided by the Acreage of Developed Property classified or to be classified as Residential Property which is ultimately expected to exist in such changed or modified Final Map area, as reasonably determined by the CFD Administrator.
3. The result of paragraph 2 above shall be divided by 43,560. The result is the Backup Special Tax for Facilities per square foot of Acreage which shall be applicable to Assessor's Parcels of Developed Property classified as Residential Property in such changed or modified Final Map area for all remaining Fiscal Years in which the Special Tax for Facilities may be levied.

**SECTION F
METHOD OF APPORTIONMENT OF THE SPECIAL TAXES**

1. Commencing with Fiscal Year 2017-18 and for each subsequent Fiscal Year, the City Council shall levy Special Taxes for Facilities on all Taxable Property until the amount of Special Tax for Facilities equals the Special Tax Requirement for Facilities in accordance with the following steps:

Step One: The Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax for Facilities rates in the table included in Section D as needed to satisfy the Special Tax Requirement for Facilities.

Step Two: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first step has been completed, the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Final Map Property, at up to 100% of the Assigned Special Tax for Facilities applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities.

Step Three: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, the Annual Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property, excluding any Undeveloped Property exempt from the Special Tax pursuant to Section J, at up to 100% of the Assigned Special Tax for Facilities applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities.

Step Four: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then for each Assessor's Parcel of Developed Property whose Maximum Special Tax for Facilities is the Backup Special Tax for Facilities shall be increased Proportionately from the Assigned Special Tax for Facilities up to 100% of the Backup Special Tax for Facilities as needed to satisfy the Special Tax Requirement for Facilities.

Step Five: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first four steps have been completed, the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Property Owner's Association Property and Public Property, found not to be exempt pursuant to Section J, at up to 100% of the Maximum Special Tax for Facilities applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities.

2. Commencing with Fiscal Year 2017-18 and for each subsequent Fiscal Year, the City Council shall levy Special Taxes for Maintenance Services on all Taxable Property until the amount of Special Tax for Maintenance Services equals the Special Tax Requirement for Maintenance Services in accordance with the following steps:

Step One: The Special Tax for Maintenance Services shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax for Maintenance Services as needed to satisfy the Special Tax Requirement for Maintenance Services.

Step Two: If additional moneys are needed to satisfy the Special Tax Requirement for Maintenance Services after the first step has been completed, the Special Tax for Maintenance Services shall be levied Proportionately on each Assessor's Parcel of Final Map Property, at up to 100% of the Maximum Special Tax for Maintenance Services applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Maintenance Services.

3. Commencing with Fiscal Year 2017-18 and for each subsequent Fiscal Year, the City Council shall levy Special Taxes for Public Services on all Taxable Property until the amount of the Special Tax for Public Services equals the Special Tax Requirement for Public Services in accordance with the following steps:

Step One: The Special Tax for Public Services shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax for Public Services as needed to satisfy the Special Tax Requirement for Public Services.

Under no circumstances will the Special Tax for Facilities, the Special Tax for Maintenance Services, or the Special Tax for Public Services levied against any Assessor's Parcel used as a private residence be increased as a consequence of delinquency or default by the owner of any other Assessor's Parcel or Parcels within the CFD by more than ten percent (10%) of the Special Tax that would have been levied in that Fiscal Year, had there never been any such delinquencies or defaults, pursuant to California Government Code Section 53321(d), as in effect on the date of formation of CFD No. 2016-2.

SECTION G
PREPAYMENT OF SPECIAL TAX FOR FACILITIES

The following additional definitions apply to this Section G:

“CFD Public Facilities” means \$10,000,000, or such lesser amount as determined by the CFD Administrator, expressed in 2017 dollars, which shall increase by the Construction Inflation Index on January 1, 2018, and on each January 1 thereafter, or such lower amount (i) shall be determined by the City as sufficient to provide the public facilities under the authorized bonding program for CFD No. 2016-2, or (ii) determined by the City Council concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment.

“Construction Fund” means an account specifically identified in the Indenture or functionally equivalent to hold funds, which are currently available for expenditure to acquire or construct public facilities eligible under CFD No. 2016-2.

“Construction Inflation Index” means the annual percentage change in the Engineering News-Record Building Cost Index for the city of Los Angeles, measured as of the Calendar Year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the City that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

“Future Facilities Costs” means the CFD Public Facilities minus public facility costs available to be funded through existing construction or escrow accounts that have been funded by the Outstanding Bonds, and minus public facility costs funded by interest earnings on the Construction Fund actually earned prior to the date of prepayment.

“Outstanding Bonds” means all previously issued Bonds issued and secured by the levy of Special Taxes for Facilities which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of Special Taxes for Facilities.

The Special Tax for Facilities obligation of an Assessor's Parcel of Developed Property, an Assessor's Parcel of Final Map Property or Undeveloped Property for which a building permit has been issued or an Assessor's Parcel of Undeveloped Property that is classified as Undeveloped Property pursuant to Section J may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax for Facilities obligation would be prepaid. The Prepayment Amount for an Assessor's Parcel eligible for prepayment shall be determined as described below.

An owner of an Assessor's Parcel intending to prepay the Special Tax for Facilities obligation shall provide the City with written notice of intent to prepay, and within 5 days of receipt of such notice, the City shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by CFD No. 2016-2 in calculating the proper amount of a prepayment. Within 15 days of receipt of such non-refundable deposit, the City shall notify such owner of the prepayment amount of such Assessor's Parcel.

The Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance
plus	Administrative Fee
less	Reserve Fund Credit
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For Assessor's Parcels of Developed Property, compute the Assigned Special Tax for Facilities and the Backup Special Tax for Facilities applicable to the Assessor's Parcel. For Assessor's Parcels of Final Map Property or Undeveloped Property, excluding any Undeveloped Property pursuant to Section J, compute the Assigned Special Tax for Facilities and the Backup Special Tax for Facilities as though it was already designated as Developed Property based upon the building permit issued or to be issued for that Assessor's Parcel. For an Assessor's Parcel classified as Undeveloped Property pursuant to Section J, compute the Assigned Special Tax for Facilities for that Assessor's Parcel.
2. For each Assessor's Parcel of Developed Property, Final Map Property or Undeveloped Property to be prepaid, (a) divide the Assigned Special Tax for Facilities computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Assigned Special Tax for Facilities applicable to all Assessor's Parcels of Taxable Property at buildout, as reasonably determined by the CFD Administrator, and (b) divide the Backup Special Tax for Facilities computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Backup Special Tax for Facilities applicable to all Assessor's Parcels of Taxable Property at buildout, as reasonably determined by the CFD Administrator.
3. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the Outstanding Bonds. The product shall be the "Bond Redemption Amount".
4. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
5. Compute the Future Facilities Cost.
6. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the amount determined pursuant to paragraph 5 to determine the Future Facilities Cost to be prepaid (the "Future Facilities Amount").
7. Compute the amount needed to pay interest on the Bond Redemption Amount, the Redemption Premium, and the Reserve Fund Credit (see step 11) to be redeemed with the proceeds of the Prepayment Amount until the earliest redemption date for the Outstanding Bonds.
8. Estimate the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the earliest call date for the Outstanding Bonds.
9. Subtract the amount computed pursuant to paragraph 8 from the amount computed pursuant to paragraph 7. This difference is the "Defeasance."

10. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the "Administrative Fee."
11. Calculate the "Reserve Fund Credit" as the lesser of: (a) the expected reduction in the applicable reserve requirements, if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirements in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the applicable reserve funds on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than 0.
12. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Future Facilities Amount, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

With respect to a Special Tax for Facilities obligation that is prepaid pursuant to this Section H, the City Council shall indicate in the records of CFD No. 2016-2 that there has been a prepayment of the Special Tax for Facilities obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such prepayment to indicate the prepayment of the Special Tax for Facilities obligation and the release of the Special Tax for Facilities lien on such Assessor's Parcel and the obligation of such Assessor's Parcel to pay such Special Taxes for Facilities shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Special Tax for Facilities that may be levied on Taxable Property in each future Fiscal Year, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

**SECTION H
PARTIAL PREPAYMENT OF SPECIAL TAX FOR FACILITIES**

The Special Tax for Facilities obligation of an Assessor's Parcel of Developed Property, or an Assessor's Parcel of Final Map Property or Undeveloped Property for which a building permit has been issued and will be classified as Developed Property in the next Fiscal Year, as calculated in this Section H below, may be partially prepaid, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax for Facilities obligation would be prepaid.

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = P_G \times F$$

The terms above have the following meanings:

PP = the Partial Prepayment Amount.

P_G = the Prepayment Amount calculated according to Section G.

F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax for Facilities obligation.

With respect to any Assessor's Parcel that is partially prepaid, the City Council shall indicate in the record of CFD No. 2016-2 that there has been a partial prepayment of the Special Tax for Facilities obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Special Tax for Facilities obligation, to indicate the partial prepayment of the Special Tax for

Facilities obligation and the partial release of the Special Tax for Facilities lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax for Facilities shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Tax for Facilities that may be levied on Taxable Property in each future Fiscal Year after such partial prepayment, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

**SECTION I
TERMINATION OF SPECIAL TAX**

For each Fiscal Year that any Bonds are outstanding the Special Tax for Facilities shall be levied on all Assessor's Parcels subject to the Special Tax for Facilities. If any delinquent Special Tax for Facilities remain uncollected prior to or after all Bonds are retired, the Special Tax for Facilities may be levied to the extent necessary to reimburse CFD No. 2016-2 for uncollected Special Taxes for Facilities associated with the levy of such Special Taxes for Facilities, but no later than 2055-56 Fiscal Year. The Special Tax for Maintenance Services and the Special Tax for Public Services shall be levied as long as each is needed to meet the Special Tax Requirement for Maintenance Services and the Special Tax Requirement for Public Services, as determined at the sole discretion of the City Council.

**SECTION J
EXEMPTIONS**

The City shall classify as Exempt Property (i) Assessor's Parcels defined as Public Property, (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor's Parcels used exclusively by a Property Owner's Association, or (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, provided that no such classification would reduce the sum of the Taxable Property to less than the Minimum Acreage per Zone. Notwithstanding the above, the City Council shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of the Taxable Property to less than the Minimum Acreage per Zone. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of the Taxable Property to less than the Minimum Acreage per Zone will continue to be classified as Taxable Property, and will continue to be subject to Special Taxes accordingly.

Tax-exempt status will be assigned by the CFD Administrator in chronological order. If an Assessor's Parcel's classification is changed after the initial status is assigned, then its tax-exempt status will be revoked.

**SECTION K
APPEALS**

Any taxpayer may file a written appeal of the Special Taxes on his/her Assessor's Parcel(s) with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall take any of the following actions, in order of priority, in order to correct the error:

- (i) amend the Special Tax levy for the current Fiscal Year prior to the payment date;
- (ii) require the CFD to reimburse the taxpayer the amount of the overpayment to the extent of the available funds of CFD No. 2016-2; or
- (iii) grant a credit against, eliminate or reduce the future Special Taxes levied on the taxpayer's property within CFD No. 2016-2 in the amount of the overpayment provided that the CFD Administrator can certify there are sufficient Special Taxes to pay for the Special Tax Requirements for Facilities.

**SECTION L
MANNER OF COLLECTION**

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that CFD No. 2016-2 may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations.

**SECTION M
INTERPRETATIONS**

The City Council may interpret this Rate and Method of Apportionment of Special Tax by ordinance or resolution for purposes of clarifying any vagueness or ambiguity. Any decision of the City Council shall be final and binding as to all persons.

APPENDIX B

FORM OF OPINION OF BOND COUNSEL

Bond Counsel will deliver an opinion for the Bonds substantially in the form set forth below:

_____, 2019

City of Beaumont
 Community Facilities District No. 2016-2 (Sundance)
 Beaumont, California

Re: \$ _____ *City of Beaumont Community Facilities District No. 2016-2 (Sundance)*
2019 Special Tax Bonds

Ladies and Gentlemen:

We have examined the Constitution and the laws of the State of California, a certified record of the proceedings of the City of Beaumont (the "City") taken in connection with the authorization and issuance by the City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the "District") of its 2019 Special Tax Bonds in the aggregate principal amount of \$ _____ (the "Bonds") and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the District, the initial purchasers of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds have been issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California), a resolution adopted by the City Council of the City, acting in its capacity as the legislative body of the District, on June 18, 2019, and the Bond Indenture dated as of July 1, 2019 (the "Indenture"), by and between the District and Wilmington Trust, National Association, as trustee. All capitalized terms not defined herein shall have the meaning set forth in the Indenture.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Bonds have been duly and validly authorized by the District and are legal, valid and binding limited obligations of the District, enforceable in accordance with their terms and the terms of the Indenture. The Bonds are limited obligations of the District but are not a debt of the City, the County of Riverside, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, except for the Special Taxes, neither the faith and credit nor the taxing power of the City, the County of Riverside, the State of California, or any of its political subdivisions is pledged for the payment thereof.

(2) The execution and delivery of the Indenture has been duly authorized by the District, and the Indenture is valid and binding upon the District and is enforceable in accordance with its terms; provided, however, we express no opinion as to the enforceability of the covenant of the District contained in the Indenture to levy Special Taxes for the payment of Administrative Expenses and we express no opinion as to any provisions with respect to indemnification, penalty, contribution, choice of law, choice of forum or waiver provisions contained therein.

(3) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.

(4) Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

(5) The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity are to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues for the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and is exempt from State of California personal income tax.

(6) The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner.

The opinion expressed in paragraphs (3) and (5) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements. Except as set forth in paragraphs (3), (4), (5) and (6) above, we express no opinion as to any tax consequences related to the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the rights and obligations of the District under the Indenture and the Bonds are subject to and may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction and express no opinion as to the enforceability of the choice of law provisions contained in the Indenture.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Bonds or other offering material relating to the Bonds and expressly disclaim any duty to advise the owners of the Bonds with respect to matters contained in the Official Statement.

Certain requirements and procedures contained or referred to in the Indenture and Tax Certificate may be changed, and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in the Indenture and Tax Certificate relating to the Bonds, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. We express no opinion as to the effect on the exclusion from gross income for federal income tax purposes of the interest (and original issue discount) on any Bonds if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or do occur (or do not occur). Our engagement as bond counsel to the District terminates upon the issuance of the Bonds.

Respectfully submitted,

APPENDIX C

**DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF RIVERSIDE
AND THE CITY OF BEAUMONT**

The Bonds are not obligations of the City of Beaumont (the "City") or the County of Riverside (the "County") and do not represent a lien or charge against any funds or property of the City or the County. The following information is provided only to give prospective investors an overview of the general economic condition of the City, the County and the State of California (the "State").

General

The City was incorporated in 1912 under the General Laws of the State. The City is located approximately 78 miles east of Los Angeles and encompasses an area of 30.9 square miles. The City currently has an estimated population of approximately 48,401 persons.

Population

The following table offers population figures for the City, the County and the State for 2015 through 2019.

<i>Area</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
City of Beaumont	42,937	44,746	45,167	46,545	48,401
County of Riverside	2,321,837	2,350,992	2,384,660	2,412,536	2,440,124
State of California	38,952,462	39,214,803	39,504,609	39,740,508	39,927,315

Source: California State Department of Finance, Demographic Research Unit, March 2010 Benchmark.

Building Activity

The following tables provide summaries of the building permit valuations and the number of new dwelling units authorized in the City and County from 2013 through 2017.

**BUILDING PERMIT VALUATIONS
City of Beaumont
2013-2017**

	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
Valuation (\$000):					
Residential	\$81,053	\$73,329	\$78,326	\$85,627	\$121,802
Non-residential	24,017	<u>5,375</u>	<u>6,911</u>	<u>33,002</u>	<u>10,219</u>
Total*	\$105,070	\$79,204	\$85,237	\$118,629	\$132,021
Residential Units:					
Single family	496	435	452	443	715
Multiple family	<u>0</u>	<u>0</u>	<u>0</u>	<u>38</u>	<u>2</u>
Total	496	435	452	481	717

* Totals may not add to sums because of rounding.
Source: Construction Industry Research Board.

BUILDING PERMIT VALUATIONS
County of Riverside
2013-2017

	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
Valuation (\$000):					
Residential	\$1,375,593	\$1,621,751	\$1,536,742	\$1,759,535	\$1,903,417
Non-residential	<u>873,977</u>	<u>814,990</u>	<u>911,465</u>	<u>1,346,019</u>	<u>1,433,691</u>
Total*	<u>\$2,249,570</u>	<u>\$2,436,741</u>	<u>\$2,448,207</u>	<u>\$3,105,554</u>	<u>\$3,337,108</u>
Residential Units:					
Single family	4,716	5,007	5,007	5,662	6,265
Multiple family	<u>1,427</u>	<u>1,931</u>	<u>1,189</u>	<u>1,039</u>	<u>1,070</u>
Total	6,143	6,938	6,196	6,701	7,335

* Totals may not add to sums because of rounding.
 Source: Construction Industry Research Board.

Employment

The following tables show the largest employers located in the County as of fiscal year 2018.

LARGEST EMPLOYERS
County of Riverside
2018

<i>Rank</i>	<i>Name of Business</i>	<i>Employees</i>	<i>Type of Business</i>
1.	County of Riverside	22,038	County Government
2.	March Air Reserve Base	9,000	Military Reserve Base
3.	University of California-Riverside	8,829	University
4.	Kaiser Permanente Riverside Medical Center	5,500	Medical Center
5.	Corona-Norco Unified School District	5,478	School District
6.	Pechanga Resort and Casino	4,750	Casino & Resort
7.	Riverside Unified School District	4,200	School District
8.	Hemet Unified School District	4,058	School District
9.	Riverside University Health Systems-Medical Center	3,965	Medical Center
10.	Morongo Casino, Resort & Spa	3,800	Casino & Resort

Source: County of Riverside Comprehensive Annual Financial Report for the year ending June 30, 2018.

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Employment and Industry

Employment data by industry is not separately reported on an annual basis for the City but is compiled for the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (the “MSA”), which includes all of Riverside and San Bernardino Counties. In addition to varied manufacturing employment, the MSA has large and growing commercial and service sector employment, as reflected in the table below.

The following table represents the Annual Average Labor Force and Industry Employment for the County for the period from 2014 through 2018.

**RIVERSIDE-SAN BERNARDINO-ONTARIO MSA
INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE**

	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Civilian Labor Force	1,916,000	1,954,200	1,983,300	2,017,700	2,053,400
Civilian Employment	1,761,200	1,825,800	1,865,200	1,914,900	1,966,800
Civilian Unemployment	155,300	128,500	118,000	102,800	86,600
Civilian Unemployment Rate	8.1%	6.6%	6.0%	5.1%	4.2%
Total Farm	14,400	14,800	14,600	14,500	14,500
Total Nonfarm	1,290,400	1,354,400	1,403,200	1,454,900	1,504,200
Total Private	1,061,600	1,121,100	1,160,900	1,203,900	1,246,600
Goods Producing	170,300	183,100	191,600	197,600	207,300
Mining and Logging	1,300	1,300	900	1,000	1,200
Construction	77,600	85,700	92,000	97,400	104,800
Manufacturing	91,400	96,200	98,700	99,200	101,300
Service Providing	1,120,100	1,171,200	1,211,700	1,257,300	1,296,900
Trade, Transportation and Utilities	314,800	333,100	347,900	365,500	378,300
Wholesale Trade	58,100	60,500	61,600	62,600	64,900
Retail Trade	169,600	174,400	178,300	180,900	180,800
Transportation, Warehousing and Utilities	87,100	98,100	108,000	122,100	132,600
Information	11,300	11,400	11,500	11,300	11,200
Financial Activities	42,900	44,000	44,600	44,200	43,700
Professional and Business Services	138,700	147,400	144,900	146,900	150,600
Educational and Health Services	195,900	206,300	215,700	226,700	240,000
Leisure and Hospitality	144,800	151,700	160,200	166,300	170,000
Other Services	43,000	44,000	44,600	45,400	45,600
Government	<u>228,800</u>	<u>233,300</u>	<u>242,300</u>	<u>251,000</u>	<u>257,500</u>
Total, All Industries	<u>1,304,800</u>	<u>1,369,100</u>	<u>1,417,900</u>	<u>1,469,400</u>	<u>1,518,700</u>

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households and persons involved in labor-management trade disputes. Employment reported by place of work. Items may not add to total due to independent rounding. The “Total, All Industries” data is not directly comparable to the employment data found in this Appendix C.

Source: State of California, Employment Development Department, March 2018 Benchmark.

The following table summarizes the labor force, employment and unemployment figures for the period from 2014 through 2018 for the City, the County, the State and the nation as a whole.

**CITY OF BEAUMONT,
COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA AND UNITED STATES
Average Annual Civilian Labor Force, Employment and Unemployment**

<i>Year and Area</i>	<i>Labor Force</i>	<i>Employment⁽¹⁾</i>	<i>Unemployment⁽²⁾</i>	<i>Unemployment Rate (%)⁽³⁾</i>
2014				
Beaumont	18,500	17,600	900	4.9%
Riverside County	1,011,100	928,300	82,900	8.2
State of California	18,758,400	17,351,300	1,407,100	7.5
United States ⁽⁴⁾	155,922,000	146,305,000	9,617,000	6.2
2015				
Beaumont	19,500	18,800	800	3.9%
Riverside County	1,034,200	965,000	69,300	6.7
State of California	18,896,500	17,724,800	1,171,700	6.2
United States ⁽⁴⁾	157,130,000	148,834,000	8,296,000	5.3
2016				
Beaumont	20,600	19,600	1,000	4.8%
Riverside County	1,052,600	988,200	64,500	6.1
State of California	19,093,700	18,048,800	1,044,800	5.5
United States ⁽⁴⁾	159,187,000	151,436,000	7,751,000	4.9
2017				
Beaumont	21,500	20,600	900	4.0%
Riverside County	1,072,500	1,016,200	56,300	5.2
State of California	19,312,000	18,393,100	918,900	4.8
United States ⁽⁴⁾	160,320,000	153,337,000	6,982,000	4.4
2018				
Beaumont	21,900	21,200	700	3.3%
Riverside County	1,092,400	1,044,600	47,800	4.4
State of California	19,398,200	18,582,800	815,400	4.2
United States ⁽⁴⁾	162,075,000	155,761,000	6,314,000	3.9

⁽¹⁾ Includes persons involved in labor-management trade disputes.

⁽²⁾ Includes all persons without jobs who are actively seeking work.

⁽³⁾ The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

⁽⁴⁾ Not strictly comparable with data for prior years.

Source: California Employment Development Department, March 2018 Benchmark and U.S. Department of Labor, Bureau of Labor Statistics.

Personal Income

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients.

Total personal income in Riverside County increased by 52% between 2006 and 2017. The following tables summarize personal income for Riverside County for 2006 through 2017.

**PERSONAL INCOME
Riverside County
2006-2017
(Dollars in Thousands)**

<i>Year</i>	<i>Riverside County</i>	<i>Annual Percent Change</i>
2006	\$62,418,784	N/A
2007	65,610,952	5.1%
2008	66,723,925	1.7
2009	65,369,622	(2.0)
2010	67,568,045	3.4
2011	71,949,357	6.5
2012	74,075,529	3.0
2013	76,493,787	3.3
2014	80,637,967	5.4
2015	86,092,487	6.8
2016	90,273,976	4.9
2017	95,140,992	5.4

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following table summarizes per capita personal income for Riverside County, California and the United States for 2006-2017. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

**PER CAPITA PERSONAL INCOME
Riverside County, State of California and the United States
2006-2017**

<i>Year</i>	<i>Riverside County</i>	<i>California</i>	<i>United States</i>
2006	\$31,018	\$42,139	\$38,114
2007	31,617	43,669	39,844
2008	31,627	43,895	40,904
2009	30,451	42,050	39,284
2010	30,685	43,609	40,545
2011	32,179	46,145	42,727
2012	32,707	48,751	44,582
2013	33,383	49,173	44,826
2014	34,732	52,237	47,025
2015	36,603	55,679	48,940
2016	37,827	57,497	49,831
2017	39,261	59,796	51,640

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Taxable Sales

The table below presents taxable sales for the years 2011 through 2017 and the first quarter of 2018 for the City.

**TAXABLE SALES
City of Beaumont
2011-2018⁽¹⁾⁽²⁾
(Dollars in Thousands)**

<i>Year</i>	<i>Permits</i>	<i>Taxable Transactions</i>
2011	1,016	\$317,192
2012	1,101	334,876
2013	1,046	352,449
2014	1,064	370,748
2015 ⁽¹⁾	1,219	394,992
2016	1,264	414,905
2017	1,281	429,064
2018 ⁽²⁾	1,299	107,010

⁽¹⁾ Beginning in 2015, the outlet counts in these reports show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 are not comparable to that of prior years.

⁽²⁾ Through first quarter of 2018.

Source: "Taxable Sales in California (Sales & Use Tax)" - California State Board of Equalization.

The table below presents taxable sales for the years 2011 through 2017 and the first quarter of 2018 for the County.

**TAXABLE SALES
County of Riverside
2011-2018⁽¹⁾⁽²⁾
(Dollars in Thousands)**

<i>Year</i>	<i>Permits</i>	<i>Taxable Transactions</i>
2011	46,886	\$25,641,497
2012	46,316	28,096,009
2013	46,805	30,065,467
2014	48,453	32,035,687
2015 ⁽¹⁾	56,846	32,910,909
2016	57,742	34,231,143
2017	58,969	34,132,814
2018 ⁽²⁾	59,852	9,193,479

⁽¹⁾ Beginning in 2015, the outlet counts in these reports show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 are not comparable to that of prior years.

⁽²⁾ Through first quarter of 2018.

Source: "Taxable Sales in California (Sales & Use Tax)" - California State Board of Equalization.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE

The following is a summary of certain definitions and provisions of the Indenture which is not described elsewhere in the Official Statement. This Summary does not purport to be comprehensive and reference should be made to the Indenture for a full and complete statement of its provisions.

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated _____, 2019 (the "Disclosure Certificate") is executed and delivered by City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the "District") in connection with the issuance and delivery by the District of its \$ _____ 2019 Special Tax Bonds (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted on June 18, 2019, by the City Council of the City of Beaumont, acting as the legislative body of the District, and the Bond Indenture dated as of July 1, 2019, by and between the District and Wilmington Trust, National Association, as trustee. The District covenants as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, 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 District pursuant to, and as described in, Section 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income purposes.

"City" means the City of Beaumont.

"Disclosure Representative" shall mean the City Manager, or his or her designee, or such other officer or employee as the District shall designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean, initially, Webb Municipal Finance, L.L.C., or any successor Dissemination Agent designated in writing by the District and which has filed with the then current Dissemination Agent a written acceptance of such designation.

"District" shall mean City of Beaumont Community Facilities District No. 2016-2 (Sundance).

"EMMA" shall mean the Electronic Municipal Market Access system of 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 and any successor entity designated under the Rule as the repository for filings made pursuant to the Rule.

"Official Statement" shall mean that certain Official Statement for the Bonds dated _____, 2019.

"Owners" shall mean the registered owners of the Bonds as set forth in the registration books maintained by the Trustee.

“Repository” shall mean the MSRB or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Unless otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

“Trustee” means Wilmington Trust, National Association or such other entity appointed by the District pursuant to the Indenture to act as the trustee under the Indenture.

“Underwriter” shall mean any underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Section 3. Provision of Annual Reports.

(a) The District shall, or, if the Dissemination Agent is other than the District, upon written direction shall cause the Dissemination Agent to, not later than February 10 after the end of the District’s Fiscal Year (June 30) commencing with the report due by February 10, 2020, provide to the Repository 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, if any exist, 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 they are not available by that date. If the District’s fiscal year changes, the District shall give notice of such change in the same manner as for a Listed Event under Section 5(d).

(b) In the event that the Dissemination Agent is an entity other than the District, then the provisions of this Section 3(b) shall apply. Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report, the District shall provide the Annual Report to the Dissemination Agent. If by fifteen (15) Business Days prior to the due date for an Annual Report the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District will be filing the Annual Report in compliance with subsection (a). The District 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 District 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 EMMA by the date required in subsection (a), the Dissemination Agent shall send, in a timely manner, a notice to EMMA, in the form required by EMMA.

(d) If the Dissemination Agent is other than the District, the Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the repository if other than the MSRB through EMMA; and

(ii) promptly after receipt of the Annual Report, file a report with the District certifying that the Annual Report has been provided to EMMA and the date it was provided.

(e) Notwithstanding any other provision of this Disclosure Certificate, all filings shall be made in accordance with the MSRB's EMMA system or in another manner approved under the Rule.

Section 4. Content of Annual Reports. The Annual Report shall contain or include by reference the following:

(a) Financial Statements. The audited financial statements of the City for the prior fiscal year, if any have been prepared and which, if prepared, 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; provided, however, that the City may, from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the City shall modify the basis upon which its financial statements are prepared, the District shall provide the information referenced in Section 8 below regarding such modification. If the City is preparing audited financial statements and 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, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Financial and Operating Data. The Annual Report shall contain or incorporate by reference the following:

(i) the principal amount of the Bonds outstanding as of the September 2 preceding the filing of the Annual Report;

(ii) the balance in each fund under the Indenture and the Reserve Requirement as of the September 30 preceding the filing of the Annual Report;

(iii) any changes to the Rate and Method of Apportionment of the Special Taxes approved or submitted to the qualified electors of the District for approval prior to the filing of the Annual Report;

(iv) an update of the value-to-lien ratio for the District substantially in the form of Table 2 in the Official Statement based upon the most recent Special Tax levy preceding the date of the Annual Report and on the assessed values of property for the current fiscal year;

(v) the status of any foreclosure actions being pursued by the District with respect to delinquent Special Taxes;

(vi) a statement whether the District has been included in the County of Riverside's Tecter Plan;

(vii) a description of the collection and delinquency rate of Special Taxes in the District for the Fiscal Year then ended; and

(viii) any information not already included under (i) through (vii) above that the District is required to file in its annual report pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, with the California Debt and Investment Advisory Commission.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB through EMMA. The District 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 District shall give, or cause the Dissemination Agent to give, notice filed with the Repository of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) business days after the event:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB);
6. tender offers;
7. defeasances;
8. ratings changes;
9. bankruptcy, insolvency, receivership or similar proceedings; and

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

10. 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.

(b) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. unless described in paragraph 5(a)(5) above, notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;
3. appointment of a successor or additional paying agent or the change of the name of a paying agent;
4. nonpayment related defaults;
5. modifications to the rights of Owners of the Bonds;
6. bond calls;
7. release, substitution or sale of property securing repayment of the Bonds; and
8. incurrence of a financial obligation of the obligated person, 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 reflect financial difficulties.

(c) Upon the occurrence of a Listed Event under Section 5(b) above, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the District shall file a notice of such occurrence with the Repository in a timely manner not more than 10 business days after the event.

(e) The District hereby agrees that the undertaking set forth in this Disclosure Certificate is the responsibility of the District and that the Dissemination Agent, if other than the District, shall not be responsible for determining whether the District's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

(f) For purposes of the events identified in subparagraphs (a)(10) and (b)(8) under this Section 5, the term "financial obligation" means a (i) debt obligation; (ii) 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) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule and a continuing disclosure undertaking has been entered into.

Section 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Webb Municipal Finance, LLC. The Dissemination Agent, if other than the District, shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the District. The Dissemination Agent may resign by providing thirty (30) days written notice to the District and the Trustee.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District 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 is related to the provisions of Sections 3(a), 4, or 5, 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 an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking hereunder, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment related to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District 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 District 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 District shall have no obligation under this Agreement 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 District to comply with any provision of this Disclosure Certificate, the Trustee at the written direction of any Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, or any Owner 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 District to comply with its obligations under this Disclosure Certificate, but only to the extent funds have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges of the Trustee whatsoever, including, without limitation, fees and expenses of its attorney. 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 shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. Where an entity other than the District is acting as the Dissemination Agent, the Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent and its officers, directors, employees and agents, harmless against any loss, expense and

liabilities which they may incur arising out of or in the exercise or performance of their 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 obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

- District: City of Beaumont
Community Facilities District No. 2016-2 (Sundance)
550 East Sixth Street
Beaumont, CA 92223
Attn: City Manager

- Underwriter: Raymond James & Associates, Inc.
One Embarcadero Center, Suite 650
San Francisco, CA 94111
Attn: Public Finance

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notice or communications should be sent.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Trustee, the Dissemination Agent, the Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

This Disclosure Certificate is executed as of the date and year first set forth above.

CITY OF BEAUMONT COMMUNITY FACILITIES
DISTRICT NO. 2016-2 (SUNDANCE)

By: _____
Disclosure Representative

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC to the District which the District believes to be reliable, but the District and the Underwriter do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

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 Bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited through the facilities of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 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 Bonds representing their ownership interests in 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as prepayments, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend 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 District 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 Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District 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.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC.

THE PAYING AGENT, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

APPENDIX G
SECURITIES AND EXCHANGE COMMISSION ORDER

APPENDIX H
APPRAISAL REPORT

APPENDIX I
GRAND JURY REQUEST FOR DOCUMENTS

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2019

NEW ISSUE—BOOK-ENTRY-ONLY

NO RATING

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, subject to certain qualifications described in the Official Statement, under existing statutes, regulations, rules and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described in the Official Statement, the interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, such interest is exempt from State of California personal income tax. See "TAX MATTERS" herein.

\$10,570,000*
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
2019 SPECIAL TAX BONDS

Dated: Delivery Date

Due: September 1, as shown on the inside cover page

This Official Statement describes bonds that are being issued by the City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the "District"). The City of Beaumont Community Facilities District No. 2016-2 (Sundance) 2019 Special Tax Bonds (the "Bonds") are being issued by the District to: (a) pay the cost and expense of the acquisition and construction of certain public facilities in connection with the development of the District; (b) fund a reserve account securing the Bonds; and (c) pay costs of issuance of the Bonds.

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Sections 53311 *et seq.* of the Government Code of the State of California), and pursuant to a resolution adopted by the City Council of the City of Beaumont (the "City"), acting as the legislative body of the District, and a Bond Indenture, dated as of July 1, 2019 (the "Indenture"), by and between the District and Wilmington Trust, National Association, as trustee (the "Trustee").

The Bonds are limited obligations of the District and are payable solely from revenues derived from certain annual Special Taxes (as defined herein) to be levied on and collected from the owners of parcels within the District subject to the Special Taxes and from certain other funds pledged under the Indenture, all as further described herein. The Special Taxes are to be levied according to the rate and method of apportionment approved by the City Council of the City and the qualified electors within the District. See "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes." The City Council of the City is the legislative body of the District.

The Bonds are issuable 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"). Individual purchases of the Bonds may be made in principal amounts of \$5,000 and integral multiples thereof and will be in book-entry form only. Purchasers of Bonds will not receive certificates representing their beneficial ownership of the Bonds but will receive credit balances on the books of their respective nominees. Interest on the Bonds will be payable semiannually on each March 1 and September 1, commencing September 1, 2019. The Bonds will not be transferable or exchangeable except for transfer to another nominee of DTC or as otherwise described herein. Principal of and interest on the Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who will remit such payments to the beneficial owners of the Bonds. See "THE BONDS—General Provisions" and APPENDIX F—"BOOK-ENTRY ONLY SYSTEM" herein.

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE COUNTY OF RIVERSIDE, THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY OR GENERAL OBLIGATIONS OF THE DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET TAXES TO BE LEVIED IN THE DISTRICT AND CERTAIN OTHER AMOUNTS HELD UNDER THE BOND INDENTURE AS MORE FULLY DESCRIBED HEREIN.

The Bonds are subject to redemption prior to maturity as set forth herein. See "THE BONDS—Redemption" herein.

THE BONDS ARE NOT RATED BY ANY RATING AGENCY, AND INVESTMENT IN THE BONDS INVOLVES SIGNIFICANT RISKS THAT ARE NOT APPROPRIATE FOR CERTAIN INVESTORS. CERTAIN EVENTS COULD AFFECT THE ABILITY OF THE DISTRICT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS WHEN DUE. SEE THE SECTION OF THIS OFFICIAL STATEMENT ENTITLED "SPECIAL RISK FACTORS" FOR A DISCUSSION OF CERTAIN RISK FACTORS THAT SHOULD BE CONSIDERED, IN ADDITION TO THE OTHER MATTERS SET FORTH HEREIN, IN EVALUATING THE INVESTMENT QUALITY OF THE BONDS.

This cover page contains certain information for general reference only. It is not intended to be a summary of the security or terms of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

MATURITY SCHEDULE
(See Inside Cover Page)

The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, and subject to certain other conditions. Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California is serving as Disclosure Counsel to the District with respect to the Bonds. Certain legal matters will be passed on for the City and the District by Slovak, Baron, Empey, Murphy & Pinkney LLP, Palm Springs, California, and for the Underwriter by its counsel, Kutak Rock LLP, Irvine, California. It is anticipated that the Bonds in book-entry form will be available for delivery through the facilities of DTC on or about July _____, 2019.

[RAYMOND JAMES LOGO]

Dated: _____, 2019

* Preliminary; subject to change.

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 them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

\$10,570,000*
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
2019 SPECIAL TAX BONDS

MATURITY SCHEDULE

Base CUSIP No.[†] _____

Serial Bonds

<i>Maturity Date</i> <i>(September 1)</i>	<i>Principal</i> <i>Amount</i>	<i>Interest Rate</i>	<i>Yield</i>	<i>Price</i>	<i>CUSIP No.[†]</i>
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Term Bonds

\$ _____ % Term Bonds due September 1, _____, Yield: _____ % Price: _____ CUSIP No.[†] _ _ _

[†] Preliminary, subject to change.

[†] CUSIP® Copyright 2019, 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. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP Service. None of the City, the District or the Underwriter or its counsel takes any responsibility for the accuracy of CUSIP data in this Official Statement. The CUSIP® number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

**CITY OF BEAUMONT
COUNTY OF RIVERSIDE**

CITY COUNCIL
Serving as the Legislative Body of
City of Beaumont Community Facilities District No. 2016-2 (Sundance)

Julio Martinez, Mayor
Rey Santos, Mayor Pro Tem
Nancy Carroll
Mike Lara
Lloyd White

CITY OFFICIALS

Todd Parton, City Manager
Kristine Day, Assistant City Manager
Melana Taylor, Director of Finance
Steven Mehlman, City Clerk
John Pinkney, City Attorney

BOND COUNSEL AND DISCLOSURE COUNSEL

Stradling Yocca Carlson & Rauth,
a Professional Corporation,
Newport Beach, California

MUNICIPAL ADVISOR

Urban Futures, Inc.
Tustin, California

SPECIAL TAX CONSULTANT

Webb Municipal Finance, LLC
Riverside, California

REAL ESTATE APPRAISER

Integra Realty Resources
Rocklin, California

TRUSTEE

Wilmington Trust, National Association
Costa Mesa, California

Except where otherwise indicated, all information contained in this Official Statement has been provided by the City and the District. No dealer, broker, salesperson or other person has been authorized by the City, the District, the Trustee or the Underwriter 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 representations must not be relied upon as having been authorized by the City, the District, the Trustee 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.

This Official Statement is not to be construed as a contract with the purchasers or owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described in this Official Statement, are intended solely as such and are not to be construed as representations of fact. This Official Statement, including any supplement or amendment to this Official Statement, is intended to be deposited with the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found at www.emma.msrb.org.

The information set forth in this Official Statement which has been obtained from third party sources is believed to be reliable, but such information is not guaranteed as to accuracy or completeness by the City or the District. 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 hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the City or the District or any other parties described in this Official Statement since the date of this Official Statement. All summaries of the Indenture or 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 made by this Official Statement to such documents on file with the City for further information. While the City maintains an internet website for various purposes, none of the information on that website is incorporated by reference herein or intended to assist investors in making any investment decision or to provide any continuing information with respect to the Bonds or any other bonds or obligations of the City. Any such information that is inconsistent with the information set forth in this Official Statement should be disregarded.

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 a 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.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget" or other similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption "THE COMMUNITY FACILITIES DISTRICT."

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE 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. THE CITY DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH 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 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

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[INSERT LOCATION MAP HERE]

[INSERT REGIONAL MAP HERE]

[INSERT AERIAL PHOTO HERE]

\$10,570,000*
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
2019 SPECIAL TAX BONDS

INTRODUCTION

The purpose of this Official Statement, which includes the cover page, the table of contents and the appendices (collectively, the “Official Statement”), is to provide certain information concerning the issuance by the City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the “District”) of its 2019 Special Tax Bonds (the “Bonds”) in the aggregate principal amount of \$10,570,000.* The proceeds of the Bonds will be used to: (a) pay the cost and expense of the acquisition and construction of certain public facilities required in connection with the development of the District; (b) fund a reserve account securing the Bonds; and (c) pay costs of issuance of the Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS.”

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California) (the “Act”), and pursuant to a resolution adopted by the City Council of the City of Beaumont (the “City Council”), acting as the legislative body of the District, on June 18, 2019 and a Bond Indenture dated as of July 1, 2019 (the “Indenture”), by and between the District and Wilmington Trust, National Association, as trustee (the “Trustee”).

The Bonds are secured under the Indenture by a pledge of and lien upon Net Taxes (as defined herein) levied on parcels within the District and all moneys in the Special Tax Fund as described in the Indenture. See “SOURCES OF PAYMENT FOR THE BONDS.”

The Bonds are being issued and delivered pursuant to the provisions of the Act and the Indenture. The Bonds are being sold pursuant to a Bond Purchase Agreement between the Underwriter (defined below) and the District. For more complete information, see “THE BONDS – General Provisions” and “UNDERWRITING” herein.

This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement and the documents summarized or described herein. A full review should be made of the entire Official Statement. The sale and delivery of Bonds to potential investors is made only by means of the entire Official Statement. All capitalized terms used in this Official Statement and not defined shall have the meaning set forth in APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE – DEFINITIONS” herein.

The District

General. The District is located in the north-east part of the City of Beaumont (the “City”) and is bounded by Cherry Avenue to the west, Starlight Avenue to the east and Cougar Way to the north. As of May 1, 2019, 444 homes within the District had been built and sold to individual homeowners while 83 parcels were still owned by Pardee Homes, a California corporation (the “Developer”), the entity developing the land within the District. No parcel has prepaid its Special Tax obligation to date; accordingly, all residential parcels will be subject to the Special Tax levy going forward, subject to future Special Tax prepayments, if any. As of May 1, 2019, 500 lots had building permits pulled. As of June 1, 2019, building permits had been pulled for an additional 23 lots, and the remaining building permits are expected to be pulled by late 2020; accordingly, all lots are expected to be classified and levied against as Developed Property beginning in Fiscal Year 2021-22. See the

* Preliminary; subject to change.

caption “PROPERTY OWNERSHIP AND THE DEVELOPMENTS” for more information regarding the Developer and development within the District.

Formation Proceedings. The District was formed by the City pursuant to the Act and constitutes a governmental entity separate and apart from the City. The Act was enacted by the California legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State. Any local agency (as defined in the Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities and services. Generally, the legislative body of the local agency which forms a community facilities district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness.

Pursuant to the Act, the City formed the District on February 7, 2017. Subsequent to a noticed public hearing on February 7, 2017, the City Council adopted resolutions which established the District, authorized the levy a special tax within the District, determined the necessity to incur bonded indebtedness within the District, and called an election within the District on the proposition of incurring bonded indebtedness, levying a special tax and setting an appropriations limit within the District.

On February 7, 2017, an election was held within the District at which the landowners eligible to vote approved the issuance of bonds for the District in an amount not to exceed \$14,000,000 and approved a rate and method of apportionment of special tax for the District (the “Rate and Method”). A copy of the Rate and Method is attached hereto as Appendix A.

Property Ownership and Development Status

The District is located in the north-east part of the City and is bounded by Cherry Avenue to the west, Starlight Avenue to the east and Cougar Way to the north. The development within the District is planned for 527 proposed single family homes. The balance of the property within the District is anticipated to be used for recreational facilities, parks and open space.

The District is part of the Developer’s master planned community of “Sundance.” The Developer has reported to the City that Sundance is expected to consist of approximately 4,450 residential units on approximately 1,195 acres of land, with 13.5 acres of commercial/industrial land uses and the balance set aside for public/quasi/public uses.

The Developer is the sole entity developing the property within the District. The area included in the District has been graded and major infrastructure (sewer, water, storm drains, utilities, and arterial roads) to be installed by the Developer has been completed. As of May 1, 2019, 444 of the 527 lots had been conveyed to individual homeowners, and 5 were in escrow with individual homeowners. As of May 1, 2019, construction was ongoing on 38 homes, 18 homes were completed but unsold by the Developer and 27 lots were in finished condition. As of May 1, 2019, building permits had been pulled for 500 lots within the District. As of June 1, 2019, building permits had been pulled for an additional 23 lots. See “PROPERTY OWNERSHIP AND THE DEVELOPMENT” herein.

Forward Looking Statements

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as a “plan,” “expect,” “estimate,” “project,” “budget” or similar words. Such forward-looking statements

include, but are not limited to certain statements contained in the information under the captions “—Appraisal Report” and “THE COMMUNITY FACILITIES DISTRICT—Appraisal Report.”

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE 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. THE DISTRICT DOES NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT.

Sources of Payment for the Bonds

General. The Bonds and any Parity Bonds are limited obligations of the District, and the interest on and principal of and redemption premiums, if any, on the Bonds and any Parity Bonds are payable solely from the Special Taxes to be levied annually against the property in the District, or, to the extent necessary, from the moneys on deposit in the Reserve Account. As described herein, the Special Taxes are collected along with *ad valorem* property taxes on the tax bills mailed by the Treasurer-Tax Collector of the County of Riverside (the “County”). Although the Special Taxes will constitute a lien on the property subject to taxation in the District, they will not constitute a personal indebtedness of the owners of such property. There is no assurance that such owners will be financially able to pay the annual Special Taxes or that they will pay such taxes even if they are financially able to do so.

Limited Obligations. Except for the Special Taxes, no other taxes are pledged to the payment of the Bonds and any Parity Bonds. The Bonds and any Parity Bonds are not general or special obligations of the City nor general obligations of the District, but are special obligations of the District payable solely from Special Taxes collected in the District and amounts held under the Indenture as more fully described herein.

Special Tax. As used in this Official Statement, the term “Special Tax” is that tax which has been authorized pursuant to the Act to be levied against certain land within the District pursuant to the Act and in accordance with the Rate and Method to pay for facilities only, but excluding penalties and interest imposed upon delinquent installments. See “SOURCES OF PAYMENT FOR THE BONDS—Special Taxes” and APPENDIX A—“RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” Under the Indenture, the District will pledge to repay the Bonds and any Parity Bonds from the Special Tax revenues remaining after the payment of annual Administrative Expenses of the District up to the Administrative Expenses Cap (the “Net Taxes”) and from amounts on deposit in the Special Tax Fund established under the Indenture.

The Special Taxes are the primary security for the repayment of the Bonds and any Parity Bonds. In the event that the Special Taxes are not paid when due, the only sources of funds available to pay the debt service on the Bonds and any Parity Bonds are amounts held by the Trustee in the Special Tax Fund, including amounts held in the Reserve Account therein. See “SOURCES OF PAYMENT FOR THE BONDS- Reserve Account of the Special Tax Fund.”

Special Taxes within the District were first levied in Fiscal Year 2017-18.

Reserve Account. The Indenture creates a Reserve Account for the Bonds. In order to secure further the payment of principal of and interest on the Bonds, the District is required, upon delivery of the Bonds, to deposit in the Reserve Account an amount equal to the Reserve Requirement for the Bonds and thereafter to maintain in the Reserve Account an amount equal to the Reserve Requirement for the Bonds. The initial Reserve Requirement for the Bonds shall be \$ _____, and the Reserve Requirement shall never exceed this amount. See “SOURCES OF PAYMENT FOR THE BONDS—Reserve Account of the Special Tax Fund.”

Foreclosure Proceeds. The District will covenant in the Indenture for the benefit of the Owners of the Bonds and the landowners of the District securing such Bonds that it will review the public records of the County of Riverside, California, in connection with the collection of the Special Tax not later than July 1 of each year to determine the amount of Special Tax collected in the prior Fiscal Year; and with respect to individual delinquencies within the District, if the District determines that any single property owner subject to the Special Tax is delinquent in the payment of Special Taxes in the aggregate of \$2,500 or more or as to any single parcel the delinquent Special Taxes represent more than 5% of the aggregate Special Taxes within the District, then the District will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) the District will cause judicial foreclosure proceedings to be filed in the Superior Court within ninety (90) days of such determination against all properties for which the Special Taxes remain delinquent.

The District will further covenant that it will deposit any Gross Taxes received in connection with a foreclosure in the Special Tax Fund and will apply such proceeds remaining after the payment of Administrative Expenses to make current payments of principal and interest on the Bonds and any Parity Bonds, to bring the amount on deposit in the Reserve Account up to the Reserve Requirement and to pay any delinquent installments of principal or interest due on the Bonds and any Parity Bonds.

The District does not participate in the County's Alternative Method of Distribution of Tax Levies and Collections and of Tax Sale Proceeds (the "Teeter Plan"); accordingly, the collection of Special Taxes are subject to delinquency. See "SOURCES OF PAYMENT FOR THE BONDS—No Teeter Plan."

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE COUNTY OF RIVERSIDE, THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE SPECIAL TAXES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY OR GENERAL OBLIGATIONS OF THE DISTRICT, BUT ARE SPECIAL OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET TAXES AND CERTAIN AMOUNTS HELD UNDER THE BOND INDENTURE AS MORE FULLY DESCRIBED HEREIN.

Parity Bonds for Refunding Purposes Only. Under the terms of the Indenture, the District may issue additional bonds secured by the Net Taxes on a parity with the Bonds ("Parity Bonds") if certain conditions are met; provided, however, that Parity Bonds may only be issued for the purpose of refunding the Bonds or other Parity Bonds. See "SOURCES OF PAYMENT FOR THE BONDS—Issuance of Parity Bonds." Parity Bonds may be issued by means of a supplemental indenture and without any requirement for the consent of any Bond owners. See APPENDIX D "SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE—DEFEASANCE AND PARITY BONDS."

Liens. Other taxes and/or special assessments with liens equal in priority to the continuing lien of the Special Taxes have been levied and may also be levied in the future on the property within the District which could adversely affect the willingness of the landowners to pay the Special Taxes when due. See "SPECIAL RISK FACTORS—Parity Taxes and Special Assessments" herein. See Table 4 for a description of the direct and overlapping debt applicable to the parcels within the District.

Appraisal Report

An MAI appraisal of certain land and existing improvements within the District (the "Appraisal Report") was prepared by Integra Realty Resources, Rocklin, California (the "Appraiser"). The Appraisal Report is dated June 4, 2019. See APPENDIX H—"APPRAISAL REPORT." The Appraisal Report provides an estimate of the approximate market value of certain of the property in the District, assuming development of the property as currently planned, and assessed value of the remainder of the taxable property in the District. As currently planned, development in the District will consist of 527 residential units. The Appraisal Report

appraised 340 of the lots within the District and relied on the assessed value for the remaining 187 lots. As of May 1, 2019, the Appraiser estimates that the value of all of the Taxable Parcels (based on appraised and assessed value) within the District subject to the Special Tax was \$146,905,061.

The Appraisal Report is based upon a variety of assumptions and limiting conditions that are described in Appendix H. The City, the District and the Underwriter make no representations as to the accuracy of the Appraisal Report. See “THE COMMUNITY FACILITIES DISTRICT—Appraisal Report” and “—Value-to-Lien Ratios.” There is no assurance that property within the District can be sold for the prices set forth in the Appraisal Report or that any parcel can be sold for a price sufficient to pay the Special Tax for that parcel in the event of a default in payment of Special Taxes by the land owner. See “THE COMMUNITY FACILITIES DISTRICT,” “SPECIAL RISK FACTORS—Land Values” and APPENDIX H— “APPRAISAL REPORT” herein.

Description of the Bonds

The Bonds will be issued and delivered as fully registered Bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) in the denominations of \$5,000 or any integral multiple thereof, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry-only system described herein is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See APPENDIX F— “BOOK-ENTRY ONLY SYSTEM.”

Principal of, premium, if any, and interest on the Bonds is payable by the Trustee to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. In the event that the book-entry only system is no longer used with respect to the Bonds, the Beneficial Owners will become the registered owners of the Bonds and will be paid principal and interest by the Trustee, all as described in the Indenture. See APPENDIX D— “SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE—GENERAL AUTHORIZATION AND BOND TERMS—Transfers Outside Book-Entry System” herein.

The Bonds are subject to optional redemption, extraordinary redemption, and mandatory sinking fund redemption as described herein. See “THE BONDS—Redemption.” For a more complete description of the Bonds and the basic documentation pursuant to which they are being sold and delivered, see “THE BONDS” and APPENDIX D— “SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE” herein.

Professionals Involved in the Offering

Wilmington Trust, National Association, Costa Mesa, California, will act as Trustee under the Indenture. Raymond James & Associates, Inc., will serve as the underwriter (the “Underwriter”) of the Bonds. Certain proceedings in connection with the issuance and delivery of the Bonds are subject to the approval of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel and Disclosure Counsel to the District in connection with the issuance of the Bonds. Certain legal matters will be passed on for the District and the City by Slovak, Baron, Empey, Murphy & Pinkney LLP, Palm Springs, California, for the Underwriter by Kutak Rock LLP, Irvine, California, as counsel to the Underwriter, and for the Trustee by its counsel. Other professional services have been performed by Integra Realty Resources, Rocklin, California, as the Appraiser, Urban Futures, Inc., Tustin, California, as Municipal Advisor to the City and the District, and Webb Municipal Finance, LLC, Riverside, California, as Special Tax Consultant.

Certain of the above-mentioned professionals, advisors, counsel and consultants may have a financial or other interest in the offering of the Bonds. See “FINANCIAL INTERESTS” herein.

Continuing Disclosure

The District has agreed to provide, or cause to be provided, pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission (the “Rule”) certain financial information and operating data on an annual basis (the “District Reports”). The District has further agreed to provide, in a timely manner, notice of certain events with respect to the Bonds (the “Listed Events”). These covenants have been made in order to assist the Underwriter in complying with the Rule. The District Reports will be filed with the Electronic Municipal Market Access System (“EMMA”) of the Municipal Securities Rulemaking Board (the “MSRB”) available on the Internet at <http://emma.msrb.org>. Notices of Listed Events will also be filed with the MSRB. The District has not previously entered into any continuing disclosure obligations. The City will assist the District in preparing the District Reports. Within the last five years, certain related entities of the City have failed to comply in certain respects with prior continuing disclosure undertakings. See “CONTINUING DISCLOSURE.”

See “CONTINUING DISCLOSURE” herein and Appendix E—“FORM OF CONTINUING DISCLOSURE CERTIFICATE” hereto for a description of the specific nature of the annual reports to be filed by the District and notices of Listed Events and a copy of the continuing disclosure undertaking pursuant to which such District Reports are to be made.

SEC Order

On August 23, 2017, following an offer of settlement by the Beaumont Financing Authority (the “BFA”), the U.S. Securities and Exchange Commission (“SEC”) entered a Cease-and-Desist Order and imposed certain undertakings on the BFA (the “SEC Order”). The BFA neither admits nor denies the findings in the SEC Order. The members of the City Council of the City act as the Board of Directors of the BFA and City staff acts as the staff of the BFA. A copy of the SEC Order is attached hereto as Appendix G.

Bond Owners’ Risks

Certain events could affect the ability of the District to pay the principal of and interest on the Bonds when due. See the section of this Official Statement entitled “SPECIAL RISK FACTORS” for a discussion of certain factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds. The Bonds are not rated by any nationally recognized rating agency. The purchase of the Bonds involves significant risks, and the Bonds may not be appropriate investments for certain investors. See “SPECIAL RISK FACTORS” herein.

Other Information

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Brief descriptions of the Bonds and the Indenture are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture, the Bonds and the constitution and laws of the State as well as the proceedings of the Board, acting as the legislative body of the District, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Indenture. Capitalized terms not otherwise defined herein shall have the meanings set forth in the Indenture.

Copies of the Indenture and other documents and information are available for inspection and (upon request and payment to the District of a charge for copying, mailing and handling) for delivery from the City at 550 East 6th Street, Beaumont, California 92223.

ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the expected sources and uses of Bond proceeds.

Sources of Funds:	
Principal Amount of Bonds	
Plus Net Original Issue Premium	
Total Sources	
Uses of Funds:	
Acquisition and Construction Fund ⁽¹⁾	
Costs of Issuance ⁽²⁾	
Reserve Account	
Total Uses	

⁽¹⁾ See "THE COMMUNITY FACILITIES DISTRICT—Description of Authorized Facilities" for a list of facilities eligible to be financed with Bond proceeds deposited into the Acquisition and Construction Fund.

⁽²⁾ Includes Underwriter's Discount, Bond Counsel fees, Disclosure Counsel fees, Special Tax Consultant fees, Municipal Advisor fees, Trustee fees, printing costs and other issuance costs.

Source: The Underwriter.

THE BONDS

General Provisions

The Bonds will be dated as of their date of delivery and will bear interest at the rates per annum set forth on the inside cover page hereof, payable semiannually on each March 1 and September 1, commencing on September 1, 2019 (each, an "Interest Payment Date"), and will mature in the amounts and on the dates set forth on the inside cover page of this Official Statement.

Interest will be calculated on the basis of a 360-day year comprised of twelve 30-day months. Interest on any Bond will be payable from the Interest Payment Date next preceding the date of authentication of that Bond, unless (i) such date of authentication is an Interest Payment Date, in which event interest will be payable from such date of authentication; (ii) the date of authentication is after a Record Date but prior to the immediately succeeding Interest Payment Date, in which event interest will be payable from the Interest Payment Date immediately succeeding the date of authentication; or (iii) the date of authentication is prior to the close of business on the first Record Date occurring after the issuance of such Bond, in which event interest will be payable from the dated date of the Bond; provided, however, that if at the time of authentication of a Bond, interest is in default, interest on that Bond will be payable from the last Interest Payment Date to which the interest has been paid or made available for payment or, if no interest has been paid or made available for payment on that Bond, interest on that Bond will be payable from its dated date.

As used herein, Record Date means the fifteenth day of the month preceding an Interest Payment Date, regardless of whether such day is a Business Day.

Interest on any Bond will be paid to the person whose name appears in the Bond Register as the Owner of such Bond as of the close of business on the Record Date. Such interest will be paid by check of the Trustee mailed by first class mail, postage prepaid, to the Bondowner at its address on the Bond Register. In addition, with respect to any Bonds owned by the District and upon a request in writing received by the Trustee on or before the applicable Record Date from an Owner of \$1,000,000 or more in principal amount of the Bonds, payment will be made by wire transfer in immediately available funds to an account designated by such Owner.

Principal of the Bonds and any premium due upon redemption is payable upon presentation and surrender of the Bonds at the principal corporate trust office of the Trustee in Costa Mesa, California.

The Bonds will be issued as fully registered bonds and will be registered in the name of Cede & Co., as nominee of DTC. DTC will act as securities depository of the Bonds. Ownership interests in the Bonds may be purchased in book-entry form only in denominations of \$5,000 and any integral multiple thereof. So long as DTC is the securities depository all payments of principal and interest on the Bonds will be made to DTC and will be paid to the Beneficial Owners in accordance with DTC's procedures and the procedures of DTC's Participants. See APPENDIX F—"BOOK-ENTRY-ONLY SYSTEM."

Debt Service Schedule

The following table presents the annual debt service on the Bonds (including sinking fund redemption), assuming there are no optional or extraordinary redemptions. See "SOURCES OF PAYMENT FOR THE BONDS" and "THE BONDS—Redemption."

<i>Date (September 1)</i>	<i>Principal</i>	<i>Interest</i>	<i>Total</i>
2019			
2020			
2021			
2022			
2023			
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
Total			

Source: The Underwriter.

Redemption

Optional Redemption. The Bonds may be redeemed, at the option of the District, from any source of funds, other than Prepayments, on any date on or after September 1, 20__, in whole, or in part by lot, at a redemption price equal to the principal amount to be redeemed, together with accrued interest to the date of redemption, at the following redemption prices (expressed as percentages of the principal amount of the Bonds to be redeemed):

<i>Redemption Dates</i>	<i>Redemption Price</i>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and any date thereafter	100

In the event the District elects to optionally redeem Bonds, the District shall give written notice to the Trustee of its election to so redeem, the redemption date and the principal amount of the Bonds of each maturity to be redeemed. The notice to the Trustee shall be given at least 45 but no more than 60 days prior to the redemption date, or by such later date as is acceptable to the Trustee, in its sole discretion.

Extraordinary Redemption from Special Tax Prepayments. The Bonds are subject to extraordinary redemption as a whole or in part, on any Interest Payment Date, and shall be redeemed by the Trustee, from Prepayments deposited to the Redemption Account plus amounts transferred from the Reserve Account pursuant to the Indenture, at the following redemption prices, expressed as a percentage of the principal amount to be redeemed, together with accrued interest to the redemption date:

<i>Redemption Dates</i>	<i>Redemption Price</i>
Interest Payment Dates to and including March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and each Interest Payment Date thereafter	100

Prepayments and amounts released from the Reserve Account in connection with Prepayments will be allocated to the redemption of the Bonds and any Parity Bonds as nearly as practicable on a proportionate basis based on the outstanding principal amount of the Bonds and any Parity Bonds and shall be applied to redeem Bonds and Parity Bonds as nearly as practicable on a pro rata basis among maturities in increments of \$5,000; provided, however, that, for Prepayments of less than \$50,000, the District may specify in a Certificate of an Authorized Representative that Prepayments be applied to one or more maturities of the Bonds or Parity Bonds so long as there is delivered to the Trustee a Certificate of the Special Tax Consultant that, following such redemption from Prepayments, the maximum Special Taxes that may be levied in each Fiscal Year on Developed Property is not less than 110% of Maximum Annual Debt Service net of the Administrative Expenses Cap.

Mandatory Sinking Fund Redemption. The Term Bonds maturing on September 1, 20__ (the "20__ Term Bonds") shall be called before maturity and redeemed, from the Sinking Fund Payments that have been deposited into the Principal Account, on September 1, 20__, and on each September 1 thereafter prior to maturity, in accordance with the schedule of Sinking Fund Payments set forth below. The 20__ Term Bonds so called for redemption shall be selected by the Trustee by lot and shall be redeemed at a redemption price for each redeemed Term Bond equal to the principal amount thereof, plus accrued interest to the redemption date, without premium, as follows:

Sinking Fund Redemption Date
(September 1)

Sinking Fund Payments

(maturity)

In the event of a partial optional redemption or extraordinary redemption of 20_ Term Bonds, each of the remaining Sinking Fund Payments for such Term Bonds will be reduced, as nearly as practicable, on a pro rata basis, in integral multiples of \$5,000.

Selection of Bonds and Parity Bonds for Redemption. If less than all of the Bonds Outstanding are to be redeemed, the portion of any Bond of a denomination of more than \$5,000 to be redeemed shall be in the principal amount of \$5,000 or an integral multiple thereof. So long as the Bonds are registered in the name of the Nominee, such Bonds or any portion thereof shall be selected by the Depository in accordance with its operating procedures.

Notice of Redemption. So long as the Bonds are held in book-entry form, the Beneficial Owners will not be mailed any notice of redemption by the Trustee. It is the responsibility of DTC Participants to provide such notice. See APPENDIX F—"BOOK-ENTRY ONLY SYSTEM." The Trustee is obligated to provide at least 30 days but not more than 45 days prior to the date of redemption, notice of intended redemption, by first-class mail, postage prepaid, to the respective registered owners of the Bonds at the addresses appearing on the Bond registration books; provided, however, so long as the Bonds and Parity Bonds are registered in the name of the Nominee, such notice shall be given in such manner as complies with the requirements of the Depository. The notice of redemption must: (i) specify the CUSIP numbers (if any), the bond numbers and the maturity date or dates of the Bonds selected for redemption, except that where all of the Bonds are subject to redemption, or all the Bonds or Parity Bonds of one maturity are to be redeemed, the bond numbers of such issue need not be specified; (ii) state the date fixed for redemption and surrender of the Bonds to be redeemed; (iii) state the redemption price; (iv) state the place or places where the Bonds are to be redeemed; (v) in the case of Bonds to be redeemed only in part, state the portion of such Bond which is to be redeemed; (vi) state the date of issue of the Bonds as originally issued; (vii) state the rate of interest borne by each Bond being redeemed; and (viii) state any other descriptive information needed to identify accurately the Bonds being redeemed as shall be specified by the Trustee. Such notice must further state that on the date fixed for redemption, there will become due and payable on each Bond or portion thereof called for redemption, the principal thereof, together with any premium, and interest accrued to the redemption date, and that from and after such date, interest thereon will cease to accrue and be payable.

So long as notice of redemption has been provided as set forth in the Indenture, the actual receipt by the owner of any Bond of notice of such redemption is not a condition precedent to redemption, and neither the failure to receive such notice nor any defect therein will affect the validity of the proceedings for redemption of such Bonds or the cessation of interest on the date fixed for redemption.

Any redemption notice for an optional redemption of the Bonds delivered in accordance with the Indenture may be conditional, and, if any condition stated in the redemption notice has not been satisfied on or prior to the redemption date: (i) the redemption notice will be of no force and effect, (ii) the District will not be required to redeem such Bonds, (iii) the redemption will not be made, and (iv) the Trustee will within a reasonable time thereafter give notice to the persons to whom such conditional redemption notice was given in the manner in which the conditional redemption notice was given that such condition or conditions were not met and that the redemption was canceled.

Effect of Redemption. When notice of redemption has been given, and when the amount necessary for redemption has been made available for that purpose and is available therefor on the date fixed for such

redemption, the Bonds designated for redemption will become due and payable on the date fixed for redemption upon presentation and surrender of the Bonds at the place specified in the notice of redemption. Bonds or portions thereof so designated for redemption will be deemed to be no longer Outstanding and such Bonds, or portions thereof, will cease to bear further interest. As of the date fixed for redemption no Owner of any of the Bonds or portions thereof so designated for redemption will be entitled to any of the benefits of the Indenture, or to any other rights, except with respect to payment of the redemption price and interest accrued to the redemption date from the amounts so made available.

Purchase in lieu of Redemption. The Bonds may be purchased by the District in lieu or partially in lieu of redemption of Bonds. See APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE—CREATION OF FUNDS AND APPLICATION OF PROCEEDS —Redemption Account of the Special Tax Fund.”

Registration, Transfer and Exchange

Registration. The Trustee will keep sufficient books for the registration and transfer of the Bonds. The ownership of the Bonds will be established by the Bond registration books held by the Trustee.

Transfer or Exchange. Whenever any Bond is surrendered for registration of transfer or exchange, the Trustee will authenticate and deliver a new Bond or Bonds of the same maturity, for a like aggregate principal amount of authorized denominations; provided that the Trustee will not be required to register transfers or make exchanges of (i) Bonds for a period of 15 days next preceding the date of any selection of the Bonds to be redeemed, or (ii) any Bonds chosen for redemption.

SOURCES OF PAYMENT FOR THE BONDS

Limited Obligations

The Bonds are special, limited obligations of the District payable only from amounts pledged under the Indenture and from no other sources.

In the event that the Special Tax revenues are not received when due, the only sources of funds available to pay the debt service on the Bonds are amounts held by the Trustee in the Special Tax Fund, including amounts held in the Reserve Account therein, for the exclusive benefit of the owners of the Bonds, and foreclosure proceeds resulting from the sale of delinquent parcels if and when available. See “— Reserve Account of the Special Tax Fund.”

NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT, THE CITY, THE COUNTY OF RIVERSIDE, THE STATE OF CALIFORNIA OR ANY POLITICAL SUBDIVISION THEREOF IS PLEDGED TO THE PAYMENT OF THE BONDS. EXCEPT FOR THE NET TAXES, NO OTHER REVENUES OR TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS. THE BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY OR GENERAL OBLIGATIONS OF THE DISTRICT BUT ARE LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET TAXES TO BE LEVIED IN THE DISTRICT AND CERTAIN OTHER AMOUNTS HELD UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.

Special Taxes

Authorization and Pledge. In accordance with the provisions of the Act, the City established the District on February 7, 2017 for the purpose of financing the various public improvements and services required in connection with the proposed development within the District. On February 7, 2017, an election was held within the District at which the landowners eligible to vote approved the issuance of bonds for the District in an amount not to exceed \$14,000,000, secured by special taxes levied on property within the District to finance the

Facilities (as defined under the caption “THE COMMUNITY FACILITIES DISTRICT—Description of Authorized Facilities”). The landowners within the District also voted to approve the Rate and Method which authorized the Special Tax to be levied to repay indebtedness issued by the District, including the Bonds. There are two types of special taxes levied by the District: a special tax for facilities and a special tax for services. Throughout this Official Statement, all references to the Special Tax shall refer to the special tax for facilities. **The special tax for services is not pledged to, and shall not be available to make payments on, the Bonds.**

The District will covenant in the Indenture that it will levy Special Taxes up to the maximum rates permitted under the Rate and Method in an amount sufficient, together with other amounts on deposit in the Special Tax Fund, to pay the principal of and interest on any Outstanding Bonds and any Parity Bonds, to maintain the Reserve Account at the Reserve Requirement and to pay the estimated Administrative Expenses.

The “Special Taxes” are the special taxes for facilities authorized to be levied and collected by the District in accordance with the Rate and Method and the Act. The Special Taxes are collected in the manner and at the same time as *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 *ad valorem* property taxes. See APPENDIX A “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.”

The “Net Taxes” pledged by the District to the Bonds (and any Parity Bonds) is defined in the Indenture as the “Gross Taxes” minus amounts permitted to be set aside prior to the payment of the principal of and interest on the Bonds and Parity Bonds in order to pay Administrative Expenses up to the Administrative Expenses Cap. The Administrative Expenses Cap shall be \$30,000 annually.

“Gross Taxes” is defined in the Indenture as the amount of all Special Taxes received by the District from the Treasurer, together with all payments made with respect to tax-defaulted parcels (including all delinquent and redemption penalties, fees and costs) and the proceeds collected from the sale of property pursuant to the foreclosure provisions of the Indenture.

Except for Prepayments which shall be deposited to the Redemption Account, the Trustee will, on each date on which the Special Taxes are received from the District, deposit the Special Taxes in the Special Tax Fund. The Trustee will transfer the Special Taxes on deposit in the Special Tax Fund on the dates and in the amounts set forth in the Indenture, in the following order of priority, to:

- (1) The Administrative Expenses Fund;
- (2) The Interest Account of the Special Tax Fund;
- (3) The Principal Account of the Special Tax Fund;
- (4) The Redemption Account of the Special Tax Fund;
- (5) The Reserve Account of the Special Tax Fund;
- (6) The Rebate Fund; and
- (7) The Surplus Fund.

Notwithstanding the foregoing, the total amount transferred to the Administrative Expenses Fund in a Bond Year shall not exceed the Administrative Expenses Cap until such time as there has been deposited to the Interest Account and the Principal Account an amount, together with any amounts already on deposit therein, that is sufficient to pay the interest and principal on all Bonds and Parity Bonds due in such Bond Year and to restore the Reserve Account to the Reserve Requirement.

See APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE.”

The Special Taxes levied in any fiscal year may not exceed the maximum rates authorized pursuant to the Rate and Method. The initial Special Tax levy commenced in Fiscal Year 2017-18. See APPENDIX A—“RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX” hereto. There is no assurance that the Special Tax proceeds will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. See the caption “*Limitation on Special Tax Levy and Potential Impact on Coverage*” below and “SPECIAL RISK FACTORS—Insufficiency of Special Taxes” herein.

Rate and Method of Apportionment of Special Tax. The District is legally authorized and will covenant to cause the levy of the Special Taxes in an amount determined according to a methodology, i.e., the Rate and Method which the City Council and the electors within the District have approved. The Rate and Method apportions the total amount of Special Taxes to be collected among the taxable parcels in the District as more particularly described below. There are two types of special taxes levied by the District: a special tax for facilities and a special tax for services. Throughout this Official Statement, all references to the Special Tax shall refer to the special tax for facilities. **The special tax for services is not pledged to, and shall not be available to make payments on, the Bonds.**

The following is a synopsis of the provisions of the Rate and Method for the District, which should be read in conjunction with the complete text of the Rate and Method which is attached to this Official Statement as APPENDIX A—“RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” The meaning of the defined terms used in this section are as set forth in Appendix A. This section provides only a summary of the Rate and Method, and is qualified by more complete and detailed information contained in the entire Rate and Method attached as Appendix A.

“*Building Permit*” means a permit for new construction for a residential or non-residential structure. For purposes of this definition, “Building Permit” shall not include permits for construction or installation of retaining walls, utility improvements, or other such improvements not intended for human habitation.

“*Developed Property*” means all Assessor’s Parcels for which Building Permits were issued on or before March 1 of the prior Fiscal Year, provided that such Assessor’s Parcels were created on or before January 1 of the prior Fiscal Year and that each such Assessor Parcel is associated with a Lot, as determined by the CFD Administrator.

“*Exempt Property*” means all Assessor’s Parcels designated as being exempt from Special Taxes as more fully set forth below.

“*Final Map Property*” means Assessor’s Parcels: (i) that are included in a Final Map that was recorded prior to the January 1 preceding the Fiscal Year in which the Special Tax is being levied, and (ii) for which a Building Permit was not issued prior to the March 1 preceding the Fiscal Year in which the Special Tax is being levied, as determined by the CFD Administrator.

“*Minimum Acreage*” means the smallest allowable amount of taxable acreage. For the District, it shall not be less than 65.74 acres. The acreage per Zone is as follows: (i) Zone 1 - 17.94 acres, (ii) Zone 2 - 33.66 acres, and (iii) Zone 3 - 14.14 acres.

“*Special Tax for Facilities*” means any of the special taxes authorized to be levied within the District pursuant to the Act to fund the Special Tax Requirement for Facilities.

“*Special Tax Requirement for Facilities*” means the amount required in any Fiscal Year to pay: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account, (iv) any amount required to establish or replenish any reserve funds established in association with the

Bonds, (v) the collection or accumulation of funds for the acquisition or construction of facilities authorized by the District provided that the inclusion of such amount does not cause an increase in the levy of Special Tax for Facilities on Final Map Property or Undeveloped Property, less (vi) any amounts available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond indenture, fiscal agent agreement, or trust agreement.

“Taxable Property” means all Assessor’s Parcels within the District, which are not Exempt Property, as determined by the CFD Administrator.

“Undeveloped Property” means all Assessor’s Parcels of Taxable Property which are not Developed Property or Final Map Property, as determined by the CFD Administrator.

“Zones” means Zone 1, 2 or 3 as geographically identified on the CFD Boundary Map.

“Zone 1” means the specific geographic area as depicted in the Rate and Method.

“Zone 2” means the specific geographic area as depicted in the Rate and Method.

“Zone 3” means the specific geographic area as depicted in the Rate and Method.

Exempt Property. The City shall classify as Exempt Property: (i) Assessor’s Parcels owned by the State of California, Federal or other local governments, (ii) Assessor’s Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor’s Parcels used exclusively by a homeowners’ association, or (iv) Assessor’s Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, provided that no such classification would reduce the sum of all Taxable Property to less than the Minimum Acreage per Zone. Notwithstanding the above, the City Council shall not classify an Assessor’s Parcel as Exempt Property pursuant to this paragraph if such classification would reduce the sum of all Taxable Property to less than the Minimum Acreage per Zone. Assessor’s Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of all Taxable Property to less than the Minimum Acreage per Zone will continue to be classified as Taxable Property, and will continue to be subject to Special Taxes accordingly.

Maximum Special Tax. The Maximum Special Tax provided for in the Rate and Method is as follows:

Developed Property

The Maximum Special Tax for each Assessor’s Parcel of Residential Property that is classified as Developed Property in any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Special Tax or (ii) the application of the Backup Special Tax. The Maximum Special Tax for each Assessor’s Parcel of Non-Residential Property that is classified as Developed Property in any Fiscal Year shall be the Assigned Annual Special Tax.

Undeveloped Property and Final Map Property

The Maximum Special Tax for each Assessor’s Parcel classified as Undeveloped Property and Final Map Property in any Fiscal Year shall be the Assigned Special Tax for the applicable Zone. The Assigned Special Tax for Final Map Property and Undeveloped Property is \$13,139 per Acre in Zone 1, \$10,049 per Acre in Zone 2 and \$12,090 per acre in Zone 3.

Assigned Special Tax. The Assigned Special Tax is determined as follows:

Developed Property

Each Fiscal Year, each Assessor's Parcel of Developed Property shall be subject to an Assigned Special Tax. The Assigned Special Tax applicable to an Assessor's Parcel of Developed Property for any Fiscal Year shall range from: \$1,184 to \$1,496 for Residential Property within Zone 1; from \$1,254 to \$1,726 for Residential Property within Zone 2; and from \$1,663 to \$2,058 for Residential Property within Zone 3. The Assigned Special Tax for Non-Residential Property is \$13,139 per Acre within Zone 1, \$10,049 per Acre within Zone 2 and \$12,090 per Acre within Zone 3.

Backup Special Tax. The Backup Special Tax shall be determined as follows:

Each Fiscal Year, each Assessor's Parcel of Developed Property classified as Residential Property shall be subject to a Backup Special Tax. In each Fiscal Year, the Backup Special Tax rate for Developed Property classified as Residential Property within each Zone shall be the maximum Special Tax rate per acre for Undeveloped Property in the respective Zone for the applicable Fiscal Year multiplied by the acreage of Developed Property classified or to be classified as Residential Property in such Zone, divided by the number of Lots in the Zone which are classified or to be classified as Residential Property.

Notwithstanding the foregoing, if Assessor's Parcels of Developed Property which are classified or to be classified as Residential Property are subsequently changed or modified by recordation of a lot line adjustment or similar instrument, then the Backup Special Tax for the area that has been changed or modified shall be a rate per square foot of Acreage for each Zone calculated as follows:

1. Determine the total Backup Special Tax anticipated to apply to the changed or modified Final Map area prior to the change or modification.
2. The result of paragraph 1 above shall be divided by the Acreage of Developed Property classified or to be classified as Residential Property which is ultimately expected to exist in such changed or modified Final Map area, as reasonably determined by the CFD Administrator.
3. The result of paragraph 2 above shall be divided by 43,560. The result is the Backup Special Tax per square foot of Acreage which shall be applicable to Assessor's Parcels of Developed Property classified as Residential Property in such changed or modified Final Map area for all remaining Fiscal Years in which the Special Tax may be levied.

Method of Apportionment of Special Tax. Commencing Fiscal Year 2017-18 and for each subsequent Fiscal Year until terminated, the City Council shall levy Special Taxes on all Taxable Property until the amount of Special Taxes levied equals the Special Tax Requirement in accordance with the following steps:

First: The Special Tax shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax rate as needed to satisfy the Special Tax Requirement for Facilities;

Second: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first step has been completed, the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Final Map Property, at up to 100% of the Assigned Special Tax for Facilities applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities;

Third: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, the Annual Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property, excluding any Undeveloped Property pursuant to Section J

of the Rate and Method, at up to 100% of the Assigned Special Tax applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities;

Fourth: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then for each Assessor's Parcel of Developed Property whose Maximum Special Tax for Facilities is the Backup Special Tax for Facilities shall be increased Proportionately from the Assigned Special Tax for Facilities up to 100% of the Backup Special Tax for Facilities as needed to satisfy the Special Tax Requirement for Facilities; and

Fifth: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first four steps have been completed, the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Property Owner's Association Property and Public Property, found not to be exempt pursuant to Section J of the Rate and Method, at up to 100% of the Assigned Special Tax for Facilities applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities.

Prepayment of Special Taxes. The Special Tax obligation of an Assessor's Parcel of Developed Property, an Assessor's Parcel of Final Map Property or Undeveloped Property for which a building permit has been issued or an Assessor's Parcel of Undeveloped Property that is classified as Undeveloped Property and will be classified as Developed Property in the next Fiscal Year may be prepaid in part or in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time that the Special Tax obligation would be prepaid. The Prepayment Amount is calculated based on the Bond Redemption Amount plus Redemption Premium plus Future Facilities Amount plus the Defeasance amount plus the Administrative Fee, and less a credit for the resulting reduction in the Reserve Requirement for the Bonds (if any), all as specified in APPENDIX A—"RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX—Section G." No parcel within the District has prepaid its Special Tax obligation.

Estimated Debt Service Coverage. Pursuant to the Rate and Method, and subject to the Maximum Special Taxes prescribed therein and permitted by the Act, the District will levy Special Taxes on all Taxable Property until the amount of Special Taxes levied equals the Special Tax Requirement. The Bonds have been sized so that the Assigned Special Taxes that may be levied in each Fiscal Year produce an amount equal to at least 110% of the debt service due on the Bonds in such Fiscal Year plus Administrative Expenses of \$30,000. The District expects to levy Special Taxes only on Developed Property going forward, though it has the ability under the Rate and Method to levy against Final Map Property and Undeveloped Property if necessary. In Fiscal Year 2018-19, Special Taxes were levied only against the 278 lots then classified as Developed Property. It is expected that all remaining building permits will be pulled by late 2020, in which case all taxable property within the District is expected to be classified as Developed Property beginning in Fiscal Year 2021-22.

Limitation on Special Tax Levy and Potential Impact on Coverage. Pursuant to Section 53321(d) of the Government Code, the Special Tax levied against any Assessor's parcel for which a building permit has been issued shall not be increased as a consequence of delinquency or default by the owner of any other Assessor's parcel within the District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. As a result, it is possible that the District may not be able to increase the tax levy to the Assigned Special Tax in all years. In addition, under the Rate and Method, the Maximum Special Tax for Facilities may not be levied after Fiscal Year 2055-56.

Collection of Special Taxes. The Special Taxes are levied and collected by the Treasurer-Tax Collector of the County of Riverside in the same manner and at the same time as *ad valorem* property taxes. The District may, however, collect the Special Taxes at a different time or in a different manner if necessary to meet its financial obligations.

The County of Riverside assesses and collects secured and unsecured property taxes for the cities, school districts, and special districts within the County of Riverside, including the Special Taxes for the District. The

delinquency dates for property tax payments are December 10 for the first installment and April 10 for the second installment. Once the property taxes are collected, the County of Riverside conducts its internal reconciliation for accounting purposes and distributes the City's share of such taxes (including the Special Taxes) to the City, periodically and typically pursuant to a published schedule. Prior to distribution, the moneys are deposited in an account established on behalf of the County of Riverside in the Riverside County Investment Pool (the "Pool") which is invested by the County Treasurer. If the County of Riverside or the Pool were at any time to become subject to bankruptcy proceedings, it is possible that District property taxes held in the Pool (including the Special Taxes), if any, could be temporarily unavailable to the County of Riverside. The District does not participate in the County's Teeter Plan, which is an alternate method for allocating property taxes by counties. Accordingly, the collection of Special Taxes is subject to delinquencies.

The Special Taxes for Fiscal Year 2018-19 were levied on 278 parcels in the District in the amount of \$367,636. As of June 5, 2019, 2019, no parcels were delinquent in the payment of Special Taxes and remained outstanding. See "THE COMMUNITY FACILITIES DISTRICT Delinquency History."

The District will make certain covenants in the Indenture for the purpose of ensuring that the current maximum Special Tax rates and method of collection of the Special Taxes are not altered in a manner that would impair the District's ability to collect sufficient Special Taxes to pay debt service on the Bonds and Administrative Expenses when due. First, the District will covenant that, to the extent it is legally permitted to do so, it will not reduce the maximum Special Tax rates and will oppose the reduction of maximum Special Tax rates by initiative where such reduction would reduce the maximum Special Taxes below current levels unless, in connection therewith, (i) the District receives a certificate from one or more Independent Financial Consultants which, when taken together, certify that, among other things, on the basis of the parcels of land and improvements existing in the District as of the July 1 preceding the reduction, the maximum amount of the Special Tax which may be levied on then existing Developed Property (as defined in the Rate and Method then in effect in the District) in each Bond Year for any Bonds and Parity Bonds Outstanding will equal at least the sum of the estimated Administrative Expenses and 110% of gross debt service in each Bond Year on all Bonds and Parity Bonds to remain Outstanding after the reduction is approved, (ii) the District finds that any reduction made under such conditions will not adversely affect the interests of the Owners of the Bonds and Parity Bonds, and (iii) the District is not delinquent in the payment of the principal of or interest on the Bonds or any Parity Bonds. For purposes of estimating Administrative Expenses for the foregoing calculation, the Independent Financial Consultant shall assume Administrative Expenses equal to the Administrative Expense Cap.

Second, the District will covenant not to permit the tender of Bonds or Parity Bonds in payment of any Special Taxes unless the District shall have first received a certificate from an Independent Financial Consultant that the acceptance of such a tender will not result in the District having insufficient Special Tax revenues to pay the principal of and interest on the Bonds and Parity Bonds when due. See APPENDIX D—"SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE."

Although the Special Taxes constitute liens on taxed parcels within the District, they do not constitute a personal indebtedness of the owners of property within the District. In addition to the obligation to pay Special Taxes, properties in the District are subject to other assessments and special taxes as set forth under Table 5 herein. These other special taxes and assessments are co-equal to the lien for the Special Taxes. Moreover, other liens for taxes and assessments could come into existence in the future in certain situations without the consent or knowledge of the City or the landowners in the District. See "SPECIAL RISK FACTORS—Parity Taxes and Special Assessments" herein. There is no assurance that property owners will be financially able to pay the annual Special Taxes or that they will pay such taxes even if financially able to do so, all as more fully described in the section of this Official Statement entitled "SPECIAL RISK FACTORS."

Proceeds of Foreclosure Sales. The proceeds of delinquent Special Taxes received following a judicial foreclosure sale of parcels within the District resulting from a landowner's failure to pay the Special Taxes when due, up to the amount of the delinquent Special Tax lien, are included within the Special Tax revenues pledged to the payment of principal and interest on the Bonds under the Indenture.

Pursuant to Section 53356.1 of the Act, in the event of any delinquency in the payment of any Special Tax or receipt by the District of Special Taxes in an amount which is less than the Special Tax levied, the City Council, as the legislative body of the District, may order that Special Taxes be collected by a superior court action to foreclose the lien within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at a judicial foreclosure sale. Under the Act, the commencement of judicial foreclosure following the nonpayment of a Special Tax is not mandatory. However, the District will covenant in the Indenture for the benefit of the Owners of the Bonds and the landowners of the District securing such Bonds that it will review the public records of the County of Riverside, California, in connection with the collection of the Special Tax not later than July 1 of each year to determine the amount of Special Tax collected in the prior Fiscal Year; and with respect to individual delinquencies within the District, if the District determines that any single property owner subject to the Special Tax is delinquent in the payment of Special Taxes in the aggregate of \$2,500 or more or as to any single parcel the delinquent Special Taxes represent more than 5% of the aggregate Special Taxes within the District, then the District will send or cause to be sent a notice of delinquency (and a demand for immediate payment thereof) to the property owner within 45 days of such determination, and (if the delinquency remains uncured) the District will cause judicial foreclosure proceedings to be filed in the Superior Court within ninety (90) days of such determination against all properties for which the Special Taxes remain delinquent.

The District covenants that it will deposit any Gross Taxes received in connection with a foreclosure in the Special Tax Fund and will apply such proceeds remaining after the payment of Administrative Expenses to make current payments of principal and interest on the Bonds and any Parity Bonds, to bring the amount on deposit in the Reserve Account up to the Reserve Requirement and to pay any delinquent installments of principal or interest due on the Bonds and any Parity Bonds.

See APPENDIX D—"SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE—COVENANTS AND WARRANTY" herein.

If foreclosure is necessary and other funds (including amounts in the Reserve Account) have been exhausted, debt service payments on the Bonds could be delayed until the foreclosure proceedings have ended with the receipt of any foreclosure sale proceeds. Judicial foreclosure actions are subject to the normal delays associated with court cases and may be further slowed by bankruptcy actions, involvement by agencies of the federal government and other factors beyond the control of the City and the District. See "SPECIAL RISK FACTORS—Bankruptcy and Foreclosure" herein. Moreover, no assurances can be given that the real property subject to foreclosure and sale at a judicial foreclosure sale will be sold or, if sold, that the proceeds of such sale will be sufficient to pay any delinquent Special Tax installment. See "SPECIAL RISK FACTORS—Property Values" herein. Although the Act authorizes the District to cause such an action to be commenced and diligently pursued to completion, the Act does not impose on the District or the City any obligation to purchase or acquire any lot or parcel of property sold at a foreclosure sale if there is no other purchaser at such sale. The Act provides that, in the case of a delinquency, the Special Tax will have the same lien priority as is provided for *ad valorem* taxes.

No Teeter Plan

The District does not participate in the County's Teeter Plan described above. Accordingly, the collection of Special Taxes is subject to delinquencies.

Reserve Account of the Special Tax Fund

In order to secure further the payment of principal of and interest on the Bonds, the District is required, upon delivery of the Bonds, to deposit in the Reserve Account an amount equal to the Reserve Requirement and thereafter to maintain in the Reserve Account an amount equal to the Reserve Requirement.

In the Indenture, "Reserve Requirement" is defined to mean that amount as of any date of calculation equal to the lesser of (i) 10% of the initial principal amount of the Bonds and Parity Bonds, if any, (ii) Maximum Annual Debt Service on the then Outstanding Bonds and Parity Bonds, if any; and (iii) 125% of average Annual Debt Service on the then Outstanding Bonds and Parity Bonds, if any. Notwithstanding the foregoing, in no event shall the Reserve Requirement exceed the initial Reserve Requirement of \$_____.

Subject to the limits on the maximum annual Special Tax which may be levied within the District in accordance with the Rate and Method set forth in Appendix A, the District will covenant to levy Special Taxes in an amount that is anticipated to be sufficient, in light of the other intended uses of the Special Tax proceeds, to maintain the balance in the Reserve Account at the Reserve Requirement. Amounts in the Reserve Account are to be applied to (i) pay debt service on the Bonds and any Parity Bonds, to the extent other moneys in the Interest Account and the Principal Account are insufficient therefor; (ii) make any required transfer to the Rebate Fund pursuant to the Indenture; (iii) redeem the Bonds and any Parity Bonds in whole or in part; and (iv) pay the principal and interest due in the final year of maturity of a series of the Bonds and any Parity Bonds. See APPENDIX D—"SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE—CREATION OF FUNDS AND APPLICATION OF PROCEEDS—Reserve Account of the Special Tax Fund" herein.

Surplus Fund

After the transfer of Administrative Expenses to the Administrative Expense Fund up to the Administrative Expenses Cap, the payment of principal of and interest on the Bonds when due, transfers to the Redemption Account to pay principal and premium, if any, on Bonds called for redemption, transfers to replenish the Reserve Account to the Reserve Requirement and any required transfers to the Rebate Fund, as soon as practicable after each September 1, and in any event prior to each September 15, the Trustee will transfer all remaining amounts in the Special Tax Fund to the Surplus Fund, other than amounts in the Special Tax Fund which (i) the District has included as being available in the Special Tax Fund in calculating the amount of the levy of Special Taxes for such Fiscal Year pursuant to the Indenture or (ii) amounts to be transferred to the Acquisition and Construction Fund because such amounts were included in the levy of Special Taxes for the previous Fiscal Year to pay for the acquisition or construction of the Project. Moneys deposited in the Surplus Fund may be applied to pay the principal of, including Sinking Fund Payments, premium, if any, and interest on the Bonds and any Parity Bonds when due in the event that moneys in the Special Tax Fund and the Reserve Account of the Special Tax Fund are insufficient therefor, to replenish the Reserve Account to the Reserve Requirement, to pay Administrative Expenses in excess of the Administrative Expenses Cap, to pay Project Costs, or for any other lawful purpose of the District.

The amounts in the Surplus Fund are not pledged to the repayment of the Bonds or any Parity Bonds and may be used by the District for any lawful purpose.

Issuance of Parity Bonds

The District may at any time after the issuance and delivery of the Bonds issue Parity Bonds payable from the Net Taxes and other amounts deposited in the Special Tax Fund and secured by a lien and charge upon such amounts equal to the lien and charge securing the Outstanding Bonds and any other Parity Bonds theretofore issued under the Indenture or under any Supplemental Indenture; provided, however, that Parity Bonds may only be issued for the purpose of refunding all or a portion of the Bonds or any Parity Bonds then Outstanding. Parity Bonds which may only be issued to effect a partial refunding may be issued if the Annual Debt Service on the Bonds and Parity Bonds to remain Outstanding following the issuance of the Parity Bonds proposed to be issued is less than the Annual Debt Service on the Bonds and Parity Bonds Outstanding prior to the issuance of such Parity Bonds in each Bond Year.

See APPENDIX D—"SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE—DEFEASANCE AND PARITY BONDS—Conditions for the Issuance of Parity Bonds and Other Additional Indebtedness."

THE COMMUNITY FACILITIES DISTRICT

General

The City formed the District on February 7, 2017. The District is located in the north-east part of the City and is bounded by Cherry Avenue to the west, Starlight Avenue to the east and Cougar Way to the north. The District is comprised of approximately 97.05 acres of land, of which approximately 73.05 acres is taxable. The District is being developed by the Developer and is expected to consist of 527 residential units at full buildout, which is expected to occur by early 2021.

The District is part of the Developer's master planned community of "Sundance." The Developer has reported to the City that Sundance is expected to consist of approximately 4,450 residential units on approximately 1,195 acres of land, with 13.5 acres of commercial/industrial land uses and the balance set aside for public/quasi/public uses.

Status of Development in the District

The property within the District contains 527 lots, which, as of May 1, 2019, consisted of 500 parcels classified as Developed Property and 27 parcels classified as Final Map Property. As of May 1, 2019, individual homeowners owned 444 lots (with another 5 homes in escrow to be sold to individual homeowners), and the Developer owned 83 lots. Of the 83 lots owned by the Developer, 18 were completed and unsold homes, 38 were homes under construction and 27 were finished lots. As of May 1, 2019, 500 lots had building permits pulled. As of June 1, 2019, building permits had been pulled for an additional 23 lots.

The model homes within the District are also being used to sell homes being constructed within a neighboring development. The building permits for the four buildout lots adjacent to the models are anticipated to be pulled and homes constructed thereon in late 2020. As a result, all taxable parcels within the District are expected to be classified as Developed Property for the Fiscal Year 2021-22 Special Tax levy. The District expects to only levy Special Taxes against Developed Property in the future, although it has the ability under the Rate and Method to levy against Final Map Property and Undeveloped Property, if necessary.

See "PROPERTY OWNERSHIP AND THE DEVELOPMENT" herein for further information regarding property ownership within the District.

Annual Debt Service for the Bonds has been structured so that Assigned Special Taxes levied on all taxable parcels of Developed Property at buildout, assuming no delinquencies, will generate in each Fiscal Year not less than 110% of debt service payable with respect to the Bonds in the calendar year that begins in that Fiscal Year, plus estimated Administrative Expenses, assuming that Special Taxes are levied and collected on such Developed Property in the District pursuant to the Rate and Method.

Table 1 below sets forth the Assigned Special Tax per unit of Developed Property and Final Map Property, the projected Fiscal Year 2019-20 Special Tax levy and the percent of such levy based on land use class as of March 1, 2019.

**TABLE 1
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
ASSIGNED SPECIAL TAXES**

Zone/Land Use Class	Land Use ⁽¹⁾	No. of Parcels	FY 2019-20 Assigned Special Tax	Unit	FY 2019-20 Projected Special Tax Per Parcel	Total Projected FY 2019-20 Special Tax Levy ⁽²⁾	Percent of Total
Zone 1							
1	Residential Less than 1,750 sq. ft.	51	\$ 1,184.00	Per Parcel	\$ 1,175	\$ 59,922	8.96%
2	Residential 1,750 sq. ft. to 2,100 sq. ft.	137	1,219.00	Per Parcel	1,210	165,725	24.78
3	Residential 2,101 sq. ft. to 2,450 sq. ft.	0	1,294.00	Per Parcel	0	0	0.00
4	Residential 2,451 sq. ft. to 2,800 sq. ft.	0	1,369.00	Per Parcel	0	0	0.00
5	Residential Greater than 2,800 sq. ft.	0	1,496.00	Per Parcel	0	0	0.00
N/A	Final Map Property	7	13,139.00	Per Acre	0	0	0.00
Zone 2							
1	Residential Less than 1,750 sq. ft.	43	1,254.00	Per Parcel	1,244	53,509	8.00
2	Residential 1,750 sq. ft. to 2,100 sq. ft.	137	1,324.00	Per Parcel	1,314	180,000	26.92
3	Residential 2,101 sq. ft. to 2,450 sq. ft.	26	1,499.00	Per Parcel	1,488	38,676	5.78
4	Residential 2,451 sq. ft. to 2,800 sq. ft.	34	1,599.00	Per Parcel	1,587	53,950	8.07
5	Residential Greater than 2,800 sq. ft.	0	1,726.00	Per Parcel	0	0	0.00
N/A	Final Map Property	4	10,049.00	Per Acre	0	0	0.00
Zone 3							
1	Residential Less than 1,750 sq. ft.	2	1,663.00	Per Parcel	1,650	3,301	0.49
2	Residential 1,750 sq. ft. to 2,100 sq. ft.	7	1,738.00	Per Parcel	1,725	12,073	1.81
3	Residential 2,101 sq. ft. to 2,450 sq. ft.	16	1,813.00	Per Parcel	1,799	28,786	4.30
4	Residential 2,451 sq. ft. to 2,800 sq. ft.	20	1,918.00	Per Parcel	1,903	38,066	5.69
5	Residential Greater than 2,800 sq. ft.	17	2,058.00	Per Parcel	2,042	34,718	5.19
N/A	Final Map Property	26	12,090.00	Per Acre	0	0	0.00
Total		527				\$ 668,725	100.00%

(1) Reflects Developed Property unless otherwise noted as Final Map Property.

(2) Levied in an amount sufficient to cover debt service on the Bonds and pay Administrative Expenses of \$30,000.
Source: Webb Municipal Finance, LLC.

Description of Authorized Facilities

Certain facilities are authorized to be financed by Special Taxes collected within the District and the proceeds of the Bonds (the “Facilities”). The Developer paid certain development impact fees (“DIF Fees”) to the City that were used to finance the construction of the Facilities. These Facilities include, but are not limited to the following:

- [TO COME]

The Facilities have all been completed and the Developer has completed all in-tract infrastructure within the District. The total cost of the Facilities was approximately \$_____, and the District estimates that approximately \$10.3 million* will be paid to the Developer as reimbursement for the DIF Fees from the proceeds of the Bonds and Special Taxes collected prior to the issuance of the Bonds.

* Preliminary, subject to change.

Appraisal Report

The estimated assessed value of the property within the District, as shown on the County's assessment roll for Fiscal Year 2018-19, is approximately \$62,077,386. However, as a result of the requirements of Article XIII A of the California Constitution, a property's assessed value is not necessarily indicative of its market value. In order to provide information with respect to the value of the property within the District, the City engaged Integra Realty Resources, the Appraiser, to prepare the Appraisal Report. The Appraiser has an "MAI" designation from the Appraisal Institute and has prepared numerous appraisals for the sale of land-secured municipal bonds. The Appraiser was selected by the City through a request for proposal process and has no material relationships with the City, the District, or the owners of the land within the District other than the relationship represented by the engagement to prepare the Appraisal Report. The City instructed the Appraiser to prepare its analysis and report in conformity with City-approved guidelines and the Appraisal Standards for Land Secured Financings published in 1994 and revised in 2004 by the California Debt and Investment Advisory Commission. A copy of the Appraisal Report is included as APPENDIX H—"APPRAISAL REPORT" to this Official Statement.

The purpose of the Appraisal Report was to estimate the market value, by parcel, and aggregate value of the "as is" condition of certain of the property within the District subject to the Special Taxes that did not have an improved value on the Fiscal Year 2018-19 County Assessor's roll. The remainder of the taxable property is valued in the Appraisal based on its assessed value. The estimate of market value takes into consideration and assumes the improvements to be funded with the proceeds of the Bonds have been installed and that the development costs provided to the Appraiser by the Developer include all of the costs necessary to bring the subject properties to a finished lot condition. Subject to the contingencies, assumptions and limiting conditions set forth in the Appraisal Report, the Appraiser concluded that, as of May 1, 2019 the value of the Taxable Parcels (based on not less than market and assessed values) within the District was \$146,905,061. Of the 527 lots within the District, the Appraisal Report appraised 340 of the lots and relied on the assessed value for the remaining 187 lots. See "INTRODUCTION—Appraisal Report."

In estimating the market value, the Appraiser utilized a direct comparison approach and static residual analysis for all of the property owned by the Developer to derive a value indication for the finalized lots within each tract adjusted by any costs to complete such finished lots.

Reference is made to Appendix H for a complete list of the assumptions and limiting conditions and a full discussion of the appraisal methodology and the basis for the Appraiser's opinions. In the event that any of the contingencies, assumptions and limiting conditions are not actually realized, the value of the property within the District may be less than the amount reported in the Appraisal Report. In any case, there can be no assurance that any portion of the property within the District would actually sell for the amount indicated by the Appraisal Report.

The Appraisal Report merely indicates the Appraiser's opinion as to the market value of the property referred to therein as of the date and under the conditions specified therein. The Appraiser's opinion reflects conditions prevailing in the applicable market as of the date of the Appraisal Report. The Appraiser's opinion does not predict the future value of the subject property, and there can be no assurance that market conditions will not change adversely in the future.

It is a condition precedent to the issuance of the Bonds that the Appraiser deliver to the District a certification to the effect that, while the Appraiser has not updated the Appraisal Report since its date and has not undertaken any obligation to do so, nothing has come to the attention of the Appraiser subsequent to the date of the Appraisal Report that would cause the Appraiser to believe that the value of the property that it appraised in the District is less than the value reported in the Appraisal Report. However, the Appraiser notes that acts and events may have occurred since the date of the Appraisal Report which could result in both positive and negative effects on market value within the District.

Value-to-Lien Ratios

Table 2 below incorporates the values assigned to parcels in the Appraisal Report, the estimated principal amount of the Bonds allocable to each category of parcels based on the projected Fiscal Year 2019-20 Special Tax levy and development status as of March 1, 2019, and the estimated assessed/appraised value-to-lien ratios for various categories of parcels based upon land values as of May 1, 2019 as set forth in the Appraisal Report and based on information received from the Developer. Based on the principal amount of the Bonds, the estimated assessed/appraised District-wide value-to-lien ratio including all Taxable Property as of May 1, 2019 is 13.90-to-1*. This ratio does not include other direct and overlapping debt within the District. See “—Direct and Overlapping Indebtedness” below. Taking that direct and overlapping debt into account, the ratio of the aggregate assessed/appraised value of the Taxable Property within the District to the total principal amount of all direct and overlapping bonded debt for the District is approximately 11.81-to-1*.

* Preliminary, subject to change.

**TABLE 2
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
ASSESSED/APPAISED VALUE-TO-LIEN RATIOS
ALLOCATED BY PROPERTY OWNER***

Property Owner ⁽¹⁾	Parcels	Projected Fiscal Year 2019-20		Projected Fiscal Year 2019-20 Total Assigned Special Tax	Projected Fiscal Year 2019-20 Percent of Fiscal Year Levy	Fiscal Year 2018-19		Allocation of Bonds ⁽²⁾	Aggregate Value-to-Lien Ratio ⁽⁴⁾
		Special Tax Levy ⁽³⁾	Assigned Special Tax			Assessed/ Appraised Value	Assessed/ Appraised Value		
Developed - Pardee Homes	46	\$ 67,101	\$ 67,619	9.07%	\$ 7,427,531	5.06%	\$ 1,060,619	7.00:1	
Developed - Individual Owned	444	601,624	606,264	81.28	135,962,530	92.55	9,509,381	14.30:1	
Subtotal Developed	490	\$ 668,725	\$ 673,883	90.35%	\$ 143,390,061	97.61%	\$ 10,570,000	13.57:1	
Final Map - Pardee Homes	37	\$ 0	\$ 0	9.65%	\$ 3,515,000	2.39%	\$ 0	0.00:1	
Subtotal Final Map	37	\$ 0	\$ 72,004	9.65%	\$ 3,515,000	2.39%	\$ 0	0.00:1	
Totals	527	\$ 668,725	\$ 745,887	100.00%	\$ 146,905,061	100.00%	\$ 10,570,000	13.90:1	

* Preliminary, subject to change.

(1) Ownership status is based on information from Appraisal and from the Developer as of May 1, 2019. Development status is as of March 1, 2019.

(2) Based on par amount of the Bonds plus Administrative Expenses in the amount of \$30,000.

(3) Based on projected Fiscal Year 2019-20 Special Tax Levy.

(4) Aggregate Value-to-Lien based upon the par amount of the Bonds. Excludes direct and overlapping debt shown in Table 4.

Source: Webb Municipal Finance, L.L.C.

Table 3 below summarizes the assessed/appraised value-to-lien of the individual parcels within the District by value-to-lien range based on development status as of March 1, 2019.

**TABLE 3
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
ASSESSED/APPAISED VALUE-TO-LIEN STRATIFICATION***

Assessed/Appraised Value-to-Lien ⁽¹⁾	No. of Parcels	Percent of Total Parcels	Projected Fiscal Year 2019-20		Projected Fiscal Year 2019-20 Levy	Projected Fiscal Year 2019-20 Assigned Special Tax		Projected Percent of Total Assigned Special Tax	Fiscal Year 2018-19 Assessed/Appraised Value		Allocation of Bonds ⁽⁵⁾	Aggregate Value-to-Lien
			Projected Fiscal Year 2019-20 Special Tax	Projected Fiscal Year 2019-20 Special Tax		Fiscal Year 2018-19 Assessed/Appraised Value	Fiscal Year 2018-19 Assessed/Appraised Value					
Less than 5.00:1 ⁽²⁾	28	5.31%	\$ 42,728	\$ 43,058	6.39%	\$ 43,058	5.77%	\$ 2,660,000	1.81%	\$ 675,374	3.94:1	
5.00:1 to 9.99:1	8	1.52	11,330	11,417	1.69	11,417	1.53	1,622,724	1.10	179,078	9.06:1	
10.00:1 to 14.99:1	275	52.18	391,542	394,562	58.55	394,562	52.90	82,401,794	56.09	6,188,790	13.31:1	
Greater than 14.99:1 ⁽³⁾	179	33.97	223,125	224,846	33.37	224,846	30.14	56,705,543	38.60	3,526,758	16.08:1	
Final Map Property	37	7.02	0	72,004	0.00	72,004	9.65	3,515,000	2.39	0	N/A	
Total	527	100.00%	\$ 668,725	\$ 745,887	100.00%	\$ 745,887	100.00%	\$ 146,905,061	100.00%	\$ 10,570,000	13.90:1	

* Preliminary, subject to change.

(1) Assessed/Appraised Value-to-Lien based upon par amount of the Bonds. Excludes direct and overlapping debt shown in Table 4. Reflects value-to-lien for Developed Property except for the Final Map Property row. Based on development status as of March 1, 2019.

(2) Minimum estimated appraised value-to-lien is 2.94:1. If the Bonds were allocated based on the share of the projected Fiscal Year 2019-20 Assigned Special Tax, the value-to-lien for all parcels identified as Final Map Property would be 3.45:1.

(3) Highest estimated appraised value-to-lien is 19.61:1.

(4) Based on par amount of the Bonds plus Administrative Expenses in the amount of \$30,000.

(5) Based on projected Fiscal Year 2019-20 Special Tax levy.

Source: Webb Municipal Finance, LLC.

Direct and Overlapping Debt

The District is included within the boundaries of overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The existing and authorized indebtedness payable from taxes and assessments that may be levied upon the property within the District is shown in Table 4 below. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within the District; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments.

**TABLE 4
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
DIRECT AND OVERLAPPING DEBT**

I. ASSESSED/APPRaised VALUE						\$146,905,061
Assessed/Appraised Valuation (C)						
II. LAND SECURED BOND INDEBTEDNESS						
<u>Outstanding Direct and Overlapping Bonded Debt</u>						
CFD 2016-2 BEAUMONT	Type	Issued	Outstanding	% Applicable	Parcels in 2016-2	Amount Applicable
	CFD	\$10,570,000*	\$10,570,000**	100.000%	527	\$10,570,000*
TOTAL OUTSTANDING LAND SECURED BONDED DEBT (b)						
<u>Authorized and Unissued Direct and Overlapping Bonded Debt</u>						
CFD 2016-2 BEAUMONT	Type	Authorized	Unissued	% Applicable	Parcels in 2016-2	Amount Applicable
	CFD	\$14,000,000	\$3,430,000*	100.00%	527	\$3,430,000*
TOTAL UNISSUED LAND SECURED INDEBTEDNESS (b)						
TOTAL OUTSTANDING AND UNISSUED LAND SECURED INDEBTEDNESS						
III. GENERAL OBLIGATION BOND INDEBTEDNESS						
<u>Outstanding Direct and Overlapping Bonded Debt</u>						
Beaumont Unified School B & J (0.07432%)	Type	Issued	Outstanding	% Applicable (c)	Parcels in 2016-2	Amount Applicable
	GO	\$91,658,583	\$ 88,450,508	1.07%	527	\$946,573
MT San Jacinto Comm (0.01320%)	GO	190,000,000	172,650,000	0.07	527	\$117,932
San Geronimo Memorial Healthcare District (0.08692%)	GO	108,000,000	108,660,000	0.74	527	\$801,683
San Geronimo Pass Water Agency (0.18250%)	GO	0	0	0.68	527	\$0
TOTAL OUTSTANDING GENERAL OBLIGATION BONDED DEBT						
<u>Authorized and Unissued Direct and Overlapping Indebtedness</u>						
Beaumont Unified School B & J (0.07432%)	Type	Authorized	Unissued	% Applicable (c)	Parcels in 2016-2	Amount Applicable
	GO	\$141,000,000	\$ 49,341,417	1.07%	527	\$528,038
MT San Jacinto Comm (0.01320%)	GO	295,000,000	105,000,000	0.07	527	\$71,722
San Geronimo Memorial Healthcare District (0.08692%)	GO	108,000,000	0	0.74	527	\$0
San Geronimo Pass Water Agency (0.18250%)	GO	0	0	0.68	527	\$0
TOTAL UNISSUED GENERAL OBLIGATION INDEBTEDNESS						
TOTAL OUTSTANDING AND UNISSUED GENERAL OBLIGATION INDEBTEDNESS						
						\$599,761
						\$2,465,949

[TABLE CONTINUED ON PREVIOUS PAGE]

TOTAL OF ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT ⁽¹⁾	\$12,436,188*
TOTAL OF ALL OUTSTANDING AND UNISSUED DIRECT AND OVERLAPPING INDEBTEDNESS	\$13,035,949*

IV. Ratios to 2018-2019 Appraised Valuation

Outstanding Land Secured Bonded Debt	13.90:1*
Total Outstanding Bonded Debt	11.81:1*

* Preliminary, subject to change.

(1) Assessed/appraised value is per the Appraisal and as of May 1, 2019.

(2) Amount outstanding is equal to the initial principal amount of the Bonds.

(3) The District has covenanted in the Indenture not to issue additional bonds other than for refunding purposes. See "SOURCES OF PAYMENT FOR THE BONDS Issuance of Parity Bonds."

(4) Percentage applicable determined by Fiscal Year 2018-19 Equalized Roll Assessed Value information.

Source: Webb Municipal Finance, LLC.

Annual Debt Service for the Bonds has been structured so that Assigned Special Taxes levied on all taxable parcels of Developed Property at buildout, assuming no delinquencies, will generate in each Fiscal Year not less than 110% of debt service payable with respect to the Bonds in the calendar year that begins in that Fiscal Year, plus estimated Administrative Expenses, assuming that Special Taxes are levied and collected on such Developed Property in the District pursuant to the Rate and Method.

Based on the principal amount of the Bonds, interest costs and estimated Administrative Expenses, and Fiscal Year 2018-19 tax rates for all other taxing jurisdictions within the District, the total projected Fiscal Year 2019-20 average effective tax rate for Developed Property in the District is approximately 2.07%* of the Fiscal Year 2018-19 average assessed value for parcels with improvement values.

The following Table 5 sets forth the estimated total tax obligation of property in the District based on the average home size and an average assessed value (as provided by the County) in the District.

**TABLE 5
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
ESTIMATED AVERAGE FISCAL YEAR 2019-20 TAX OBLIGATION⁽¹⁾**

Average Home Value ⁽²⁾	\$	301,508.00
Ad Valorem Property Taxes:		
Ad-Valorem Tax Rate (1.00%)	\$	3,015.08
Beaumont Unified School (0.07432%)		224.08
San Gorgonio Pass Memorial Hospital (0.08692%)		262.07
San Gorgonio Pass Water District (0.18250%)		550.25
Mt. San Jacinto Community College District (0.01320%)		39.80
Total Ad Valorem Property Taxes	\$	<u>4,091.29</u>
Assessment, Special Taxes & Parcel Charges:		
F.I.D CNTL STORMWATER/CLEANWATER		3.60
SAN GORGONIO HOSPITAL MEASURE D		55.10
CFD No. 2016-2 BEAUMONT SERVICE		814.68
CFD No. 2016-2 BEAUMONT FACILITIES ⁽³⁾		1,266.29*
Total Assessment Charges	\$	<u>2,139.67*</u>
Average Total Property Tax	\$	6,230.96*
Average Effective Tax Rate		2.07%*

* Preliminary, subject to change.
 (1) Average Fiscal Year 2018-19 tax rates based upon Fiscal Year 2018-19 Overlapping Taxes and Assessment Rates.
 (2) Average Home Value is based upon average assessed values for developed parcels with improvement value for Fiscal Year 2018-19 per Riverside County Equalized Roll data.
 (3) Reflects the District's Average Fiscal Year 2019-20 Special Tax levy for facilities for developed parcels with an assessed value for improvements.

Source: Webb Municipal Finance, LLC, based on assessed value information provided by the County.

Delinquency History

Fiscal Year 2017-18 was the first fiscal year in which Special Taxes were levied within the District. Unpaid amounts of the Special Taxes become delinquent after December 10 and April 10 of each Fiscal Year. Table 6 below summarizes the Special Tax delinquencies within the District for Fiscal Years 2017-18 through 2018-19, as of June 5, 2019.

* Preliminary, subject to change.

**TABLE 6
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
SPECIAL TAX LEVIES, DELINQUENCIES, AND DELINQUENCY RATES
FISCAL YEARS 2017-18 THROUGH 2018-19⁽¹⁾**

Fiscal Year	Amount Levied	Parcels Levied	Delinquencies Following Fiscal Year End			Delinquencies as of June 5, 2019		
			Parcels Delinquent	Amount Delinquent	Percent Delinquent	Parcels Delinquent	Amount Delinquent	Percent Delinquent
2017-18 ⁽²⁾	\$ 54,435.00	45	0	\$0.00	0.00%	0	\$0.00	0.00%
2018-19	367,636.00	278	0	0.00	0.00	0	0.00	0.00

⁽¹⁾ Delinquency information is as of June 5, 2019.

⁽²⁾ The Special Tax was first levied in Fiscal Year 2017-18.

Source: Webb Municipal Finance, LLC and Riverside County Tax Collector

Top Taxpayers

As of May 1, 2019, individual homeowners owned 444 of the 527 parcels in the District. Based on ownership status as of May 1, 2019 and development status as of March 1, 2019, individual homeowners are projected to be responsible for 89.78% of the Special Taxes to be levied in Fiscal Year 2019-20, with the Developer projected to be responsible for 10.22%. The District is not aware of any individual, other than the Developer, who owns more than one parcel within the District.

PROPERTY OWNERSHIP AND THE DEVELOPMENT

The information regarding the development and ownership of the Property contained under this caption, "PROPERTY OWNERSHIP AND THE DEVELOPMENT," has been provided by representatives of Pardee Homes, a California corporation (the "Developer"), and has not been independently confirmed or verified by the Underwriter, the City or the District. The Underwriter, the City and the District make no representation as to the accuracy or adequacy of the information contained under this caption. There may be material adverse changes in this information after the date of this Official Statement. Neither the Bonds nor the Special Taxes securing the Bonds are personal obligations of the Developer or any affiliate thereof, or any other property owner and, in the event that any property owner defaults in the payment of its Special Taxes, the District may proceed with judicial foreclosure but has no direct recourse to the assets of any property owner or any affiliate thereof. See "SPECIAL RISK FACTORS" herein."

The Developer is developing the property within the District. The District consists of approximately 97.05 gross acres and approximately 73.05 net acres. All of the property within the District is located within Tract Map Nos. 31469-4, 31469-7, 31469-8, 31469-9 and 31469-10. The property within the District is being developed into a residential development of 527 single family detached homes in five neighborhoods that have been marketed as part of the master planned community of "Sundance." The Developer is an indirect, wholly-owned subsidiary of TRI Pointe Group, Inc., a Delaware corporation ("TRI Pointe Group"), a publicly traded company whose common stock is traded on the New York Stock Exchange under the ticker symbol "TPH." TRI Pointe Group is engaged in the design, construction and sale of single-family homes through its portfolio of six quality brands across ten states, including Maracay Homes in Arizona, the Developer in California and Nevada, Quadrant Homes in Washington, Trendmaker Homes in Texas, TRI Pointe Homes in California, Colorado, South Carolina and North Carolina, and Winchester Homes in Maryland and Virginia.

TRI Pointe Group is subject to the informational requirements of the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and in accordance therewith files reports, proxy statements and other information, including financial statements, with the Securities and Exchange Commission (the "SEC"). Such filings, particularly TRI Pointe Group's Annual Report on Form 10-K for the fiscal year ended December 31,

2018, as filed with the SEC on February 26, 2019, and its Quarterly Report on Form 10-Q for the quarter ending March 31, 2019, as filed with the SEC on April 25, 2019, set forth, among other things, certain data relative to the consolidated results of operations and financial position of TRI Pointe Group and its subsidiaries, including the Developer, as of such dates.

The SEC maintains an Internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including TRI Pointe Group. The address of such Internet web site is www.sec.gov. All documents subsequently filed by TRI Pointe Group pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes. Copies of TRI Pointe Group's Annual Report and each of its other quarterly and current reports, including any amendments, are available from TRI Pointe Group's website at www.tripointegroup.com. The foregoing Internet addresses and references to filings with the SEC are included for reference only, and the information on these Internet sites and on file with the SEC are not a part of this Official Statement and are not incorporated by reference into this Official Statement.

General. Of the 527 lots within the District, as of May 1, 2019, 444 had been completed and conveyed to individual homeowners, 18 had been completed and were owned by the Developer, 38 homes were under construction and were owned by the Developer and 27 were owned by the Developer and were in finished lot condition. The Developer expects to pull the last of the building permits in late 2020; accordingly, all lots within the District are expected to be classified as Developed Property, and Special Taxes are expected to be levied against such properties, beginning in Fiscal Year 2021-22. As of June 1, 2019, an additional 23 homes had been conveyed to individual homeowners. Home sales and closings within the District began in October, 2016. The Developer anticipates that complete buildout of the District will occur by early 2021 and expects that the last units will be transferred to individual homeowners by the first quarter of 2021. All backbone and intract infrastructure relating to the development within the District is complete.

The Developer's total site improvement, home construction, marketing and other carrying and soft costs for the development within the District are estimated to be approximately \$146,531,151. As of May 1, 2019, the Developer expects its remaining home construction costs and other development, marketing and sales costs within the District to be approximately \$1,281,417; the Developer will pay any such remaining costs from home sale proceeds or other internal sources.

Although the Developer expects to have sufficient funds available to complete its planned construction of homes in the District, no assurance can be given that the sources of financing available to the Developer will be sufficient to complete the home construction as currently anticipated. While TRI Pointe Group has made such internal financing available in the past, there can be no assurance whatsoever of its willingness or ability to do so in the future. Neither the Developer nor any affiliate thereof has any legal obligation of any kind to make any such funds available or to obtain loans. If and to the extent that internal financing and home sales revenues are inadequate to pay the costs to complete the Developer's planned home construction within the District and other financing by the Developer is not put into place, there could be a shortfall in the funds required to complete the proposed home construction by the Developer.

SPECIAL RISK FACTORS

The purchase of the Bonds involves significant risks and is not an appropriate investment for all investors. The following is a discussion of certain risk factors which should be considered, in addition to other matters set forth herein, in evaluating the investment quality of the Bonds. The Bonds have not been rated by a rating agency. This discussion does not purport to be comprehensive or definitive and does not purport to be a complete statement of all factors which may be considered as risks in evaluating the credit quality of the Bonds. The occurrence of one or more of the events discussed herein could adversely affect the ability or willingness of property owners in the District to pay their Special Taxes when due. Such failures to pay Special Taxes could result in the inability of the District to make full and punctual payments of debt service on the Bonds. In addition,

the occurrence of one or more of the events discussed herein could adversely affect the value of the property in the District. See “—Property Values” and “—Limited Secondary Market.”

Concentration of Ownership

Based on ownership status as of May 1, 2019 and development status as of March 1, 2019, approximately 10.22% of the Special Taxes projected to be levied in Fiscal Year 2019-20 will be payable by the Developer. Failure of the Developer, entities affiliated with the Developer or any successor(s), to pay the annual Special Taxes when due could result in a draw on the Reserve Account of the Special Tax Fund, and ultimately a default in payments of the principal of, and interest on, the Bonds, when due. No assurance can be given that the Developer or any of its successors, will complete the remaining intended construction and development in the District. See “—Failure to Develop Properties.”

Risks of Real Estate Secured Investments Generally

The Bond owners will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the District, the supply of or demand for competitive properties in such area, and the market value of residential property or buildings and/or sites in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules (including, without limitation, zoning laws and laws relating to endangered species and hazardous materials) and fiscal policies; and (iii) natural disasters (including, without limitation, earthquakes, fires and floods), which may result in uninsured losses.

No assurance can be given that any future homeowners within the District will pay Special Taxes in the future or that they will be able to pay such Special Taxes on a timely basis. See “—Bankruptcy and Foreclosure” below, for a discussion of certain limitations on the City’s ability to pursue judicial proceedings with respect to delinquent parcels.

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 Code. For example, the Tax Act reduces the 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 District. However, neither the City nor the District can predict the effect that the Tax Act may have on the cost of home ownership or the price of homes in the District or the ability or willingness of homeowners to pay Special Taxes or property taxes.

Limited Obligations

The Bonds and interest thereon are not payable from the general funds of the City. Except with respect to the Special Taxes, neither the faith and credit nor the taxing power of the District or the City is pledged for the payment of the Bonds or the interest thereon, and, except as provided in the Indenture, no owner of the Bonds may compel the exercise of any taxing power by the District or the City or force the forfeiture of any City or District property. The principal of, premium, if any, and interest on the Bonds are not a debt of the City or a legal or equitable pledge, charge, lien or encumbrance upon any of the City’s or the District’s property or upon any of the City’s or the District’s income, receipts or revenues, except the Net Taxes and other amounts pledged under the Indenture.

Insufficiency of Special Taxes

Under the Rate and Method, the annual amount of Special Tax to be levied on each taxable parcel in the District will generally be based on the land use class to which a parcel of Developed Property is assigned. See APPENDIX A—"RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX" and "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—*Rate and Method of Apportionment of Special Tax.*"

In order to pay debt service on the Bonds, it is necessary that the Special Taxes be paid in a timely manner. The District will establish and fund upon the issuance of the Bonds a Reserve Account of the Special Tax Fund in an amount equal to the Reserve Requirement to pay debt service on the Bonds to the extent other funds are not available. See "SOURCES OF PAYMENT FOR THE BONDS—Reserve Account of the Special Tax Fund." The District will covenant to maintain in the Reserve Account of the Special Tax Fund an amount equal to the Reserve Requirement subject, however, to the limitation that the District may not levy the Special Tax in the District in any fiscal year at a rate in excess of the maximum amounts permitted under the Rate and Method and the Act. As a result, if a significant number of delinquencies occurs, the District could be unable to replenish the Reserve Account of the Special Tax Fund to the Reserve Requirement due to the limitations on the maximum Special Tax. If such defaults were to continue in successive years, the Reserve Account of the Special Tax Fund could be depleted and a default on the Bonds could occur. See "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—*Limitation on Special Tax Levy and Potential Impact on Coverage.*"

The District will covenant in the Indenture that, under certain conditions, it will institute foreclosure proceedings to sell any property with delinquent Special Taxes in order to obtain funds to pay debt service on the Bonds. If foreclosure proceedings were ever instituted, any mortgage or deed of trust holder could, but would not be required to, advance the amount of the delinquent Special Tax to protect its security interest. See "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—*Proceeds of Foreclosure Sales*" for provisions which apply in the event of such foreclosure and which the District is required to follow in the event of delinquencies in the payment of the Special Tax.

In the event that sales or foreclosures of property are necessary, there could be a delay in payments to owners of the Bonds (if the Reserve Account of the Special Tax Fund has been depleted) pending such sales or the prosecution of such foreclosure proceedings and receipt by the District of the proceeds of sale. The District may adjust the future Special Tax levied on taxable parcels in the District, subject to the limitation on the maximum Special Tax, to provide an amount required to pay interest on, principal of, and redemption premiums, if any, on the Bonds, and the amount, if any, necessary to replenish the Reserve Account of the Special Tax Fund to an amount equal to the Reserve Requirement and to pay all current expenses. There is, however, no assurance that the total amount of the Special Tax that could be levied and collected against taxable parcels in the District will be at all times sufficient to pay the amounts required to be paid by the Indenture, even if the Special Tax is levied at the maximum Special Tax rates. See "—Bankruptcy and Foreclosure" for a discussion of potential delays in foreclosure actions.

The Rate and Method governing the levy of the Special Tax provides that no Special Tax shall be levied on property that is not located in the District. No Special Tax shall be levied on Exempt Property. See APPENDIX A—"RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." If for any reason property within the District becomes exempt from taxation by reason of ownership by a non-taxable entity such as the federal government or another public agency, subject to the limitations of the maximum authorized rates, the Special Tax will be reallocated to the remaining taxable properties within the District. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the ability and willingness of the owners of such property to pay the Special Tax when due.

The Rate and Method governing the levy of the Special Tax provides that, once a parcel is classified as Taxable Property, it will remain subject to a Special Tax levy even if it is subsequently acquired by a public agency. The Act provides that, if any property within the District not otherwise exempt from the Special Tax is acquired by a public entity through a negotiated transaction, or by gift or devise, the Special Tax will continue

to be levied on and enforceable against the public entity that acquired the property. In addition, the Act provides that, if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment and be paid from the eminent domain award. The constitutionality and operation of these provisions of the Act have not been tested in the courts. Due to problems of collecting taxes from public agencies, if a substantial portion of land within the District was to become owned by public agencies, collection of the Special Tax might become more difficult and could result in collections of the Special Tax which might not be sufficient to pay principal of and interest on the Bonds when due and a default could occur with respect to the payment of such principal and interest.

Natural Disasters

The District, like all California communities, may be subject to unpredictable seismic activity, fires, floods, or other natural disasters. Southern California is a seismically active area. Seismic activity represents a potential risk for damage to buildings, roads, and property within the District. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event. The property within the District is not located in an Alquist Priolo Earthquake Study Zone though it is located less than 10 miles from the San Andreas Fault. The District is not located in a flood plain area.

In recent years, wildfires have caused extensive damage throughout the State. In some instances, entire neighborhoods have been destroyed. Several of the fires that occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. Some commentators believe that climate change will lead to even more frequent and more damaging wildfires in the future. Additionally, wildfires increase the risk of mudslides in areas like the District that are surrounded by hillsides. In general, property damage due to wildfire or mudslides could result in a significant decrease in the market value of property in the District and in the ability or willingness of property owners to pay Special Taxes.

Western Riverside County, in which the District is located, has previously experienced large scale wildfires that resulted in the destruction of homes and businesses. According to the City's Municipal Code, which incorporates portions of the County's Ordinance 787 and the California Fire Code by reference, the District is not located in a Very High Fire Hazard Severity Zone. More information regarding Fire Hazard Severity Zones, including the most recent Fire Hazard Severity Zone Maps, can be found at the California Department of Forestry and Fire Protection website at <http://frap.fire.ca.gov/index>, though such website is not incorporated herein by reference. Homeowner's insurance is available to property owners within the District, and the coverage provided by such insurance typically insures against fire damage, although there is no assurance that homeowners within the District will purchase or maintain such insurance.

In the event of a severe earthquake, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Special Taxes when due. In addition, the value of land in the District could be diminished in the aftermath of such a natural disaster, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Taxes.

Hazardous Substances

The presence of hazardous substances on a parcel may result in a reduction in the value of a parcel. In general, the owners and operators of a parcel may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The Federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as "CERCLA" or the "Superfund Act," is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also 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. The effect, therefore, should any of the taxed parcels be affected

by a hazardous substance, is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming the owner, will become obligated to remedy the condition just as is the seller.

Further, it is possible that liabilities may arise in the future with respect to any of the parcels resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling such substance. All of these possibilities could significantly affect the value of a parcel that is realizable upon a delinquency and the willingness or ability of the owner of any parcel to pay the Special Tax installments.

The value of the taxable property within the District, as set forth in the various tables in this Official Statement, does not reflect the presence of any hazardous substance or the possible liability of the owner (or operator) for the remedy of a hazardous substance condition of the property. The District has not independently verified, but is not aware, that any owner (or operator) of any of the parcels within the District has such a current liability with respect to any such parcel. However, it is possible that such liabilities do currently exist and that the District is not aware of them.

Payment of the Special Tax is not a Personal Obligation of the Property Owners

An owner of a taxable parcel is not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation which is secured only by a lien against the taxable parcel. If the value of a taxable parcel is not sufficient, taking into account other liens imposed by public agencies, to secure fully the Special Tax, the District has no recourse against the property owner.

Property Values

The value of the property within the District is a critical factor in determining the investment quality of the Bonds. If a property owner is delinquent in the payment of Special Taxes, the District's only remedy is to commence foreclosure proceedings against the delinquent parcel in an attempt to obtain funds to pay the Special Taxes. Reductions in property values due to a downturn in the economy, physical events such as earthquakes, fires or floods, stricter land use regulations, delays in development or other events will adversely impact the security underlying the Special Taxes. See "THE COMMUNITY FACILITIES DISTRICT—Value-to-Lien Ratios."

The Appraiser has estimated, on the basis of certain definitions, assumptions and limiting conditions contained in the Appraisal Report that as of May 1, 2019, the value (assessed and appraised) of the Taxable Parcels within the District was not less than \$146,905,061. The Appraisal Report is based on a number of assumptions and limiting conditions as stated in APPENDIX H "APPRAISAL REPORT." The Appraisal Report does not reflect any possible negative impact which could occur by reason of future slow or no growth voter initiatives, an economic downturn, any potential limitations on development occurring due to time delays, an inability of any landowner to obtain any needed development approval or permit, the presence of hazardous substances or other adverse soil conditions within the District, the listing of endangered species or the determination that habitat for endangered or threatened species exists within the District, or other similar situations.

Prospective purchasers of the Bonds should not assume that the land and improvements within the District could be sold for the amount stated in the Appraisal Report at a foreclosure sale for delinquent Special Taxes. In arriving at the estimate of market value of the appraised parcels in the Appraisal, the Appraiser assumes that any sale will be sold in a competitive market after a reasonable exposure time, and assuming that neither the buyer or seller is under duress, which is not always present in a foreclosure sale. See APPENDIX H—

“APPRAISAL REPORT AND SUPPLEMENT” for a description of other assumptions made by the Appraiser and for the definitions and limiting conditions used by the Appraiser. Any event which causes one of the Appraiser’s assumptions to be untrue could result in a reduction of the value of the land within the District from that estimated by the Appraiser.

The assessed values set forth in this Official Statement do not represent market values arrived at through an appraisal process and generally reflect only the sales price of a parcel when acquired by its current owner, adjusted annually by an amount determined by the County Assessor, generally not to exceed an increase of more than 2% per fiscal year. No assurance can be given that a parcel could actually be sold for its assessed value.

No assurance can be given that any bid will be received for a parcel with delinquent Special Taxes offered for sale at foreclosure or, if a bid is received, that such bid will be sufficient to pay all delinquent Special Taxes. See APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE—COVENANTS AND WARRANTY—Covenants—*Commence Foreclosure Proceedings.*”

Parity Taxes and Special Assessments

Property within the District is subject to taxes and assessments imposed by other public agencies also having jurisdiction over the land within the District. See “THE COMMUNITY FACILITIES DISTRICT—Direct and Overlapping Indebtedness.”

The Special Taxes and any penalties thereon will constitute a lien against the lots and parcels of land on which they will be annually imposed until they are paid. Such lien is on a parity with all special taxes and special assessments levied by other agencies and is co-equal to and independent of the lien for general property taxes regardless of when they are imposed upon the same property. The Special Taxes have priority over all existing and future private liens imposed on the property except, possibly, for liens or security interests held by the Federal Deposit Insurance Corporation. See “—Bankruptcy and Foreclosure.”

Neither the District nor the City has control over the ability of other entities and districts to issue indebtedness secured by special taxes, *ad valorem* taxes or assessments payable from all or a portion of the property within the District. In addition, the landowners within the District may, without the consent or knowledge of the District, petition other public agencies to issue public indebtedness secured by special taxes and *ad valorem* taxes or assessments. Any such special taxes or assessments may have a lien on such property on a parity with the Special Taxes and could reduce the estimated value-to-lien ratios for the property within the District described herein. See “SOURCES OF PAYMENT FOR THE BONDS” and “THE COMMUNITY FACILITIES DISTRICT—Direct and Overlapping Indebtedness” and “—Value-to-Lien Ratios.”

Disclosures to Future Purchasers

The willingness or ability of an owner of a parcel to pay the Special Tax even if the value is sufficient may be affected by whether or not the owner was given due notice of the Special Tax authorization at the time the owner purchased the parcel, was informed of the amount of the Special Tax on the parcel should the Special Tax be levied at the maximum tax rate and the risk of such a levy and, at the time of such a levy, has the ability to pay it as well as pay other expenses and obligations. The District has caused a notice of the Special Tax to be recorded in the Office of the Recorder for the County of Riverside against each parcel. 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 property within the District or lending of money thereon.

The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a special tax under the Act 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 the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

Special Tax Delinquencies

Under provisions of the Act, the Special Taxes, from which funds necessary for the payment of principal of, and interest on, the Bonds are derived, will be billed to the properties within the District on the regular *ad valorem* property tax bills sent to owners of such properties by the County of Riverside Tax Collector. The Act currently provides that such Special Tax installments are due and payable, and bear the same penalties and interest for non-payment, as do *ad valorem* property tax installments.

See APPENDIX D— “SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE— COVENANTS AND WARRANTY—Covenants—*Commence Foreclosure Proceedings*” for a discussion of the provisions which apply, and procedures which the District is obligated to follow under the Indenture, in the event of delinquencies in the payment of Special Taxes. See “— Bankruptcy and Foreclosure” for a discussion of the policy of the Federal Deposit Insurance Corporation regarding the payment of special taxes and assessment and limitations on the District’s ability to foreclosure on the lien of the Special Taxes in certain circumstances.

The District does not participate in the County’s Teeter Plan. Accordingly, the collection of Special Taxes is subject to delinquencies. See “THE COMMUNITY FACILITIES DISTRICT—Delinquency History” for a discussion on delinquent Special Taxes in the District.

FDIC/Federal Government Interests in Properties

General. The ability of the 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 has or obtains an interest.

The supremacy clause of the United States Constitution reads as follows: “This Constitution, and the Laws of the United States which shall be made in Pursuance thereof; and all Treaties made, or which shall be made, under the Authority of the United States, shall be the supreme Law of the Land; and the Judges in every State shall be bound thereby, any Thing in the Constitution or Laws of any State to the contrary notwithstanding.”

This means that, unless Congress has otherwise provided, if a federal governmental entity owns a parcel that is subject to Special Taxes within the District but does not pay taxes and assessments levied on the parcel (including Special Taxes), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Taxes, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Taxes and preserve the federal government’s mortgage interest. In *Rust v. Johnson* (9th Circuit; 1979) 597 F.2d 174, the United States Court of Appeal, Ninth Circuit held that the Federal National Mortgage Association (“FNMA”) is a federal instrumentality for purposes of this doctrine, and not a private entity, and that, as a result, an exercise of state power over a mortgage interest held by FNMA constitutes an exercise of state power over property of the United States.

The District has not undertaken to determine whether any federal governmental entity currently has, or is likely to acquire, any interest (including a mortgage interest) in any of the parcels subject to the Special Taxes

within the District, and therefore expresses no view concerning the likelihood that the risks described above will materialize while the Bonds are outstanding.

FDIC. 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, and prior thereto or thereafter the loan or loans go into default, resulting in ownership of the property by the FDIC, then the ability of the District to collect interest and penalties specified by State law and to foreclose the lien of delinquent unpaid Special Taxes may be limited. The 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 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 has issued a ruling on August 28, 2001 in which it determined that the FDIC, as a federal agency, is exempt from special taxes under the Act.

The District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency in the payment of Special Taxes on a parcel within the District in which the FDIC has or obtains an interest, although prohibiting the lien of the Special Taxes to be foreclosed out at a judicial foreclosure sale could reduce or eliminate the number of persons willing to purchase a parcel at a foreclosure sale. Such an outcome could cause a draw on the Reserve Account and perhaps, ultimately, if enough property were to become owned by the FDIC, a default in payment on the Bonds.

Bankruptcy and Foreclosure

Bankruptcy, insolvency and other laws generally affecting creditors' rights could adversely impact the interests of owners of the Bonds in at least two ways. First, the payment of property owners' taxes and the ability of the District to foreclose the lien of a delinquent unpaid Special Tax pursuant to its covenant to pursue judicial foreclosure proceedings may be limited by bankruptcy, insolvency or other laws generally affecting creditors' rights or by the laws of the State relating to judicial foreclosure. See "SOURCES OF PAYMENT FOR THE BONDS—Special Taxes—*Proceeds of Foreclosure Sales.*" In addition, the prosecution of a foreclosure could be delayed due to many reasons, including crowded local court calendars or lengthy procedural delays.

Second, the Bankruptcy Code might prevent moneys on deposit in the Acquisition and Construction Fund from being applied to pay interest on the Bonds and/or to redeem Bonds if bankruptcy proceedings were brought by or against a landowner or other party and if the court found that the landowner or other party had an interest in such moneys within the meaning of Section 541(a)(1) of the Bankruptcy Code.

Although a bankruptcy proceeding would not cause the Special Taxes to become extinguished, the amount of any Special Tax lien could be modified if the value of the property falls below the value of the lien. If the value of the property is less than the lien, such excess amount could be treated as an unsecured claim by the bankruptcy court. In addition, bankruptcy of a property owner could result in a delay in prosecuting Superior Court foreclosure proceedings. Such delay would increase the likelihood of a delay or default in payment of delinquent Special Tax installments and the possibility of delinquent Special Tax installments not being paid in full.

On July 30, 1992, the United States Court of Appeals for the Ninth Circuit issued its opinion in a bankruptcy case entitled *In re Glasply Marine Industries*. In that case, the court held that *ad valorem* property taxes levied by Snohomish County in the State of Washington after the date that the property owner filed a petition for bankruptcy were not entitled to priority over a secured creditor with a prior lien on the property. Although the court upheld the priority of unpaid taxes imposed before the bankruptcy petition, unpaid taxes imposed after the filing of the bankruptcy petition were declared to be “administrative expenses” of the bankruptcy estate, payable after all secured creditors. As a result, the secured creditor was able to foreclose on the property and retain all the proceeds of the sale except the amount of the pre-petition taxes.

The Bankruptcy Reform Act of 1994 (the “Bankruptcy Reform Act”) included a provision which excepts from the Bankruptcy Code’s automatic stay provisions, “the creation of a statutory lien for an *ad valorem* property tax imposed by . . . a political subdivision of a state if such tax comes due after the filing of the petition [by a debtor in bankruptcy court].” This amendment effectively makes the *Glasply* holding inoperative as it relates to *ad valorem* real property taxes. However, it is possible that the original rationale of the *Glasply* ruling could still result in the treatment of post-petition special taxes as “administrative expenses,” rather than as tax liens secured by real property, at least during the pendency of bankruptcy proceedings.

According to the court’s ruling, as administrative expenses, post-petition taxes would be paid, assuming that the debtor had sufficient assets to do so. In certain circumstances, payment of such administrative expenses may be allowed to be deferred. Once the property is transferred out of the bankruptcy estate (through foreclosure or otherwise), it would at that time become subject to current *ad valorem* taxes.

The Act provides that the Special Taxes are secured by a continuing lien which is subject to the same lien priority in the case of delinquency as *ad valorem* taxes. No case law exists with respect to how a bankruptcy court would treat the lien for Special Taxes levied after the filing of a petition in bankruptcy court. *Glasply* is controlling precedent on bankruptcy courts in the State. If the *Glasply* precedent was applied to the levy of the Special Taxes, the amount of Special Taxes received from parcels whose owners declare bankruptcy could be reduced.

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 moratorium, bankruptcy, reorganization, insolvency or other similar laws affecting the rights of creditors generally.

No Acceleration Provision

The Bonds do not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture or in the event interest on the Bonds becomes included in gross income for federal income tax purposes. Pursuant to the Indenture, an owner is given the right for the equal benefit and protection of all owners of the Bonds similarly situated to pursue certain remedies described in APPENDIX D—“SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE—EVENTS OF DEFAULT; REMEDIES” and “—Limitations on Remedies.”

Loss of Tax Exemption

As discussed under the caption "TAX MATTERS" herein, interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date the Bonds were issued as a result of future acts or omissions of the District in violation of its covenants in the Indenture with respect to compliance with certain provisions of the Internal Revenue Code of 1986. Should such an event of taxability occur, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed under the redemption provisions contained in the Indenture.

Limited Secondary Market

There can be no guarantee 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. Although the District has committed to provide certain statutorily required financial and operating information, there can be no assurance that such information will be available to Bondowners on a timely basis. See "CONTINUING DISCLOSURE." Any failure to provide annual financial information, if required, does not give rise to monetary damages but merely an action for specific performance. Occasionally, because of general market conditions, lack of current information, the absence of a credit rating for the Bonds 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, prices of issues for which a market is being made will depend upon then prevailing circumstances. Such prices could be substantially different from the original purchase price.

Proposition 218

An initiative measure commonly referred to as the "Right to Vote on Taxes Act" (the "Initiative") was approved by the voters of the State at the November 5, 1996 general election. The Initiative added Article XIIC and Article XIID to the California Constitution. According to the "Title and Summary" of the Initiative prepared by the California Attorney General, the Initiative limits "the authority of local governments to impose taxes and property-related assessments, fees and charges." The provisions of the Initiative as they may relate to community facilities district are subject to interpretation by the courts. The Initiative could potentially impact the Special Taxes available to the District to pay the principal of and interest on the Bonds as described below.

Among other things, Section 3 of Article XIIC states that ". . . the initiative power shall not be prohibited or otherwise limited in matters of reducing or repealing any local tax, assessment, fee or charge." The Act provides for a procedure which includes notice, hearing, protest and voting requirements to alter the rate and method of apportionment of an existing special tax. However, the Act prohibits a legislative body from adopting any resolution to reduce the rate of any special tax or terminate the levy of any special tax pledged to repay any debt incurred pursuant to the Act unless such legislative body determines that the reduction or termination of the special tax would not interfere with the timely retirement of that debt. On July 1, 1997, a bill was signed into law by the Governor of the State 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 the Initiative has not conferred on the voters the power to repeal or reduce the Special Taxes if such reduction would interfere with the timely retirement of the Bonds.

It may be possible, however, for voters or the City Council, acting as the legislative body of the District, to reduce the Special Taxes in a manner which does not interfere with the timely repayment of the Bonds, but

which does reduce the maximum amount of Special Taxes that may be levied in any year below the existing levels. Furthermore, no assurance can be given with respect to the future levy of the Special Taxes in amounts greater than the amount necessary for the timely retirement of the Bonds. Therefore, no assurance can be given with respect to the levy of Special Taxes for Administrative Expenses. Nevertheless, to the maximum extent that the law permits it to do so, the District will covenant that it will not initiate proceedings under the Act to reduce the maximum Special Tax rates on parcels within the District. In connection with the foregoing covenant, the City Council has made a legislative finding and determination that any elimination or reduction of Special Taxes below the foregoing level would interfere with the timely retirement of the Bonds. The District will also covenant that, in the event an initiative is adopted which purports to alter the Rate and Method, it will commence and pursue legal action in order to preserve its ability to comply with the foregoing covenant. However, no assurance can be given as to the enforceability of the foregoing covenants.

The California Court of Appeal, Fourth Appellate District, Division One, issued its opinion in *City of San Diego v. Melvin Shapiro, et al.* (D063997) (the “San Diego Decision”). The case involved a Convention Center Facilities District (the “CCFD”) established by the City of San Diego (“San Diego”). The CCFD is a financing district much like a community facilities district established under the provisions of the Act. The CCFD is comprised of all of the real property in San Diego. However, the special tax to be levied within the CCFD was to be levied only on hotel properties located within the CCFD.

The election authorizing the special tax was limited to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel is located. Thus, the election was not a registered voter election. Such approach to determining who would constitute the qualified electors of the CCFD was modeled after Section 53326(c) of the Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed district whose property would be subject to the special tax. The Court held that the CCFD special tax election was invalid under the California Constitution because Article XIII A, Section 4 thereof and Article XIII C, Section 2 thereof require that the electors in such an election be the registered voters within the district.

The facts of the San Diego Decision show that there were thousands of registered voters within the CCFD (*viz.*, all of the registered voters in San Diego). The elections held in the District had less than 12 registered voters at the time of the election to authorize the Special Tax. In the San Diego Decision, the Court expressly stated that it was not addressing the validity of landowner voting to impose special taxes pursuant to the Act in situations where there are fewer than 12 registered voters. Thus, by its terms, the Court’s holding does not apply to the Special Tax election in the District. Moreover, Section 53341 of the 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 Act provides that any action to determine the validity of bonds issued pursuant to the Act be brought within 30 days of the voters approving the issuance of such bonds.

The interpretation and application of Article XIII C and Article XIII D will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination or the timeliness of any remedy afforded by the courts. See “SPECIAL RISK FACTORS—Limitations on Remedies.”

No Ratings – Limited Secondary Market

The District has not applied to have the Bonds rated by any nationally recognized bond rating company, and it does not expect to do so in the future. See “—Limited Secondary Market.”

Ballot Initiatives

Articles XIII A, XIII B, XIII C and XIII D were adopted pursuant to measures qualified for the ballot pursuant to California’s constitutional initiative process and the State Legislature has in the past enacted

legislation which has altered the spending limitations or established minimum funding provisions for particular activities. On March 6, 1995, in the case of *Rossi v. Brown*, the State Supreme Court held that an initiative can repeal a tax ordinance and prohibit the imposition of further such taxes and that the exemption from the referendum requirements does not apply to initiatives. From time to time, other initiative measures could be adopted by California voters or legislation enacted by the legislature. The adoption of any such initiative or legislation might place limitations on the ability of the State, the City, or local districts to increase revenues or to increase appropriations within the District.

Potential Early Redemption of Bonds from Prepayments or Other Sources

Property owners within the District, including the Developer, and any individual property owner, are permitted to prepay their Special Taxes at any time. Such Prepayments could also be made from the proceeds of bonds issued by or on behalf of an overlapping special assessment district or community facilities district. Such Prepayments will result in an extraordinary redemption of the Bonds on the Interest Payment Date for which timely notice may be given under the Indenture following the receipt of the Prepayment. The resulting extraordinary redemption of Bonds that were purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See the caption “THE BONDS—Redemption—Extraordinary Redemption from Special Tax Prepayments.”

Limitations on Remedies

Remedies available to the owners of the Bonds 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 interest on the Bonds.

Bond Counsel has limited its opinion as to the enforceability of the Bonds and of 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 and by limitations on remedies against public agencies in the State of California. The Bonds are not subject to acceleration. The lack of availability of certain remedies or the limitation of remedies may entail risks of delay, limitation or modification of the rights of the owners.

CONTINUING DISCLOSURE

Pursuant to a Continuing Disclosure Certificate (the “Continuing Disclosure Certificate”), the District will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access (EMMA) website, or other repository authorized under Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission (the “Rule”), certain annual financial information and operating data concerning the District. The District Reports are to be filed not later than February 10 of each year, beginning February 10, 2020. The District Reports will include the audited financial statements of the City, if any are prepared. The District does not currently prepare audited financial statements and does not anticipate doing so in the future. The full text of the Continuing Disclosure Certificate is set forth in APPENDIX E—“FORM OF CONTINUING DISCLOSURE CERTIFICATE.”

Notwithstanding any provision of the Indenture, failure of the District to comply with the Continuing Disclosure Certificate shall not be an event of default under the Indenture. However, any Owner or Beneficial Owner of the Bonds may take such action as is necessary and appropriate, including seeking mandate or a judgment for specific performance, to cause the District to comply with its obligations with respect to the Continuing Disclosure Certificate.

In connection with the SEC Order, the BFA conducted a review of noncompliance with all existing continuing disclosure undertakings of the City of Beaumont Community Facilities District No. 93-1 (“CFD No. 93-1”) with respect to bonds issued by the BFA. See the caption “INTRODUCTION—SEC Order.” The BFA

identified omissions and deficiencies in prior continuing disclosure filings for Fiscal Years 2003 through 2017. Such omissions and deficiencies included the late filing of annual reports, the late filing of or failure to file the City's audited financial statements, the failure to file completed information on the status of facilities being constructed with bond proceeds, and information concerning the certificates of occupancy and certificates of final inspection. Such omissions and deficiencies also included the failure to report certain information concerning the assessed valuation date, special tax delinquency data and reserve fund balances, cash flow management fund balances, rate stabilization fund balances, improvement fund balances, residual fund balances, special escrow fund balances, the aggregate number of building permits issued, statements of the reserve requirement, cash flow management fund requirement and rate stabilization fund requirement, and to link certain annual reports to all relevant CUSIPs. See Appendix G – "SECURITIES AND EXCHANGE COMMISSION ORDER."

The BFA has caused CFD No. 93-1 to make corrective filings for Fiscal Years 2014 through 2018 with EMMA, including the filing of audited and unaudited financial statements for Fiscal Years 2014 through 2018, supplements to certain prior continuing disclosure annual reports and notices of the failure to file certain continuing disclosure annual reports and audited financial statements.

The City will assist the District in preparing the District Reports. In order to ensure ongoing compliance by the District with its continuing disclosure undertaking, (i) City staff will take steps to ensure that the filing due date is correctly documented in policies and procedures and a single City staff member has been assigned primary responsibility to monitor compliance; and (ii) the City has contracted with a consultant to assist in filing accurate, complete and timely disclosure reports on behalf of the District.

STATE AND FEDERAL INVESTIGATIONS AND CRIMINAL CHARGES INVOLVING FORMER CITY OFFICIALS

On April 22, 2015, the Federal Bureau of Investigation and the Riverside County District Attorney's Office served search warrants on Beaumont City Hall and two other locations. The search warrants and the subsequent investigation resulted in charges for corruption and embezzlement being brought against seven (7) former City officials: former City Manager Alan Kapanicas, former Economic Development Director David Dillon, former City Planner Ernest Egger, former Finance Director William Aylward, former Police Chief Francis Dennis Coe Jr., former Public Works Director Deepak Moorjani and former City Attorney Joseph Sandy Aklufi. All seven (7) of these former City officials have pled guilty to date with several of them having agreed to pay restitution in connection with their plea arrangements. All of the former officials either resigned or were terminated by 2015.

In addition to the SEC Order described under the caption "INTRODUCTION- SEC Order" and attached as Appendix G, in August 2017, the SEC entered into settlements with former City Manager Alan Kapanicas, the BFA's former underwriter, O'Connor & Company Securities, Inc., and former investment banker Anthony Wetherbee in connection with the BFA's failure to meet its annual continuing disclosure obligations from 2003 to 2013. In consenting to the SEC settlement without admitting or denying the findings, Mr. Kapanicas agreed to be barred from participating in any future municipal offerings and pay a penalty of \$37,500. Additionally, in consenting to the SEC settlement without admitting or denying the findings, O'Connor & Company Securities, Inc., agreed to comply with a number of undertakings and pay a \$150,000 penalty, and Mr. Wetherbee agreed to serve a suspension from the securities industry for six (6) months and pay a \$15,000 penalty.

On May 11, 2017, the Riverside County District Attorney on behalf of the Criminal Grand Jury of the County of Riverside filed an indictment against former Beaumont City Councilmember Mark Orozco accusing him of ten (10) felony counts, including attempting to solicit a bribe from Pardec Homes. On September 28, 2017, Mr. Orozco pleaded guilty to one (1) felony count of bribery and one (1) felony count of perjury. Mr. Orozco resigned from the City Council on October 24, 2017, and agreed not to seek another public office.

STATE CONTROLLER INVESTIGATION

In May 2015, the State Controller began an investigation into the City's internal accounting controls. In November 2015, the State Controller published its report that included a determination that 75 of the 79 internal control elements evaluated were found to be inadequate. In response, the City immediately took action to address the concerns of the State Controller, and the City has revised its internal control practices to align with the State Controller's recommendations. As a result of the issuance of the audit for Fiscal Year 2016-17, the City believes it is now in compliance with all 79 internal control elements.

GRAND JURY REQUEST FOR DOCUMENTS

On November 1, 2018, the City received a request for documents from the Riverside County Civil Grand Jury (the "Grand Jury Request") seeking, among other things, materials and information concerning the City's community facilities districts, including related contracts and expenditures, the planned use of proceeds from litigation against former city employees, and the findings from the investigation by the SEC. A copy of the Grand Jury Request is attached hereto as Appendix I. The City is fully cooperating with the Grand Jury Request, and believes some of the issues relate to matters which were the subject of the investigations by the Riverside County District Attorney's office. See "STATE AND FEDERAL INVESTIGATIONS AND CRIMINAL CHARGES INVOLVING FORMER CITY OFFICIALS." The City believes that the Grand Jury Request does not impact the validity of the Bonds or the ability of the District to levy the Special Taxes and pay debt service on the Bonds.

TAX MATTERS

In the opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California ("Bond Counsel"), under existing statutes, regulations, rulings and judicial decisions, and assuming the accuracy of certain representations and compliance with certain covenants and requirements described herein, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals. In the further opinion of Bond Counsel, interest on the Bonds is exempt from State of California personal income tax.

The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of the same maturity is to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bond Owner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by the Bond Owner will increase the Bond Owner's basis in the Bond. In the opinion of Bond Counsel, the amount of original issue discount that accrues to the owner of a Bond is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals, and is exempt from State of California personal income tax.

Bond Counsel's opinion as to the exclusion from gross income of interest (and original issue discount) on the Bonds is based upon certain representations of fact and certifications made by the District, the City and others and is subject to the condition that the District, the City and others making such representations comply with all requirements of the Internal Revenue Code of 1986, as amended (the "Code"), that must be satisfied subsequent to the issuance of the Bonds to assure that interest (and original issue discount) on the Bonds will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause the interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District and the City will covenant to comply with all such requirements.

The amount by which a Bond Owner's original basis for determining loss on sale or exchange in the applicable Bond (generally, the purchase price) exceeds the amount payable on maturity (or on an earlier call

date) constitutes amortizable Bond premium, which must be amortized under Section 171 of the Code; such amortizable Bond premium reduces the Bond Owner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bond Owner realizing a taxable gain when a Bond is sold by the Owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the Owner. Purchasers of the Bonds should consult their own tax advisors as to the treatment, computation and collateral consequences of amortizable Bond premium.

The Internal Revenue Service (the "IRS") has initiated an expanded program for the auditing of tax-exempt bond issues, including both random and targeted audits. It is possible that the Bonds will be selected for audit by the IRS. It is also possible that the market value of the Bonds might be affected as a result of such an audit of the Bonds (or by an audit of other similar bonds). No assurance can be given that in the course of an audit, as a result of an audit, or otherwise, Congress or the IRS might not change the Code (or interpretation thereof) subsequent to the issuance of the Bonds to the extent that it adversely affects the exclusion from gross income of interest (and original issue discount) on the Bonds or their market value.

SUBSEQUENT TO THE ISSUANCE OF THE BONDS THERE MIGHT BE FEDERAL, STATE, OR LOCAL STATUTORY CHANGES (OR JUDICIAL OR REGULATORY CHANGES TO OR INTERPRETATIONS OF FEDERAL, STATE, OR LOCAL LAW) THAT AFFECT THE FEDERAL, STATE, OR LOCAL TAX TREATMENT OF THE BONDS INCLUDING THE IMPOSITION OF ADDITIONAL FEDERAL INCOME OR STATE TAXES BEING IMPOSED ON OWNERS OF TAX-EXEMPT STATE OR LOCAL OBLIGATIONS, SUCH AS THE BONDS. THESE CHANGES COULD ADVERSELY AFFECT THE MARKET VALUE OR LIQUIDITY OF THE BONDS. NO ASSURANCE CAN BE GIVEN THAT SUBSEQUENT TO THE ISSUANCE OF THE BONDS STATUTORY CHANGES WILL NOT BE INTRODUCED OR ENACTED OR JUDICIAL OR REGULATORY INTERPRETATIONS WILL NOT OCCUR HAVING THE EFFECTS DESCRIBED ABOVE. BEFORE PURCHASING ANY OF THE BONDS, ALL POTENTIAL PURCHASERS SHOULD CONSULT THEIR TAX ADVISORS REGARDING POSSIBLE STATUTORY CHANGES OR JUDICIAL OR REGULATORY CHANGES OR INTERPRETATIONS, AND THEIR COLLATERAL TAX CONSEQUENCES RELATING TO THE BONDS.

Bond Counsel's opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date of issuance of the Bonds. Bond Counsel has not undertaken to determine, or to inform any person, whether any such actions or events are taken or do occur. The Indenture and the Tax Certificate relating to the Bonds permit certain actions to be taken or to be omitted if a favorable opinion of Bond Counsel is provided with respect thereto. Bond Counsel expresses no opinion as to the effect on the exclusion from gross income of interest (and original issue discount) on the Bonds for federal income tax purposes with respect to any Bond if any such action is taken or omitted based upon the advice of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

Although Bond Counsel will render an opinion that interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes provided that the District and the City continue to comply with certain requirements of the Code, the ownership of the Bonds and the accrual or receipt of interest (and original issue discount) with respect to the Bonds may otherwise affect the tax liability of certain persons. Bond Counsel expresses no opinion regarding any such tax consequences. Accordingly, before purchasing any of the Bonds, all potential purchasers should consult their tax advisors with respect to collateral tax consequences relating to the Bonds.

Should interest on the Bonds (including any original issue discount) become includable in gross income for federal income tax purposes, the Bonds are not subject to early redemption and will remain outstanding until maturity or until redeemed in accordance with the Indenture.

A copy of the proposed form of opinion of Bond Counsel is attached hereto as Appendix B.

LEGAL MATTERS

The legal opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, Bond Counsel, approving the validity of the Bonds in substantially the form set forth as Appendix B hereto, will be made available to purchasers at the time of original delivery. Certain legal matters will be passed upon for the District and the City by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel and for the Underwriter by Kutak Rock LLP, Irvine, California, as counsel to the Underwriter. Bond Counsel expresses no opinion to the Owners of the Bonds as to the accuracy, completeness or fairness of this Official Statement or other offering materials relating to the Bonds and expressly disclaims any duty to do so.

ABSENCE OF LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds and a certificate of the District to that effect will be furnished to the Underwriter at the time of the original delivery of the Bonds. Neither the City nor the District is aware of any litigation pending or threatened which questions the existence of the District or the City or contests the authority of the District to levy and collect the Special Taxes or to issue and retire the Bonds.

NO RATING

The District has not made and does not contemplate making application to any rating agency for the assignment of a rating to the Bonds.

UNDERWRITING

The Bonds are being purchased by the Underwriter. The Underwriter has agreed to purchase the Bonds at a price of \$ _____, being \$ _____ aggregate principal amount thereof, plus net original issue premium of \$ _____ and less Underwriter's discount of \$ _____). The purchase contract relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased. The obligation to make such purchase is subject to certain terms and conditions set forth in the purchase contract, the approval of certain legal matters by counsel and certain other conditions.

The Underwriter may offer and sell the Bonds to certain dealers and others at prices lower than the offering price stated on the cover page thereof. The offering price may be changed from time to time by the Underwriter.

FINANCIAL INTERESTS

The fees being paid to the Underwriter, Bond Counsel, Disclosure Counsel, Municipal Advisor to the City, the Special Tax Consultant, the Trustee and Underwriter's Counsel are contingent upon the issuance and delivery of the Bonds. The fees being paid to the Appraiser are not contingent upon the issuance and delivery of the Bonds. From time to time, Bond Counsel represents the Underwriter on matters unrelated to the Bonds.

PENDING LEGISLATION

The District is not aware of any significant pending legislation which would have material adverse consequences on the Bonds or the ability of the District to pay the principal of and interest on the Bonds when due.

ADDITIONAL INFORMATION

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations and summaries and explanations of the Bonds and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents for full and complete statements and their provisions. Any statements in this Official Statement involving matters of opinion, whether or not expressly so stated, are intended as such and not as representations of fact.

The execution and delivery of this Official Statement by the City Manager of the City has been duly authorized by the City Council acting in its capacity as the legislative body of the District.

CITY OF BEAUMONT COMMUNITY FACILITIES
DISTRICT NO. 2016-2 (SUNDANCE)

By: _____

City Manager

APPENDIX A

**RATE AND METHOD OF APPORTIONMENT FOR
COMMUNITY FACILITIES DISTRICT NO. 2016-2 (SUNDANCE)
OF THE CITY OF BEAUMONT**

A Special Tax as hereinafter defined shall be levied on and collected in Community Facilities District No. 2016-2 (Sundance) ("CFD No. 2016-2") each Fiscal Year, in an amount determined by the City Council of the City of Beaumont through the application of the appropriate Special Tax for "Developed Property", "Final Map Property" and "Undeveloped Property". All of the real property in CFD No. 2016-2, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent, and in the manner herein provided.

**SECTION A
DEFINITIONS**

The terms hereinafter set forth have the following meanings:

"Acre" or "Acreage" means the land area of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County parcel map or instrument. The square footage of an Assessor's Parcel is equal to the Acreage multiplied by 43,560.

"Act" means the Mello-Roos Communities Facilities Act of 1982, as amended, being Chapter 2.5, Division 2 of Title 5 of the Government Code of the State of California.

"Administrative Expenses" means the following actual or reasonably estimated costs directly related to the administration of CFD No. 2016-2: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the City or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 2016-2 or any designee thereof of complying with arbitrage rebate requirements; the costs to the City, CFD No. 2016-2 or any designee thereof of complying with City or obligated persons disclosure requirements associated with applicable federal and state securities laws and of the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs associated with the release of funds from an escrow account; the costs associated with the issuance of Bonds, and the City's annual administration fees and third party expenses. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 2016-2 for any other administrative purposes, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure, or otherwise addressing the disposition of delinquent Special Taxes.

"Assessor's Parcel" means a lot or parcel of land designated on an Assessor's Parcel Map with an assigned Assessor's Parcel Number within the boundaries of CFD No. 2016-2.

"Assessor's Parcel Map" means an official map of the Assessor of the County designating parcels by Assessor's Parcel Number.

"Assigned Special Tax" means the Special Tax of that name described in Section D below.

"Backup Special Tax for Facilities" means the Special Tax of that name described in Section E below.

"Bonds" means any obligation to repay a sum of money, including obligations in the form of bonds, notes, certificates of participation, long-term leases, loans from government agencies, or loans from banks, other financial institutions, private businesses, or individuals, or long-term contracts, or any refunding thereof, to which Special Taxes for Facilities have been pledged.

"Building Permit" means a permit for new construction for a residential dwelling or non-residential structure. For purpose of this definition, "Building Permit" shall not include permits for construction or installation, retaining walls, utility improvements, or other such improvements not intended for human habitation.

"Building Square Footage" or **"BSF"** means the square footage of assessable internal living space, exclusive of garages or other structures not used as living space, as determined by reference to the building permit application for such Assessor's Parcel, as determined by the CFD Administrator.

"Calendar Year" means the period commencing January 1 of any year and ending the following December 31.

"CFD Administrator" means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement for Facilities, the Special Tax Requirement for Maintenance Services, the Special Tax Requirement for Public Services, and providing for the levy and collection of the Special Taxes.

"CFD Boundary Map" means the map recorded at CFD formation, and attached hereto as Exhibit A.

"CFD No. 2016-2" or **"CFD"** means City of Beaumont Community Facilities District No. 2016-2 (Sundance) established by the City under the Act.

"City" means the City of Beaumont.

"City Council" means the City Council of the City, acting as the legislative body of CFD No. 2016-2, or its designee.

"Consumer Price Index" means the index published monthly by the U.S. Department of Labor, Bureau of Labor Statistics for all urban consumers in the Los Angeles-Riverside-Orange County area.

"County" means the County of Riverside.

"Developed Property" means all Assessor's Parcels for which Building Permits were issued on or before March 1 of the prior Fiscal Year, provided that such Assessor's Parcels were created on or before January 1 of the prior Fiscal Year and that each such Assessor Parcel is associated with a Lot, as determined by the CFD Administrator.

"Dwelling Unit" means each separate residential dwelling unit that comprises an independent facility capable of conveyance or rental separate from adjacent residential dwelling units.

"Exempt Property" means all Assessor's Parcels designated as being exempt from Special Taxes as provided for in Section J, as determined by the CFD Administrator.

"Final Map" means a subdivision of property evidenced by the recordation of a final map, parcel map, or lot line adjustment, pursuant to the Subdivision Map Act (California Government Code Section 66410 et seq.) or the recordation of a condominium plan pursuant to California Civil Code 1352 that creates individual lots for which building permits may be issued without further subdivision.

"Final Map Property" means Assessor's Parcels: (i) that are included in a Final Map that was recorded prior to the January 1 preceding the Fiscal Year in which the Special Tax is being levied, and (ii) for which a Building Permit was not issued prior to March 1 preceding the Fiscal Year in which the Special Tax is being levied, as determined by the CFD Administrator.

"Fiscal Year" means the period commencing on July 1 of any year and ending the following June 30.

"Indenture" means the indenture, fiscal agent agreement, resolution or other instrument pursuant to which Bonds are issued, as modified, amended and/or supplemented from time to time.

"Land Use Category" means any of the categories listed in the tables included in Section D.

"**Lot**" means an individual legal lot created by a Final Map for which a Building Permit could be issued.

"**Maintenance Services**" means the services permitted under the Act including, without limitation, street sweeping, traffic signal maintenance, the maintenance, landscaping and lighting of publicly owned parks, parkways, streets, roads and open spaces, flood and storm protection services, and the operation of storm drainage systems contained within the boundaries of CFD No. 2016-2 and the City.

"**Maximum Special Tax**" means the Maximum Special Tax for Facilities, the Maximum Special Tax for Maintenance Services, and the Maximum Special Tax for Public Services.

"**Maximum Special Tax for Facilities**" means the maximum Special Tax for Facilities, determined in accordance with Section C, which can be levied by CFD No. 2016-2 in any Fiscal Year on any Assessor's Parcel.

"**Maximum Special Tax for Maintenance Services**" means the maximum Special Tax for Maintenance Services, determined in accordance with Section C, which can be levied by CFD No. 2016-2 in any Fiscal Year on any Assessor's Parcel.

"**Maximum Special Tax for Public Services**" means the maximum Special Tax for Public Services, determined in accordance with Section C, which can be levied by CFD No. 2016-2 in any Fiscal Year on any Assessor's Parcel.

"**Minimum Acreage**" means the smallest allowable amount of taxable acreage. For CFD No. 2016-2, it shall not be less than 65.74 acres. The minimum acreage per Zone is as follows: (i) Zone 1 – 17.94 acres, (ii) Zone 2 – 33.66 acres, and (iii) Zone 3 – 14.14 acres.

"**Non-Residential Property**" means all Assessor's Parcels of Developed Property for which a building permit was issued for any type of non-residential use, as determined by the CFD Administrator.

"**Operating Fund for Maintenance Services**" means a fund that shall be maintained for CFD No. 2016-2 for any Fiscal Year to pay for the actual costs of providing the Maintenance Services and the Administrative Expenses attributable to providing such Maintenance Services.

"**Operating Fund for Public Services**" means a fund that shall be maintained for CFD No. 2016-2 for any Fiscal Year to pay for the actual costs of providing the Public Services and the Administrative Expenses attributable to providing such Public Services.

"**Operating Fund Balance**" means the amount of funds in the applicable Operating Fund at the end of the preceding Fiscal Year.

"**Partial Prepayment Amount**" means the amount required to prepay a portion of the Special Tax for the Facilities obligation for an Assessor's Parcel, as described in Section H.

"**Prepayment Amount**" means the amount required to prepay the Special Tax for the Facilities obligation in full for an Assessor's Parcel, as described in Section G.

"**Property Owner Association**" means a corporation formed by a real estate developer for the purpose of marketing, managing, and selling of homes and lots in a residential subdivision.

"**Property Owner's Association Property**" means all Assessor's Parcels which, as of July 1st of the Fiscal Year in which the Special Tax is being levied, have been conveyed, dedicated to, or irrevocably offered for dedication to a property owner association, including any master or sub-association.

"**Proportionately**" means that the ratio of the actual Special Tax levy to the applicable Maximum Special Tax is equal for all applicable Assessors' Parcels.

"Public Property" means all Assessor's Parcels which, as of July 1st of the Fiscal Year in which the Special Tax is being levied, are used for rights-of-way or any other purpose and is owned by, dedicated to, or irrevocably offered for dedication to the federal government, the State of California, the County, or any other local jurisdiction, provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use.

"Public Services" means the services permitted under the Act including, without limitation, police and fire protection, ambulance and paramedic services provided within the boundaries of CFD No. 2016-2 and the City.

"Residential Floor Area" means all of the square footage of living area within the perimeter of a residential dwelling unit, not including any carport, walkway, garage, overhang, patio, enclosed patio, or similar area. The CFD Administrator shall determine the Residential Floor Area based upon the Building Permit issued for such residential dwelling unit.

"Residential Property" means all Assessor's Parcels of Developed Property for which a building permit has been issued for purposes of constructing one or more residential dwelling units, as determined by the CFD Administrator.

"Special Tax(es)" means the Special Tax for Facilities, the Special Tax for Maintenance Services, and the Special Tax for Public Services.

"Special Tax for Facilities" means any of the Special Taxes authorized to be levied within CFD No. 2016-2 pursuant to the Act to fund the Special Tax Requirement for Facilities.

"Special Tax for Maintenance Services" means any of the Special Taxes authorized to be levied by CFD No. 2016-2 pursuant to the Act to fund the Special Tax Requirement for Maintenance Services. Under no circumstances shall this Special Tax be eligible for prepayment of any kind.

"Special Tax for Public Services" means any of the Special Taxes authorized to be levied by CFD No. 2016-2 pursuant to the Act to fund the Special Tax Requirement for Public Services. Under no circumstances shall this Special Tax be eligible for prepayment of any kind.

"Special Tax Requirement for Facilities" means the amount required in any Fiscal Year to pay: (i) the debt service or the periodic costs on all outstanding Bonds due in the Calendar Year that commences in such Fiscal Year, (ii) Administrative Expenses, (iii) the costs associated with the release of funds from an escrow account, (iv) any amount required to establish or replenish any reserve funds established in association with the Bonds, (v) the collection or accumulation of funds for the acquisition or construction of facilities authorized by CFD No. 2016-2 provided that the inclusion of such amount does not cause an increase in the levy of Special Tax for Facilities on Final Map Property or Undeveloped Property, less (vi) any amounts available to pay debt service or other periodic costs on the Bonds pursuant to any applicable bond Indenture, fiscal agent agreement, or trust agreement.

"Special Tax Requirement for Maintenance Services" means that amount to be collected in any Fiscal Year to pay for certain costs as required to meet the needs of CFD No. 2016-2 for Maintenance Services in both the current Fiscal Year and the next Fiscal Year. The costs to be covered shall be the (i) direct costs for Maintenance Services (ii) amount necessary to fund an operating reserve for the costs of Maintenance Services as determined by the Administrator, and (iii) Administrative Expenses, less (iv) a credit in an amount equal to the Operating Fund Balance. Under no circumstances shall the Special Tax Requirement for Maintenance Services include funds for bonds.

"Special Tax Requirement for Public Services" means the amount to be collected in any Fiscal Year to pay for certain costs as required to meet the needs of CFD No. 2016-2 for Public Services in both the current Fiscal Year and the next Fiscal Year. The costs to be covered shall be the (i) direct costs for Public Services (ii) amount necessary to fund an operating reserve for the costs of Public Services as determined by the Administrator, and

(iii) Administrative Expenses, less (iv) a credit in an amount equal to the Operating Fund Balance. Under no circumstances shall the Special Tax Requirement for Public Services include funds for bonds.

"**Taxable Property**" means all Assessor's Parcels within CFD No. 2016-2, which are not Exempt Property, as determined by the CFD Administrator.

"**Trustee**" means the firm that holds and administers assets on behalf of CFD No. 2016-2 under and pursuant to the Indenture.

"**Undeveloped Property**" means all Assessor's Parcels of Taxable Property which are not Developed Property or Final Map Property, as determined by the CFD Administrator.

"**Zone(s)**" means Zone 1, 2 or 3 as geographically identified in Exhibit B attached herein.

"**Zone 1**" means the specific geographic area as depicted in Exhibit B attached herein.

"**Zone 2**" means the specific geographic area as depicted in Exhibit B attached herein.

"**Zone 3**" means the specific geographic area as depicted in Exhibit B attached herein.

**SECTION B
CLASSIFICATION OF ASSESSOR'S PARCELS**

Each Fiscal Year, beginning with Fiscal Year 2017-18, each Assessor's Parcel shall be classified as Taxable Property or Exempt Property. In addition, each Assessor's Parcel of Taxable Property shall be assigned to one of the three Zones based upon its geographic location and further classified as Developed Property, Final Map Property or Undeveloped Property. Lastly, each Assessor's Parcel of Developed Property shall further be classified as Residential Property or Non-Residential Property.

**SECTION C
MAXIMUM SPECIAL TAXES**

1. Developed Property

- a. The Maximum Special Tax for Facilities for each Assessor's Parcel of Residential Property that is classified as Developed Property in any Fiscal Year shall be the amount determined by the greater of (i) the application of the Assigned Special Tax for Facilities in the tables included in Section D below or (ii) the application of the Backup Special Tax for Facilities. The Maximum Special Tax for Facilities for each Assessor's Parcel of Non-Residential Property that is classified as Developed Property in any Fiscal Year shall be the Assigned Special Tax in the tables included in Section D below.
- b. The Maximum Special Tax for Maintenance Services for each Assessor's Parcel of Residential Property that is classified as Developed Property in Fiscal Year 2017-18 shall be \$333 per unit. The Maximum Special Tax for Maintenance Services for each Assessor's Parcel of Non-Residential Property that is classified as Developed Property in Fiscal Year 2017-18 shall be \$2,669 per Acre.

On each July 1, commencing July 1, 2018, the Maximum Special Tax for Maintenance Services for the prior Fiscal Year shall be adjusted by the greater of (i) an amount equal to the percentage change increase in the Consumer Price Index for the Calendar Year ending in December of the prior Fiscal Year or (ii) two percent (2%).

- c. The Maximum Special Tax for Public Services for each Assessor's Parcel of Residential Property that is classified as Developed Property in Fiscal Year 2017-18 shall be \$419 per unit.

On each July 1, commencing July 1, 2018, the Maximum Special Tax for Public Services for the prior Fiscal Year shall be adjusted by the greater of (i) an amount equal to the percentage change increase in the Consumer Price Index for the Calendar Year ending in December of the prior Fiscal Year or (ii) five percent (5%).

2. Final Map Property

- a. The Maximum Special Tax for Facilities for each Assessor's Parcel classified as Final Map Property shall be the Assigned Special Tax for the Zone in which the Assessor's Parcel is located as set forth in Section D below.
- b. The Maximum Special Tax for Maintenance Services for each Assessor's Parcel of Residential Property that is classified as Final Map Property in Fiscal Year 2017-18 shall be \$2,669 per Acre.

On each July 1, commencing July 1, 2018, the Maximum Special Tax for Maintenance Services for the prior Fiscal Year shall be adjusted by the greater of i) an amount equal to the percentage change increase in the Consumer Price Index for the Calendar Year ending in December of the prior Fiscal Year or ii) two percent (2%).

- c. Final Map Property shall not be subject to the Maximum Special Tax for Public Services.

3. Undeveloped Property

- a. The Maximum Special Tax for Facilities for each Assessor's Parcel classified as Undeveloped Property shall be the Assigned Special Tax for the Zone in which the Assessor's Parcel is located as set forth in Section D below.
- b. Undeveloped Property shall not be subject to the Maximum Special Tax for Maintenance Services.
- c. Undeveloped Property shall not be subject to the Maximum Special Tax for Public Services.

**SECTION D
ASSIGNED SPECIAL TAX FOR FACILITIES**

1. Developed Property

Each Fiscal Year, beginning with Fiscal Year 2017-18, each Assessor's Parcel of Developed Property shall be subject to an Assigned Special Tax. The Assigned Special Tax applicable to an Assessor's Parcel of Developed Property for any Fiscal Year shall be determined pursuant to Table 1, Table 2, and Table 3 below based upon the Zone in which the Assessor's Parcel is located.

**TABLE 1
ASSIGNED SPECIAL TAX RATES FOR FACILITIES
FOR DEVELOPED PROPERTY WITHIN ZONE 1**

Land Use Category	Building Square Footage	Assigned Special Tax
Residential Property	< 1,750	\$1,184 per Dwelling Unit
Residential Property	1,750 – 2,100	\$1,219 per Dwelling Unit
Residential Property	2,101 – 2,450	\$1,294 per Dwelling Unit
Residential Property	2,451 - 2,800	\$1,369 per Dwelling Unit
Residential Property	>2,800	\$1,496 per Dwelling Unit
Non-Residential Property	N/A	\$13,139 per Acre

**TABLE 2
ASSIGNED SPECIAL TAX RATES FOR FACILITIES
FOR DEVELOPED PROPERTY WITHIN ZONE 2**

Land Use Category	Building Square Footage	Assigned Special Tax
Residential Property	< 1,750	\$1,254 per Dwelling Unit
Residential Property	1,750 – 2,100	\$1,324 per Dwelling Unit
Residential Property	2,101 – 2,450	\$1,499 per Dwelling Unit
Residential Property	2,451 - 2,800	\$1,599 per Dwelling Unit
Residential Property	>2,800	\$1,726 per Dwelling Unit
Non-Residential Property	N/A	\$10,049 per Acre

**TABLE 3
ASSIGNED SPECIAL TAX RATES FOR FACILITIES
FOR DEVELOPED PROPERTY WITHIN ZONE 3**

Land Use Category	Building Square Footage	Assigned Special Tax
Residential Property	< 1,750	\$1,663 per Dwelling Unit
Residential Property	1,750 – 2,100	\$1,738 per Dwelling Unit
Residential Property	2,101 – 2,450	\$1,813 per Dwelling Unit
Residential Property	2,451 - 2,800	\$1,918 per Dwelling Unit
Residential Property	>2,800	\$2,058 per Dwelling Unit
Non-Residential Property	N/A	\$12,090 per Acre

2. Final Map Property and Undeveloped Property

Each Fiscal Year, beginning with Fiscal Year 2017-18, each Assessor's Parcel of Final Map Property and Undeveloped Property shall be subject to an Assigned Special Tax. The Assigned Special Tax applicable to an Assessor's Parcel of Final Map Property and Undeveloped Property for any Fiscal Year shall be determined pursuant to the rate per Acre below for the Zone in which the Assessor's Parcel is located:

1. Zone 1 rate per Acre - \$13,139
2. Zone 2 rate per Acre - \$10,049
3. Zone 3 rate per Acre - \$12,090

**SECTION E
BACKUP ANNUAL SPECIAL TAX FOR FACILITIES**

Each Fiscal Year, beginning with Fiscal Year 2017-18, each Assessor's Parcel of Developed Property classified as Residential Property shall be subject to a Backup Special Tax for Facilities. In each Fiscal Year, the Backup Special Tax for Facilities rate for Developed Property classified as Residential Property within each Zone shall be the rate per Lot calculated according to the following formula:

$$B = \frac{R \times A}{L}$$

The terms above have the following meanings:

B = Backup Special Tax for Facilities per Lot in each Fiscal Year.

R = Maximum Special Tax for Facilities rate per Acre for Undeveloped Property in each Zone for the applicable Fiscal Year.

A = Acreage of Developed Property classified or to be classified as Residential Property in such Zone.

L = Lots in each Zone which are classified or to be classified as Residential Property.

Notwithstanding the foregoing, if Assessor's Parcels of Developed Property which are classified or to be classified as Residential Property are subsequently changed or modified by recordation of a lot line adjustment or similar instrument, then the Backup Special Tax for Facilities for the area that has been changed or modified shall be a rate per square foot of Acreage for each Zone calculated as follows:

1. Determine the total Backup Special Tax for Facilities anticipated to apply to the changed or modified Final Map area prior to the change or modification.
2. The result of paragraph 1 above shall be divided by the Acreage of Developed Property classified or to be classified as Residential Property which is ultimately expected to exist in such changed or modified Final Map area, as reasonably determined by the CFD Administrator.
3. The result of paragraph 2 above shall be divided by 43,560. The result is the Backup Special Tax for Facilities per square foot of Acreage which shall be applicable to Assessor's Parcels of Developed Property classified as Residential Property in such changed or modified Final Map area for all remaining Fiscal Years in which the Special Tax for Facilities may be levied.

**SECTION F
METHOD OF APPORTIONMENT OF THE SPECIAL TAXES**

1. Commencing with Fiscal Year 2017-18 and for each subsequent Fiscal Year, the City Council shall levy Special Taxes for Facilities on all Taxable Property until the amount of Special Tax for Facilities equals the Special Tax Requirement for Facilities in accordance with the following steps:

Step One: The Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Special Tax for Facilities rates in the table included in Section D as needed to satisfy the Special Tax Requirement for Facilities.

Step Two: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first step has been completed, the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Final Map Property, at up to 100% of the Assigned Special Tax for Facilities applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities.

Step Three: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, the Annual Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property, excluding any Undeveloped Property exempt from the Special Tax pursuant to Section J, at up to 100% of the Assigned Special Tax for Facilities applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities.

Step Four: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then for each Assessor's Parcel of Developed Property whose Maximum Special Tax for Facilities is the Backup Special Tax for Facilities shall be increased Proportionately from the Assigned Special Tax for Facilities up to 100% of the Backup Special Tax for Facilities as needed to satisfy the Special Tax Requirement for Facilities.

Step Five: If additional moneys are needed to satisfy the Special Tax Requirement for Facilities after the first four steps have been completed, the Special Tax for Facilities shall be levied Proportionately on each Assessor's Parcel of Property Owner's Association Property and Public Property, found not to be exempt pursuant to Section J, at up to 100% of the Maximum Special Tax for Facilities applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Facilities.

2. Commencing with Fiscal Year 2017-18 and for each subsequent Fiscal Year, the City Council shall levy Special Taxes for Maintenance Services on all Taxable Property until the amount of Special Tax for Maintenance Services equals the Special Tax Requirement for Maintenance Services in accordance with the following steps:

Step One: The Special Tax for Maintenance Services shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax for Maintenance Services as needed to satisfy the Special Tax Requirement for Maintenance Services.

Step Two: If additional moneys are needed to satisfy the Special Tax Requirement for Maintenance Services after the first step has been completed, the Special Tax for Maintenance Services shall be levied Proportionately on each Assessor's Parcel of Final Map Property, at up to 100% of the Maximum Special Tax for Maintenance Services applicable to each such Assessor's Parcel as needed to satisfy the Special Tax Requirement for Maintenance Services.

3. Commencing with Fiscal Year 2017-18 and for each subsequent Fiscal Year, the City Council shall levy Special Taxes for Public Services on all Taxable Property until the amount of the Special Tax for Public Services equals the Special Tax Requirement for Public Services in accordance with the following steps:

Step One: The Special Tax for Public Services shall be levied Proportionately on each Assessor's Parcel of Developed Property at up to 100% of the applicable Maximum Special Tax for Public Services as needed to satisfy the Special Tax Requirement for Public Services.

Under no circumstances will the Special Tax for Facilities, the Special Tax for Maintenance Services, or the Special Tax for Public Services levied against any Assessor's Parcel used as a private residence be increased as a consequence of delinquency or default by the owner of any other Assessor's Parcel or Parcels within the CFD by more than ten percent (10%) of the Special Tax that would have been levied in that Fiscal Year, had there never been any such delinquencies or defaults, pursuant to California Government Code Section 53321(d), as in effect on the date of formation of CFD No. 2016-2.

**SECTION G
PREPAYMENT OF SPECIAL TAX FOR FACILITIES**

The following additional definitions apply to this Section G:

“CFD Public Facilities” means \$10,000,000, or such lesser amount as determined by the CFD Administrator, expressed in 2017 dollars, which shall increase by the Construction Inflation Index on January 1, 2018, and on each January 1 thereafter, or such lower amount (i) shall be determined by the City as sufficient to provide the public facilities under the authorized bonding program for CFD No. 2016-2, or (ii) determined by the City Council concurrently with a covenant that it will not issue any more Bonds to be supported by Special Taxes levied under this Rate and Method of Apportionment.

“Construction Fund” means an account specifically identified in the Indenture or functionally equivalent to hold funds, which are currently available for expenditure to acquire or construct public facilities eligible under CFD No. 2016-2.

“Construction Inflation Index” means the annual percentage change in the Engineering News-Record Building Cost Index for the city of Los Angeles, measured as of the Calendar Year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the City that is reasonably comparable to the Engineering News-Record Building Cost Index for the City of Los Angeles.

“Future Facilities Costs” means the CFD Public Facilities minus public facility costs available to be funded through existing construction or escrow accounts that have been funded by the Outstanding Bonds, and minus public facility costs funded by interest earnings on the Construction Fund actually earned prior to the date of prepayment.

“Outstanding Bonds” means all previously issued Bonds issued and secured by the levy of Special Taxes for Facilities which will remain outstanding after the first interest and/or principal payment date following the current Fiscal Year, excluding Bonds to be redeemed at a later date with the proceeds of prior prepayments of Special Taxes for Facilities.

The Special Tax for Facilities obligation of an Assessor's Parcel of Developed Property, an Assessor's Parcel of Final Map Property or Undeveloped Property for which a building permit has been issued or an Assessor's Parcel of Undeveloped Property that is classified as Undeveloped Property pursuant to Section J may be prepaid in full, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax for Facilities obligation would be prepaid. The Prepayment Amount for an Assessor's Parcel eligible for prepayment shall be determined as described below.

An owner of an Assessor's Parcel intending to prepay the Special Tax for Facilities obligation shall provide the City with written notice of intent to prepay, and within 5 days of receipt of such notice, the City shall notify such owner of the amount of the non-refundable deposit determined to cover the cost to be incurred by CFD No. 2016-2 in calculating the proper amount of a prepayment. Within 15 days of receipt of such non-refundable deposit, the City shall notify such owner of the prepayment amount of such Assessor's Parcel.

The Prepayment Amount for each applicable Assessor's Parcel shall be calculated according to the following formula (capitalized terms defined below):

	Bond Redemption Amount
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance
plus	Administrative Fee
less	<u>Reserve Fund Credit</u>
equals	Prepayment Amount

As of the date of prepayment, the Prepayment Amount shall be calculated as follows:

1. For Assessor's Parcels of Developed Property, compute the Assigned Special Tax for Facilities and the Backup Special Tax for Facilities applicable to the Assessor's Parcel. For Assessor's Parcels of Final Map Property or Undeveloped Property, excluding any Undeveloped Property pursuant to Section J, compute the Assigned Special Tax for Facilities and the Backup Special Tax for Facilities as though it was already designated as Developed Property based upon the building permit issued or to be issued for that Assessor's Parcel. For an Assessor's Parcel classified as Undeveloped Property pursuant to Section J, compute the Assigned Special Tax for Facilities for that Assessor's Parcel.
2. For each Assessor's Parcel of Developed Property, Final Map Property or Undeveloped Property to be prepaid, (a) divide the Assigned Special Tax for Facilities computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Assigned Special Tax for Facilities applicable to all Assessor's Parcels of Taxable Property at buildout, as reasonably determined by the CFD Administrator, and (b) divide the Backup Special Tax for Facilities computed pursuant to paragraph 1 for such Assessor's Parcel by the sum of the estimated Backup Special Tax for Facilities applicable to all Assessor's Parcels of Taxable Property at buildout, as reasonably determined by the CFD Administrator.
3. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the Outstanding Bonds. The product shall be the "Bond Redemption Amount".
4. Multiply the Bond Redemption Amount by the applicable redemption premium, if any, on the Outstanding Bonds to be redeemed with the proceeds of the Bond Redemption Amount. This product is the "Redemption Premium."
5. Compute the Future Facilities Cost.
6. Multiply the larger quotient computed pursuant to paragraph 2(a) or 2(b) by the amount determined pursuant to paragraph 5 to determine the Future Facilities Cost to be prepaid (the "Future Facilities Amount").
7. Compute the amount needed to pay interest on the Bond Redemption Amount, the Redemption Premium, and the Reserve Fund Credit (see step 11) to be redeemed with the proceeds of the Prepayment Amount until the earliest redemption date for the Outstanding Bonds.
8. Estimate the amount of interest earnings to be derived from the reinvestment of the Bond Redemption Amount plus the Redemption Premium until the earliest call date for the Outstanding Bonds.
9. Subtract the amount computed pursuant to paragraph 8 from the amount computed pursuant to paragraph 7. This difference is the "Defeasance."

10. Estimate the administrative fees and expenses associated with the prepayment, including the costs of computation of the Prepayment Amount, the costs of redeeming Bonds, and the costs of recording any notices to evidence the prepayment and the redemption. This amount is the "Administrative Fee."
11. Calculate the "Reserve Fund Credit" as the lesser of: (a) the expected reduction in the applicable reserve requirements, if any, associated with the redemption of Outstanding Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirements in effect after the redemption of Outstanding Bonds as a result of the prepayment from the balance in the applicable reserve funds on the prepayment date. Notwithstanding the foregoing, if the reserve fund requirement is satisfied by a surety bond or other instrument at the time of the prepayment, then no Reserve Fund Credit shall be given. Notwithstanding the foregoing, the Reserve Fund Credit shall in no event be less than 0.
12. The Prepayment Amount is equal to the sum of the Bond Redemption Amount, the Redemption Premium, the Future Facilities Amount, the Defeasance, and the Administrative Fee, less the Reserve Fund Credit.

With respect to a Special Tax for Facilities obligation that is prepaid pursuant to this Section H, the City Council shall indicate in the records of CFD No. 2016-2 that there has been a prepayment of the Special Tax for Facilities obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such prepayment to indicate the prepayment of the Special Tax for Facilities obligation and the release of the Special Tax for Facilities lien on such Assessor's Parcel and the obligation of such Assessor's Parcel to pay such Special Taxes for Facilities shall cease.

Notwithstanding the foregoing, no prepayment will be allowed unless the amount of Special Tax for Facilities that may be levied on Taxable Property in each future Fiscal Year, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

**SECTION H
PARTIAL PREPAYMENT OF SPECIAL TAX FOR FACILITIES**

The Special Tax for Facilities obligation of an Assessor's Parcel of Developed Property, or an Assessor's Parcel of Final Map Property or Undeveloped Property for which a building permit has been issued and will be classified as Developed Property in the next Fiscal Year, as calculated in this Section H below, may be partially prepaid, provided that there are no delinquent Special Taxes, penalties, or interest charges outstanding with respect to such Assessor's Parcel at the time the Special Tax for Facilities obligation would be prepaid.

The Partial Prepayment Amount shall be calculated according to the following formula:

$$PP = P_G \times F$$

The terms above have the following meanings:

PP = the Partial Prepayment Amount.

P_G = the Prepayment Amount calculated according to Section G.

F = the percent by which the owner of the Assessor's Parcel is partially prepaying the Special Tax for Facilities obligation.

With respect to any Assessor's Parcel that is partially prepaid, the City Council shall indicate in the record of CFD No. 2016-2 that there has been a partial prepayment of the Special Tax for Facilities obligation and shall cause a suitable notice to be recorded in compliance with the Act within thirty (30) days of receipt of such partial prepayment of the Special Tax for Facilities obligation, to indicate the partial prepayment of the Special Tax for

Facilities obligation and the partial release of the Special Tax for Facilities lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay such prepaid portion of the Special Tax for Facilities shall cease.

Notwithstanding the foregoing, no partial prepayment will be allowed unless the amount of Special Tax for Facilities that may be levied on Taxable Property in each future Fiscal Year after such partial prepayment, net of Administrative Expenses, shall be at least 1.1 times the regularly scheduled annual interest and principal payments on all currently Outstanding Bonds in each future Fiscal Year.

**SECTION I
TERMINATION OF SPECIAL TAX**

For each Fiscal Year that any Bonds are outstanding the Special Tax for Facilities shall be levied on all Assessor's Parcels subject to the Special Tax for Facilities. If any delinquent Special Tax for Facilities remain uncollected prior to or after all Bonds are retired, the Special Tax for Facilities may be levied to the extent necessary to reimburse CFD No. 2016-2 for uncollected Special Taxes for Facilities associated with the levy of such Special Taxes for Facilities, but no later than 2055-56 Fiscal Year. The Special Tax for Maintenance Services and the Special Tax for Public Services shall be levied as long as each is needed to meet the Special Tax Requirement for Maintenance Services and the Special Tax Requirement for Public Services, as determined at the sole discretion of the City Council.

**SECTION J
EXEMPTIONS**

The City shall classify as Exempt Property (i) Assessor's Parcels defined as Public Property, (ii) Assessor's Parcels which are used as places of worship and are exempt from *ad valorem* property taxes because they are owned by a religious organization, (iii) Assessor's Parcels used exclusively by a Property Owner's Association, or (iv) Assessor's Parcels with public or utility easements making impractical their utilization for other than the purposes set forth in the easement, provided that no such classification would reduce the sum of the Taxable Property to less than the Minimum Acreage per Zone. Notwithstanding the above, the City Council shall not classify an Assessor's Parcel as Exempt Property if such classification would reduce the sum of the Taxable Property to less than the Minimum Acreage per Zone. Assessor's Parcels which cannot be classified as Exempt Property because such classification would reduce the Acreage of the Taxable Property to less than the Minimum Acreage per Zone will continue to be classified as Taxable Property, and will continue to be subject to Special Taxes accordingly.

Tax-exempt status will be assigned by the CFD Administrator in chronological order. If an Assessor's Parcel's classification is changed after the initial status is assigned, then its tax-exempt status will be revoked.

**SECTION K
APPEALS**

Any taxpayer may file a written appeal of the Special Taxes on his/her Assessor's Parcel(s) with the CFD Administrator, provided that the appellant is current in his/her payments of Special Taxes. During pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The appeal must specify the reasons why the appellant claims the Special Tax is in error. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, the CFD Administrator shall take any of the following actions, in order of priority, in order to correct the error:

- (i) amend the Special Tax levy for the current Fiscal Year prior to the payment date;
- (ii) require the CFD to reimburse the taxpayer the amount of the overpayment to the extent of the available funds of CFD No. 2016-2; or
- (iii) grant a credit against, eliminate or reduce the future Special Taxes levied on the taxpayer's property within CFD No. 2016-2 in the amount of the overpayment provided that the CFD Administrator can certify there are sufficient Special Taxes to pay for the Special Tax Requirements for Facilities.

**SECTION L
MANNER OF COLLECTION**

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes, provided, however, that CFD No. 2016-2 may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations.

**SECTION M
INTERPRETATIONS**

The City Council may interpret this Rate and Method of Apportionment of Special Tax by ordinance or resolution for purposes of clarifying any vagueness or ambiguity. Any decision of the City Council shall be final and binding as to all persons.

APPENDIX B

FORM OF OPINION OF BOND COUNSEL

Bond Counsel will deliver an opinion for the Bonds substantially in the form set forth below:

_____, 2019

City of Beaumont
 Community Facilities District No. 2016-2 (Sundance)
 Beaumont, California

*Re: \$ _____ City of Beaumont Community Facilities District No. 2016-2 (Sundance)
 2019 Special Tax Bonds*

Ladies and Gentlemen:

We have examined the Constitution and the laws of the State of California, a certified record of the proceedings of the City of Beaumont (the "City") taken in connection with the authorization and issuance by the City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the "District") of its 2019 Special Tax Bonds in the aggregate principal amount of \$ _____ (the "Bonds") and such other information and documents as we consider necessary to render this opinion. In rendering this opinion, we have relied upon certain representations of fact and certifications made by the District, the initial purchasers of the Bonds and others. We have not undertaken to verify through independent investigation the accuracy of the representations and certifications relied upon by us.

The Bonds have been issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (comprising Chapter 2.5 of Part 1 of Division 2 of Title 5 of the Government Code of the State of California), a resolution adopted by the City Council of the City, acting in its capacity as the legislative body of the District, on June 18, 2019, and the Bond Indenture dated as of July 1, 2019 (the "Indenture"), by and between the District and Wilmington Trust, National Association, as trustee. All capitalized terms not defined herein shall have the meaning set forth in the Indenture.

Based upon our examination of the foregoing, and in reliance thereon and on all matters of fact as we deem relevant under the circumstances, and upon consideration of applicable laws, we are of the opinion that:

(1) The Bonds have been duly and validly authorized by the District and are legal, valid and binding limited obligations of the District, enforceable in accordance with their terms and the terms of the Indenture. The Bonds are limited obligations of the District but are not a debt of the City, the County of Riverside, the State of California or any other political subdivision thereof within the meaning of any constitutional or statutory limitation, and, except for the Special Taxes, neither the faith and credit nor the taxing power of the City, the County of Riverside, the State of California, or any of its political subdivisions is pledged for the payment thereof.

(2) The execution and delivery of the Indenture has been duly authorized by the District, and the Indenture is valid and binding upon the District and is enforceable in accordance with its terms; provided, however, we express no opinion as to the enforceability of the covenant of the District contained in the Indenture to levy Special Taxes for the payment of Administrative Expenses and we express no opinion as to any provisions with respect to indemnification, penalty, contribution, choice of law, choice of forum or waiver provisions contained therein.

(3) Under existing statutes, regulations, rulings and judicial decisions, interest (and original issue discount) on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals.

(4) Interest (and original issue discount) on the Bonds is exempt from State of California personal income tax.

(5) The difference between the issue price of a Bond (the first price at which a substantial amount of the Bonds of a maturity are to be sold to the public) and the stated redemption price at maturity with respect to such Bond constitutes original issue discount. Original issue discount accrues under a constant yield method, and original issue discount will accrue to a Bondowner before receipt of cash attributable to such excludable income. The amount of original issue discount deemed received by a Bondowner will increase the Bondowner's basis in the applicable Bond. Original issue discount that accrues for the Bondowner is excluded from the gross income of such owner for federal income tax purposes, is not an item of tax preference for purposes of calculating the federal alternative minimum tax imposed on individuals and is exempt from State of California personal income tax.

(6) The amount by which a Bondowner's original basis for determining loss on sale or exchange in the applicable Bond (generally the purchase price) exceeds the amount payable on maturity (or on an earlier call date) constitutes amortizable Bond premium which must be amortized under Section 171 of the Internal Revenue Code of 1986, as amended (the "Code"); such amortizable Bond premium reduces the Bondowner's basis in the applicable Bond (and the amount of tax-exempt interest received), and is not deductible for federal income tax purposes. The basis reduction as a result of the amortization of Bond premium may result in a Bondowner realizing a taxable gain when a Bond is sold by the owner for an amount equal to or less (under certain circumstances) than the original cost of the Bond to the owner.

The opinion expressed in paragraphs (3) and (5) above as to the exclusion from gross income for federal income tax purposes of interest (and original issue discount) on the Bonds is subject to the condition that the District complies with all requirements of the Code, that must be satisfied subsequent to the issuance of the Bonds to assure that such interest (and original issue discount) will not become includable in gross income for federal income tax purposes. Failure to comply with such requirements of the Code might cause interest (and original issue discount) on the Bonds to be included in gross income for federal income tax purposes retroactive to the date of issuance of the Bonds. The District has covenanted to comply with all such requirements. Except as set forth in paragraphs (3), (4), (5) and (6) above, we express no opinion as to any tax consequences related to the Bonds.

The opinions expressed herein are based upon our analysis and interpretation of existing laws, regulations, rulings and judicial decisions and cover certain matters not directly addressed by such authorities. We call attention to the fact that the rights and obligations of the District under the Indenture and the Bonds are subject to and may be limited by bankruptcy, insolvency, reorganization, moratorium, fraudulent conveyance and other similar laws affecting creditors' rights, to the application of equitable principles if equitable remedies are sought, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against public agencies in the State.

Our opinion is limited to matters governed by the laws of the State of California and federal law. We assume no responsibility with respect to the applicability or the effect of the laws of any other jurisdiction and express no opinion as to the enforceability of the choice of law provisions contained in the Indenture.

We express no opinion herein as to the accuracy, completeness or sufficiency of the Official Statement relating to the Bonds or other offering material relating to the Bonds and expressly disclaim any duty to advise the owners of the Bonds with respect to matters contained in the Official Statement.

Certain requirements and procedures contained or referred to in the Indenture and Tax Certificate may be changed, and certain actions may be taken or omitted, under the circumstances and subject to the terms and conditions set forth in the Indenture and Tax Certificate relating to the Bonds, upon the advice or with the approving opinion of counsel nationally recognized in the area of tax-exempt obligations. We express no opinion as to the effect on the exclusion from gross income for federal income tax purposes of the interest (and original issue discount) on any Bonds if any such change occurs or action is taken or omitted upon the advice or approval of counsel other than Stradling Yocca Carlson & Rauth, a Professional Corporation.

We call attention to the fact that the foregoing opinions may be affected by actions taken (or not taken) or events occurring (or not occurring) after the date hereof. We have not undertaken to determine, or to inform any person, whether such actions or events are taken (or not taken) or do occur (or do not occur). Our engagement as bond counsel to the District terminates upon the issuance of the Bonds.

Respectfully submitted,

APPENDIX C

**DEMOGRAPHIC INFORMATION REGARDING THE COUNTY OF RIVERSIDE
AND THE CITY OF BEAUMONT**

The Bonds are not obligations of the City of Beaumont (the "City") or the County of Riverside (the "County") and do not represent a lien or charge against any funds or property of the City or the County. The following information is provided only to give prospective investors an overview of the general economic condition of the City, the County and the State of California (the "State").

General

The City was incorporated in 1912 under the General Laws of the State. The City is located approximately 78 miles east of Los Angeles and encompasses an area of 30.9 square miles. The City currently has an estimated population of approximately 48,401 persons.

Population

The following table offers population figures for the City, the County and the State for 2015 through 2019.

<i>Area</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>	<i>2019</i>
City of Beaumont	42,937	44,746	45,167	46,545	48,401
County of Riverside	2,321,837	2,350,992	2,384,660	2,412,536	2,440,124
State of California	38,952,462	39,214,803	39,504,609	39,740,508	39,927,315

Source: California State Department of Finance, Demographic Research Unit. March 2010 Benchmark.

Building Activity

The following tables provide summaries of the building permit valuations and the number of new dwelling units authorized in the City and County from 2013 through 2017.

**BUILDING PERMIT VALUATIONS
City of Beaumont
2013-2017**

	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
Valuation (\$000):					
Residential	\$81,053	\$73,329	\$78,326	\$85,627	\$121,802
Non-residential	<u>24,017</u>	<u>5,375</u>	<u>6,911</u>	<u>33,002</u>	<u>10,219</u>
Total*	\$105,070	\$79,204	\$85,237	\$118,629	\$132,021
Residential Units:					
Single family	496	435	452	443	715
Multiple family	<u>0</u>	<u>0</u>	<u>0</u>	<u>38</u>	<u>2</u>
Total	496	435	452	481	717

* Totals may not add to sums because of rounding.
Source: Construction Industry Research Board.

BUILDING PERMIT VALUATIONS
County of Riverside
2013-2017

	<i>2013</i>	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>
Valuation (\$000):					
Residential	\$1,375,593	\$1,621,751	\$1,536,742	\$1,759,535	\$1,903,417
Non-residential	<u>873,977</u>	<u>814,990</u>	<u>911,465</u>	<u>1,346,019</u>	<u>1,433,691</u>
Total*	<u>\$2,249,570</u>	<u>\$2,436,741</u>	<u>\$2,448,207</u>	<u>\$3,105,554</u>	<u>\$3,337,108</u>
Residential Units:					
Single family	4,716	5,007	5,007	5,662	6,265
Multiple family	<u>1,427</u>	<u>1,931</u>	<u>1,189</u>	<u>1,039</u>	<u>1,070</u>
Total	6,143	6,938	6,196	6,701	7,335

* Totals may not add to sums because of rounding.
 Source: Construction Industry Research Board.

Employment

The following tables show the largest employers located in the County as of fiscal year 2018.

LARGEST EMPLOYERS
County of Riverside
2018

<i>Rank</i>	<i>Name of Business</i>	<i>Employees</i>	<i>Type of Business</i>
1.	County of Riverside	22,038	County Government
2.	March Air Reserve Base	9,000	Military Reserve Base
3.	University of California-Riverside	8,829	University
4.	Kaiser Permanente Riverside Medical Center	5,500	Medical Center
5.	Corona-Norco Unified School District	5,478	School District
6.	Pechanga Resort and Casino	4,750	Casino & Resort
7.	Riverside Unified School District	4,200	School District
8.	Hemet Unified School District	4,058	School District
9.	Riverside University Health Systems-Medical Center	3,965	Medical Center
10.	Morongo Casino, Resort & Spa	3,800	Casino & Resort

Source: County of Riverside Comprehensive Annual Financial Report for the year ending June 30, 2018.

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Employment and Industry

Employment data by industry is not separately reported on an annual basis for the City but is compiled for the Riverside-San Bernardino-Ontario Metropolitan Statistical Area (the “MSA”), which includes all of Riverside and San Bernardino Counties. In addition to varied manufacturing employment, the MSA has large and growing commercial and service sector employment, as reflected in the table below.

The following table represents the Annual Average Labor Force and Industry Employment for the County for the period from 2014 through 2018.

**RIVERSIDE-SAN BERNARDINO-ONTARIO MSA
INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE**

	<i>2014</i>	<i>2015</i>	<i>2016</i>	<i>2017</i>	<i>2018</i>
Civilian Labor Force	1,916,000	1,954,200	1,983,300	2,017,700	2,053,400
Civilian Employment	1,761,200	1,825,800	1,865,200	1,914,900	1,966,800
Civilian Unemployment	155,300	128,500	118,000	102,800	86,600
Civilian Unemployment Rate	8.1%	6.6%	6.0%	5.1%	4.2%
Total Farm	14,400	14,800	14,600	14,500	14,500
Total Nonfarm	1,290,400	1,354,400	1,403,200	1,454,900	1,504,200
Total Private	1,061,600	1,121,100	1,160,900	1,203,900	1,246,600
Goods Producing	170,300	183,100	191,600	197,600	207,300
Mining and Logging	1,300	1,300	900	1,000	1,200
Construction	77,600	85,700	92,000	97,400	104,800
Manufacturing	91,400	96,200	98,700	99,200	101,300
Service Providing	1,120,100	1,171,200	1,211,700	1,257,300	1,296,900
Trade, Transportation and Utilities	314,800	333,100	347,900	365,500	378,300
Wholesale Trade	58,100	60,500	61,600	62,600	64,900
Retail Trade	169,600	174,400	178,300	180,900	180,800
Transportation, Warehousing and Utilities	87,100	98,100	108,000	122,100	132,600
Information	11,300	11,400	11,500	11,300	11,200
Financial Activities	42,900	44,000	44,600	44,200	43,700
Professional and Business Services	138,700	147,400	144,900	146,900	150,600
Educational and Health Services	195,900	206,300	215,700	226,700	240,000
Leisure and Hospitality	144,800	151,700	160,200	166,300	170,000
Other Services	43,000	44,000	44,600	45,400	45,600
Government	<u>228,800</u>	<u>233,300</u>	<u>242,300</u>	<u>251,000</u>	<u>257,500</u>
Total, All Industries	<u>1,304,800</u>	<u>1,369,100</u>	<u>1,417,900</u>	<u>1,469,400</u>	<u>1,518,700</u>

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households and persons involved in labor-management trade disputes. Employment reported by place of work. Items may not add to total due to independent rounding. The “Total, All Industries” data is not directly comparable to the employment data found in this Appendix C.

Source: State of California, Employment Development Department, March 2018 Benchmark.

The following table summarizes the labor force, employment and unemployment figures for the period from 2014 through 2018 for the City, the County, the State and the nation as a whole.

**CITY OF BEAUMONT,
COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA AND UNITED STATES
Average Annual Civilian Labor Force, Employment and Unemployment**

<i>Year and Area</i>	<i>Labor Force</i>	<i>Employment⁽¹⁾</i>	<i>Unemployment⁽²⁾</i>	<i>Unemployment Rate (%)⁽³⁾</i>
2014				
Beaumont	18,500	17,600	900	4.9%
Riverside County	1,011,100	928,300	82,900	8.2
State of California	18,758,400	17,351,300	1,407,100	7.5
United States ⁽⁴⁾	155,922,000	146,305,000	9,617,000	6.2
2015				
Beaumont	19,500	18,800	800	3.9%
Riverside County	1,034,200	965,000	69,300	6.7
State of California	18,896,500	17,724,800	1,171,700	6.2
United States ⁽⁴⁾	157,130,000	148,834,000	8,296,000	5.3
2016				
Beaumont	20,600	19,600	1,000	4.8%
Riverside County	1,052,600	988,200	64,500	6.1
State of California	19,093,700	18,048,800	1,044,800	5.5
United States ⁽⁴⁾	159,187,000	151,436,000	7,751,000	4.9
2017				
Beaumont	21,500	20,600	900	4.0%
Riverside County	1,072,500	1,016,200	56,300	5.2
State of California	19,312,000	18,393,100	918,900	4.8
United States ⁽⁴⁾	160,320,000	153,337,000	6,982,000	4.4
2018				
Beaumont	21,900	21,200	700	3.3%
Riverside County	1,092,400	1,044,600	47,800	4.4
State of California	19,398,200	18,582,800	815,400	4.2
United States ⁽⁴⁾	162,075,000	155,761,000	6,314,000	3.9

(1) Includes persons involved in labor-management trade disputes.

(2) Includes all persons without jobs who are actively seeking work.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

(4) Not strictly comparable with data for prior years.

Source: California Employment Development Department, March 2018 Benchmark and U.S. Department of Labor, Bureau of Labor Statistics.

Personal Income

Personal Income is the income that is received by all persons from all sources. It is calculated as the sum of wage and salary disbursements, supplements to wages and salaries, proprietors' income with inventory valuation and capital consumption adjustments, rental income of persons with capital consumption adjustment, personal dividend income, personal interest income, and personal current transfer receipts, less contributions for government social insurance.

The personal income of an area is the income that is received by, or on behalf of, all the individuals who live in the area; therefore, the estimates of personal income are presented by the place of residence of the income recipients.

Total personal income in Riverside County increased by 52% between 2006 and 2017. The following tables summarize personal income for Riverside County for 2006 through 2017.

**PERSONAL INCOME
Riverside County
2006-2017
(Dollars in Thousands)**

<i>Year</i>	<i>Riverside County</i>	<i>Annual Percent Change</i>
2006	\$62,418,784	N/A
2007	65,610,952	5.1%
2008	66,723,925	1.7
2009	65,369,622	(2.0)
2010	67,568,045	3.4
2011	71,949,357	6.5
2012	74,075,529	3.0
2013	76,493,787	3.3
2014	80,637,967	5.4
2015	86,092,487	6.8
2016	90,273,976	4.9
2017	95,140,992	5.4

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

The following table summarizes per capita personal income for Riverside County, California and the United States for 2006-2017. This measure of income is calculated as the personal income of the residents of the area divided by the resident population of the area.

**PER CAPITA PERSONAL INCOME
Riverside County, State of California and the United States
2006-2017**

<i>Year</i>	<i>Riverside County</i>	<i>California</i>	<i>United States</i>
2006	\$31,018	\$42,139	\$38,114
2007	31,617	43,669	39,844
2008	31,627	43,895	40,904
2009	30,451	42,050	39,284
2010	30,685	43,609	40,545
2011	32,179	46,145	42,727
2012	32,707	48,751	44,582
2013	33,383	49,173	44,826
2014	34,732	52,237	47,025
2015	36,603	55,679	48,940
2016	37,827	57,497	49,831
2017	39,261	59,796	51,640

Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Taxable Sales

The table below presents taxable sales for the years 2011 through 2017 and the first quarter of 2018 for the City.

**TAXABLE SALES
City of Beaumont
2011-2018⁽¹⁾⁽²⁾
(Dollars in Thousands)**

<i>Year</i>	<i>Permits</i>	<i>Taxable Transactions</i>
2011	1,016	\$317,192
2012	1,101	334,876
2013	1,046	352,449
2014	1,064	370,748
2015 ⁽¹⁾	1,219	394,992
2016	1,264	414,905
2017	1,281	429,064
2018 ⁽²⁾	1,299	107,010

⁽¹⁾ Beginning in 2015, the outlet counts in these reports show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 are not comparable to that of prior years.

⁽²⁾ Through first quarter of 2018.

Source: "Taxable Sales in California (Sales & Use Tax)" - California State Board of Equalization.

The table below presents taxable sales for the years 2011 through 2017 and the first quarter of 2018 for the County.

**TAXABLE SALES
County of Riverside
2011-2018⁽¹⁾⁽²⁾
(Dollars in Thousands)**

<i>Year</i>	<i>Permits</i>	<i>Taxable Transactions</i>
2011	46,886	\$25,641,497
2012	46,316	28,096,009
2013	46,805	30,065,467
2014	48,453	32,035,687
2015 ⁽¹⁾	56,846	32,910,909
2016	57,742	34,231,143
2017	58,969	34,132,814
2018 ⁽²⁾	59,852	9,193,479

⁽¹⁾ Beginning in 2015, the outlet counts in these reports show the number of outlets that were active during the reporting period. Retailers that operate part-time are now tabulated with store retailers. Industry-level data for 2015 are not comparable to that of prior years.

⁽²⁾ Through first quarter of 2018.

Source: "Taxable Sales in California (Sales & Use Tax)" - California State Board of Equalization.

APPENDIX D

SUMMARY OF CERTAIN PROVISIONS OF THE BOND INDENTURE

The following is a summary of certain definitions and provisions of the Indenture which is not described elsewhere in the Official Statement. This Summary does not purport to be comprehensive and reference should be made to the Indenture for a full and complete statement of its provisions.

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated _____, 2019 (the "Disclosure Certificate") is executed and delivered by City of Beaumont Community Facilities District No. 2016-2 (Sundance) (the "District") in connection with the issuance and delivery by the District of its \$_____ 2019 Special Tax Bonds (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted on June 18, 2019, by the City Council of the City of Beaumont, acting as the legislative body of the District, and the Bond Indenture dated as of July 1, 2019, by and between the District and Wilmington Trust, National Association, as trustee. The District covenants as follows:

Section 1. Purpose of the Disclosure Agreement. This Disclosure Certificate is being executed and delivered by the District for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the Underwriter in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission.

Section 2. Definitions. In addition to the definitions set forth in the Indenture, 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 District pursuant to, and as described in, Section 3 and 4 of this Disclosure Certificate.

"Beneficial Owner" shall mean any person which (a) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, any Bonds (including persons holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of any Bonds for federal income purposes.

"City" means the City of Beaumont.

"Disclosure Representative" shall mean the City Manager, or his or her designee, or such other officer or employee as the District shall designate in writing to the Dissemination Agent from time to time.

"Dissemination Agent" shall mean, initially, Webb Municipal Finance, LLC, or any successor Dissemination Agent designated in writing by the District and which has filed with the then current Dissemination Agent a written acceptance of such designation.

"District" shall mean City of Beaumont Community Facilities District No. 2016-2 (Sundance).

"EMMA" shall mean the Electronic Municipal Market Access system of 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 and any successor entity designated under the Rule as the repository for filings made pursuant to the Rule.

"Official Statement" shall mean that certain Official Statement for the Bonds dated _____, 2019.

"Owners" shall mean the registered owners of the Bonds as set forth in the registration books maintained by the Trustee.

“Repository” shall mean the MSRB or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Unless otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the EMMA website of the MSRB, currently located at <http://emma.msrb.org>.

“Rule” shall mean Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

“State” shall mean the State of California.

“Trustee” means Wilmington Trust, National Association or such other entity appointed by the District pursuant to the Indenture to act as the trustee under the Indenture.

“Underwriter” shall mean any underwriter of the Bonds required to comply with the Rule in connection with offering of the Bonds.

Section 3. Provision of Annual Reports.

(a) The District shall, or, if the Dissemination Agent is other than the District, upon written direction shall cause the Dissemination Agent to, not later than February 10 after the end of the District’s Fiscal Year (June 30) commencing with the report due by February 10, 2020, provide to the Repository 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, if any exist, 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 they are not available by that date. If the District’s fiscal year changes, the District shall give notice of such change in the same manner as for a Listed Event under Section 5(d).

(b) In the event that the Dissemination Agent is an entity other than the District, then the provisions of this Section 3(b) shall apply. Not later than fifteen (15) Business Days prior to the date specified in subsection (a) for providing the Annual Report, the District shall provide the Annual Report to the Dissemination Agent. If by fifteen (15) Business Days prior to the due date for an Annual Report the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the District to determine if the District will be filing the Annual Report in compliance with subsection (a). The District 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 District 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 EMMA by the date required in subsection (a), the Dissemination Agent shall send, in a timely manner, a notice to EMMA, in the form required by EMMA.

(d) If the Dissemination Agent is other than the District, the Dissemination Agent shall:

(i) determine each year prior to the date for providing the Annual Report the name and address of the repository if other than the MSRB through EMMA; and

(ii) promptly after receipt of the Annual Report, file a report with the District certifying that the Annual Report has been provided to EMMA and the date it was provided.

(c) Notwithstanding any other provision of this Disclosure Certificate, all filings shall be made in accordance with the MSRB's EMMA system or in another manner approved under the Rule.

Section 4. Content of Annual Reports. The Annual Report shall contain or include by reference the following:

(a) Financial Statements. The audited financial statements of the City for the prior fiscal year, if any have been prepared and which, if prepared, 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; provided, however, that the City may, from time to time, if required by federal or state legal requirements, modify the basis upon which its financial statements are prepared. In the event that the City shall modify the basis upon which its financial statements are prepared, the District shall provide the information referenced in Section 8 below regarding such modification. If the City is preparing audited financial statements and 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, and the audited financial statements shall be filed in the same manner as the Annual Report when they become available.

(b) Financial and Operating Data. The Annual Report shall contain or incorporate by reference the following:

(i) the principal amount of the Bonds outstanding as of the September 2 preceding the filing of the Annual Report;

(ii) the balance in each fund under the Indenture and the Reserve Requirement as of the September 30 preceding the filing of the Annual Report;

(iii) any changes to the Rate and Method of Apportionment of the Special Taxes approved or submitted to the qualified electors of the District for approval prior to the filing of the Annual Report;

(iv) an update of the value-to-lien ratio for the District substantially in the form of Table 2 in the Official Statement based upon the most recent Special Tax levy preceding the date of the Annual Report and on the assessed values of property for the current fiscal year;

(v) the status of any foreclosure actions being pursued by the District with respect to delinquent Special Taxes;

(vi) a statement whether the District has been included in the County of Riverside's Teeter Plan;

(vii) a description of the collection and delinquency rate of Special Taxes in the District for the Fiscal Year then ended; and

(viii) any information not already included under (i) through (vii) above that the District is required to file in its annual report pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982, as amended, with the California Debt and Investment Advisory Commission.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the District or related public entities, which have been submitted to EMMA or the Securities and Exchange Commission. If the document included by reference is a final official statement, it must be available from the MSRB through EMMA. The District 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 District shall give, or cause the Dissemination Agent to give, notice filed with the Repository of the occurrence of any of the following events with respect to the Bonds in a timely manner not more than ten (10) business days after the event:

1. principal and interest payment delinquencies;
2. unscheduled draws on debt service reserves reflecting financial difficulties;
3. unscheduled draws on credit enhancements reflecting financial difficulties;
4. substitution of credit or liquidity providers, or their failure to perform;
5. adverse tax opinions or the issuance by the Internal Revenue Service of proposed or final determinations of taxability or of a Notice of Proposed Issue (IRS Form 5701-TEB);
6. tender offers;
7. defeasances;
8. ratings changes;
9. bankruptcy, insolvency, receivership or similar proceedings; and

Note: for the purposes of the event identified in subparagraph (9), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for an obligated person in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the obligated person, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the obligated person.

10. 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.

(b) Pursuant to the provisions of this Section 5, the District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material:

1. unless described in paragraph 5(a)(5) above, notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

2. the consummation of a merger, consolidation or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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;
3. appointment of a successor or additional paying agent or the change of the name of a paying agent;
4. nonpayment related defaults;
5. modifications to the rights of Owners of the Bonds;
6. bond calls;
7. release, substitution or sale of property securing repayment of the Bonds; and
8. incurrence of a financial obligation of the obligated person, 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 reflect financial difficulties.

(c) Upon the occurrence of a Listed Event under Section 5(b) above, the District shall as soon as possible determine if such event would be material under applicable federal securities laws.

(d) If the District determines that knowledge of the occurrence of a Listed Event under Section 5(b) would be material under applicable federal securities laws, the District shall file a notice of such occurrence with the Repository in a timely manner not more than 10 business days after the event.

(e) The District hereby agrees that the undertaking set forth in this Disclosure Certificate is the responsibility of the District and that the Dissemination Agent, if other than the District, shall not be responsible for determining whether the District's instructions to the Dissemination Agent under this Section 5 comply with the requirements of the Rule.

(f) For purposes of the events identified in subparagraphs (a)(10) and (b)(8) under this Section 5, the term "financial obligation" means a (i) debt obligation; (ii) 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) guarantee of (i) or (ii). The term financial obligation shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule and a continuing disclosure undertaking has been entered into.

Section 6. Termination of Reporting Obligation. The District's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds.

Section 7. Dissemination Agent. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The initial Dissemination Agent shall be Webb Municipal Finance, LLC. The Dissemination Agent, if other than the District, shall not be responsible in any manner for the content of any notice or report prepared by the District pursuant to this Disclosure Certificate. If at any time there is not any other designated Dissemination Agent, the Trustee shall be the Dissemination Agent. The initial Dissemination Agent shall be the District. The Dissemination Agent may resign by providing thirty (30) days written notice to the District and the Trustee.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the District 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 is related to the provisions of Sections 3(a), 4, or 5, 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 an obligated person with respect to the Bonds, or the type of business conducted;

(b) The undertaking hereunder, as amended or taking into account such waiver, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the original issuance of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) The amendment or waiver either (i) is approved by the Owners of the Bonds in the same manner as provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of the Owners or Beneficial Owners of the Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the District shall describe such amendment in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or, in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the District. In addition, if the amendment related to the accounting principles to be followed in preparing financial statements, (i) notice of such change shall be given in the same manner as for a Listed Event under Section 5(a), and (ii) the Annual Report for the year in which the change is made should present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the District 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 District 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 District shall have no obligation under this Agreement 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 District to comply with any provision of this Disclosure Certificate, the Trustee at the written direction of any Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Bonds, shall, or any Owner 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 District to comply with its obligations under this Disclosure Certificate, but only to the extent funds have been provided to it or it has been otherwise indemnified to its satisfaction from any cost, liability, expense or additional charges of the Trustee whatsoever, including, without limitation, fees and expenses of its attorney. 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 shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. Where an entity other than the District is acting as the Dissemination Agent, the Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate, and the District agrees to indemnify and save the Dissemination Agent and its officers, directors, employees and agents, harmless against any loss, expense and

liabilities which they may incur arising out of or in the exercise or performance of their 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 obligations of the District under this Section shall survive resignation or removal of the Dissemination Agent and payment of the Bonds.

Section 12. Notices. Any notices or communications to or among any of the parties to this Disclosure Certificate may be given as follows:

District: City of Beaumont
Community Facilities District No. 2016-2 (Sundance)
550 East Sixth Street
Beaumont, CA 92223
Attn: City Manager

Underwriter: Raymond James & Associates, Inc.
One Embarcadero Center, Suite 650
San Francisco, CA 94111
Attn: Public Finance

Any person may, by written notice to the other persons listed above, designate a different address or telephone number(s) to which subsequent notice or communications should be sent.

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the District, the Trustee, the Dissemination Agent, the Underwriter and Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

This Disclosure Certificate is executed as of the date and year first set forth above.

CITY OF BEAUMONT COMMUNITY FACILITIES
DISTRICT NO. 2016-2 (SUNDANCE)

By: _____
Disclosure Representative

APPENDIX F

BOOK-ENTRY ONLY SYSTEM

The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC to the District which the District believes to be reliable, but the District and the Underwriter do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters, but should instead confirm the same with DTC or the DTC Participants, as the case may be.

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 Bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited through the facilities of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 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 Bonds representing their ownership interests in 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. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as prepayments, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend 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 District 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 Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District 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.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC.

THE PAYING AGENT, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.

Integra Realty Resources
San Francisco

Appraisal of Real Property

Sundance
E/O Cherry Ave, W/O Starlight Ave, S/O Cougar Way
Beaumont, Riverside County, California 92223

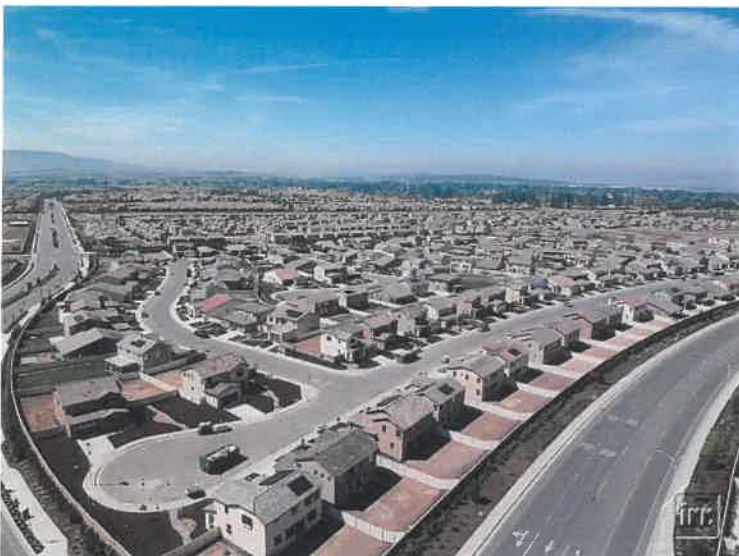
Prepared For:
City of Beaumont

Effective Date of the Appraisal:
May 1, 2019

Report Format:
Appraisal Report – Standard Format

IRR - San Francisco
File Number: 192-2019-0070





Sundance
E/O Cherry Ave, W/O Starlight Ave, S/O Cougar Way
Beaumont, California

Integra Realty Resources
San Francisco

315 Montgomery Street
9th Floor
San Francisco, CA 94104

T 415.715.4690
F 916.435.4774
www.irr.com



June 4, 2019

Mr. Todd Parton
City Manager
City of Beaumont
550 E. 6th St.
Beaumont, CA 92223

SUBJECT: Market Value Appraisal
 Sundance
 E/O Cherry Ave, W/O Starlight Ave, S/O Cougar Way
 Beaumont, Riverside County, California 92223
 IRR - San Francisco File No. 192-2019-0070

Dear Mr. Parton:

Integra Realty Resources – San Francisco is pleased to submit the accompanying appraisal of the referenced property. The purpose of the appraisal is to develop an opinion of the market values (fee simple estate) of certain developed and undeveloped properties within the boundaries of the City of Beaumont Facilities District No. 2016-2 (Sundance). The client for the assignment is the City of Beaumont, and the intended use is for bond underwriting purposes.

CFD No. 2016-2 is comprised of residentially zoned land in the city of Beaumont. The subject property is bounded by Cherry Avenue to the west, Starlight Avenue to the east, and Cougar Way to the north. Specifically, the territory within CFD No. 2016-2 includes 527 lots which are being marketed as the Elara, Daybreak, Abrio, Skycrest and Cascade Subdivisions. Of the 527 Assessor's parcels within the boundaries of CFD No. 2016-2, 462 have completed single-family homes, including 9 model homes. Of the 462 completed homes, 275 of the Assessor's parcels do not have a complete assessed value for both land and improvements. As such, a "not-less than" estimate of market value for each of the five smallest floor plans within the five product lines being marketed within CFD No. 2016-2 was appraised and assigned to each respective Assessor's parcel. According to the provided 2018/19 Tax Roll, 292 of the completed and sold homes are identified as being owned by the merchant builder (Pardee Homes); however, of the 462 completed homes, 444 have been sold to individual owners.

Mr. Todd Parton
 City of Beaumont
 June 4, 2019
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The appraisal is intended to conform with the Uniform Standards of Professional Appraisal Practice (USPAP), the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute, and applicable state appraisal regulations.

To report the assignment results, we use the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

We have been requested to provide a market value of the appraised properties by ownership and Assessor’s parcel, as well as a cumulative, or aggregate, value of the properties, as of the date of value (May 1, 2019). The market value of the appraised properties, by ownership, as well as the cumulative, or aggregate, value of the appraised properties in CFD No. 2016-2 account for the impact of the Lien of the Special Tax securing the CFD No. 2016-2 Special Tax Bonds (“Bonds”).

As a result of our analysis, it is our opinion the cumulative, or aggregate, value, in accordance with the assumptions and conditions set forth in the attached document, as well as the Assessed Values of the 187 completed single-family residences not appraised, as of May 1, 2019, are as follows:

Final Value Conclusions			
Value Premise	Value per Parcel	No. of Parcels	Aggregate Value
Not-Less-Than Market Value per Completed Home*			
Cascade	\$296,000	91	\$26,936,000
Elara	\$268,000	80	\$21,440,000
Daybreak	\$325,000	56	\$18,200,000
Skycrest	\$375,000	10	\$3,750,000
Abrio	\$369,000	38	\$14,022,000
Not-Less-Than Market Value (Homes under Construction)	\$95,000	38	\$3,610,000
Market Value of Finished (Vacant) Lots	\$95,000	27	<u>\$2,565,000</u>
Aggregate Value of Appraised Properties			\$90,523,000
Aggregate Retail Value of Existing Homes based on Assessed Value (Fiscal Year 2018/19)			<u>\$56,382,061</u>
Total Aggregate Value of Appraised and Assessed Properties in the District			\$146,905,061

*Based on smallest floor plan within each subdivision



Mr. Todd Parton
City of Beaumont
June 4, 2019
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Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. None

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. It is a hypothetical condition of this Appraisal Report that certain proceeds from the Bonds will be available to reimburse for certain impact fees that have been paid. The estimate of market value accounts for the impact of the Lien of CFD No. 2016-2 for the Special Taxes securing the Bonds.
-

The estimates of value above represent a “not-less-than” value due to the fact we were requested to provide a market value of the smallest floor plan (by project) on each single-family residential lot improved with a completed home without a complete assessed improvement value assigned.

Any properties within CFD No. 2016-2 not subject to the Lien of the Special Tax securing the Bonds (public and quasi-public land use sites), in addition to those lots/parcels with completed improvements with an assigned complete assessed value for both land and improvements, are not a part of this Appraisal Report.

Please note the aggregate of the appraised values noted above *is not* the market value of the appraised properties in bulk. As defined by The Dictionary of Real Estate Appraisal, an aggregate value is the “total of multiple market value conclusions.” For purposes of this Appraisal Report, market value is estimated by ownership.



Mr. Todd Parton
City of Beaumont
June 4, 2019
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Respectfully submitted,

INTEGRA REALTY RESOURCES - SAN FRANCISCO



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Summary of Salient Facts and Conclusions

Property Name	Sundance
Address	E/O Cherry Ave, W/O Starlight Ave, S/O Cougar Way Beaumont, Riverside County, California 92223
Property Type	Land - Residential Subdivision
Zoning Designation	SPA, Specific Plan Area (Sundance)
Highest and Best Use	Single-family residential
Exposure Time; Marketing Period	12 months; 12 months
Effective Date of the Appraisal	May 1, 2019
Date of the Report	June 4, 2019
Property Interest Appraised	Fee Simple

Value Conclusion

Value Premise	Value per Parcel	No. of Parcels	Aggregate Value
Not-Less-Than Market Value per Completed Home*			
Cascade	\$296,000	91	\$26,936,000
Elara	\$268,000	80	\$21,440,000
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Aggregate Retail Value of Existing Homes based on Assessed Value (Fiscal Year 2018/19)			<u>\$56,382,061</u>
Total Aggregate Value of Appraised and Assessed Properties in the District			\$146,905,061

The values reported above are subject to the definitions, assumptions, and limiting conditions set forth in the accompanying report of which this summary is a part. No party other than City of Beaumont and its associated finance team may use or rely on the information, opinions, and conclusions contained in the report. It is assumed that the users of the report have read the entire report, including all of the definitions, assumptions, and limiting conditions contained therein.

*Based on smallest floor plan within each subdivision

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. None

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. It is a hypothetical condition of this Appraisal Report that certain proceeds from the Bonds will be available to reimburse for certain impact fees that have been paid. The estimate of market value accounts for the impact of the Lien of CFD No. 2016-2 for the Special Taxes securing the Bonds.

The estimates of value above represent a "not-less-than" value due to the fact we were requested to provide a market value of the smallest floor plan (by project) on each single-family residential lot improved with a completed home without a complete assessed improvement value assigned.

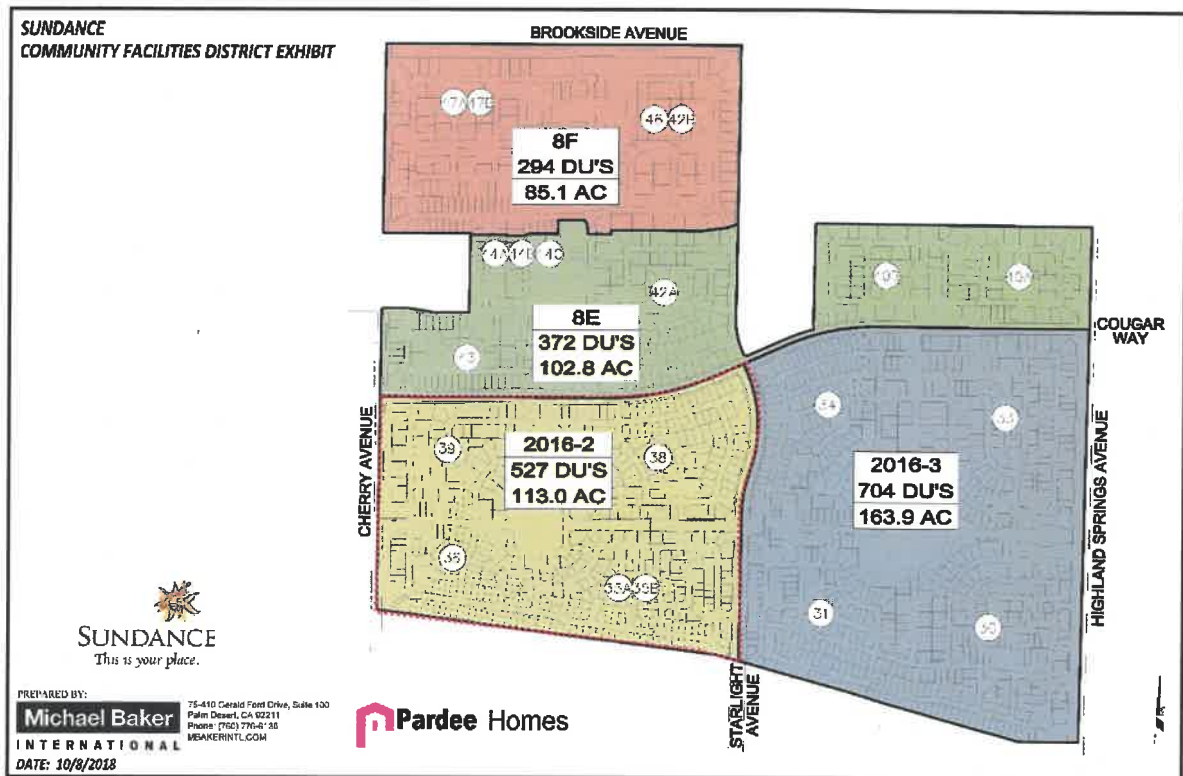
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General Information

Identification of Subject

CFD No. 2016-2 is comprised of residentially zoned land in the city of Beaumont. The subject property is bounded by Cherry Avenue to the west, Starlight Avenue to the east, and Cougar Way to the north. Specifically, the territory within CFD No. 2016-2 includes 527 lots which are being marketed as the Elara, Daybreak, Abrio, Skycrest and Cascade Subdivisions. Of the 527 Assessor's parcels within the boundaries of CFD No. 2016-2, 462 have completed single-family homes, including 9 model homes. Of the 462 completed homes, 275 of the Assessor's parcels do not have a complete assessed value for both land and improvements. As such, a "not-less than" estimate of market value for each of the five smallest floor plans within the five product lines being marketed within CFD No. 2016-2 was appraised and assigned to each respective Assessor's parcel. According to the provided 2018/19 Tax Roll, 292 of the completed and sold homes are identified as being owned by the merchant builder (Pardee Homes); however, of the 462 completed homes, 444 have been sold to individual owners.

The boundaries of the subject (highlighted in red) are presented as follows:



Sale History

The Appraisal Report has been conducted in accordance with appraisal standards and guidelines found in the Uniform Standards of Professional Appraisal Practice (USPAP) for Mass Appraisals, inasmuch this Appraisal Report does not provide a discussion of the sales history for each parcel appraised herein during the past three years. The scope of work outlined in this Appraisal Report is based on the specific intended use of this Appraisal Report. As will be shown and detailed herein, the appraised properties have been the subject of previous, recent and pending transactions as completed single-family homes currently being marketed for sale by Pardee Homes within CFD No. 2016-2.

Purpose of the Appraisal

The purpose of this Appraisal Report is to estimate the market value (*fee simple estate*), by ownership and Assessor's parcel, and the cumulative, or aggregate value of the appraised properties comprising a portion of the CFD No. 2016-2, subject to the hypothetical condition certain proceeds from the Bonds will be available to fund certain public facilities, as of the effective date of the appraisal, May 1, 2019. The date of the report is June 4, 2019. The appraisal is valid only as of the stated effective date or dates.

Definition of Market Value

Market value is defined as:

"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- Buyer and seller are typically motivated;
- Both parties are well informed or well advised, and acting in what they consider their own best interests;
- A reasonable time is allowed for exposure in the open market;
- Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Definition of Property Rights Appraised

Fee simple estate is defined as, "Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat."

(Source: Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015))

Intended Use and User

The intended use of the appraisal is for bond underwriting purposes. The client is the City of Beaumont. The intended users are the City of Beaumont and its associated finance team. The appraisal is not intended for any other use or user. No party or parties other than City of Beaumont and its associated finance team may use or rely on the information, opinions, and conclusions contained in this report.

Applicable Requirements

This appraisal is intended to conform to the requirements of the following:

- Uniform Standards of Professional Appraisal Practice (USPAP);
- Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute;
- Applicable state appraisal regulations;
- Interagency Appraisal and Evaluation Guidelines issued December 10, 2010;
- California Debt and Investment Advisory Commission (CDIAC) (2004).

Report Format

This report is prepared under the Appraisal Report option of Standards Rule 2-2(a) of USPAP. As USPAP gives appraisers the flexibility to vary the level of information in an Appraisal Report depending on the intended use and intended users of the appraisal, we adhere to the Integra Realty Resources internal standards for an Appraisal Report – Standard Format. This format summarizes the information analyzed, the appraisal methods employed, and the reasoning that supports the analyses, opinions, and conclusions.

Prior Services

USPAP requires appraisers to disclose to the client any other services they have provided in connection with the subject property in the prior three years, including valuation, consulting, property management, brokerage, or any other services. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.

Scope of Work

This Appraisal Report has been prepared in accordance with the Uniform Standards of Professional Appraisal Practice (USPAP). This analysis is intended to be an “appraisal assignment,” as defined by USPAP; the intention is the appraisal service be performed in such a manner that the result of the analysis, opinions, or conclusion be that of a disinterested third party.

Several legal and physical aspects of the appraised properties were researched and documented. A physical inspection of the property was completed and serves as the basis for the site description contained in this report. The sales history was verified by consulting public records. Zoning and entitlement information was collected from the City of Beaumont Planning Department (on-line resources). The subject's earthquake zones, flood zones and utilities were obtained from the respective agencies, and property tax information was obtained from the County of Riverside Assessor's Office on-line resources.

Data relating to the subject's neighborhood and surrounding market area were analyzed and documented. This information was obtained through personal inspections of portions of the neighborhood and market area; newspaper articles; real estate conferences; and interviews with various market participants, including property owners, property managers, land brokers, developers and local government agencies.

In this appraisal we determined the highest and best use of the subject property as though vacant based on the four standard tests (legal permissibility, physical possibility, financial feasibility and maximum productivity). As will be shown in the *Highest and Best Use Analysis* section, the highest and best use of the subject property is for near term single-family residential development (production homes).

The valuation began by employing the sales comparison approach to estimate the not-less-than market value for the completed single-family homes, based on the smallest floor plan marketed within each subdivision. Then, the extraction technique was utilized to estimate the market value of the single-family residential lots.

The market value estimates for the various taxable land use components described above were then assigned to the various Assessor's parcels comprising the Appraised Properties in order to derive the values, by ownership.

The market values estimated herein are based on a ***hypothetical condition***. USPAP defines a hypothetical condition as "a condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of the analysis." It is a hypothetical condition of this Appraisal Report that certain proceeds from the Bonds will be available to reimburse for certain impact fees which have been paid. The estimate of market value accounts for the impact of the Lien of CFD No. 2016-2 for the Special Taxes securing the Bonds.

Research and Analysis

The type and extent of our research and analysis is detailed in individual sections of the report. This includes the steps we took to verify comparable sales, which are disclosed in the comparable sale profile sheets in the addenda to the report. Although we make an effort to confirm the arms-length nature of each sale with a party to the transaction, it is sometimes necessary to rely on secondary verification from sources deemed reliable.

Inspection

Eric Segal, MAI, and Kevin Ziegenmeyer, MAI, conducted an on-site inspection on April 29, 2019.

Economic Analysis

Area Analysis – Riverside County

Introduction

Riverside County is part of a region known as the Inland Empire of southern California, southeast of Los Angeles. The county is bordered by San Bernardino County to the north, Orange County to the west, San Diego and Imperial counties to the south, and the state of Arizona to the east. Major cities in the county include Riverside, Moreno Valley, Corona, Murrieta and Temecula. In general, Riverside County is one of California’s fastest growing metropolitan areas. Many new residents are coming from the more expensive metropolitan areas of Los Angeles and San Diego.

Population

The county has a population of over 2.4 million and has grown at a rate of 1.3% per year for the past five years. The following table illustrates recent population trends for Riverside County.

Population Trends							
City	2013	2014	2015	2016	2017	2018	%/Yr (5-year)
Banning	30,380	30,549	30,746	30,967	31,170	31,282	0.6%
Beaumont	40,701	41,920	43,906	45,617	46,730	48,237	3.7%
Blythe	19,382	18,737	18,522	19,008	19,027	19,389	0.0%
Calimesa	7,936	8,036	8,114	8,212	8,567	8,876	2.4%
Canyon Lake	10,617	10,652	10,673	10,728	10,882	11,018	0.8%
Cathedral City	52,743	53,031	53,390	53,842	54,296	54,791	0.8%
Coachella	43,210	44,101	44,486	44,940	45,273	45,635	1.1%
Corona	158,489	160,955	162,396	163,341	166,819	168,574	1.3%
Desert Hot Springs	28,363	28,591	28,900	29,252	29,347	29,742	1.0%
Eastvale	56,928	58,790	59,930	62,147	63,720	64,855	2.8%
Hemet	79,773	80,196	80,439	80,997	82,417	83,166	0.9%
Indian Wells	5,223	5,295	5,407	5,512	5,549	5,574	1.3%
Indio	81,441	82,419	84,009	85,233	86,632	87,883	1.6%
Jurupa Valley	97,808	98,420	99,742	101,412	103,661	106,054	1.7%
Lake Elsinore	56,124	57,488	59,404	61,422	62,487	63,365	2.6%
La Quinta	38,430	38,991	39,323	39,899	40,605	41,204	1.4%
Menifee	82,476	83,968	85,801	87,608	89,552	91,902	2.3%
Moreno Valley	198,479	199,752	201,387	202,621	204,285	207,629	0.9%
Murrieta	106,299	107,254	109,408	110,166	111,793	113,541	1.4%
Norco	27,033	27,006	26,198	26,727	26,799	26,761	-0.2%
Palm Desert	50,014	50,414	50,683	51,250	52,058	52,769	1.1%
Palm Springs	45,463	45,847	46,099	46,534	47,157	47,706	1.0%
Perris	72,002	73,351	74,866	76,070	77,311	77,837	1.6%
Rancho Mirage	17,967	18,076	18,201	18,369	18,579	18,738	0.9%
Riverside	312,973	315,129	317,890	320,226	323,190	325,860	0.8%
San Jacinto	45,627	46,014	46,462	47,085	47,560	48,146	1.1%
Temecula	105,359	106,749	109,144	110,536	112,040	113,181	1.5%
Wildomar	33,534	34,136	34,751	35,270	35,882	36,287	1.6%
Unincorporated	361,015	365,395	367,618	371,726	379,252	385,953	1.4%
Total	2,265,789	2,291,262	2,317,895	2,346,717	2,382,640	2,415,955	1.3%

Source: California Department of Finance



Riverside is the fourth most populous county in California, following Los Angeles, San Diego and Orange Counties. The majority of residents live within incorporated areas, the largest of which is the city of Riverside, with a population of just over 325,000. The population in the region is expected to continue to grow; according to the California Department of Finance, the population in Riverside County is projected to increase to nearly 2.9 million by 2030 and 3.4 million by 2050.

Employment & Economy

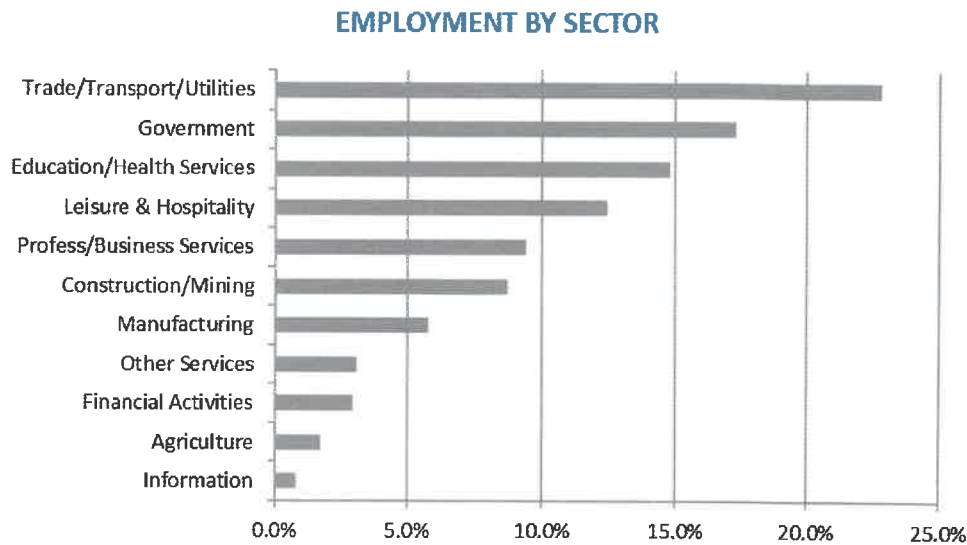
The California Employment Development Department has reported the following employment data for Riverside County over the past few years.

Employment Trends						
	2012	2013	2014	2015	2016	2017
Labor Force	987,100	996,400	1,013,500	1,035,700	1,052,600	1,073,800
Employment	872,300	897,700	930,400	966,300	988,200	1,017,600
Job Growth	22,700	25,400	32,700	35,900	21,900	29,400
Unemployment Rate	11.6%	9.9%	8.2%	6.7%	6.1%	5.2%

Source: California Employment Development Department

The unemployment rate in Riverside County was 4.1% in November 2018, which is slightly higher than the unemployment rates for California (3.9%) and the U.S. (3.5%). Most areas within the state and nation, including Riverside County, saw declining unemployment rates from 2004 through 2006, increases from 2007 to 2010, and declines from 2011-2018.

Riverside County has a diverse economy, with the majority of its employment distributed among several sectors of industry, as opposed to one or two key sectors. The following chart indicates the percentage of total employment for each sector within the county as of December 2017.



Source: California Employment Development Department

As illustrated in the preceding chart, the region’s largest employment sectors are Trade/Transportation/Utilities, which includes wholesale and retail trade; Government; Educational and Health Services; and Leisure and Hospitality. The region’s largest employers are listed in the following table.

Top Employers - Riverside County			
Employer	Location	Description	No. of Employees
County of Riverside	Countywide	County Government	22,038
March Air Reserve Base	March ARB	Military Reserve Base	9,000
University of California, Riverside	Riverside	University	8,829
Kaiser Permanente Riverside Medical Center	Riverside	Hospital	5,500
Corona-Norco Unified School District	Corona	School District	5,478
Pechanga Resort & Casino	Temecula	Resort/Casino	4,750
Riverside Unified School District	Riverside	School District	4,200
Hemet Unified School District	Hemet	School District	4,058
Riverside University Health System Medical Center	Moreno Valley	Hospital	3,965
Morongo Casino, Resort & Spa	Cabazon	Resort/Casino	3,800
Eisenhower Medical Center	Rancho Mirage	Hospital	3,700
Moreno Valley Unified School District	Moreno Valley	School District	3,561
Palm Springs Unified School District	Palm Springs	School District	3,123
Temecula Valley Unified School District	Temecula	School District	3,000
Desert Sands Unified School District	La Quinta	School District	2,677
Lake Elsinore Unified School District	Lake Elsinore	School District	2,634
City of Riverside	Riverside	City Government	2,500
Riverside Community College District	Riverside	Community College District	2,315
JW Marriott Desert Springs Resort & Spa	Palm Desert	Resort & Spa	2,311
Agua Caliente Band of Cahuilla Indians	Palm Springs	Tribal Government / Casinos	2,289
Desert Regional Medical Center	Palm Springs	Hospital	2,237
Jurupa Unified School District	Jurupa Valley	School District	2,233
Murrieta Valley Unified School District	Murrieta	School District	2,230
Riverside Community Hospital	Riverside	Hospital	2,200
Abbot Vascular	Temecula	Medical/Surgical Instruments	2,000
Coachella Valley Unified School District	Thermal	School District	2,000
Alvord Unified School District	Riverside	School District	1,915
Riverside County Office of Education	Riverside	Education	1,734
Naval Surface Warfare Center	Norco	Naval Weapons Research	1,570
Mt. San Jacinto College	San Jacinto	Community College District	1,466
La Quinta Resort & Club	La Quinta	Resort	1,450
Corona Regional Medical Center	Corona	Hospital	1,113
Fantasy Springs Resort Casino	Indio	Resort Casino	1,100
Ironwood State Prison	Blythe	Level I and III Prison	1,055
California Rehabilitation Center	Norco	Level II Prison	1,013

Source: Riverside County Economic Development Agency

Household Income

Median household income represents a broad statistical measure of well-being or standard of living in a community. The median income level divides households into two equal segments with one half of households earning less than the median and the other half earning more. The median income is considered to be a better indicator than the average household income as it is not dramatically affected by unusually high or low values. The U.S. Census Bureau estimates a median household income of \$60,807 for Riverside County in the year 2017 (most recent data available), which was lower than the state of California’s median income of \$67,169.



Transportation

Access to and through Riverside County is provided by several major routes, including Interstates 10, 15 and 215, as well as State Routes 60, 62, 74, 79, 86, 91, 111 and 243. Interstate 10 is the primary east-west connector while Interstates 15 and 215 are the primary north-south connecting highways. The 91 Freeway is a major transportation arterial from the Inland Empire to Orange County via the 55 Freeway.

Interstate 10 is a major east-west route in Southern California, connecting the Pacific coast (Santa Monica) with the Arizona state line before traveling further east through the southern portion of Arizona, New Mexico, Texas, Louisiana, Mississippi, Alabama, and terminating in Jacksonville, Florida. Interstate 10 links the major California cities of Santa Monica, Los Angeles, Ontario, Beaumont, Palm Springs, Indio and Blythe.

As a primary east-west connector, Interstate 15 connects the counties of San Bernardino, Riverside and San Diego. The route extends north through Nevada, Arizona, Utah, Idaho and Montana to the Canadian border. Interstate 15 is a major thoroughfare for traffic between San Diego and the Inland Empire, as well as between Southern California and Las Vegas, Nevada. Interstate 215 comprises approximately 55 miles of interstate highway in the Inland Empire. The southern terminus of Interstate 215 is at the junction of Interstate 15 in Murrieta in south Riverside County and travels through Perris before joining the 60 Freeway in Moreno Valley. This interstate is considered an alternative to Interstate 15 for travel between Phoenix, Las Vegas, San Bernardino and the San Diego area.

Public transportation is provided by various agencies. Riverside Transit Agency serves the western third of Riverside County, SunLine Transit Agency serves Palm Springs and the Coachella Valley area, Palo Verde Valley Transit Agency serves Blythe near the Arizona border, Pass Transit serves the San Geronio Pass communities, and Corona Cruiser serves the community of Corona. In addition, Riverside County is also served by Greyhound buses and Amtrak passenger trains.

The county's main airport is the Palm Springs International Airport. This two-runway airport is located about two miles east of downtown Palm Springs and is highly seasonal, with most flights operating during the winter.

Recreation & Culture

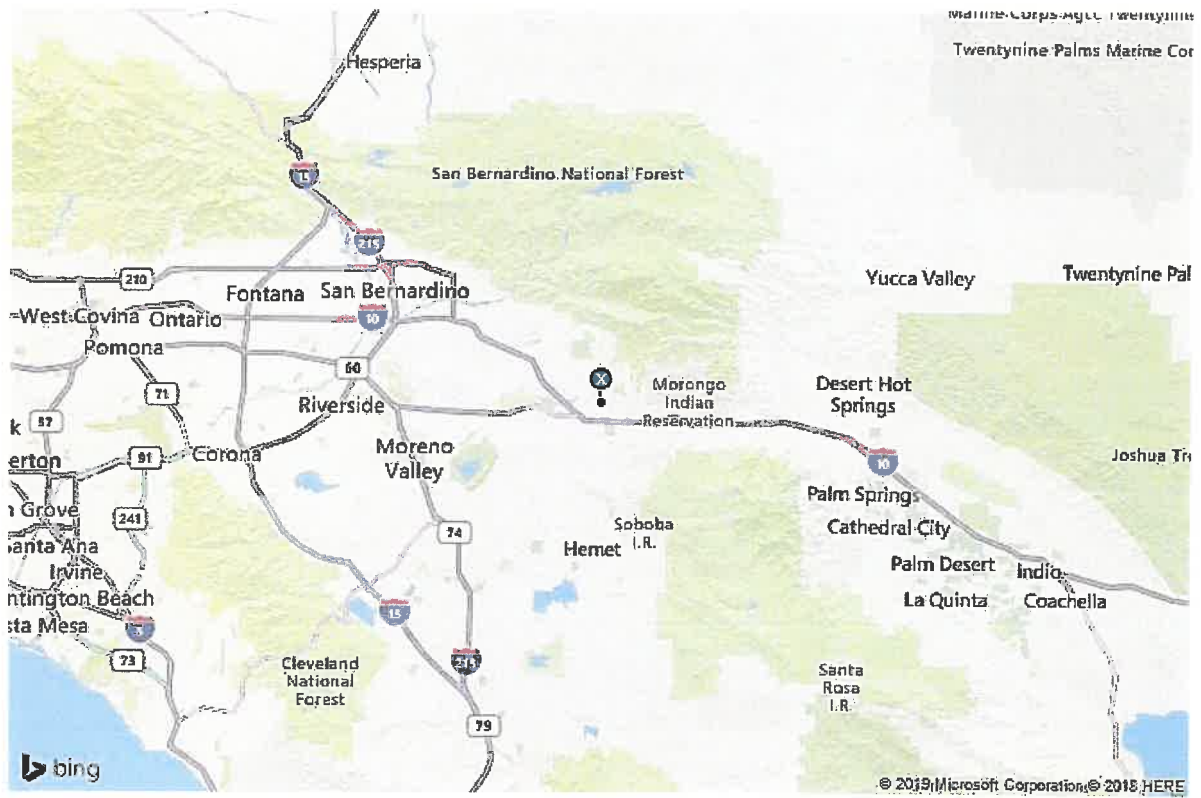
Riverside County offers innumerable recreational and cultural opportunities, including many public parks, schools, golf courses, museums and performing arts venues. Popular attractions include the Botanical Gardens at the University of California, Riverside; the historic Mission Inn in downtown Riverside; March Field Air Museum, an aviation museum near Moreno Valley and Riverside, adjacent to the March Air Reserve Base; Temecula Valley, a tourist destination in the southern part of the county with numerous wineries, wine tasting rooms, bed and breakfast inns and wedding venues; and Castle Park, an amusement park. Annual events in the county include the Festival of Lights in Riverside, known for its display of nearly three million Christmas lights; Ghost Walk Riverside; Temecula Valley Balloon and Wine Festival; and Harvest Wine Celebration.

Riverside County is home to multiple higher education institutions including, but not limited to, the University of California Riverside, California Baptist University, California Southern Law School, California State University San Bernardino and Mt. San Jacinto College.

Conclusion

In general, Riverside County is one of the fastest growing areas in the state. Many new residents are coming from the more expensive metropolitan areas of Los Angeles and San Diego. The region offers diverse employment opportunities, numerous colleges and universities, extensive transportation routes, shopping centers, public services and recreational activities. Like most of the state and nation, the county experienced rising unemployment and real estate market declines during the period of roughly 2007-2010. However, employment conditions have been improving since 2011 and most real estate sectors are showing signs of recovery or expansion. As the economy continues to improve, the long-term outlook for the region is good.

Area Map



Surrounding Area Analysis

This section of the Appraisal Report provides an analysis of the observable data that indicate patterns of growth, structure and/or change that may enhance or detract from property values. For the purpose of this analysis, a neighborhood is defined as “a group of complementary land uses; a congruous grouping of inhabitants, buildings, or business enterprises.”

Boundaries

The boundaries of a neighborhood identify the physical area that influences the value of the subject property. These boundaries may coincide with observable changes in prevailing land use or occupant characteristics. Physical features such as the type of development, street patterns, terrain, vegetation and parcel size tend to identify neighborhoods. Roadways, waterways and changing elevations can also create neighborhood boundaries.

The subject property is located within the city of Beaumont, which is located in Riverside County, within the Inland Empire region of Southern California. It is bordered on the north by the unincorporated community of Cherry Valley, on the east by the City of Banning, on the south by the City of San Jacinto and on the west by the City of Calimesa. It has a land area of 30.9 square miles and an elevation of 2,500-3,000 feet above sea level. It is situated at the peak of the San Gorgonio Pass between the cities of San Bernardino and Palm Springs.

Access and Linkages

Since the San Gorgonio Pass was discovered in 1853, it has been at the center of transportation in the region, beginning with early trails, then railroads, highways and interstates. Today, Beaumont is still a transportation hub with major routes extending in every direction. Three major interstates/highways intersect at what is known as the Beaumont Avenue interchange: Interstate 10, State Route 60 and State Route 79.

Interstate 10 is the primary transportation corridor through the city, with access to Santa Monica and the Pacific Ocean to the west and eastward to the low desert cities of Palm Springs and Indio, to the Southwest regions in Arizona and New Mexico, terminating in Jacksonville Florida on the east coast. The 60 Freeway is a major east/west transportation route linking Interstate 5 in downtown Los Angeles with Interstate 10 in Beaumont. The 60 Freeway provides direct access to most of the north/south freeways in the greater Los Angeles area, including the 215, 15, 91, 57, 605, 710 and 5 freeways. State Route 79 provides access to Hemet, Winchester and Temecula to the south. To the north, State Route 79 is Beaumont Avenue and provides access to the neighboring community of Cherry Glen and on to the scenic apple country of Oak Glen.

Public transit is available through the City of Beaumont Transit System, which also operates the Pass Transit System in collaboration with the City of Banning Transit. The system offers eight fixed routes and a commuter link to Calimesa, the San Bernardino Metrolink and the Loma Linda Veteran's Hospital. Additional services include Dial-A-Ride and curb-to-curb service for ADA certified and seniors 65 years and older within Beaumont and parts of Cherry Valley.

In terms of air travel, there are several proximate airports available to residents of Beaumont. Palm Springs International Airport is the nearest major airport, located approximately 30 miles to the east and the LA/Ontario International Airport is located approximately 40 miles west in Ontario. Six additional airports offering commercial international and/or domestic flights are located within 100 miles. Local airports include the Banning Municipal Airport located less than 10 miles to the east; the Redlands Municipal Airport approximately 18 miles northwest; the Hemet-Ryan Airport 18 miles to the south; and several others in San Bernardino, Riverside and Colton, all within approximately 30 miles of Beaumont.

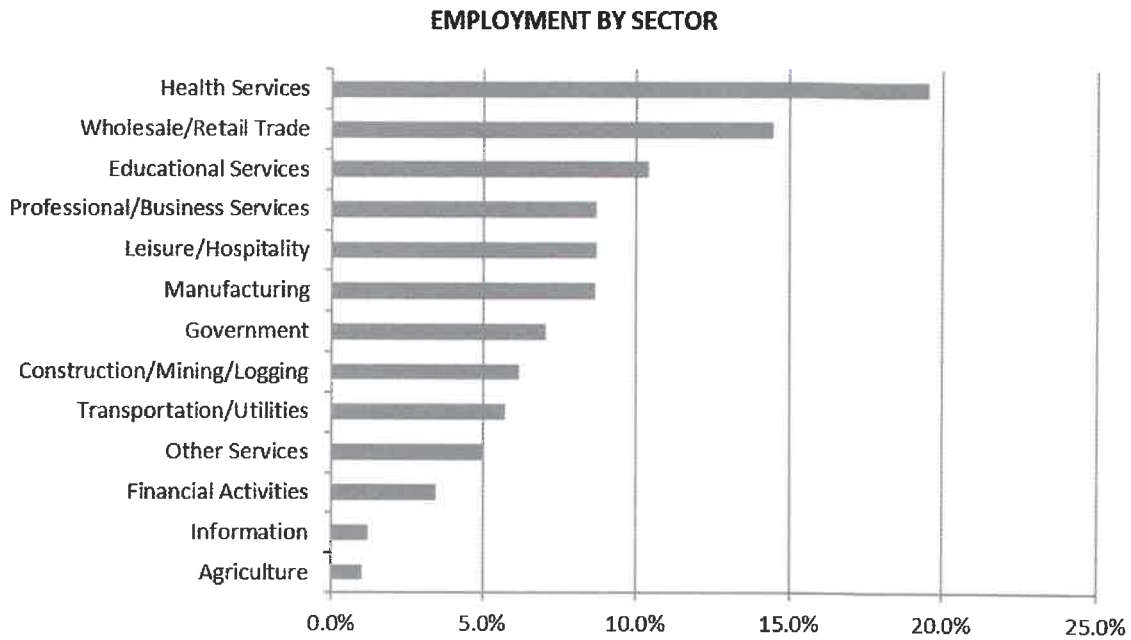
Employment & Economy

The California Employment Development Department has reported the following employment data for the City of Beaumont over the past several years.

Employment Trends						
	2012	2013	2014	2015	2016	2017
Labor Force	17,300	17,800	19,000	20,000	20,800	21,400
Employment	16,200	16,900	18,200	19,300	19,900	20,700
Job Growth	500	700	1,300	1,100	600	800
Unemployment Rate	6.4%	5.1%	4.2%	3.5%	4.3%	3.3%

Source: California Employment Development Department

The unemployment rate in Beaumont was 4.0% as of March 2019 (latest data available), which was lower than the rates for Riverside County at 4.7% and for California at 4.3%. The following chart indicates the percentage of total employment for each sector within the city.



Source: US Census Bureau, 2012-2016 American Community Survey 5-Year Estimates

As illustrated in the chart above, the city’s largest employment sector is Health Care and Social Assistance, which represents nearly 20% of all employment. The next largest employment sectors are Wholesale/Retail Trade, which represents 14.5% of jobs and Educational Services which accounts for just over 10% of the total employment.

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.



Surrounding Area Demographics					
	1-Mile Radius	3-Mile Radius	5-Mile Radius	92223 (Beaumont, CA)	Riverside County, CA
2019 Estimates					
Population 2010	10,451	45,635	67,942	43,837	2,189,641
Population 2019	12,518	53,303	78,835	52,863	2,455,509
Population 2024	13,498	57,050	84,099	56,987	2,587,428
Compound % Change 2010-2019	2.0%	1.7%	1.7%	2.1%	1.3%
Compound % Change 2019-2024	1.5%	1.4%	1.3%	1.5%	1.1%
Households 2010	3,273	16,728	24,704	14,803	686,260
Households 2019	3,848	19,160	28,247	17,514	759,595
Households 2024	4,125	20,379	29,995	18,772	797,459
Compound % Change 2010-2019	1.8%	1.5%	1.5%	1.9%	1.1%
Compound % Change 2019-2024	1.4%	1.2%	1.2%	1.4%	1.0%
Median Household Income 2019	\$66,555	\$61,247	\$61,250	\$74,268	\$65,414
Average Household Size	3.2	2.7	2.8	3.0	3.2
College Graduate %	19%	21%	21%	24%	21%
Median Age	33	41	41	37	36
Owner Occupied %	70%	75%	76%	76%	68%
Renter Occupied %	30%	25%	24%	24%	32%
Median Owner Occupied Housing Value	\$270,523	\$277,336	\$289,138	\$313,879	\$366,814
Median Year Structure Built	1999	1998	1996	2002	1989
Average Travel Time to Work in Minutes	34	33	33	34	36

Source: EnviroNics Analytics

As shown above, the current population within a 3-mile radius of the subject is 53,303, and the average household size is 2.7. Population in the area has grown since the 2010 census, and this trend is projected to continue over the next five years. Compared to the subject’s 92223 zip code overall, the population within a 3-mile radius is projected to grow at a slower rate.

Median household income is \$61,247, which is lower than the household income for the 92223 zip code. Residents within a 3-mile radius have a lower level of educational attainment than those of the 92223 zip code, while median owner occupied home values are considerably lower.

Recreation & Community Facilities

The City of Beaumont offers adequate recreational opportunities and community facilities, with additional services accessible within 20-30 miles (30-40-minute driving time) in the larger cities of San Bernardino, Riverside and Moreno Valley. Beaumont hosts a number of family-oriented events throughout the year. The largest event is the Cherry Festival, which celebrated its 100th anniversary in May/June 2018. It is a four-day community festival with food and drinks, games, music, entertainment, rides and booths.

Beaumont offers two championship golf courses: Oak Valley Golf Club and Morongo Golf Club at Tukwet Canyon, which was formerly owned and operated by the PGA. Antique shops along 6th Street have long been a well-known attraction in Beaumont, providing a unique shopping experience. The nearby Cabazon Outlet Mall provides additional shopping, featuring 65,000 square feet of shops, representing 18 specialty retailers.



The nearest hospital is the San Gorgonio Memorial Hospital located just outside the Beaumont city limits, in Banning. The Beaver Medical Group, with offices throughout the Inland Empire, offers primary care, urgent care and laboratory services at its Beaumont location.

The city is served by seven elementary schools, two middle schools, two high schools and an adult school. Secondary education is accessible within approximately five to 20 miles in nearby communities, including Mt. Jacinto Community College with the San Gorgonio Pass Campus located in Banning and the main campus located in San Jacinto; Crafton Hills College in Yucaipa; Moreno Valley College in Moreno Valley; and University of Redlands in Redlands.

The Beaumont Civic Center houses two memorials. The Veteran's Memorial honors local veterans who served from World War I through present-day operations. The Public Safety Memorial honors police officers and firefighters who died in the line of duty or served in the community during their lifetime. In addition, the Centennial Memorial Bridge, located off Oak Valley Parkway, honors individuals who made significant contributions to the community within its first 100 years.

Land Uses

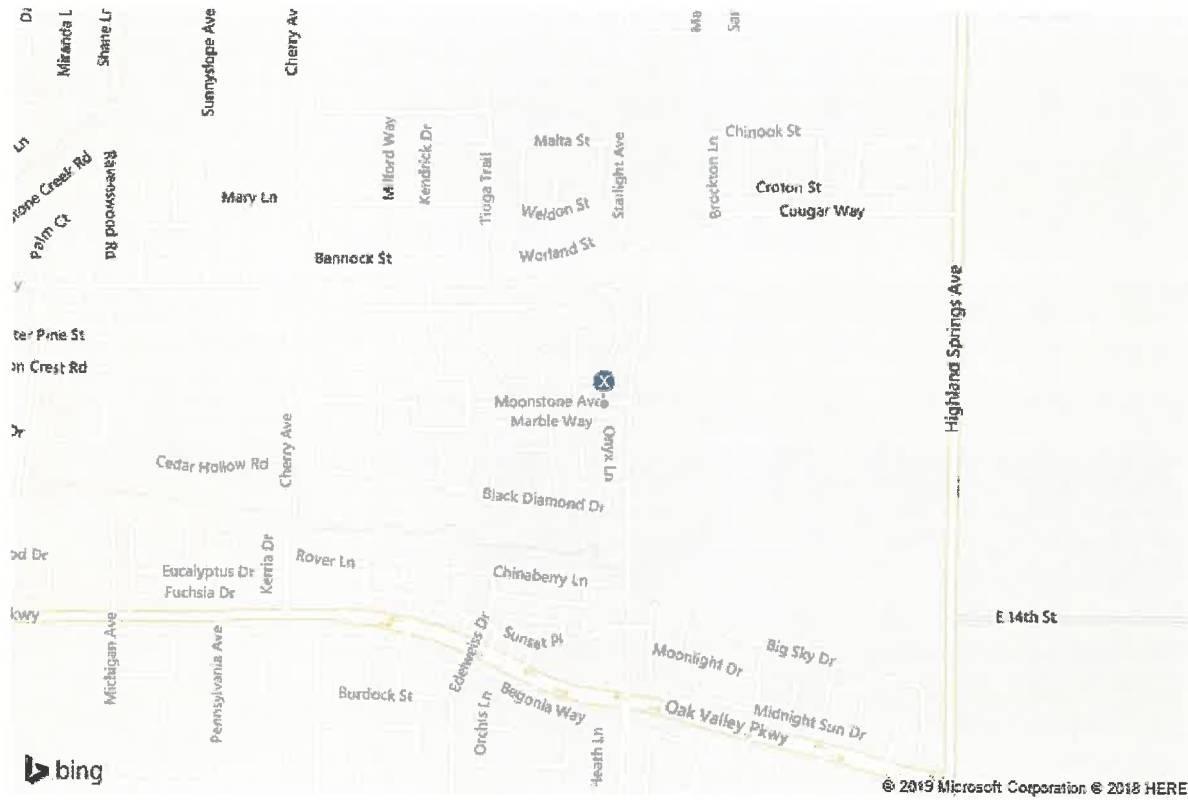
Land uses in the immediate area include primarily residential, with supporting commercial services located proximate to Interstate 10.

A neighborhood retail center anchored by Stater Bros. Market is located at the northeast corner of Oak valley Parkway and Beaumont Avenue. A Food 4 Less anchored retail center is located at the southeast corner of North Highland Springs Avenue and East 6th Street. Just south of Interstate 10 at North Highland Springs Avenue is a high concentration of retail development, including Best Buy, Ross Dress for Less, Bed Bath & Beyond, The Home Depot and Wal-Mart, among other retailers. Just east of Best Buy, in the city of Banning, is Sun Lakes Village Shopping Center, which is anchored by Hobby Lobby, Rite Aid and Albertsons.

Outlook and Conclusions

In conclusion, the subject's immediate neighborhood is growing in residential uses. The area is considered to be a middle-income neighborhood with adequate support facilities in proximity. The overall condition and quality of the neighborhood is rated as average. The subject property is considered to have average transportation characteristics, including proximity to major neighborhood thoroughfares and freeway access. Overall, the subject is expected to perform reasonably well over the long term.

Surrounding Area Map



Residential Market Analysis

Given prevailing land use patterns and the subject’s zoning, a likely use of the property is for residential development. In the following paragraphs, we examine supply and demand indicators for residential development in the subject’s area.

Submarket Overview

The subject property is located within the Sundance Specific Plan, in the northeast portion of the city of Beaumont, Riverside County. The neighborhood is characterized as a growing suburban area. Based on existing, surrounding homes and new projects under development, the subject characteristics best support projects designed for entry level to first-time (local) move-up buyers.

In this analysis of the housing market, we will analyze market trends within Riverside County and, more specifically, the city of Beaumont market area.

Single-Family Building Permits

Single-family building permits for the city of Beaumont as well as Riverside County totals are shown in the following table.

Building Permits		
Year	City of Beaumont	Riverside County
2008	300	3,808
2009	350	3,079
2010	333	4,012
2011	169	2350
2012	273	2,847
2013	500	4,328
2014	454	5,058
2015	466	4,325
2016	450	5,136
2017	741	5,827
2018	684	7,327
2019 (Feb.)	126	933

Source: SOCDS Building Permits Database

Active New Home Projects Pricing and Absorption

There are 10 active projects within the city of Beaumont. These projects are summarized in the tables on the following page, based on data from the First Quarter of 2019.

Active Projects											
Project	Master Plan	Community	Developer	Average Price	Avg. Home Size (SF)	Avg. Price/SF	Typical Lot Size	Units Planned	Units Offered	Units Sold	Units Unsold
Abrio*	Sundance	Beaumont	Pardee Homes	\$402,333	2,777	\$145	7,000	82	55	44	11
Avia	Olivewood	Beaumont	William Lyon Homes	\$347,567	1,750	\$199	5,000	302	38	28	10
Beacon	Sundance	Beaumont	Pardee Homes	\$488,833	3,333	\$147	10,000	105	56	48	8
Capella	Olivewood	Beaumont	William Lyon Homes	\$367,567	2,035	\$181	6,000	302	33	26	7
Cascade*	Sundance	Beaumont	Pardee Homes	\$334,667	1,758	\$190	5,300	151	137	126	11
Daybreak*	Sundance	Beaumont	Pardee Homes	\$356,533	2,244	\$159	5,600	189	92	87	5
Lugano	Olivewood	Beaumont	William Lyon Homes	\$403,567	2,452	\$165	7,200	57	28	16	12
Oak Ridge	Fairway Canyon	Beaumont	Woodside Homes	\$412,390	2,871	\$144	6,400	138	115	113	2
Provence	Olivewood	Beaumont	William Lyon Homes	\$448,557	2,893	\$155	7,000	66	34	27	7
Windsor	--	Beaumont	D.R. Horton	\$426,990	2,750	\$155	7,500	64	64	62	2
			Minimum	\$334,667	1,750	\$144	5,000				
			Maximum	\$488,833	3,333	\$199	10,000				
			Average	\$398,900	2,486	\$164	6,700				

*Subject Property

As shown by the table, new home pricing in Beaumont is generally consistent among the active projects. The average sale price in the data set - \$398,900, is higher than all of the asking prices among the subdivision within the subject's boundaries, which the exception of Abrio.

As shown by the table, new home pricing in Beaumont is generally consistent among the active projects. The average sale price amongst the subject neighborhoods is \$357,333, which coincides with an average square footage of 2,263 square feet, or \$157.93 per square foot.

Resale Pricing

The following table shows historical resale data for more recently built homes (2012 and newer) in the city of Beaumont. We restricted our search to lot sizes with less than 10,000 square feet.



Resales									
Address	Sale Date	Living Area (SF)	Sale Price	Last List Price	Sale Price /SF	Sale/List	Year Built	Days on Market	Lot Size
13190 Niblick Ln	4/22/2019	1,969	\$335,000	\$344,900	\$175.17	97.13%	2014	16	6,534
36839 Albatross St	4/19/2019	1,611	\$335,000	\$330,000	\$204.84	101.52%	2013	26	9,583
35312 Stewart St	4/18/2019	2,412	\$368,000	\$368,000	\$152.57	100.00%	2017	193	9,583
1519 Onyx Ln	4/16/2019	1,662	\$320,000	\$320,000	\$192.54	100.00%	2016	11	3,920
1429 Worland St	4/15/2019	3,170	\$470,000	\$474,900	\$149.81	98.97%	2016	62	8,712
13167 Medal Play St	4/10/2019	1,611	\$315,000	\$334,000	\$207.32	94.31%	2013	38	8,276
1346 Alpine Ave	4/8/2019	1,948	\$365,000	\$355,000	\$182.24	102.82%	2017	44	6,098
38385 Divot Dr	3/29/2019	2,701	\$360,000	\$359,900	\$133.25	100.03%	2014	23	6,534
1448 Misty Ln	3/27/2019	1,725	\$300,000	\$299,800	\$173.80	100.07%	2015	2	3,700
11483 Aaron Ave	3/26/2019	2,861	\$422,500	\$424,900	\$148.51	99.44%	2017	116	7,405
1390 Shamrock Way	3/18/2019	1,906	\$330,000	\$339,000	\$177.86	97.35%	2013	16	6,970
1331 Quince St	3/11/2019	2,387	\$355,000	\$359,000	\$150.40	98.89%	2014	80	6,534
386 Irvine	3/5/2019	2,163	\$420,000	\$420,000	\$194.17	100.00%	2012	5	5,663
1330 Comfrey Leaf Dr	2/22/2019	1,953	\$320,000	\$330,000	\$168.97	96.97%	2013	8	3,485
1194 Buttercup Way	2/21/2019	3,462	\$449,900	\$449,900	\$129.95	100.00%	2012	73	8,276
13187 Blade St	2/20/2019	1,611	\$319,900	\$319,900	\$198.57	100.00%	2013	52	9,583
1252 Houstonia Ln	2/16/2019	3,099	\$375,000	\$389,000	\$125.52	96.40%	2014	116	7,405
1447 Misty Ln #E	2/13/2019	1,962	\$303,000	\$303,000	\$154.43	100.00%	2015	128	1,307
448 Rushmore Peak	2/12/2019	1,631	\$356,000	\$358,500	\$219.80	99.30%	2016	87	4,792
263 Box Springs	2/9/2019	1,483	\$336,900	\$336,900	\$227.17	100.00%	2013	4	4,356
1331 Bannock Street	2/9/2019	2,116	\$368,000	\$365,000	\$172.50	100.82%	2015	101	6,534
36311 Straightaway	2/6/2019	1,300	\$287,000	\$290,000	\$223.08	98.97%	2013	40	5,662
842 Bogey Dr	2/1/2019	1,968	\$319,000	\$319,999	\$162.60	99.69%	2013	31	9,583
36231 Straightaway Dr	2/1/2019	2,244	\$340,000	\$344,900	\$153.70	98.58%	2013	175	5,227
464 Harvard Peak	2/1/2019	1,592	\$350,000	\$359,800	\$226.01	97.28%	2015	63	5,663
1709 Boysen way Way	1/29/2019	1,868	\$339,000	\$339,000	\$181.48	100.00%	2016	65	6,534
1548 Tattlesall	1/23/2019	1,592	\$295,000	\$310,000	\$194.72	95.16%	2014	66	6,098
1475 Black Diamond Dr	1/17/2019	1,662	\$310,900	\$309,900	\$186.46	100.32%	2017	17	4,356
1425 Black Diamond Dr	1/14/2019	1,662	\$313,000	\$313,900	\$188.87	99.71%	2017	82	3,920
1434 Currant Way	1/4/2019	1,762	\$295,000	\$295,000	\$167.42	100.00%	2014	90	2,178
Total Sales	30	2,036	\$345,770	\$348,803	\$177	99.12%	2014	61	6,149
		(avg.)	(avg.)	(avg.)	(avg.)	(avg.)	(avg.)	(avg.)	(avg.)

Ability to Pay

In this section, we will examine the ability to pay among prospective buyers for a hypothetical home size of 2,260 square feet cited earlier, with a corresponding price point of \$358,000. First, we will estimate the required annual household income based on typical mortgage parameters in the subject’s market area. Specifically, we will employ a loan-to-value ratio of 80% (down payment of 20%), mortgage interest rates of 4.50%, 360 monthly payments, and a 40% ratio for the housing costs as a percent of monthly income (inclusive of principal, interest, all taxes and insurance). As alluded to above, property tax payments are accounted for in the analysis. Ad valorem taxes are 1.3569% of assessed value.

The appraised properties are encumbered by the Special Tax Lien of CFD No. 2016-2, with an average annual special tax of \$1,535 per lot for a 2,300 square foot home.

Given the discussion above, the following table shows the estimate of the annual household income that would be required to afford homes priced at \$358,000:



Income Required

Home Price	\$358,000			
Loan % of Price (Loan to Value)	80%			
Loan Amount	\$286,400			
Interest Rate	4.50%			
Mortgage Payment	\$1,451			
Property Taxes	\$438	Based on	1.3569%	plus \$395 in direct charges
Bond Payment	\$128			
Property Insurance	\$60			
Total Monthly Obligation	\$2,077			
Mortgage Payment % of Income	40%			
Monthly Income	\$5,191			
Annual Income	\$62,296			

As shown above, the average income requirement for a new home priced at \$358,000 is approximately \$62,000, which is slightly lower than the median income for Beaumont (\$74,268) presented in the previous section. In the following table we show the income brackets within the subject’s 92223 zip code along with estimates of the percentage of households able to afford homes priced at \$358,000 within each income bracket. Although, a representative area of typical buyers for the subject property would likely characterize a broader area.

Household Ability

Household Income	Households	Percent of Households	Percent Able to Pay	Households	Households Able to Pay
< \$15,000	1,536	8.8%	0.0%	0	0.0%
\$15,000 - \$24,999	1,130	6.5%	0.0%	0	0.0%
\$25,000 - \$34,999	1,097	6.3%	0.0%	0	0.0%
\$35,000 - \$49,999	2,193	12.5%	0.0%	0	0.0%
\$50,000 - \$74,999	2,876	16.4%	50.8%	1,461	8.3%
\$75,000 - \$99,999	2,321	13.3%	100.0%	2,321	13.3%
\$100,000 - \$149,999	3,621	20.7%	100.0%	3,621	20.7%
\$150,000 - \$199,999	1,351	7.7%	100.0%	1,351	7.7%
\$200,000 +	<u>1,389</u>	<u>7.9%</u>	100.0%	<u>1,389</u>	<u>7.9%</u>
	17,514	100.0%		10,143	57.9%

Conclusions

Demand for homes in the subject’s market area is considered to be moderate at the current time as indicated by the overall trend of building permit activity, new home sales prices and activity in recent quarters as well as the absorption rate within new home projects in the subject’s area.



Property Analysis

Land Description and Analysis

Land Description

Primary Street Frontage	Moonstone
Shape	Irregular
Corner	Yes
Topography	Generally level and at street grade
Drainage	No problems reported or observed
Environmental Hazards	None reported or observed
Ground Stability	No problems reported or observed
Flood Area Panel Number	060247
Date	August 28, 2008
Zone	X
Description	Outside of 500-year floodplain
Insurance Required?	No

Zoning; Other Regulations

Zoning Jurisdiction	City of Beaumont
Zoning Designation	SPA
Description	Specific Plan Area (Sundance)
Legally Conforming?	N/Ap
Zoning Change Likely?	No
Permitted Uses	Single-family residential
Other Land Use Regulations	None reported or observed

Utilities

Service	Provider
Water	Beaumont-Cherry Valley Water District
Sewer	City of Beaumont
Electricity	Southern California Edison
Natural Gas	SoCal Gas Company
Local Phone	Comcast

Entitlements

A summary of the current legal (entitlements) and physical status of the appraised properties is shown in the following table.

Entitlements

Description	No. of Homes/Lots
Completed Single-Family Homes without Assessed Values	275
Partially Completed Single-Family Homes (Under Construction)	38
Finished Single-Family Lots	27
Total	340

All improved single-family residential homes and lots (527 in total, including 187 homes not appraised herein) have final maps in place.

Off-site Improvements

As of the date of inspection, all off-site improvements (streets, curbs, gutters, sidewalks, streetlights) were in place along major and interior roads.

Easements, Encroachments and Restrictions

We have reviewed a preliminary title report prepared by First American Title Company dated October 14, 2016. The report identifies exceptions to title, which include various utility and access easements that are typical for a property of this type. Such exceptions would not appear to have an adverse effect on value. Our valuation assumes no adverse impacts from easements, encroachments or restrictions and further assumes that the subject property has clear and marketable title.

Seismic Hazards

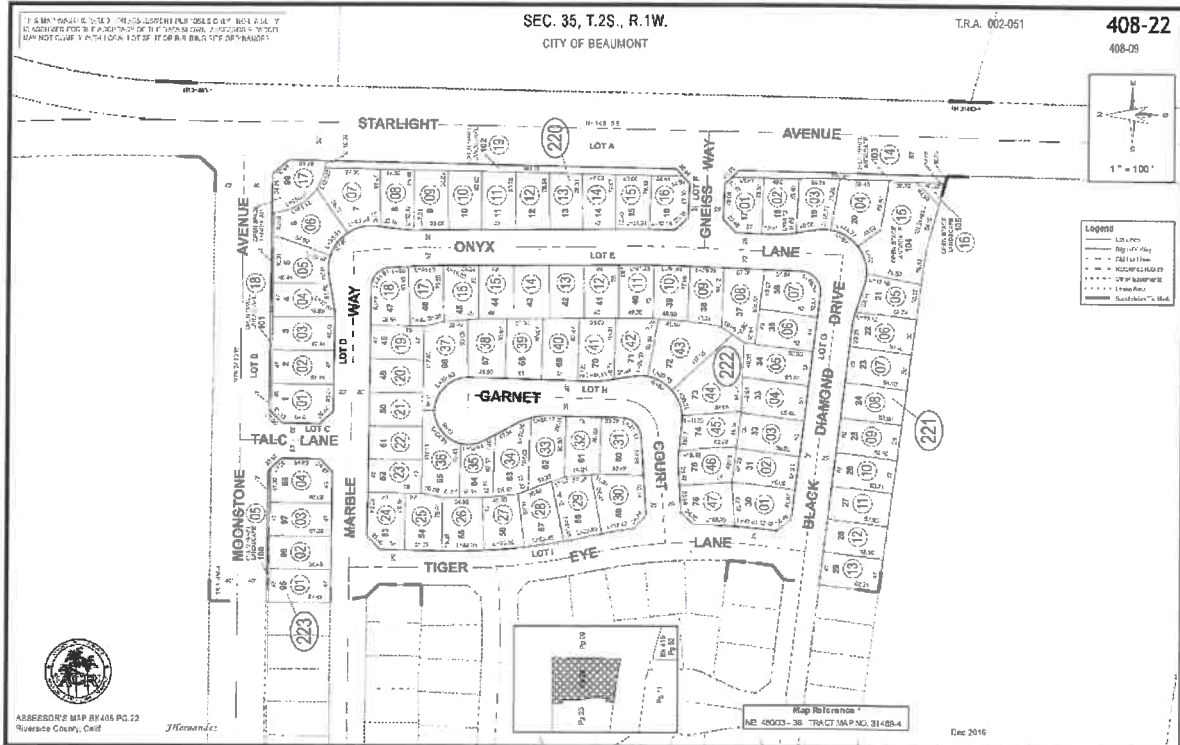
According to the Seismic Safety Commission, the subject property’s site is located within Zone 4, which is considered to be the highest risk zone in California. There are only two zones in California: Zone 4, which is assigned to areas near major faults; and Zone 3, which is assigned to all other areas of more moderate seismic activity. In addition, the subject property is located in a Fault-Rupture Hazard Zone (formerly referred to as an Alquist-Priolo Special Study Zone), as defined by Special Publication 42 (revised January 1994) of the California Department of Conservation, Division of Mines and Geology. In general, a number of faults are located in southern California and throughout California; thus, the area is subject to severe ground shaking during earthquakes. Competitive sites face similar seismic risk.

Conclusion of Site Analysis

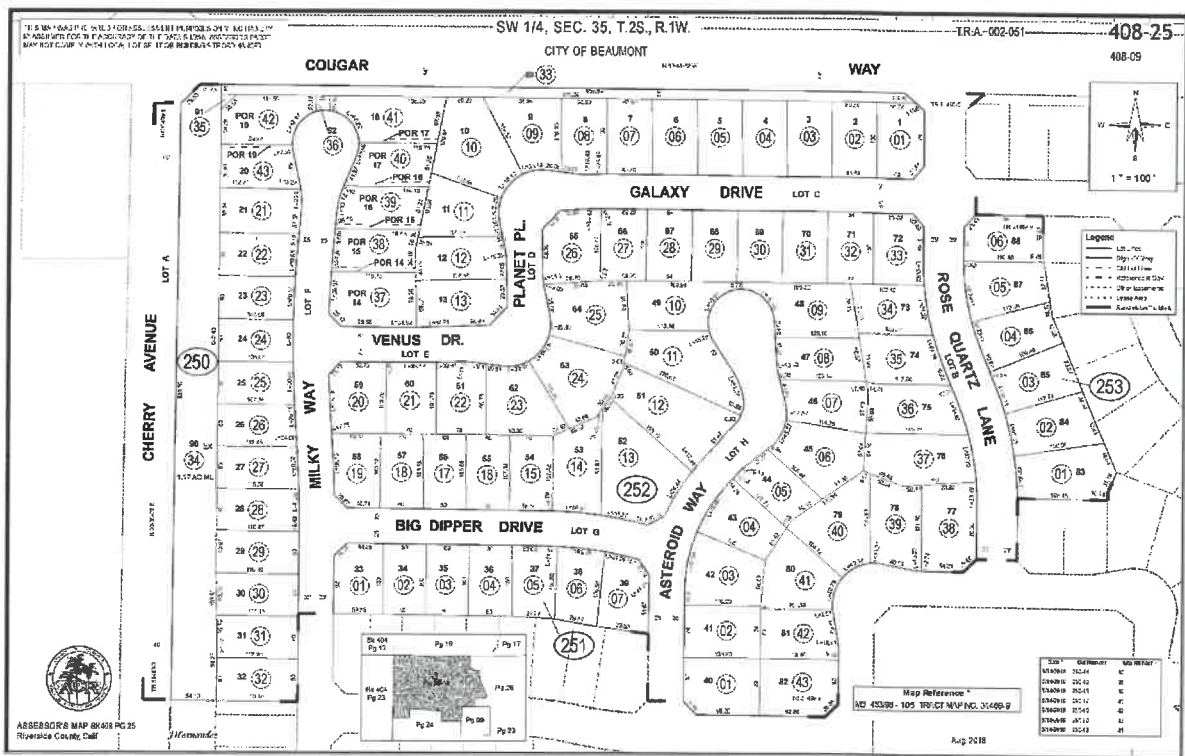
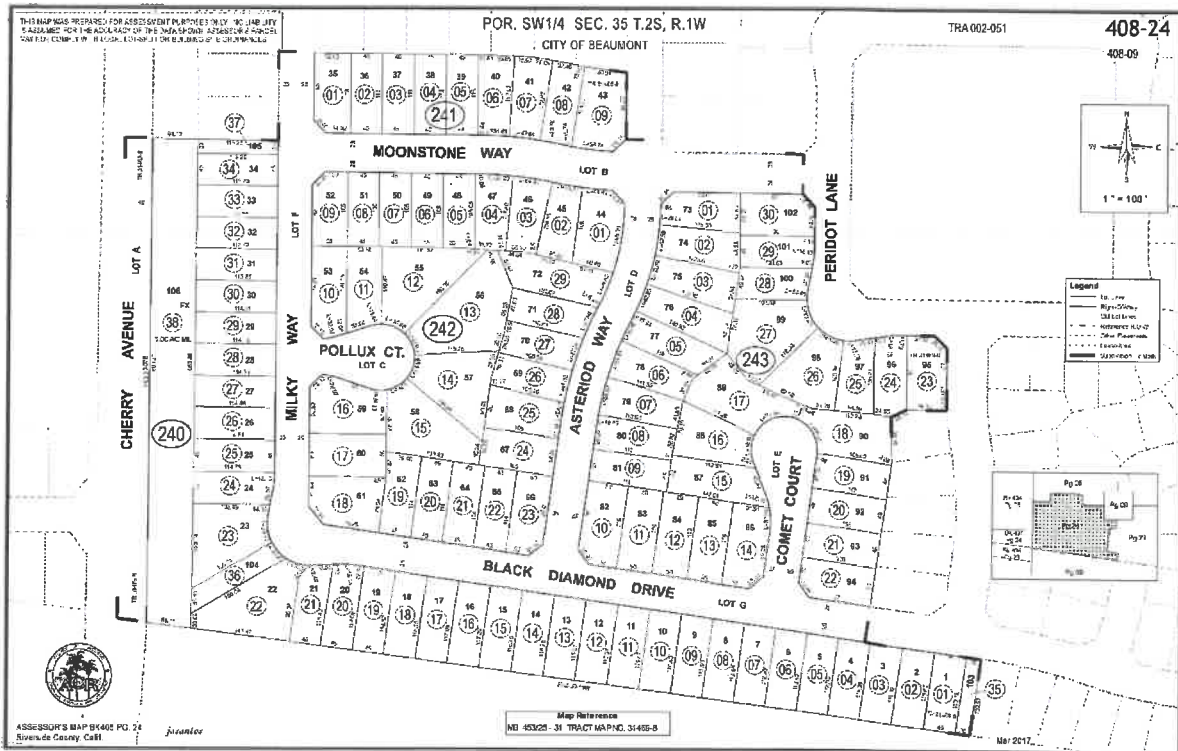
Overall, the physical characteristics of the site and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include single-family residential. We are not aware of any other particular restrictions on development.

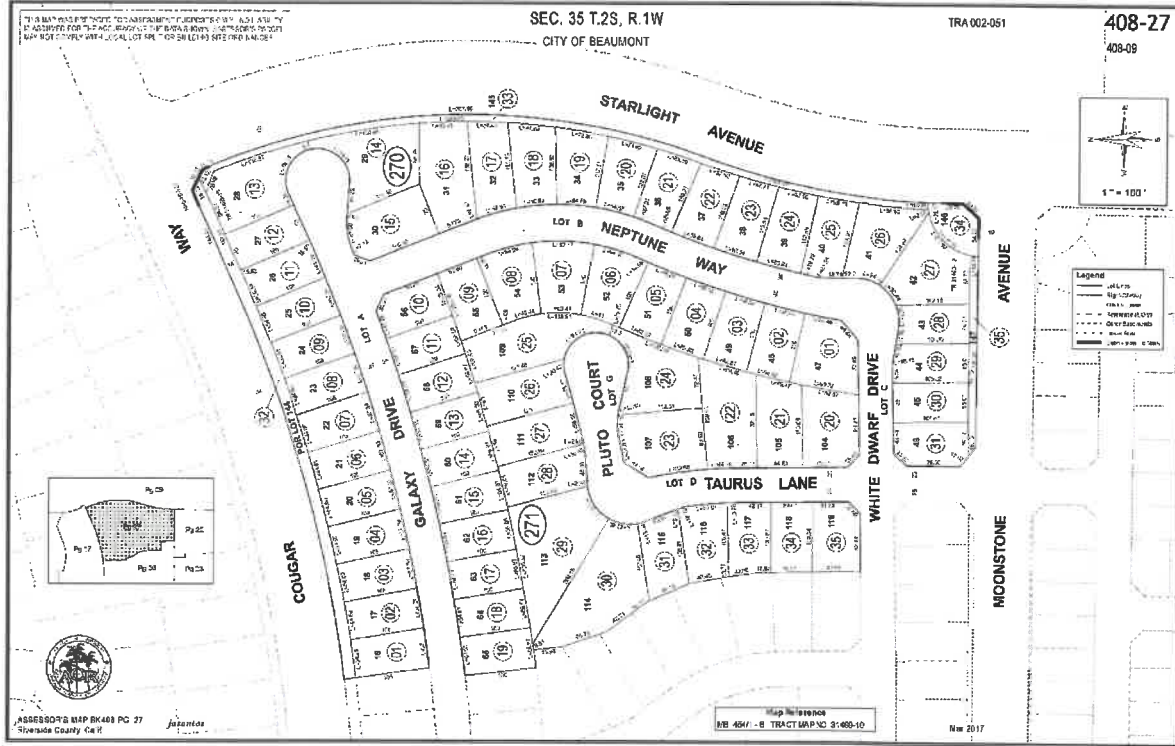
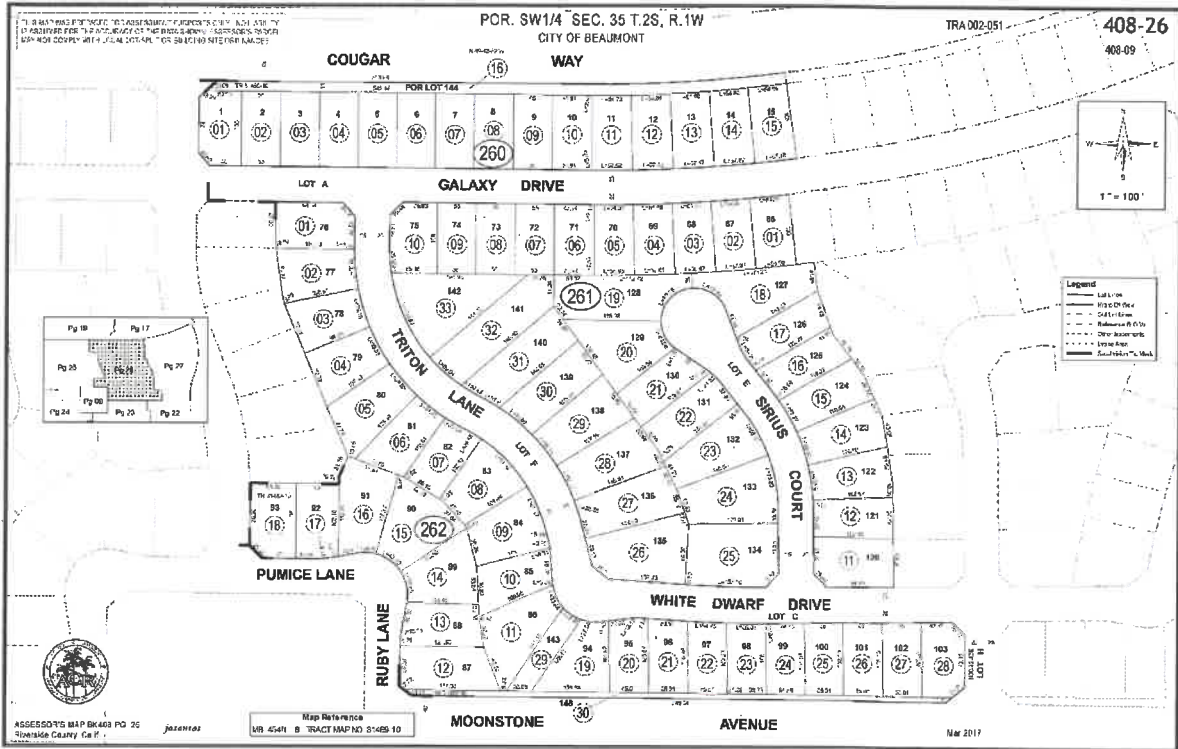


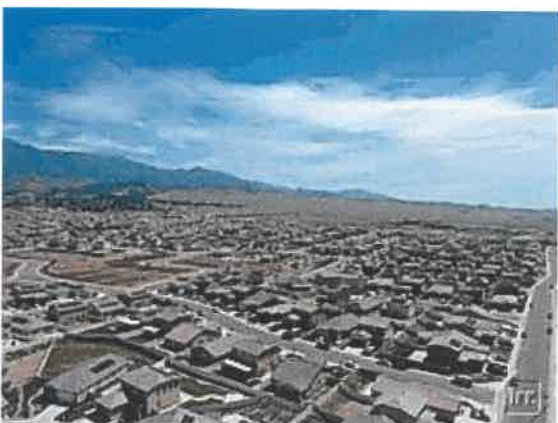
Assessor's Parcel Maps



Land Description and Analysis













Sundance



Real Estate Taxes

The property tax system in California was amended in 1978 by Article XIII to the State Constitution, commonly referred to as Proposition 13. It provides for a limitation on property taxes and for a procedure to establish the current taxable value of real property by reference to a base year value, which is then modified annually to reflect inflation (if any). Annual increases cannot exceed 2% per year.

The base year was set at 1975-76 or any year thereafter in which the property is substantially improved or changes ownership. When either of these two conditions occurs, the property is to be re-appraised at market value, which becomes the new base year assessed value. Proposition 13 also limits the maximum tax rate to 1% of the value of the property, exclusive of bonds and direct charges. Bonded indebtedness approved prior to 1978, and any bonds subsequently approved by a two-thirds vote of the district in which the property is located, can be added to the 1% tax rate.

Ad Valorem Taxes

The existing ad valorem taxes are of nominal consequence in this appraisal, primarily due to the fact these taxes will be adjusted substantially as the remaining property improvements are completed and in consideration of the definition of market value employed in this appraisal, which assumes a sale of the appraised properties. According to the Riverside County Treasurer-Tax Collector’s Office, the appraised properties have a cumulative annual tax rate of 1.3569% based on assessed value.

Special Assessments

All of the appraised properties are encumbered by the Special Tax Lien of CFD No. 2016-2. With respect to such special taxes, we have relied upon information provided by Webb Municipal Finance, the special tax consultant, for the annual special tax levy on the appraised properties. It is noted, special tax rates are broken down into three zones, shown in the following table:

CFD No. 2016-2 - Zone 1

Land Use Category	Building Square Footage	Assigned Special Tax per Dwelling unit/Acre
Residential Property	< 1,750	\$1,184
Residential Property	1,750 - 2,100	\$1,219
Residential Property	2,101 - 2,450	\$1,294
Residential Property	2,451 - 2,800	\$1,369
Residential Property	> 2,800	\$1,496
Non-Residential Property	N/Av	\$13,139



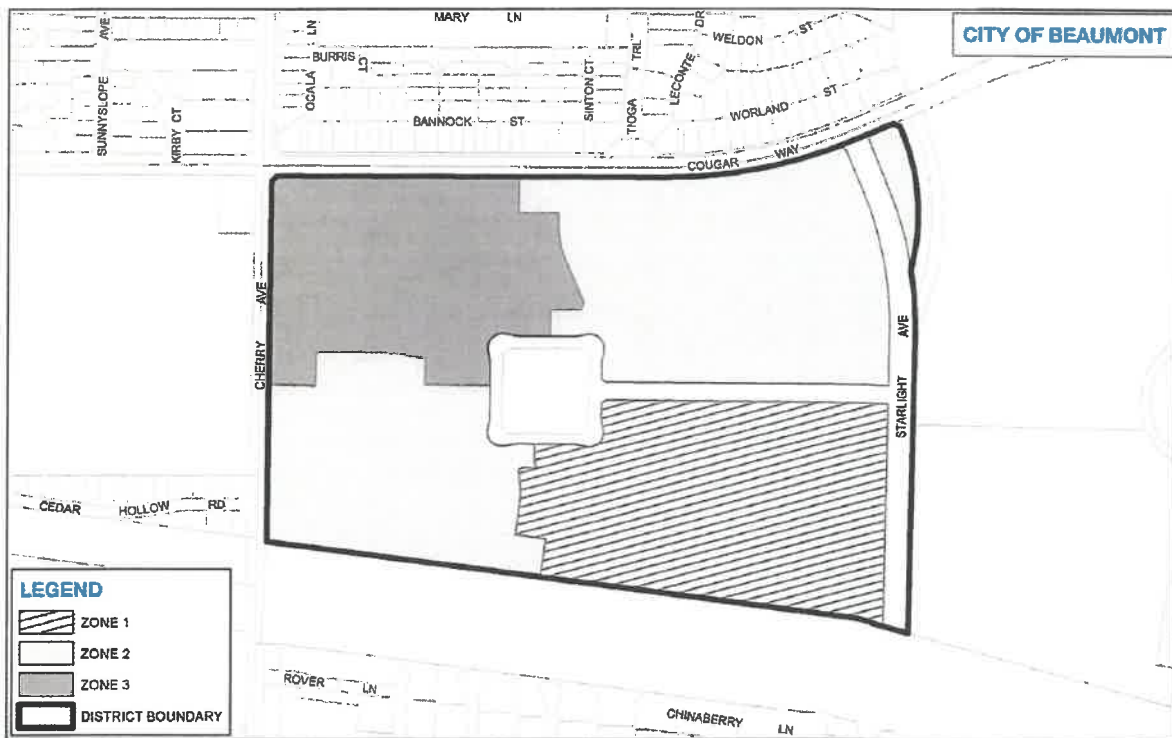
CFD No. 2016-2 - Zone 2

Land Use Category	Building Square Footage	Assigned Special Tax per Dwelling unit/Acre
Residential Property	< 1,750	\$1,254
Residential Property	1,750 - 2,100	\$1,324
Residential Property	2,101 - 2,450	\$1,499
Residential Property	2,451 - 2,800	\$1,599
Residential Property	> 2,800	\$1,726
Non-Residential Property	N/Av	\$10,049

CFD No. 2016-2 - Zone 3

Land Use Category	Building Square Footage	Assigned Special Tax per Dwelling unit/Acre
Residential Property	< 1,750	\$1,663
Residential Property	1,750 - 2,100	\$1,738
Residential Property	2,101 - 2,450	\$1,813
Residential Property	2,451 - 2,800	\$1,918
Residential Property	> 2,800	\$2,058
Non-Residential Property	N/Av	\$12,090

A boundary map of the different zones is presented as follows:



Highest and Best Use

Process

Before a property can be valued, an opinion of highest and best use must be developed for the subject site, both as if vacant, and as improved or proposed. By definition, the highest and best use must be:

- Legally permissible under the zoning regulations and other restrictions that apply to the site.
- Physically possible.
- Financially feasible.
- Maximally productive, i.e., capable of producing the highest value from among the permissible, possible, and financially feasible uses.

Highest and Best Use As If Vacant

Legally Permissible

The legal factors influencing the highest and best use of the appraised properties are primarily government regulations, such as zoning and building codes. The appraised properties are zoned and approved for single-family residential development uses. Overall, the legally permissible uses are to develop the appraised properties in accordance with the existing entitlements and land use designation (single-family residential), which have undergone extensive planning and review. A re-zone to any other land use is highly unlikely.

Physically Possible

The physical characteristics of a site that affect its possible use(s) include, but are not limited to, location, street frontage, visibility, access, size, shape, topography, availability of utilities, offsite improvements, easements and soil and subsoil conditions. The legally permissible test has resulted in uses consistent with the existing entitlements (i.e., single-family development); at this point the physical characteristics are examined to see if they are suited for the legally permissible uses.

The physical characteristics of the appraised properties support development. The subject property has good access and project roadways connect the various lots within the development. Public utilities are also in place to support development. Surrounding land uses are compatible and/or similar to the legally permissible use. Existing development in the subject property provides support that soils are adequate for development. In summary, single-family residential uses are considered physically possible.

Financially Feasible

Financial feasibility depends on supply and demand influences. With respect to financial feasibility of single-family residential development, in recent months merchant builders have acquired unimproved lots in the area for near term construction, and there are multiple active projects in the area that demonstrate demand for new homes. Finished lots are transferring for prices that exceed the sum of unimproved lots and site development costs, which indicates completion of site development is financially feasible.

Maximally Productive

Legal, physical and market conditions have been analyzed to evaluate the highest and best use of the appraised properties as vacant. The analysis is presented to evaluate the type of use(s) that will generate the greatest level of future benefits possible to the property. Based on the factors previously discussed, the maximally productive use of the appraised properties, and its highest and best use as vacant, is for near term single-family residential development.

Highest and Best Use as Improved

Highest and best use of the property as improved pertains to the use that should be made in light of its current improvements.

In the case of undeveloped land under development, consideration must be given to whether it makes sense to demolish existing improvements (either on-site or off-site improvements) for replacement with another use. The time and expense to demolish existing improvements, re-grade, reroute utilities or re-map must be weighed against alternative uses. If the existing or proposed improvements are not performing well, then it may produce a higher return to demolish existing improvements, if any, and re-grade the site for development of an alternative use.

Based on the current condition, the improvements completed contribute to the overall property value, including those lots with home construction underway. The value of the subject property as improved exceeds its value as vacant less demolition. The highest and best use of the subject property as improved is for completion of the last remaining single-family homes and lots.

Probable Buyer

The probable buyer of the subject property (as vacant and improved single-family residential lots) is a merchant builder. The probable buyer of the completed homes are individual homeowners.

Valuation

Valuation Methodology

Appraisers usually consider three approaches to estimating the market value of real property. These are the cost approach, sales comparison approach and the income capitalization approach.

The **cost approach** assumes that the informed purchaser would pay no more than the cost of producing a substitute property with the same utility. This approach is particularly applicable when the improvements being appraised are relatively new and represent the highest and best use of the land or when the property has unique or specialized improvements for which there is little or no sales data from comparable properties.

The **sales comparison approach** assumes that an informed purchaser would pay no more for a property than the cost of acquiring another existing property with the same utility. This approach is especially appropriate when an active market provides sufficient reliable data. The sales comparison approach is less reliable in an inactive market or when estimating the value of properties for which no directly comparable sales data is available. The sales comparison approach is often relied upon for owner-user properties.

The **income capitalization approach** reflects the market's perception of a relationship between a property's potential income and its market value. This approach converts the anticipated net income from ownership of a property into a value indication through capitalization. The primary methods are direct capitalization and discounted cash flow analysis, with one or both methods applied, as appropriate. This approach is widely used in appraising income-producing properties.

Additional analyses often undertaken in the valuation of subdivisions include **extraction, land residual analysis, and the subdivision development method.**

The **extraction** technique is a method of estimating land value in which the depreciated cost of the improvements on an improved property is calculated and deducted from the total sale price to arrive at an estimated sale price for the land.¹

Reconciliation of the various indications into a conclusion of value is based on an evaluation of the quantity and quality of available data in each approach and the applicability of each approach to the property type.

¹ The Dictionary of Real Estate Appraisal, 6th ed. (Chicago: Appraisal Institute, 2015), 83.

Market Valuation – Floor Plans

The market values of the subject's floor plans are estimated in this section. The objective of the analyses is to estimate the base price per floor plan, net of incentives, upgrades and lot premiums. Incentives can take the form of direct price reductions or non-price incentives such as upgrades or non-recurring closing costs. The base price pertains to the typical lot size within the subject (see summary below). The sales comparison approach to value is employed in order to establish the market values for each floor plan.

This approach is based on the economic principle of substitution. According to *The Appraisal of Real Estate, 14th Edition* (Chicago: Appraisal Institute, 2013), "*The principle of substitution holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time.*" The sales comparison approach is applicable when there are sufficient recent, reliable transactions to indicate value patterns or trends in the market.

The proper application of this approach requires obtaining recent sales data for comparison with the appraised properties. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily brokers, buyers and sellers).

As requested, we will estimate the market value of the smallest floor plan offered within each subdivision (Elara, Abrio, Daybreak, Cascade and Skycrest) in CFD No. 2016-2, as of the date of value, May 1, 2019, to apply to those lots with completed single-family homes *without* a complete assigned assessed improvement value. The objective of the analyses is to estimate the base price of the smallest floor plan, net of incentives, upgrades and lot premiums. Base price pertains to the typical (median) lot size within the subject. The sales comparison approach to value is employed in order to establish the market values for each floor plan.

A summary of the active projects within the boundaries of the CFD No. 2016-2 of the City of Beaumont is provided below.

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In order to estimate not-less-than market values for the various floor plans offered within each of the five neighborhoods comprising CFD No. 2016-2, a summary of historical home sales, per square foot, within each subdivision were provided for consideration, which are summarized as follows:

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Analysis and Consideration of Sales

In order to estimate the market value for the five floor plans currently being marketed within CFD No. 2016-2, consideration for the following factors are warranted.

Adjustment Factor	Accounts For	Comments
Total Consideration	Special tax encumbrances	The comparables analyzed are all encumbered by similar tax rates and special assessments; thus, no consideration is necessary.
Upgrades and Incentives	The objective of the analysis is to estimate the base price per floor plan, net of incentives. Incentives can take the form of direct price reductions or non-price incentives such as upgrades or non-recurring closing costs.	Incentives and upgrades included in the sales have been considered in this analysis.
Real Property Rights	Leased fee, fee simple, leasehold, partial interest, etc.	All of the comparables represent fee simple estate transactions. Therefore, consideration for this factor is not necessary.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.	No consideration is required for this factor.
Conditions of Sale	Extraordinary motivation of buyer or seller.	All of the comparable transactions represent arm’s-length, market transactions.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.	New home pricing has been relatively stable in the subject property’s market area during the past year; thus, no consideration is necessary.

Adjustment Factor	Accounts For	Comments
Location	Market or submarket area influences on sale price; surrounding land use influences. Location is a very important factor to consider when making comparisons. The comparables need not be in the same neighborhood but should be in neighborhoods that offer the same advantage and have, in general, the same overall desirability to the most probable buyer or user.	The comparables are located within the subject property's Sundance community and no consideration is warranted for this category.
Lot Size	The lot size adjustment pertains to the differences between the subject property's typical lot size and comparables with either larger or smaller lots. It does not include any lot premium adjustments, which are adjusted for separately. The amount of the adjustment used in the comparison of the base lot sizes comes from a survey of premiums paid for larger lots.	Considering the subject property's average lot size an adjustment factor is considered for those with appreciably larger lots.
Lot Premiums	Properties sometimes achieve premiums for corner or cul-de-sac positioning, or proximity to open space or views. Adjustments for lot position premiums would be in addition to lot size adjustments.	The comparable sales have traditional lot configurations and no consideration is warranted.

Adjustment Factor	Accounts For	Comments
Design and Appeal/Quality of Construction	<p>Design and appeal of a floor plan is consumer specific. One exterior may appeal to one buyer, while another appeal to a different buyer. These types of features for new homes with similar functional utility are not typically noted in the base sales prices.</p> <p>Construction quality can differ from slightly to substantially between projects and is noted in the exterior and interior materials and design features of a standard unit.</p>	<p>The comparables are similar to the subject property in regard to design and appeal.</p> <p>In terms of quality of construction, the subject property represents good construction quality. All of the comparable sales feature similar construction quality and do not require consideration.</p>
Age/Condition	Effective age; physical condition.	<p>When comparing resale to resale, the market generally reflects a difference of 1% per year of difference in effective age. We have applied a similar adjustment factor to the estimated effective age of the comparable sales. All of the sales represent new construction with a similar effective age as the subject property and do not require adjustments.</p>
Number of Stories	<p>For similar size units, the differences between the number of stories is a buyer preference. Typically, more stories result in additional building area and are accounted for in the size adjustment.</p>	<p>All the comparable sales selected are of the same representative floor plan; thus, no adjustments are necessary.</p>
Parking/Garage	Differences in garage spaces typically affects value.	<p>The subject property's floor plans and all of the comparables offer a two car, three car or three-car tandem garage.</p>



Conclusion of Floor Plan Values

As shown at the beginning of this section, the recent and historical sales within the subject subdivisions suggest a market value per square foot between \$128 and \$215 price per square foot, all else being equal.

To restate, a survey of the active subdivisions within the Beaumont market area is presented below:

Active Projects											
Project	Master Plan	Community	Developer	Average Price	Avg. Home Size (SF)	Avg. Price/SF	Typical Lot Size	Units Planned	Units Offered	Units Sold	Units Unsold
Abrio*	Sundance	Beaumont	Pardee Homes	\$402,333	2,777	\$145	7,000	82	55	44	11
Avia	Olivewood	Beaumont	William Lyon Homes	\$347,567	1,750	\$199	5,000	302	38	28	10
Beacon	Sundance	Beaumont	Pardee Homes	\$488,833	3,333	\$147	10,000	105	56	48	8
Capella	Olivewood	Beaumont	William Lyon Homes	\$367,567	2,035	\$181	6,000	302	33	26	7
Cascade*	Sundance	Beaumont	Pardee Homes	\$334,667	1,758	\$190	5,300	151	137	126	11
Daybreak*	Sundance	Beaumont	Pardee Homes	\$356,533	2,244	\$159	5,600	189	92	87	5
Lugano	Olivewood	Beaumont	William Lyon Homes	\$403,567	2,452	\$165	7,200	57	28	16	12
Oak Ridge	Fairway Canyon	Beaumont	Woodside Homes	\$412,390	2,871	\$144	6,400	138	115	113	2
Provence	Olivewood	Beaumont	William Lyon Homes	\$448,557	2,893	\$155	7,000	66	34	27	7
Windsor	--	Beaumont	D.R. Horton	\$426,990	2,750	\$155	7,500	64	64	62	2
			Minimum	\$334,667	1,750	\$144	5,000				
			Maximum	\$488,833	3,333	\$199	10,000				
			Average	\$398,900	2,486	\$164	6,700				

*Subject Property

Therefore, the not-less-than market value conclusions for the smallest floor plans within each of the projects developed within CFD No. 2016-2 are summarized in the table below.

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Market Valuation – Single-Family Lots

In this section of the Appraisal Report, we will utilize the extraction technique to estimate the market value of the subject’s 27 remaining improved lots. As a check a reasonableness, the sales comparison approach will also be employed. The estimate of value assumes the lots would sell on a bulk, or wholesale, basis. That is, a group of lots would transfer in one transaction to a single buyer.

Extraction Analysis

As support for the estimate of finished lot value concluded in the sales comparison approach we utilize an extraction (residual) analysis that takes into account home prices, direct and indirect construction costs, accrued depreciation and developer’s incentive in order to arrive at an estimate of finished lot value. The elements of the extraction technique are discussed below.

Revenue

As previously noted, the average sale price amongst the subject neighborhoods is \$358,000, which coincides with an average square footage of approximately 2,260 square feet, which will be used in this analysis.

Expense Projections

As part of an ongoing effort to assemble market information, the table below reflects survey responses and developer budget information for numerous single-family residential subdivisions throughout California.

Subdivision Budgets												
Developer Classification	Budget Date	No. of Unit	Quality	Avg. Home Size (SF)	G & A % of Revenue	Mkt & Sales % of Revenue	Direct Costs/SF	Indirect % of Direct Costs	Site Costs/Lot	Permits & Fees/Unit	Cost per Model	Profit % of Revenue
Regional	2019	84	Average	2,349	4.0%	2.6%	\$90.21	14%	N/Av	\$46,576	\$106,667	12.6%
Local	2019	48	Average	2,545	2.1%	5.7%	\$88.47	21%	\$63,645	\$72,300	\$133,333	6.8%
Regional	2018	88	Average	2,421	N/Av	N/Av	\$81	N/Av	\$43,843	\$68,879	N/Av	N/Av
Regional	2018	112	Average	N/Av	5.0%	5.0%	\$85	N/Av	\$50,000	\$67,000	\$40,000	15.0%
Local	2018	35	Average	2,371	N/Av	N/Av	\$77.00	N/Av	N/Av	\$50,613	N/Av	N/Av
Regional	2018	16	Good	2,765	N/Av	N/Av	\$83.88	N/Av	N/Av	\$57,097	N/Av	N/Av
Regional	2018	46	Good	1,946	N/Av	N/Av	\$105.00	N/Av	N/Av	\$28,370	N/Av	N/Av
Regional	2018	60	Average	2,179	N/Av	N/Av	\$61.52	N/Av	\$61,030	\$65,149	N/Av	N/Av
Regional	2018	83	Average	1,728	N/Av	N/Av	\$69.50	N/Av	\$63,568	\$68,864	N/Av	N/Av
Regional	2018	90	Average	2,502	N/Av	N/Av	N/Av	N/Av	\$93,027	\$63,750	N/Av	N/Av
Local	2018	44	Average	2,114	N/Av	N/Av	\$86.00	N/Av	\$68,524	\$39,525	N/Av	N/Av
Regional	2017	147	Average	2,100	N/Av	N/Av	\$73.00	N/Av	\$35,000	\$44,000	\$80,000	N/Av
Regional	2017	44	Average	2,171	5.0%	5.0%	\$84.85	6%	\$68,524	\$33,323	N/Av	N/Av
Local	2017	46	Average	1,874	N/Av	N/Av	\$90.33	14%	\$51,807	\$23,332	N/Av	N/Av
Regional	2017	94	Average	2,188	5.0%	6.2%	\$80.54	11%	N/Av	\$35,000	\$41,512	10.1%
National	2017	38	Average	2,078	N/Av	N/Av	\$62.70	N/Av	N/Av	\$46,822	N/Av	N/Av
Regional	2016	42	Good	2,152	N/Av	1.3%	\$78.26	29%	\$46,977	\$29,290	\$67,500	11.1%
Local	2016	32	Good	2,614	2.0%	5.1%	\$72.46	12%	\$64,490	\$46,000	\$27,372	8.8%

Information from the survey above will contribute to the estimate of development expenses classified as follows.

General and Administrative

These expenses consist of management fees, liability and fire insurance, inspection fees, appraisal fees, legal and accounting fees and copying or publication costs. This expense category typically



ranges from 2.5% to 4.0%, depending on length of project and if all of the categories are included in a builder's budget. We have used 3.0% for general and administrative expenses.

Marketing and Sale

These expenses typically consist of advertising and promotion, closing costs, sales operations, and sales commissions. The expenses are expressed as a percentage of the gross sales revenue. The range of marketing and sales expenses typically found in projects within the subject's market area is 5.0% to 6.5%. A figure of 6.0%, or 3.0% for marketing and 3.0% for sales, is estimated in the marketing and sales expense category.

Direct and Indirect Construction Costs

Construction costs are generally classified into direct and indirect costs. Direct costs reflect the cost of labor and materials to build the project. Direct costs generally are lower per square foot for larger floor plans, all else being equal, due to economies of scale. Indirect items are the carrying costs and fees incurred in developing the project and during the construction cycle. Construction quality and market-segment are significant factors that affect direct construction costs. In addition, national/public builders, which are able to achieve lower costs due to the larger scale in which orders are placed, routinely achieve lower direct costs.

Recent conversations with homebuilders confirm construction costs have increased over the last 12 months; consequently, based on the cost comparables, and considering the product line under development, a direct cost estimate of \$75 per square foot is applied to the 2,260 square foot home.

Regarding indirect costs, the following list itemizes some of the typical components that generally comprise indirect costs:

- Architectural and engineering fees for plans, plan checks, surveys and environmental studies
- Appraisal, consulting, accounting and legal fees
- The cost of carrying the investment in land and contract payments during construction. If the property is financed, the points, fees or service charges and interest on construction loans are considered
- All-risk insurance
- The cost of carrying the investment in the property after construction is complete, but before sell-out is achieved
- Developer fee earned by the project coordinator
- Interest reserve

Conversations with homebuilders indicate the indirect costs generally range anywhere from 10% to 15% of the direct costs (excluding marketing, sales, general and administrative expenses, taxes, which are accounted for separately). An estimate of 10% is considered reasonable for the subject.

Permits and Fees

As noted, permits and fees due at building permit are projected to total \$7,500 per lot.

Accrued Depreciation

For new construction on the subject, an allocation for depreciation (physical, functional, or economic) is not applicable.

Developer's Incentive

According to industry sources, developer's incentive (profit) historically has ranged anywhere from 5% to 25%, with a predominate range of 5% to 15%. This is consistent with our survey presented earlier in this section, which ranged from 8.4% to 24.6%. Profit is based on the perceived risk associated with the development. Low profit expectations are typical for projects focused on more affordable product with faster sales rates. Higher profit expectations are common in projects with more risk such as developments where sales rates are slower, project size produces an extended holding period or the product type is considered weak or untested.

Elements affecting profit include location, supply/demand, anticipated risk, construction time frame and project type. Another element considered in profit expectations is for the development stage of a project. First phases typically generate a lower profit margin due to cautious or conservative pricing, as new subdivisions in competitive areas must become established to generate a fair market share. Additionally, up front development costs on first phases can produce lower profit margins.

Positive attributes of the subject property include:

- Approved entitlements
- Anticipated completion of off-site development (assumed for analysis only)
- Good transportation linkages
- Steady pricing and steady absorption

There are generally few "negative" attributes associated with the subject property, other than the potential for deterioration in market conditions in the residential sector that would result from a change in macroeconomic factors (e.g., unemployment rates, interest rates, etc.). The prior table at the beginning of the Expense Projections discussion includes survey results for profit expectations of active home builders in the region.

Based on the preceding discussion and developer surveys, we have concluded an estimate of 10% for developer's incentive.

Conclusion

Our estimates of finished lot value for the subject's lots via the extraction analysis is presented on the as follows:

Market Valuation – Single-Family Lots

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Extraction Analysis

Revenue

Average Floor Plan Size	2,260 SF	
Typical Home Price		\$358,000

Expense Projections

G&A Costs	3.00% of Retail Value	\$10,740
Marketing/Sales	6.00% of Retail Value	\$21,480
Average Direct Costs	\$75.00 per SF	\$169,500
Indirect Costs	10.00% of Direct Costs	\$16,950
Permits and Fee	\$7,500 per lot	\$7,500
Developer's Incentive	10.00% of home price	\$35,800

\$261,970

Residual Lot Value		\$96,030
	Rd.	\$96,000



Sales Comparison Approach

As a supporting indicator of improved lot value for the appraised property, the sales comparison approach will also be employed. This approach is based on the economic principle of substitution. According to *The Appraisal of Real Estate, 14th Edition* (Chicago: Appraisal Institute, 2013), "*The principle of substitution holds that the value of property tends to be set by the cost of acquiring a substitute or alternative property of similar utility and desirability within a reasonable amount of time.*" The sales comparison approach is applicable when there are sufficient recent, reliable transactions to indicate value patterns or trends in the market.

The proper application of this approach requires obtaining recent sales data for comparison with the subject property. In order to assemble the comparable sales, we searched public records and other data sources for leads, then confirmed the raw data obtained with parties directly related to the transactions (primarily brokers, buyers and sellers).

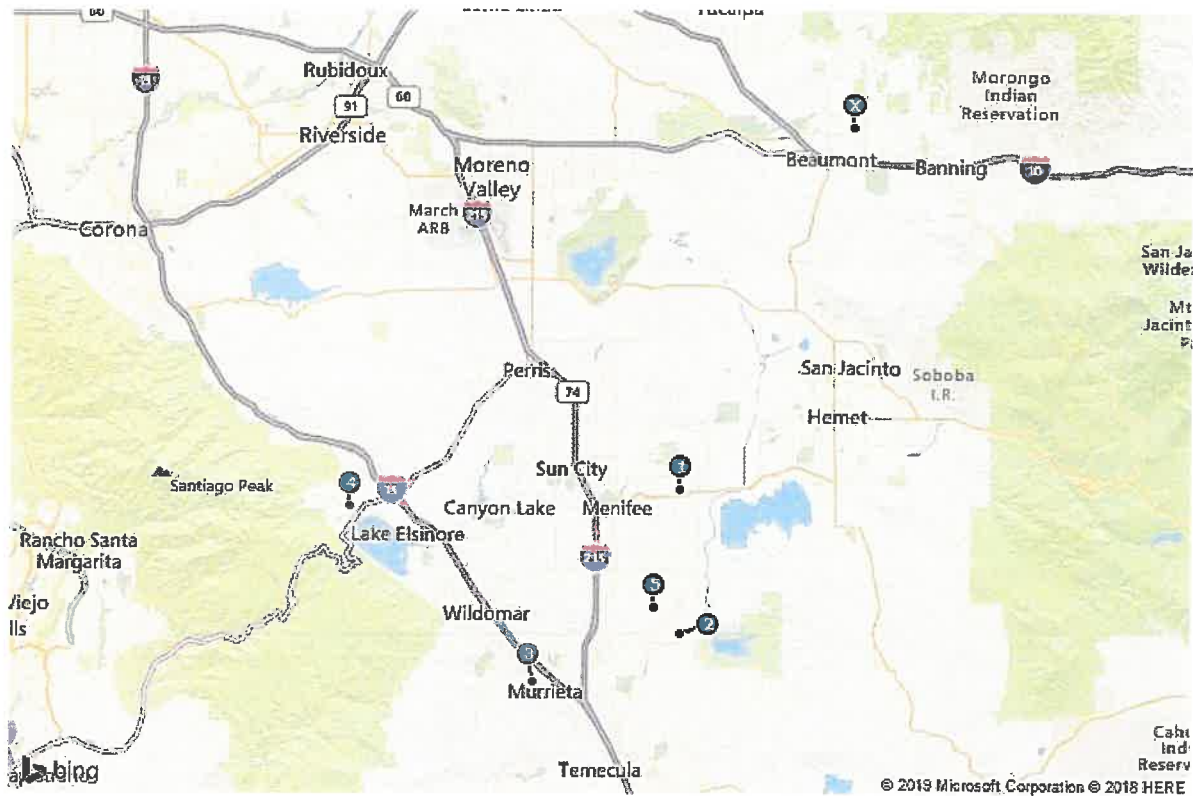
Below, we have arrayed comparable sales that have occurred in the Riverside County market area. The summary table is followed by details of each comparable. The basis of analysis is price per lot. The comparable data includes finished and unimproved transactions (with adjustments for remaining site costs to the unimproved transactions).

Summary of Comparable Land Sales

No.	Name/Address	Sale Date; Status	Sale Price; PV of Spec. Tax/Lot	Typical Lot Size	Number of Lots	\$/Lot	Site Dev. Costs/Lot; Permits & Fees/Lot
1	Creekside Subdivision Olive Ave. Winchester Tax ID: 461-241-039 et al Grantor: Lansing Stone Star, LLC Grantee: KB Home Coastal Inc. Document ID: 2017-0547838 <i>Comments: This comparable is the December 2017 purchase of 112 nearly finished lots within the Creekside Subdivision in Winchester, Riverside County. According to marketing materials for the sale, costs to finish were reportedly \$58,000 per lot, net of \$26,000 in CFD proceeds (fee credits). According to public records, KB Home acquired the lots for \$55,357, indicating a finished lot value of \$113,357 per lot.</i>	Dec-17 Closed	\$6,200,000 \$0	6,000	112	\$55,357	\$58,000 \$0
2	Turtle Ranch Subdivision Thompson Rd. Winchester Tax ID: 964-010-001 Grantor: Javin Investments Sp Z o.o., a Polish corporation Grantee: KB Home Coastal Inc. Document ID: <i>Comments: This comparable is the September 2017 sale of 51 unimproved lots in Winchester, Riverside County, within the Temecula Valley Unified School District. The typical lot size is 7,200 square feet (65' wide). Estimated costs to complete, including fees, is \$100,000, suggesting a finished lot price of \$142,157 per lot.</i>	Sep-17 Closed	\$2,150,000 \$0	10,000	51	\$42,157	\$100,000 \$0
3	Murrieta 64 Washington Ave. Murrieta Tax ID: 906-040-096-2 Grantor: Harding Square LLC Grantee: KB Home Coastal, Inc. Document ID: 0367247 <i>Comments: This property is the September 2017 acquisition of land with final map recorded for 64 single-family residential lots with a typical lot size of 3,200 square feet. Finishing costs were reported at \$98,665.</i>	Sep-17 Closed	\$5,525,000 \$0	3,200	64	\$86,328	\$98,665 \$0
4	McKenna Pointe Subdivision Machado St. Lake Elsinore Tax ID: 379-150-002, -041, -042, -043, -048 and -050 Grantor: Sam-McKenna LLC Grantee: Western Pacific Housing, Inc. <i>Comments: This comparable is the April 2017 sale of 81 blue top lots in Lake Elsinore, Riverside County. According to a representative of the buyer, D.R. Horton, Inc., the average lot size is 8,500 square feet and finishing costs were reportedly \$58,130 per lot, for a finished lot indicator of \$128,500 per lot.</i>	Apr-17 Closed	\$5,700,000 \$0	8,500	81	\$70,370	\$58,130 \$0
5	Spencer's Crossing (Tract 32290-1) N/O Baxter Rd., W/O Spencer's Crossing Pkwy. Murrieta Tax ID: 480-830-001 through 480-832-013 Grantor: Riverside Midland 03 Grantee: Brookfield Juniper LLC Document ID: <i>Comments: This comparable represents the December 2016 sale of 82 lots within the Spencer's Crossing master planned community. The buyer, Brookfield Residential, acquired 82 nearly finished lots and is marketing the Juniper subdivision with homes ranging in size from 3,212 to 4,091 square feet on a typical lot size of 8,400 SF. The costs to complete (developments costs and fees) are \$9,271/lot.</i>	Dec-16 Closed	\$6,811,063 \$0	8,400	82	\$83,062	\$9,271 \$0
<p>Subject Sundance Beaumont, CA</p>							



Comparable Land Sales Map



The sales are compared to the subject property and adjusted to account for material differences that affect value. Adjustments are considered for the following factors, in the sequence shown below.

Adjustment Factors	
Remaining Site Dev. Cost	We apply adjustments for remaining site development costs (if any).
Effective Sale Price	Accounts for atypical economics of a transaction, such as demolition cost, expenditures by the buyer at time of purchase, or other similar factors. Usually applied directly to sale price on a lump sum basis.
Real Property Rights	Fee simple, leased fee, leasehold, partial interest, etc.
Financing Terms	Seller financing, or assumption of existing financing, at non-market terms.
Conditions of Sale	Extraordinary motivation of buyer or seller, assemblage, forced sale, related parties transaction.
Market Conditions	Changes in the economic environment over time that affect the appreciation and depreciation of real estate.
Location	Market or submarket area influences on sale price; surrounding land use influences.
Location/Community Appeal	Adjustments are applied where necessary to account for differences in desirability of communities.
Number of Lots	Generally, there is an inverse relationship between the number of lots and price per lot such that larger projects (with a greater number of lots) achieve a lower price per lot and smaller projects (with fewer lots) achieve a higher price per lot.
Lot Size (Typical)	Adjustments for differences in lot size between the comparables and subject property are estimated by applying a lot size adjustment factor to difference in lot size. The amount of the adjustment used in the comparison of the base lot sizes comes from a survey of premiums paid for larger lots.
Lot Premiums/Discount	Differences in anticipated lot premiums and/or discounts (cul-de-sac, corner, inverted corner).
Zoning and Entitlements	The specific level of governmental approvals attained pertaining to development of a site.

Analysis and Adjustment of Sales

Our analysis of the comparable sales is described in the following paragraphs.

Land Sale 1 is similar in number of lots and typical lot size; a slight downward adjustment is applied for location.

Land Sale 2 receives a downward adjustment as it is located within a desirable area of French Valley. Additionally, as this comparable has a typical lot size of 10,000 square feet, a downward adjustment is warranted. Overall, this comparable is considered superior to the subject property.

Land Sale 3 is located in Murrieta, which is considered a superior location to the subject property's in terms of property values and median household income levels; a downward adjustment is warranted. Additionally, an upward adjustment is applied for typical lot size, as this comparable has an appreciably smaller typical lot size. Overall, this comparable is considered superior compared to the subject property.

Land Sale 4 receives an upward adjustment for inferior market conditions, as this comparable transferred in early 2017 and a slight downward adjustment for larger typical lot size and superior location.

Land Sale 5 receives upward adjustments for both market conditions and location and a slight downward adjustment for typical lot size.

The following table summarizes the adjustments we make to the comparable sales.

Land Sales Adjustment Grid						
	Subject	Comparable 1	Comparable 2	Comparable 3	Comparable 4	Comparable 5
Name	Sundance	Creekside Subdivision	Turtle Ranch Subdivision	Murrieta 64	McKenna Pointe Subdivision	Spencer's Crossing (Tract 32290-1)
City	Beaumont	Winchester	Winchester	Murrieta	Lake Elsinore	Murrieta
Sale Date		Dec-17	Sep-17	Sep-17	Apr-17	Dec-16
Sale Status		Closed	Closed	Closed	Closed	Closed
Sale Price		\$6,200,000	\$2,150,000	\$5,525,000	\$5,700,000	\$6,811,063
Number of Lots	27	112	51	64	81	82
Price per Lot	—	\$55,357	\$42,157	\$86,328	\$70,370	\$83,062
Loaded Lot Adjustment	—	\$58,000	\$100,000	\$98,665	\$58,130	\$9,271
Price per Loaded Lot		\$113,357	\$142,157	\$184,993	\$128,500	\$92,333
Property Rights		Fee Simple	Fee Simple	Fee Simple	Fee Simple	Fee Simple
% Adjustment		—	—	—	—	—
Financing Terms		Cash to seller	Cash to seller	Cash to seller	Cash to seller	Cash to seller
% Adjustment		—	—	—	—	—
Conditions of Sale		Market	Market	Market	Market	Market
% Adjustment		—	—	—	—	—
Market Conditions	5/1/2019	Dec-17	Sep-17	Sep-17	Apr-17	Dec-16
Annual % Adjustment		—	—	—	Sl. Inferior	Inferior
Cumulative Adjusted Price		\$113,357	\$142,157	\$184,993	\$128,500	\$92,333
Location/Community Appeal	Beaumont	Winchester	Winchester	Murrieta	Lake Elsinore	Murrieta
Adjustment		Sl. Superior	Superior	Sig. Superior	Sl. Superior	Sl. Inferior
Number of Lots	27	112	51	64	81	82
Adjustment		—	—	—	—	—
Lot Size (Typical)	6,000	6,000	10,000	3,200	8,500	8,400
Adjustment		—	Superior	Inferior	Sl. Superior	Sl. Superior
Lot Premiums/Discounts	Average	Similar	Similar	Similar	Similar	Similar
Adjustment		—	—	—	—	—
Zoning/Entitlements	Approved	Similar	Similar	Similar	Similar	Similar
Adjustment		—	—	—	—	—
Overall Adjustment		Sl. Superior	Superior	Superior	Superior	Inferior



Conclusion of Value (per lot) – Sales Comparison Approach

The market data set consists of various sales that are considered reasonable indicators of market value for the fee simple interest in the subject property. After accounting for remaining site development costs, the data set reflects an unadjusted range of \$92,333 to \$184,993 per lot.

Based upon the analysis presented, a ranking analysis of the subject and the comparable sales is in the table below:

Bulk Lot Ranking Summary			
Property	Sale Date	\$/Loaded Lot (Unadjusted)	Net Adjustment
Comparable 3	Sep-17	\$184,993	Superior
Comparable 2	Sep-17	\$142,157	Superior
Comparable 4	Apr-17	\$128,500	Superior
Comparable 1	Dec-17	\$113,357	Sl. Superior
Subject Property		\$100,000	
Comparable 5	Dec-16	\$92,333	Inferior

As shown, the improved lot value indicator for the subject property is estimated to be higher than Comparable 5 and lower than the balance of the data set. As such, an improved lot indicator of **\$100,000** per lot is concluded for the subject property.

Lot Value Conclusion	
Concluded Loaded Lot Value	\$100,000
Less: Permits & Fees	(\$7,500)
Indicated Lot Value (Rd.)	\$93,000

Final Conclusion of Improved Lot Value

The sales comparison approach indicated \$93,000 per finished lot, while the extraction technique was \$96,000 per finished lot. Both methods are credible and supported; as such, our conclusion of value is **\$95,000 per finished lot**, in bulk (no further discounting is warranted). The improved lot value will be assigned to each improved lot within CFD No. 2016-2.



Final Opinion of Value

Based on the preceding valuation analysis and subject to the definitions, assumptions, and limiting conditions expressed in the report, our opinion of value is as follows:

Final Value Conclusions

Value Premise	Value per Parcel	No. of Parcels	Aggregate Value
Not-Less-Than Market Value per Completed Home*			
Cascade	\$296,000	91	\$26,936,000
Elara	\$268,000	80	\$21,440,000
Daybreak	\$325,000	56	\$18,200,000
Skycrest	\$375,000	10	\$3,750,000
Abrio	\$369,000	38	\$14,022,000
Not-Less-Than Market Value (Homes under Construction)	\$95,000	38	\$3,610,000
Market Value of Finished (Vacant) Lots	\$95,000	27	<u>\$2,565,000</u>
Aggregate Value of Appraised Properties			\$90,523,000
Aggregate Retail Value of Existing Homes based on Assessed Value (Fiscal Year 2018/19)			<u>\$56,382,061</u>
Total Aggregate Value of Appraised and Assessed Properties in the District			\$146,905,061

*Based on smallest floor plan within each subdivision

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. None

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. It is a hypothetical condition of this Appraisal Report that certain proceeds from the Bonds will be available to reimburse for certain impact fees that have been paid. The estimate of market value accounts for the impact of the Lien of CFD No. 2016-2 for the Special Taxes securing the Bonds.

The estimates of value above represent a “not-less-than” value due to the fact we were requested to provide a market value of the smallest floor plan (by project) on each single-family residential lot improved with a completed home without a complete assessed improvement value assigned.

Any properties within CFD No. 2016-2 not subject to the Lien of the Special Tax securing the Bonds (public and quasi-public land use sites), in addition to those lots/parcels with completed improvements with an assigned assessed value for both land and improvements, are not a part of this Appraisal Report. We were requested to include the assigned assessed value for both land and improvements for the existing single-family homes (that have assessed improvement values) to provide the total aggregate



value of the appraised and assessed properties.

Please note the aggregate of the appraised values noted above *is not* the market value of the appraised properties in bulk. As defined by The Dictionary of Real Estate Appraisal, an aggregate value is the "total of multiple market value conclusions." For purposes of this Appraisal Report, market value is estimated by ownership. The estimates of market value account for the impact of the lien of the Special Taxes securing the Bonds.

The estimates of market value, by ownership, estimated herein specifically assume the appraised properties within the boundaries of CFD No. 2016-2 are not marketed concurrently, which would suggest a market under duress.

Exposure Time

Exposure time is the length of time the subject property would have been exposed for sale in the market had it sold on the effective valuation date at the concluded market value. Exposure time is always presumed to precede the effective date of the appraisal. Based on our review of recent sales transactions for similar properties and our analysis of supply and demand in the local land market, it is our opinion that the probable exposure time for the subject at the concluded market value stated previously is 12 months.

Marketing Time

Marketing time is an estimate of the amount of time it might take to sell a property at the concluded market value immediately following the effective date of value. As we foresee no significant changes in market conditions in the near term, it is our opinion that a reasonable marketing period for the subject in bulk is likely to be the same as the exposure time. Accordingly, we estimate the subject's marketing period at 12 months.

Certification

We certify that, to the best of our knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions, and are our personal, impartial, and unbiased professional analyses, opinions, and conclusions.
3. We have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
4. We have not performed any services, as an appraiser or in any other capacity, regarding the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
5. We have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
6. Our engagement in this assignment was not contingent upon developing or reporting predetermined results.
7. Our compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
8. Our analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Uniform Standards of Professional Appraisal Practice as well as applicable state appraisal regulations.
9. The reported analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the Code of Professional Ethics and Standards of Professional Appraisal Practice of the Appraisal Institute.
10. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
11. Eric Segal, MAI, and Kevin Ziegenmeyer, MAI, have made a personal inspection of the property that is the subject of this report. Kari Tatton has not personally inspected the subject.
12. No one provided significant real property appraisal assistance to the person(s) signing this certification.
13. We have experience in appraising properties similar to the subject and are in compliance with the Competency Rule of USPAP.

14. As of the date of this report, Eric Segal, MAI, Kevin Ziegenmeyer, MAI, have completed the continuing education program for Designated Members of the Appraisal Institute.



Eric Segal, MAI
Certified General
California Certificate # AG026558



Kevin Ziegenmeyer, MAI
Certified General Real Estate Appraiser
California Certificate # AG013567



Kari Tatton
Certified General Real Estate Appraiser
California Certificate # 3002218

Assumptions and Limiting Conditions

This appraisal and any other work product related to this engagement are limited by the following standard assumptions, except as otherwise noted in the report:

1. The title is marketable and free and clear of all liens, encumbrances, encroachments, easements and restrictions. The property is under responsible ownership and competent management and is available for its highest and best use.
2. There are no existing judgments or pending or threatened litigation that could affect the value of the property.
3. There are no hidden or undisclosed conditions of the land or of the improvements that would render the property more or less valuable. Furthermore, there is no asbestos in the property.
4. The revenue stamps placed on any deed referenced herein to indicate the sale price are in correct relation to the actual dollar amount of the transaction.
5. The property is in compliance with all applicable building, environmental, zoning, and other federal, state and local laws, regulations and codes.
6. The information furnished by others is believed to be reliable, but no warranty is given for its accuracy.

This appraisal and any other work product related to this engagement are subject to the following limiting conditions, except as otherwise noted in the report:

1. An appraisal is inherently subjective and represents our opinion as to the value of the property appraised.
2. The conclusions stated in our appraisal apply only as of the effective date of the appraisal, and no representation is made as to the effect of subsequent events.
3. No changes in any federal, state or local laws, regulations or codes (including, without limitation, the Internal Revenue Code) are anticipated.
4. No environmental impact studies were either requested or made in conjunction with this appraisal, and we reserve the right to revise or rescind any of the value opinions based upon any subsequent environmental impact studies. If any environmental impact statement is required by law, the appraisal assumes that such statement will be favorable and will be approved by the appropriate regulatory bodies.
5. Unless otherwise agreed to in writing, we are not required to give testimony, respond to any subpoena or attend any court, governmental or other hearing with reference to the property without compensation relative to such additional employment.
6. We have made no survey of the property and assume no responsibility in connection with such matters. Any sketch or survey of the property included in this report is for illustrative purposes only and should not be considered to be scaled accurately for size. The appraisal

- covers the property as described in this report, and the areas and dimensions set forth are assumed to be correct.
7. No opinion is expressed as to the value of subsurface oil, gas or mineral rights, if any, and we have assumed that the property is not subject to surface entry for the exploration or removal of such materials, unless otherwise noted in our appraisal.
 8. We accept no responsibility for considerations requiring expertise in other fields. Such considerations include, but are not limited to, legal descriptions and other legal matters such as legal title, geologic considerations such as soils and seismic stability; and civil, mechanical, electrical, structural and other engineering and environmental matters. Such considerations may also include determinations of compliance with zoning and other federal, state, and local laws, regulations and codes.
 9. The distribution of the total valuation in the report between land and improvements applies only under the reported highest and best use of the property. The allocations of value for land and improvements must not be used in conjunction with any other appraisal and are invalid if so used. The appraisal report shall be considered only in its entirety. No part of the appraisal report shall be utilized separately or out of context.
 10. Neither all nor any part of the contents of this report (especially any conclusions as to value, the identity of the appraisers, or any reference to the Appraisal Institute) shall be disseminated through advertising media, public relations media, news media or any other means of communication (including without limitation prospectuses, private offering memoranda and other offering material provided to prospective investors) without the prior written consent of the persons signing the report.
 11. Information, estimates and opinions contained in the report and obtained from third-party sources are assumed to be reliable and have not been independently verified.
 12. Any income and expense estimates contained in the appraisal report are used only for the purpose of estimating value and do not constitute predictions of future operating results.
 13. If the property is subject to one or more leases, any estimate of residual value contained in the appraisal may be particularly affected by significant changes in the condition of the economy, of the real estate industry, or of the appraised property at the time these leases expire or otherwise terminate.
 14. Unless otherwise stated in the report, no consideration has been given to personal property located on the premises or to the cost of moving or relocating such personal property; only the real property has been considered.
 15. The current purchasing power of the dollar is the basis for the values stated in the appraisal; we have assumed that no extreme fluctuations in economic cycles will occur.
 16. The values found herein are subject to these and to any other assumptions or conditions set forth in the body of this report but which may have been omitted from this list of Assumptions and Limiting Conditions.
 17. The analyses contained in the report necessarily incorporate numerous estimates and assumptions regarding property performance, general and local business and economic

conditions, the absence of material changes in the competitive environment and other matters. Some estimates or assumptions, however, inevitably will not materialize, and unanticipated events and circumstances may occur; therefore, actual results achieved during the period covered by our analysis will vary from our estimates, and the variations may be material.

18. The Americans with Disabilities Act (ADA) became effective January 26, 1992. We have not made a specific survey or analysis of the property to determine whether the physical aspects of the improvements meet the ADA accessibility guidelines. We claim no expertise in ADA issues, and render no opinion regarding compliance of the subject with ADA regulations. Inasmuch as compliance matches each owner's financial ability with the cost to cure the non-conforming physical characteristics of a property, a specific study of both the owner's financial ability and the cost to cure any deficiencies would be needed for the Department of Justice to determine compliance.
19. The appraisal report is prepared for the exclusive benefit of the Client, its subsidiaries and/or affiliates. It may not be used or relied upon by any other party. All parties who use or rely upon any information in the report without our written consent do so at their own risk.
20. No studies have been provided to us indicating the presence or absence of hazardous materials on the subject property or in the improvements, and our valuation is predicated upon the assumption that the subject property is free and clear of any environment hazards including, without limitation, hazardous wastes, toxic substances and mold. No representations or warranties are made regarding the environmental condition of the subject property. Integra Realty Resources – San Francisco, Integra Realty Resources, Inc., Integra Strategic Ventures, Inc. and/or any of their respective officers, owners, managers, directors, agents, subcontractors or employees (the "Integra Parties"), shall not be responsible for any such environmental conditions that do exist or for any engineering or testing that might be required to discover whether such conditions exist. Because we are not experts in the field of environmental conditions, the appraisal report cannot be considered as an environmental assessment of the subject property.
21. The persons signing the report may have reviewed available flood maps and may have noted in the appraisal report whether the subject property is located in an identified Special Flood Hazard Area. We are not qualified to detect such areas and therefore do not guarantee such determinations. The presence of flood plain areas and/or wetlands may affect the value of the property, and the value conclusion is predicated on the assumption that wetlands are non-existent or minimal.
22. Integra Realty Resources – San Francisco is not a building or environmental inspector. Integra San Francisco does not guarantee that the subject property is free of defects or environmental problems. Mold may be present in the subject property and a professional inspection is recommended.
23. The appraisal report and value conclusions for an appraisal assume the satisfactory completion of construction, repairs or alterations in a workmanlike manner.
24. It is expressly acknowledged that in any action which may be brought against any of the Integra Parties, arising out of, relating to, or in any way pertaining to this engagement, the

appraisal reports, and/or any other related work product, the Integra Parties shall not be responsible or liable for any incidental or consequential damages or losses, unless the appraisal was fraudulent or prepared with intentional misconduct. It is further acknowledged that the collective liability of the Integra Parties in any such action shall not exceed the fees paid for the preparation of the appraisal report unless the appraisal was fraudulent or prepared with intentional misconduct. Finally, it is acknowledged that the fees charged herein are in reliance upon the foregoing limitations of liability.

25. Integra Realty Resources – San Francisco, an independently owned and operated company, has prepared the appraisal for the specific intended use stated elsewhere in the report. The use of the appraisal report by anyone other than the Client is prohibited except as otherwise provided. Accordingly, the appraisal report is addressed to and shall be solely for the Client's use and benefit unless we provide our prior written consent. We expressly reserve the unrestricted right to withhold our consent to your disclosure of the appraisal report or any other work product related to the engagement (or any part thereof including, without limitation, conclusions of value and our identity), to any third parties. Stated again for clarification, unless our prior written consent is obtained, no third party may rely on the appraisal report (even if their reliance was foreseeable).
26. The conclusions of this report are estimates based on known current trends and reasonably foreseeable future occurrences. These estimates are based partly on property information, data obtained in public records, interviews, existing trends, buyer-seller decision criteria in the current market, and research conducted by third parties, and such data are not always completely reliable. The Integra Parties are not responsible for these and other future occurrences that could not have reasonably been foreseen on the effective date of this assignment. Furthermore, it is inevitable that some assumptions will not materialize and that unanticipated events may occur that will likely affect actual performance. While we are of the opinion that our findings are reasonable based on current market conditions, we do not represent that these estimates will actually be achieved, as they are subject to considerable risk and uncertainty. Moreover, we assume competent and effective management and marketing for the duration of the projected holding period of this property.
27. All prospective value opinions presented in this report are estimates and forecasts which are prospective in nature and are subject to considerable risk and uncertainty. In addition to the contingencies noted in the preceding paragraph, several events may occur that could substantially alter the outcome of our estimates such as, but not limited to changes in the economy, interest rates, and capitalization rates, behavior of consumers, investors and lenders, fire and other physical destruction, changes in title or conveyances of easements and deed restrictions, etc. It is assumed that conditions reasonably foreseeable at the present time are consistent or similar with the future.
28. The appraisal is also subject to the following:

Extraordinary Assumptions and Hypothetical Conditions

The value conclusions are subject to the following extraordinary assumptions that may affect the assignment results. An extraordinary assumption is uncertain information accepted as fact. If the assumption is found to be false as of the effective date of the appraisal, we reserve the right to modify our value conclusions.

1. None

The value conclusions are based on the following hypothetical conditions that may affect the assignment results. A hypothetical condition is a condition contrary to known fact on the effective date of the appraisal but is supposed for the purpose of analysis.

1. It is a hypothetical condition of this Appraisal Report that certain proceeds from the Bonds will be available to reimburse for certain impact fees that have been paid. The estimate of market value accounts for the impact of the Lien of CFD No. 2016-2 for the Special Taxes securing the Bonds.
-

Addenda

Addendum A
Appraiser Qualifications



Eric Segal, MAI

Experience

Mr. Segal is a Certified General real estate appraiser and holds the Appraisal Institute's MAI designation. In 1998, Mr. Segal began his career in real estate as a research analyst/appraiser trainee for Richard Seevers and Associates. By 1999, he began writing narrative appraisal reports covering a variety of commercial properties, with an emphasis on residential master planned communities and subdivisions. Today, Mr. Segal is a partner in the firm and is involved in appraisal assignments covering a wide variety of properties including office, retail, industrial, multifamily housing, master planned communities, and specializes in the appraisal of Mello-Roos Community Facilities Districts and Assessment Districts for land-secured municipal financings, as well as multifamily developments under the U.S. Department of Housing and Urban Development's Multifamily Accelerated Processing (MAP) Guide. He has developed the experience and background necessary to deal with complex assignments covering an array of property types, with a particular focus on urban redevelopment in the cities of San Francisco, Monterey, Alameda and San Mateo. He has developed the experience and background necessary to deal with complex assignments covering an array of property types. Eric is currently Managing Director of the Integra-San Francisco office and Senior Managing Director of the Integra-Sacramento office.

Professional Activities & Affiliations

Appraisal Institute, Member (MAI) Appraisal Institute, January 2016

Licenses

California, Certified General, AG026558, Expires February 2021
 Nevada, Certified General, A.0207666-CG, Expires January 2019

Education

Academic:

Bachelor of Science in Business Administration (Concentrations in Finance and Real Estate & Land Use Affairs), California State University, Sacramento

Appraisal and Real Estate Courses:

- Uniform Standards of Professional Appraisal Practice
- Appraisal Principles
- Basic Income Capitalization
- Highest & Best Use and Market Analysis
- Advanced Income Capitalization
- Report Writing and Valuation Analysis
- Self-Storage Economics and Appraisal Seminar
- Appraisal Litigation Practice and Courtroom Management
- Hotel Valuations: New Techniques for today's Uncertain Times
- Computer Enhanced Cash Flow Modeling
- Advanced Sales Comparison & Cost Approaches
- Advanced Applications
- Supervisor-Trainee Course for California

Integra Realty Resources Sacramento

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esegal@irr.com - 916-435-3883 x228



Business, Consumer Services & Housing Agency

BUREAU OF REAL ESTATE APPRAISERS REAL ESTATE APPRAISER LICENSE

Eric A. Segal

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 026558

Effective Date: February 19, 2019
Date Expires: February 18, 2021


Jim Martin, Bureau Chief, BREA

3044479

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE 'CHAIN LINK'

Kevin Ziegenmeyer, MAI

Experience

Mr. Ziegenmeyer is a Certified General real estate appraiser and holds the Appraisal Institute's MAI designation. In 1989, Mr. Ziegenmeyer began his career in real estate as a controller for a commercial and residential real estate development corporation. In 1991 he began appraising and continued to be involved in appraisal assignments covering a wide variety of properties, including office, retail, industrial, residential income and subdivisions throughout the Central Valley area of California, Northern Nevada, and within the Sacramento Metropolitan Area. Over the past several years, Mr. Ziegenmeyer has handled many of the firm's master-planned property appraisals and has developed expertise in the valuation of Community Facilities Districts and Assessment Districts. In early 2015, Mr. Ziegenmeyer obtained the Appraisal Institute's MAI designation. Kevin is currently Senior Managing Director of the Integra-San Francisco office and Managing Director of the Integra-Sacramento office.

Licenses

California, Certified General Real Estate Appraiser, AG013567, Expires June 2019

Education

Academic:

Bachelor of Science in Accounting, Azusa Pacific University, California

Appraisal and Real Estate Courses:

Standards of Professional Practice, Parts A, B & C

Basic Valuation Procedures

Real Estate Appraisal Principles

Capitalization Theory and Techniques, Part A

Advanced Income Capitalization

Report Writing and Valuation Analysis

Advanced Applications

IRS Valuation Summit I & II

2008, 2009, 2010 & 2011 Economic Forecast

Business Practices and Ethics

Contemporary Appraisal Issues with Small Business Administration Financing

General Demonstration Appraisal Report Writing Seminar

7-Hour National USPAP Update Course

Valuation of Easements and Other Partial Interests

2009 Summer Conference

Uniform Appraisal Standards for Federal Land Acquisitions

2008 Economic Update

Valuation of Conservation Easements

Subdivision Valuation

2005 Annual Fall Conference

General Comprehensive Exam Module I, II, III & IV

Advanced Income Capitalization

Advanced Sales Comparison & Cost Approaches

2004 Central CA Market Update

Computer-Enhanced Cash Flow Modeling

Forecast 2000, 2001, 2002, 2003 & 2004

Land Valuation Assignments

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kziegenmeyer@irr.com - 916-435-3883 x224

Kevin Ziegenmeyer, MAI

Education (Cont'd)

Land Valuation Adjustment Procedures
Highest & Best Use and Market Analysis
Entitlements, Land Subdivision & Valuation
Real Estate Value Cycles
El Dorado Hills Housing Symposium
Federal Land Exchanges
M & S Computer Cost-Estimating, Nonresidential

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Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Kevin K. Ziegenmeyer

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: AG 013567

Effective Date: June 5, 2017
Date Expires: June 4, 2019


Jim Martin, Bureau Chief, BREA

3034684

THIS DOCUMENT CONTAINS A TRUE WATERMARK - HOLD UP TO LIGHT TO SEE "CHAIN LINK"

Kari Tatton

Experience

Ms. Tatton is a Certified General real estate appraiser. After completing her bachelor's degree at California State University, Sacramento, Ms. Tatton began her career in real estate in March 2011, and has been writing narrative appraisal reports for a variety of commercial properties including office, retail, industrial, multifamily housing, land and special-purpose properties including self-storage facilities, religious facilities, schools and auto dealerships. She specializes in the appraisal of residential master planned communities and subdivisions, as well as Mello-Roos and Assessment Districts for land-secured municipal financings.

Licenses

California, Certified General Real Estate, 3002218, Expires June 2020

Education

Academic:

Bachelor of Arts in Interior Design (Concentration in Interior Architecture)
California State University, Sacramento

Appraisal and Real Estate Courses:

Basic Appraisal Principles
Basic Appraisal Procedures
Site Valuation & Cost Approach
General Market Analysis & Highest and Best Use
Sales Comparison Approach
Income Capitalization Approach Part I
Income Capitalization Approach Part II
General Appraiser Report Writing and Case Studies
Appraisal of Fast Food Facilities
Appraising Small Apartment Properties
Appraisal of Land Subject to Ground Leases
Appraising Automobile Dealerships

Integra Realty Resources
Sacramento

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Business, Consumer Services & Housing Agency
BUREAU OF REAL ESTATE APPRAISERS
REAL ESTATE APPRAISER LICENSE

Kari M. Tatton

has successfully met the requirements for a license as a residential and commercial real estate appraiser in the State of California and is, therefore, entitled to use the title:

“Certified General Real Estate Appraiser”

This license has been issued in accordance with the provisions of the Real Estate Appraisers' Licensing and Certification Law.

BREA APPRAISER IDENTIFICATION NUMBER: 3002218

Effective Date: June 2, 2018
Date Expires: June 1, 2020


Jim Martin, Bureau Chief, BREA

3040303

About IRR

Integra Realty Resources, Inc. (IRR) provides world-class commercial real estate valuation, counseling, and advisory services. Routinely ranked among leading property valuation and consulting firms, we are now the largest independent firm in our industry in the United States, with local offices coast to coast and in the Caribbean.

IRR offices are led by MAI-designated Senior Managing Directors, industry leaders who have over 25 years, on average, of commercial real estate experience in their local markets. This experience, coupled with our understanding of how national trends affect the local markets, empowers our clients with the unique knowledge, access, and historical perspective they need to make the most informed decisions.

Many of the nation's top financial institutions, developers, corporations, law firms, and government agencies rely on our professional real estate opinions to best understand the value, use, and feasibility of real estate in their market.

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Addenda

Addendum B
Definitions



Definitions

The source of the following definitions is the Appraisal Institute, *The Dictionary of Real Estate Appraisal*, 6th ed. (Chicago: Appraisal Institute, 2015), unless otherwise noted.

As Is Market Value

The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date.

Disposition Value

The most probable price that a specified interest in property should bring under the following conditions:

1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Effective Date

1. The date on which the appraisal or review opinion applies.
2. In a lease document, the date upon which the lease goes into effect.

Entitlement

In the context of ownership, use, or development of real estate, governmental approval for annexation, zoning, utility extensions, number of lots, total floor area, construction permits, and occupancy or use permits.

Entrepreneurial Profit

1. A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of

development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses.

2. In economics, the actual return on successful management practices, often identified with coordination, the fourth factor of production following land, labor, and capital; also called entrepreneurial return or entrepreneurial reward.

Exposure Time

1. The time a property remains on the market.
2. The estimated length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal; a retrospective opinion based on an analysis of past events assuming a competitive and open market.

Fee Simple Estate

Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.

Floor Area Ratio (FAR)

The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area.

Highest and Best Use

1. The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity.
2. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid. (ISV)
3. [The] highest and most profitable use for which the property is adaptable and needed or likely to be needed in the reasonably near future. (Uniform Appraisal Standards for Federal Land Acquisitions)

Investment Value

1. The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market.
2. The value of an asset to the owner or a prospective owner for individual investment or operational objectives.

Lease

A contract in which rights to use and occupy land, space, or structures are transferred by the owner to another for a specified period of time in return for a specified rent.

Leased Fee Interest

The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversionary right when the lease expires.

Leasehold Interest

The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease.

Liquidation Value

The most probable price that a specified interest in real property should bring under the following conditions:

1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms.

Marketing Time

An opinion of the amount of time it might take to sell a real or personal property interest at the concluded market value level during the period immediately after the effective date of an appraisal.



Marketing time differs from exposure time, which is always presumed to precede the effective date of an appraisal.

Market Value

The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

- buyer and seller are typically motivated;
- both parties are well informed or well advised, and acting in what they consider their own best interests;
- a reasonable time is allowed for exposure in the open market;
- payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
- the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

(Source: Code of Federal Regulations, Title 12, Chapter I, Part 34.42[g]; also Interagency Appraisal and Evaluation Guidelines, Federal Register, 75 FR 77449, December 10, 2010, page 77472)

Prospective Opinion of Value

A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as being effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not yet achieved sellout or a stabilized level of long-term occupancy.

Addenda

Addendum C
Value by Assessor's Parcel



APN	Lot No.	Address	Subdivision	2018/19 Owner	Inspection Status	Appraised Value	Assessed Value
408220001	1		Elara	PARDEE HOMES	Finished Lot	\$95,000	
408220002	2	14720 MARBLE WAY	Elara	PARDEE HOMES	Completed home		\$200,259
408220003	3	14760 MARBLE WAY	Elara	PARDEE HOMES	Completed home		\$215,967
408220004	4	14800 MARBLE WAY	Elara	PARDEE HOMES	Completed home		\$229,125
408220005	5		Elara	PARDEE HOMES	Finished Lot	\$95,000	
408220006	6	14980 MARBLE WAY	Elara	LEFBAD	Completed sold home		\$302,608
408220007	7	15460 ONYX LN	Elara	DEFEO	Completed sold home		\$342,596
408220008	8	15400 ONYX LN	Elara	FACUNDO	Completed sold home		\$307,790
408220009	9	15380 ONYX LN	Elara	JOHNSON	Completed sold home		\$304,470
408220010	10	15340 ONYX LN	Elara	PEREZ	Completed sold home		\$326,808
408220011	11	15320 ONYX LN	Elara	ADAMS	Completed sold home		\$288,150
408220012	12	15300 ONYX LN	Elara	VALLE	Completed sold home		\$305,935
408220013	13	15280 ONYX LN	Elara	MORA	Completed sold home		\$300,798
408220014	14	15240 ONYX LN	Elara	DUNN	Completed sold home		\$291,159
408220015	15	15220 ONYX LN	Elara	BONNER	Completed sold home		\$292,918
408220016	16	15200 ONYX LN	Elara	BRACEROS	Completed sold home		\$316,917
408221001	17	15120 ONYX LN	Elara	KEESLING	Completed sold home		\$311,407
408221002	18	15100 ONYX LN	Elara	ORTIZ	Completed sold home		\$317,959
408221003	19	15060 ONYX LN	Elara	MCKAY	Completed sold home		\$311,324
408221004	20	15040 ONYX LN	Elara	REESE	Completed sold home		\$340,522
408221005	21	14890 BLACK DIAMOND DR	Elara	BYERS	Completed sold home		\$283,990
408221006	22	14830 BLACK DIAMOND DR	Elara	HALSTEAD	Completed sold home		\$297,989
408221007	23	14790 BLACK DIAMOND DR	Elara	BROWN	Completed sold home		\$304,067
408221008	24	14750 BLACK DIAMOND DR	Elara	GUILLEN	Completed sold home		\$283,255
408221009	25	14710 BLACK DIAMOND DR	Elara	CASH	Completed sold home		\$304,340
408221010	26	14670 BLACK DIAMOND DR	Elara	GARCIA	Completed sold home		\$312,619
408221011	27	14610 BLACK DIAMOND DR	Elara	SALAZAR	Completed sold home		\$304,450
408221012	28	14550 BLACK DIAMOND DR	Elara	WELCH	Completed sold home		\$323,762
408221013	29	14510 BLACK DIAMOND DR	Elara	RITCHEY	Completed sold home		\$306,325
408222001	30	14580 BLACK DIAMOND DR	Elara	LENART	Completed sold home		\$340,257
408222002	31	14640 BLACK DIAMOND DR	Elara	DYER	Completed sold home		\$284,350
408222003	32	14680 BLACK DIAMOND DR	Elara	OWENS	Completed sold home		\$345,711
408222004	33	14700 BLACK DIAMOND DR	Elara	BATTEN	Completed sold home		\$304,481
408222005	34	14760 BLACK DIAMOND DR	Elara	BROWN	Completed sold home		\$295,304
408222006	35	14800 BLACK DIAMOND DR	Elara	NORTON	Completed sold home		\$306,535
408222007	36	14840 BLACK DIAMOND DR	Elara	GARCIA	Completed sold home		\$310,043
408222008	37	15110 ONYX LN	Elara	TAMAYO	Completed sold home		\$340,943
408222009	38	15130 ONYX LN	Elara	PEREZ	Completed sold home		\$314,500
408222010	39	15190 ONYX LN	Elara	MORRISON	Completed sold home		\$288,096
408222011	40	15210 ONYX LN	Elara	LANG	Completed sold home		\$332,759
408222012	41	15230 ONYX LN	Elara	JACKSON	Completed sold home		\$298,681
408222013	42	15270 ONYX LN	Elara	CARDENAS	Completed sold home		\$283,075
408222014	43	15290 ONYX LN	Elara	ELLOREN	Completed sold home		\$314,123
408222015	44	15310 ONYX LN	Elara	PARDEE HOMES	Completed sold home		\$217,123
408222016	45	15350 ONYX LN	Elara	NAHON	Completed sold home		\$316,327
408222017	46	15390 ONYX LN	Elara	ARREDONDO	Completed sold home		\$298,929
408222018	47	15430 ONYX LN	Elara	CHAPMAN	Completed sold home		\$282,881
408222019	48		Elara	PARDEE HOMES	Finished Lot	\$95,000	
408222020	49		Elara	PARDEE HOMES	Finished Lot	\$95,000	
408222021	50		Elara	PARDEE HOMES	Finished Lot	\$95,000	
408222022	51		Elara	PARDEE HOMES	Finished Lot	\$95,000	
408222023	52		Elara	PARDEE HOMES	Finished Lot	\$95,000	
408222024	53	15440 TIGER EYE LN	Elara	PESIGAN	Completed sold home		\$300,350
408222025	54	15420 TIGER EYE LN	Elara	NGUYEN	Completed sold home		\$317,250
408222026	55	15360 TIGER EYE LN	Elara	CHESTNUT	Completed sold home		\$297,628
408222027	56	15300 TIGER EYE LN	Elara	BROWN	Completed sold home		\$310,369
408222028	57	15280 TIGER EYE LN	Elara	SAVELLANO	Completed sold home		\$327,117
408222029	58	15260 TIGER EYE LN	Elara	MEJIA	Completed sold home		\$312,630
408222030	59	15220 TIGER EYE LN	Elara	NAVAL	Completed sold home		\$300,250
408222031	60	15210 GARNET CT	Elara	MCKENZIE	Completed sold home		\$319,975
408222032	61	15250 GARNET CT	Elara	SANCHEZ	Completed sold home		\$305,835
408222033	62	15270 GARNET CT	Elara	ANDERSON	Completed sold home		\$306,410
408222034	63	15290 GARNET CT	Elara	MCGUIRE	Completed sold home		\$344,550
408222035	64	15330 GARNET CT	Elara	HOLL	Completed sold home		\$300,775
408222036	65	15370 GARNET CT	Elara	PAYNE	Completed sold home		\$305,875
408222037	66	15360 GARNET CT	Elara	KRZYWDZINSKI	Completed sold home		\$318,700
408222038	67	15320 GARNET CT	Elara	YONKER	Completed sold home		\$298,265
408222039	68	15280 GARNET CT	Elara	CORREA	Completed sold home		\$299,225
408222040	69	15260 GARNET CT	Elara	HUNNELL	Completed sold home		\$353,651
408222041	70	15240 GARNET CT	Elara	BOLINGER	Completed sold home		\$313,575
408222042	71	15180 GARNET CT	Elara	TORRES	Completed sold home		\$295,525
408222043	72	15160 GARNET CT	Elara	ANDREWS	Completed sold home		\$368,628
408222044	73	14750 GARNET CT	Elara	COSIO	Completed sold home		\$330,477
408222045	74	14690 GARNET CT	Elara	PARGA	Completed sold home		\$299,089
408222046	75	14630 GARNET CT	Elara	GUTIERREZ	Completed sold home		\$337,853
408222047	76		Elara	KHAW	Completed sold home		\$317,180
408223001	95	14500 MARBLE WAY	Elara	MOJICA	Completed sold home		\$315,000
408223002	96	14540 MARBLE WAY	Elara	TAYLOR	Completed sold home		\$312,311
408223003	97	14580 MARBLE WAY	Elara	DUSON	Completed sold home		\$296,379



408223004	98	14600 MARBLE	WAY	Elara	SMITH	Completed sold home	1		\$336,075
408230001	77	15150 TIGER EYE	LN	Elara	GUTIERREZ	Completed sold home	1		\$313,000
408230002	78	15170 TIGER EYE	LN	Elara	ANDERSON	Completed sold home	1		\$310,471
408230003	79	15210 TIGER EYE	LN	Elara	EARLEY	Completed sold home	1		\$327,453
408230004	80	15270 TIGER EYE	LN	Elara	BAROI	Completed sold home	1		\$315,614
408230005	81	14250 OPAL	CT	Elara	GIBSON	Completed sold home	1		\$328,140
408230006	82	14230 OPAL	CT	Elara	RICHARDSON	Completed sold home	1		\$293,150
408230007	83	14210 OPAL	CT	Elara	MACALMA	Completed sold home	1		\$307,639
408230008	84	14190 OPAL	CT	Elara	DELROSARIO	Completed sold home	1		\$320,200
408230009	85	14150 OPAL	CT	Elara	ARTEAGA	Completed sold home	1		\$317,375
408230010	86	14110 OPAL	CT	Elara	CHANG	Completed sold home	1		\$308,854
408230011	87	14090 OPAL	CT	Elara	BAKER	Completed sold home	1		\$375,028
408230012	88	14060 OPAL	CT	Elara	SMITH	Completed sold home	1		\$312,904
408230013	89	14100 OPAL	CT	Elara	SANTANA	Completed sold home	1		\$324,453
408230014	90	14140 OPAL	CT	Elara	PORTUGAL	Completed sold home	1		\$288,391
408230015	91	14160 OPAL	CT	Elara	ZHANG	Completed sold home	1		\$309,500
408230016	92	14220 OPAL	CT	Elara	WANG	Completed sold home	1		\$315,375
408230017	93	14240 OPAL	CT	Elara	DIJAZ	Completed sold home	1		\$300,255
408230018	94	14260 OPAL	CT	Elara	MERENDINO	Completed sold home	1		\$298,127
408230019	60	14250 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230020	61	14230 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230021	62	14210 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230022	63	14190 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230023	64	14150 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230024	65	14110 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230025	66	14090 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230026	67	14050 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230027	68	15380 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230028	69	15340 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230029	70	15300 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230030	71	15280 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230031	72	15260 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230032	73	15220 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230033	74	15180 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230034	75	15140 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230035	76	13880 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230036	77	13900 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230037	78	13940 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408230038	79	15190 CRYSTAL	CT	Elara	PARDEE HOMES	Completed sold home	1		\$251,228
408230039	80	15230 CRYSTAL	CT	Elara	PARDEE HOMES	Completed sold home	1		\$206,228
408230040	81	15250 CRYSTAL	CT	Elara	PARDEE HOMES	Completed sold home	1		\$251,228
408230041	82	15240 CRYSTAL	CT	Elara	PARDEE HOMES	Completed sold home	1		\$191,328
408230042	83	15220 CRYSTAL	CT	Elara	PARDEE HOMES	Completed sold home	1		\$251,228
408230043	84	15200 CRYSTAL	CT	Elara	PARDEE HOMES	Completed sold home	1		\$206,228
408230044	85	14100 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1		\$262,428
408230045	86	14140 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1		\$201,128
408230046	87	14180 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1		\$264,428
408230047	88	14240 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1		\$216,928
408230048	89	15170 COBALT	CT	Elara	PORTILLO	Completed sold home	1		\$323,637
408230049	90	15210 COBALT	CT	Elara	BARRAZA	Completed sold home	1		\$347,429
408230050	91	15250 COBALT	CT	Elara	DAVID	Completed sold home	1		\$322,485
408230051	92	15220 COBALT	CT	Elara	PARDEE HOMES	Completed sold home	1		\$264,428
408230052	93	15200 COBALT	CT	Elara	PARDEE HOMES	Completed sold home	1		\$216,928
408230053	94	15180 COBALT	CT	Elara	PARDEE HOMES	Completed sold home	1		\$201,128
408230054	95	14360 BLACK DIAMOND	DR	Elara	HARDY	Completed sold home	1		\$331,099
408230055	96	14400 BLACK DIAMOND	DR	Elara	LONDONO	Completed sold home	1		\$300,825
408230056	97	14440 BLACK DIAMOND	DR	Elara	BROWN	Completed sold home	1		\$307,700
408231001	1	14470 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1		\$201,128
408231002	2	14430 BLACK DIAMOND	DR	Elara	ADU POKU	Completed sold home	1		\$322,205
408231003	3	14390 BLACK DIAMOND	DR	Elara	STOVALL	Completed sold home	1		\$309,402
408231004	4	14330 BLACK DIAMOND	DR	Elara	FLORES	Completed sold home	1		\$300,214
408231005	5	14290 BLACK DIAMOND	DR	Elara	BARCENAS	Completed sold home	1		\$327,500
408231006	6	14250 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1		\$201,128
408231007	7	14170 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1		\$216,928
408231008	8	14130 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1		\$264,428
408231009	9	14090 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1		\$201,128
408231010	10	14010 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1		\$216,928
408231011	11	13970 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1		\$264,428
408231012	12	13930 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408231013	13	13890 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408231014	14	13850 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408231015	15	13830 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408231016	16	13790 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408231017	17	13770 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408231018	18	13750 BLACK DIAMOND	DR	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408232001	19	15110 ROSE QUARTZ	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408232002	20	15150 ROSE QUARTZ	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408232003	21	15190 ROSE QUARTZ	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408232004	22	15210 ROSE QUARTZ	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408232005	23	15230 ROSE QUARTZ	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	



408233001	24	15100 ROSE QUARTZ	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233002	25	15140 ROSE QUARTZ	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233003	26	15180 ROSE QUARTZ	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233004	27	15220 ROSE QUARTZ	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233005	28	15260 ROSE QUARTZ	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233006	29	15300 ROSE QUARTZ	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233007	30	13750 PYRITE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233008	31	13790 PYRITE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233009	32	13810 PYRITE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233010	33	13850 PYRITE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233011	34	13870 PYRITE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233012	35	15400 PYRITE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233013	36	15420 RUBY	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233014	37	15440 RUBY	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233015	38	15480 RUBY	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233016	39	15090 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233017	40	15130 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233018	41	15170 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233019	42	15210 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233025	48	15370 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233026	49	15410 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233027	50	15450 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233028	51	14020 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233029	52	14040 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233030	53	14080 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233031	54	14100 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233032	55	14140 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233033	56	14180 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233034	57	14200 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233035	58	14220 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233036	59	14240 MARBLE	WAY	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233038	43	15230 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233039	44	15250 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233040	45	15270 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233041	46	15310 AMETHYST	LN	Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408233042	47	15350 AMETHYST	LN	Elara	PARDEE HOMES	Completed home	1	\$268,000	
408240001	1	13690 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240002	2	13650 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240003	3	13630 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240004	4	13590 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240005	5	13570 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240006	6	13510 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240007	7	13490 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240008	8	13450 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240009	9	13430 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240010	10	13410 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240011	11	13370 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240012	12	13350 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240013	13	13330 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240014	14	13290 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240015	15	13270 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240016	16	13250 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240017	17	13210 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240018	18	13190 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240019	19	13150 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240020	20	13110 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240021	21	13090 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240022	22	13050 BLACK DIAMOND	DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240023	23	15030 MILKY	WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240024	24	15050 MILKY	WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240025	25	15090 MILKY	WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240026	26	15130 MILKY	WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408240027	27	15170 MILKY	WAY	Cascade	AZAD	Completed sold home	1	\$339,670	
408240028	28	15210 MILKY	WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$202,350	
408240029	29	15250 MILKY	WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$224,650	
408240030	30	15290 MILKY	WAY	Cascade	MAGSINO	Completed sold home	1	\$300,625	
408240031	31	15330 MILKY	WAY	Cascade	PEREZ	Completed sold home	1	\$325,281	
408240032	32	15370 MILKY	WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$202,350	
408240033	33	15410 MILKY	WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$224,650	
408240034	34	15450 MILKY	WAY	Cascade	HASSELL	Completed sold home	1	\$302,454	
408241001	35	13100 MOONSTONE	AVE	Cascade	NI COLAS	Completed sold home	1	\$309,093	
408241002	36	13120 MOONSTONE	AVE	Cascade	ORTIZ	Completed sold home	1	\$323,015	
408241003	37	13140 MOONSTONE	AVE	Cascade	KEETLE	Completed sold home	1	\$321,243	
408241004	38	13180 MOONSTONE	AVE	Cascade	PIDL	Completed sold home	1	\$312,324	
408241005	39	13200 MOONSTONE	AVE	Cascade	GOMEZ	Completed sold home	1	\$302,125	
408241006	40	13220 MOONSTONE	AVE	Cascade	ONSUREZ	Completed sold home	1	\$321,202	
408241007	41	13260 MOONSTONE	AVE	Cascade	NAVARRO	Completed sold home	1	\$300,575	
408241008	42	13280 MOONSTONE	AVE	Cascade	RODRIGUEZ	Completed sold home	1	\$342,050	
408241009	43	13300 MOONSTONE	AVE	Cascade	SHUMPERT	Completed sold home	1	\$311,125	
408242001	44	13290 MOONSTONE	AVE	Cascade	GARCIA	Completed sold home	1	\$331,692	



408242002	45	13270 MOONSTONE AVE	Cascade	VILLALVA	Completed sold home	1	\$267,075
408242003	46	13250 MOONSTONE AVE	Cascade	MARQUEZ	Completed sold home	1	\$322,100
408242004	47	13210 MOONSTONE AVE	Cascade	ESTES	Completed sold home	1	\$323,985
408242005	48	13190 MOONSTONE AVE	Cascade	DAVID	Completed sold home	1	\$319,952
408242006	49	13170 MOONSTONE WAY	Cascade	LOPEZ	Completed sold home	1	\$320,082
408242007	50	13130 MOONSTONE AVE	Cascade	BARNHEISER	Completed sold home	1	\$329,000
408242008	51	13110 MOONSTONE AVE	Cascade	MERRITT	Completed sold home	1	\$312,581
408242009	52	13090 MOONSTONE AVE	Cascade	SANCHEZ	Completed sold home	1	\$311,275
408242010	53	13120 POLLUX CT	Cascade	PARDEE HOMES	Completed sold home	1	\$202,350
408242011	54	13140 POLLUX CT	Cascade	GARCIA	Completed sold home	1	\$309,000
408242012	55	13160 POLLUX CT	Cascade	SHARP	Completed sold home	1	\$350,575
408242013	56	13200 POLLUX CT	Cascade	PARDEE HOMES	Completed sold home	1	\$202,350
408242014	57	13190 POLLUX CT	Cascade	SOPANDI	Completed sold home	1	\$354,038
408242015	58	13170 POLLUX CT	Cascade	KANG	Completed sold home	1	\$315,500
408242016	59	15140 MILKY WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408242017	60	15100 MILKY WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408242018	61	15040 MILKY WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408242019	62	13160 BLACK DIAMOND DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408242020	63	13200 BLACK DIAMOND DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408242021	64	13240 BLACK DIAMOND DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408242022	65	13260 BLACK DIAMOND DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408242023	66	13280 BLACK DIAMOND DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408242024	67	15110 ASTEROID WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408242025	68	15130 ASTEROID WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408242026	69	15170 ASTEROID WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408242027	70	15190 ASTEROID WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408242028	71	15230 ASTEROID WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408242029	72	15310 ASTEROID WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243001	73	15420 ASTEROID WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243002	74	15380 ASTEROID WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243003	75	15340 ASTEROID WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243004	76	15300 ASTEROID WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243005	77	15260 ASTEROID WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243006	78	15200 ASTEROID WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243007	79	15180 ASTEROID WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243008	80	15160 ASTEROID WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243009	81	15120 ASTEROID WAY	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243010	82	13340 BLACK DIAMOND DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243011	83	13360 BLACK DIAMOND DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243012	84	13400 BLACK DIAMOND DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243013	85	13420 BLACK DIAMOND DR	Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243014	86	13460 BLACK DIAMOND DR	Cascade	PARDEE HOMES	Completed home	1	\$296,000
408243015	87		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243016	88		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243017	89		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243018	90		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243019	91		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243020	92		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243021	93		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243022	94		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243023	95		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243024	96		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243025	97		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243026	98		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243027	99		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243028	100		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243029	101		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408243030	102		Cascade	PARDEE HOMES	Completed sold home	1	\$296,000
408250001	1		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250002	2		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250003	3		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250004	4		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250005	5		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250006	6		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250007	7		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250008	8		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250009	9		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250010	10		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250011	11		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250012	12		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250013	13		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250014	14		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250015	15		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250016	16		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250017	17		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250018	18		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250019	19		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250020	20		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250021	21		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000
408250022	22		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000

408250023	23		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408250024	24		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408250025	25		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408250026	26		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408250027	27		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408250028	28		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408250029	29		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408250030	30		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408250031	31		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408250032	32		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408251001	33		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408251002	34		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408251003	35		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408251004	36		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408251005	37		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408251006	38		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408251007	39		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408252001	40		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408252002	41		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408252003	42		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408252004	43		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408252005	44		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408252006	45		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408252007	46		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408252008	47		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408252009	48		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408252010	49		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408252011	50		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408252012	51		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408252013	52		Daybreak	PARDEE HOMES	Under construction	1	\$95,000	
408252014	53		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408252015	54		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408252016	55		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408252017	56		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408252018	57		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408252019	58		Elara	PARDEE HOMES	Finished lot	1	\$95,000	
408252020	59		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408252021	60		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408252022	61		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408252023	62		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408252024	63		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408252025	64		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408252026	65		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408252027	66		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408252028	67		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408252029	68		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408252030	69		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408252031	70		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408252032	71		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408252033	72		Abrio	PARDEE HOMES	Completed sold home	1	\$369,000	
408252034	73	15810 ROSE QUARTZ	LN	Skycrest	PARDEE HOMES	Completed sold home	1	\$375,000
408252035	74	15750 ROSE QUARTZ	LN	Skycrest	PARDEE HOMES	Completed sold home	1	\$375,000
408252036	75	15710 ROSE QUARTZ	LN	Skycrest	PARDEE HOMES	Completed sold home	1	\$375,000
408252037	76	15670 ROSE QUARTZ	LN	Skycrest	PARDEE HOMES	Completed sold home	1	\$375,000
408252038	77	13600 PUMICE	LN	Elara	PARDEE HOMES	Under construction	1	\$95,000
408252039	78	13560 PUMICE	LN	Elara	PARDEE HOMES	Under construction	1	\$95,000
408252040	79	13520 PUMICE	LN	Elara	PARDEE HOMES	Under construction	1	\$95,000
408252041	80	15570 PERIDOT	LN	Elara	PARDEE HOMES	Under construction	1	\$95,000
408252042	81	15550 PERIDOT	LN	Elara	PARDEE HOMES	Under construction	1	\$95,000
408252043	82	15530 PERIDOT	LN	Elara	PARDEE HOMES	Under construction	1	\$95,000
408253001	83	15660 ROSE QUARTZ	LN	Skycrest	PARDEE HOMES	Completed sold home	1	\$375,000
408253002	84	15720 ROSE QUARTZ	LN	Skycrest	PARDEE HOMES	Completed sold home	1	\$375,000
408253003	85	15760 ROSE QUARTZ	LN	Skycrest	PARDEE HOMES	Completed sold home	1	\$375,000
408253004	86	15800 ROSE QUARTZ	LN	Skycrest	PARDEE HOMES	Completed sold home	1	\$375,000
408253005	87			Skycrest	PARDEE HOMES	Completed sold home	1	\$375,000
408253006	88	15880 ROSE QUARTZ	LN	Skycrest	PARDEE HOMES	Completed sold home	1	\$375,000
408260001	1	13700 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000
408260002	2	13760 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000
408260003	3	13780 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000
408260004	4	13820 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000
408260005	5	13860 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000
408260006	6	13920 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000
408260007	7	13960 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000
408260008	8	14000 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000
408260009	9	14060 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000
408260010	10	14120 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000
408260011	11	14180 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000
408260012	12	14220 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000
408260013	13			Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000
408260014	14			Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000



408260015	15			Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261001	66			Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261002	67			Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261003	68			Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261004	69	14210 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261005	70	14170 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261006	71	14130 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261007	72	14050 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261008	73	13990 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261009	74	13950 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261010	75	13910 GALAXY	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261011	120	15620 SIRIUS	CT	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261012	121	15660 SIRIUS	CT	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261013	122	15700 SIRIUS	CT	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261014	123	15720 SIRIUS	CT	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261015	124	15760 SIRIUS	CT	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261016	125	15800 SIRIUS	CT	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261017	126	15820 SIRIUS	CT	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261018	127	15840 SIRIUS	CT	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261019	128	15850 SIRIUS	CT	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261020	129	15810 SIRIUS	CT	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261021	130	15790 SIRIUS	CT	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261022	131	15770 SIRIUS	CT	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261023	132	15730 SIRIUS	CT	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261024	133	15690 SIRIUS	CT	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261025	134	15650 SIRIUS	CT	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408261026	135			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408261027	136			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408261028	137			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408261029	138			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408261030	139			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408261031	140			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408261032	141			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408261033	142			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408262001	76			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408262002	77			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408262003	78			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408262004	79			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408262005	80			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408262006	81			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408262007	82			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408262008	83			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408262009	84			Cascade	PARDEE HOMES	Completed home	1	\$296,000	
408262010	85			Cascade	PARDEE HOMES	Completed home	1	\$296,000	
408262011	86			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408262012	87			Cascade	PARDEE HOMES	Under construction	1	\$95,000	
408262013	88			Cascade	PARDEE HOMES	Under construction	1	\$95,000	
408262014	89			Cascade	PARDEE HOMES	Under construction	1	\$95,000	
408262015	90			Cascade	PARDEE HOMES	Under construction	1	\$95,000	
408262016	91			Cascade	PARDEE HOMES	Under construction	1	\$95,000	
408262017	92			Cascade	PARDEE HOMES	Under construction	1	\$95,000	
408262018	93			Cascade	PARDEE HOMES	Under construction	1	\$95,000	
408262019	94			Cascade	PARDEE HOMES	Completed sold home	1	\$296,000	
408262020	95	14110 WHITE DWARF	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408262021	96	14190 WHITE DWARF	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408262022	97	14250 WHITE DWARF	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408262023	98	14310 WHITE DWARF	DR	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408262024	99			Daybreak	PARDEE HOMES	Finished lot	1	\$95,000	
408262025	100	14470 WHITE DWARF	DR	Daybreak	PARDEE HOMES	Completed home	1	\$270,356	
408262026	101	14550 WHITE DWARF	DR	Daybreak	PARDEE HOMES	Completed home	1	\$245,756	
408262027	102	14610 WHITE DWARF	DR	Daybreak	PARDEE HOMES	Completed home	1	\$228,456	
408262028	103			Daybreak	PARDEE HOMES	Finished lot	1	\$95,000	
408270001	16			Daybreak	PARDEE HOMES	Completed home	1	\$325,000	
408270002	17			Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408270003	18			Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408270004	19			Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408270005	20			Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408270006	21			Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408270007	22			Elara	PARDEE HOMES	Completed home	1	\$268,000	
408270008	23			Elara	PARDEE HOMES	Completed home	1	\$268,000	
408270009	24			Elara	PARDEE HOMES	Completed home	1	\$268,000	
408270010	25			Elara	PARDEE HOMES	Completed home	1	\$268,000	
408270011	26			Elara	PARDEE HOMES	Under construction	1	\$95,000	
408270012	27			Elara	PARDEE HOMES	Under construction	1	\$95,000	
408270013	28			Elara	PARDEE HOMES	Under construction	1	\$95,000	
408270014	29			Elara	PARDEE HOMES	Under construction	1	\$95,000	
408270015	30			Elara	PARDEE HOMES	Under construction	1	\$95,000	
408270016	31	15880 NEPTUNE	WAY	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408270017	32	15840 NEPTUNE	WAY	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408270018	33	15800 NEPTUNE	WAY	Daybreak	PARDEE HOMES	Completed sold home	1	\$203,556	

408270019	34	15760 NEPTUNE	WAY	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408270020	35	15740 NEPTUNE	WAY	Daybreak	PARDEE HOMES	Completed sold home	1		\$203,556
408270021	36	15700 NEPTUNE	WAY	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408270022	37	15680 NEPTUNE	WAY	Daybreak	LAMATA	Completed sold home	1		\$365,950
408270023	38	15660 NEPTUNE	WAY	Daybreak	KIVRIZIS	Completed sold home	1		\$360,093
408270024	39	15620 NEPTUNE	WAY	Daybreak	SMITH	Completed sold home	1		\$363,834
408270025	40	15600 NEPTUNE	WAY	Daybreak	TUMPALAN	Completed sold home	1		\$360,200
408270026	41	15580 NEPTUNE	WAY	Daybreak	GARNICA	Completed sold home	1		\$365,675
408270027	42			Daybreak	PARDEE HOMES	Finished lot	1	\$95,000	
408270028	43	14910 WHITE DWARF	DR	Cascade	PARDEE HOMES	Completed home	1		\$224,956
408270029	44	14830 WHITE DWARF	DR	Cascade	PARDEE HOMES	Completed home	1		\$202,656
408270030	45	14770 WHITE DWARF	DR	Cascade	PARDEE HOMES	Completed home	1	\$296,000	
408270031	46			Daybreak	PARDEE HOMES	Finished lot	1	\$95,000	
408271001	47	15590 NEPTUNE	WAY	Daybreak	PARDEE HOMES	Completed sold home	1		\$228,456
408271002	48	15610 NEPTUNE	WAY	Daybreak	KOONTZ	Completed sold home	1		\$375,000
408271003	49	15650 NEPTUNE	WAY	Daybreak	HALBERG	Completed sold home	1		\$368,853
408271004	50	15670 NEPTUNE	WAY	Daybreak	BUTLER	Completed sold home	1		\$355,378
408271005	51	15690 NEPTUNE	WAY	Daybreak	GREWAL	Completed sold home	1		\$360,703
408271006	52	15730 NEPTUNE	WAY	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408271007	53	15750 NEPTUNE	WAY	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408271008	54	15810 NEPTUNE	WAY	Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408271009	55	15850 NEPTUNE	WAY	Daybreak	PARDEE HOMES	Completed sold home	1		\$203,556
408271010	56			Elara	PARDEE HOMES	Under construction	1	\$95,000	
408271011	57			Elara	PARDEE HOMES	Under construction	1	\$95,000	
408271012	58			Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408271013	59			Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408271014	60			Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408271015	61			Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408271016	62			Elara	PARDEE HOMES	Completed sold home	1	\$268,000	
408271017	63			Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408271018	64			Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408271019	65			Daybreak	PARDEE HOMES	Completed sold home	1	\$325,000	
408271020	104	15600 TAURUS	LN	Daybreak	DAVIS	Completed sold home	1		\$374,000
408271021	105	15640 TAURUS	LN	Daybreak	VEGA	Completed sold home	1		\$358,589
408271022	106	15660 TAURUS	LN	Daybreak	ANDAYA	Completed sold home	1		\$353,646
408271023	107	14610 PLUTO	CT	Daybreak	KIM	Completed sold home	1		\$364,600
408271024	108	14560 PLUTO	CT	Daybreak	CAUSEY	Completed sold home	1		\$349,591
408271025	109	14700 PLUTO	CT	Daybreak	PICKETT	Completed sold home	1		\$367,388
408271026	110	14680 PLUTO	CT	Daybreak	RIOS	Completed sold home	1		\$378,723
408271027	111	14640 PLUTO	CT	Daybreak	SALENGA	Completed sold home	1		\$345,550
408271028	112	14580 PLUTO	CT	Daybreak	HILL	Completed sold home	1		\$351,028
408271029	113	14500 PLUTO	CT	Daybreak	HEIMBAUGH	Completed sold home	1		\$409,246
408271030	114	15770 TAURUS	LN	Daybreak	SALGADO	Completed sold home	1		\$374,600
408271031	115	15730 TAURUS	LN	Daybreak	WANG	Completed sold home	1		\$355,350
408271032	116	15690 TAURUS	LN	Daybreak	ANDERSEN	Completed sold home	1		\$368,841
408271033	117	15650 TAURUS	LN	Daybreak	CARTER	Completed sold home	1		\$358,178
408271034	118	15630 TAURUS	LN	Daybreak	RAMIREZ	Completed sold home	1		\$339,826
408271035	119	15610 TAURUS	LN	Daybreak	A CO	Completed sold home	1		\$357,619
							TOTAL	\$90,523,000	\$56,382,061

Addendum D
Comparable Data



Land Sale Profile

Sale No. 1

Location & Property Identification

Property Name: Creekside Subdivision
 Sub-Property Type: Residential, Residential Subdivision
 Address: Olive Ave.
 City/State/Zip: Winchester, CA 92596
 County: Riverside

Market Orientation: Suburban

IRR Event ID: 1924313

Source of Land Info.: Broker

Sale Information

Sale Price: \$6,200,000
 Effective Sale Price: \$6,200,000
 Sale Date: 12/19/2017
 Recording Date: 12/29/2017
 Sale Status: Closed

Comments

This comparable is the December 2017 purchase of 112 nearly finished lots within the Creekside Subdivision in Winchester, Riverside County. According to marketing materials for the sale, costs to finish were reportedly \$58,000 per lot, net of \$26,000 in CFD proceeds (fee credits). According to public records, KB Home acquired the lots for \$55,357, indicating a finished lot value of \$113,357 per lot.

\$/Unit: \$55,357 /Unit
 Grantor/Seller: Lansing Stone Star, LLC
 Grantee/Buyer: KB Home Coastal Inc.
 Assets Sold: Real estate only
 Property Rights: Fee Simple
 Financing: Cash to seller
 Document Type: Deed
 Recording No.: 2017-0547838

Improvement and Site Data

MSA: Riverside-San Bernardino-Ontario, CA
 Legal/Tax/Parcel ID: 461-241-039 et al
 Acres(Gross): 30.28
 Land-SF(Gross): 1,318,996
 No. of Units (Potential): 112
 Zoning Desc.: Residential

Creekside Subdivision



Land Sale Profile

Sale No. 2

Location & Property Identification

Property Name:	Turtle Ranch Subdivision
Sub-Property Type:	Residential, Residential Subdivision
Address:	Thompson Rd.
City/State/Zip:	Winchester, CA 92596
County:	Riverside
Market Orientation:	Suburban
IRR Event ID:	1924320

Sale Information

Sale Price:	\$2,150,000
Effective Sale Price:	\$2,150,000
Sale Date:	09/01/2017
Recording Date:	09/20/2017
Sale Status:	Closed

\$/Unit:	\$42,157 /Unit
Grantor/Seller:	Javin Investments Sp Z o.o., a Polish corporation
Grantee/Buyer:	KB Home Coastal Inc.
Property Rights:	Fee Simple
Financing:	Cash to seller

This comparable is the September 2017 sale of 51 unimproved lots in Winchester, Riverside County, within the Temecula Valley Unified School District. The typical lot size is 7,200 square feet (65' wide). Estimated costs to complete, including fees, is \$100,000, suggesting a finished lot price of \$142,157 per lot.

Improvement and Site Data

MSA:	Riverside-San Bernardino-Ontario, CA
Legal/Tax/Parcel ID:	964-010-001
Acres(Gross):	19.40
Land-SF(Gross):	845,064
No. of Units (Potential):	51
Zoning Desc.:	Residential
Source of Land Info.:	Broker

Comments

Turtle Ranch Subdivision



Land Sale Profile

Sale No. 3

Location & Property Identification

Property Name: Murrieta 64
 Sub-Property Type: Residential, Residential Subdivision
 Address: Washington Ave.
 City/State/Zip: Murrieta, CA 92562
 County: Riverside
 Market Orientation: Suburban
 IRR Event ID: 1910638



Sale Information

Sale Price: \$5,525,000
 Effective Sale Price: \$5,525,000
 Sale Date: 09/05/2017
 Sale Status: Closed
 \$/Unit: \$86,328 /Approved Unit
 Grantor/Seller: Harding Square LLC
 Grantee/Buyer: KB Home Coastal, Inc.
 Property Rights: Fee Simple
 Document Type: Deed
 Recording No.: 0367247

Acres(Usable/Gross): 5.75/5.75
 Land-SF(Usable/Gross): 250,470/250,470
 Usable/Gross Ratio: 1.00
 No. of Units (Potential): 64
 Shape: Irregular
 Topography: Level
 Corner Lot: No
 Frontage Feet: 479
 Frontage Desc.: Washington
 Frontage Type: 2 way, 1 lane each way
 Traffic Control at Entry: Traffic light
 Traffic Flow: Moderate
 Visibility Rating: Average
 Zoning Code: MF-2
 Zoning Desc.: multifamily 2, residential
 Flood Plain: No
 Flood Zone Designation: X
 Comm. Panel No.: 06065C2705G
 Date: 08/28/2008
 Source of Land Info.: Public Records

Sale Analysis

Current Use at T.O.S.: Vacant Land
 Proposed Use Desc.: Single Family Residential Subdivision

Improvement and Site Data

Legal/Tax/Parcel ID: 906-040-096-2

Murrieta 64

Comments

This property is the September 2017 acquisition of land with final map recorded for 64 single-family residential lots with a typical lot size of 3,200 square feet. Finishing costs were reported at \$98,665.



Land Sale Profile

Sale No. 4

Location & Property Identification

Property Name: McKenna Pointe Subdivision

Sub-Property Type: Residential, Residential Subdivision

Address: Machado St.

City/State/Zip: Lake Elsinore, CA 92530

County: Riverside

Submarket: South

Market Orientation: Suburban

IRR Event ID: 1924326

Sale Information

Sale Price: \$5,700,000

Effective Sale Price: \$5,700,000

Sale Date: 04/13/2017

Sale Status: Closed

Legal/Tax/Parcel ID: 379-150-002, -041, -042, -043, -048 and -050

Acres(Usable/Gross): 20.63/23.46

Land-SF(Usable/Gross): 898,642/1,021,917

Usable/Gross Ratio: 0.88

No. of Units (Potential): 81

Zoning Desc.: Residential

Source of Land Info.: Public Records

\$/Unit: \$70,370 /Approved Unit

Grantor/Seller: Sam-McKenna LLC

Grantee/Buyer: Western Pacific Housing, Inc.

Assets Sold: Real estate only

Property Rights: Fee Simple

Financing: Cash to seller

Document Type: Deed

Recording No.: 0147979

Comments

This comparable is the April 2017 sale of 81 blue top lots in Lake Elsinore, Riverside County. According to a representative of the buyer, D.R. Horton, Inc., the average lot size is 8,500 square feet and finishing costs were reportedly \$58,130 per lot, for a finished lot indicator of \$128,500 per lot.

Improvement and Site Data

MSA: Riverside-San Bernardino-Ontario, CA

McKenna Pointe Subdivision



Land Sale Profile

Sale No. 5

Location & Property Identification

Property Name: Spencer’s Crossing (Tract 32290-1)
 Sub-Property Type: Residential
 Address: N/O Baxter Rd., W/O Spencer’s Crossing Pkwy.
 City/State/Zip: Murrieta, CA 92563
 County: Riverside

 Market Orientation: Suburban

 IRR Event ID: 2148549



No. of Units (Potential): 82
 Source of Land Info.: Engineering Report

Sale Information

Sale Price: \$6,811,063
 Effective Sale Price: \$6,811,063
 Sale Date: 12/09/2016
 Sale Status: Closed

 \$/Unit: \$83,062 /Improved Lot
 Grantor/Seller: Riverside Mitland 03
 Grantee/Buyer: Brookfield Juniper LLC
 Portfolio Sale: No
 Assets Sold: Real estate only
 Property Rights: Fee Simple
 % of Interest Conveyed: 100.00
 Financing: Cash to seller

Comments

This comparable represents the December 2016 sale of 82 lots within the Spencer’s Crossing master planned community. The buyer, Brookfield Residential, acquired 82 nearly finished lots and is marketing the Juniper subdivision with homes ranging in size from 3,212 to 4,091 square feet on a typical lot size of 8,400 SF. The costs to complete (developments costs and fees) are \$9,271/lot.

Sale Analysis

Sale Price Includes FF&E? No

Improvement and Site Data

Legal/Tax/Parcel ID: 480-830-001 through 480-832-013

Spencer’s Crossing (Tract 32290-1)



Staff Report

TO: City Council

FROM: Todd Parton, City Manager

DATE: June 18, 2019

SUBJECT: Approval of a Memorandum of Understanding (MOU) between the City of Beaumont and the Beaumont Cherry Valley Water District (BCVWD) Regarding Recycled Water

Background and Analysis:

A nonbinding memorandum of understanding (MOU) has been finalized between the City of Beaumont (City) and the Beaumont Cherry Valley Water District (BCVWD) to establish the general terms, roles and responsibilities of both entities as they relate to the delivery of recycled water from the City to the BCVWD.

Attachment A contains a copy of the final draft of the MOU. It reflects the terms and conditions agreed to in the 2 by 2 meetings between City and BCVWD elected officials and as discussed in a joint meeting held between the Beaumont City Council and the BCVWD Board of Directors.

This MOU is scheduled for consideration at the BCVWD board meeting of June 12, 2019.

Should both parties approve the MOU, the City and BCVWD will begin negotiating a formal contract based on the terms outlined in the MOU.

Fiscal Impact:

City staff estimates the City's cost to negotiate and prepare the MOU to be \$12,750.

Recommendation:

1. City staff recommends that the City Council approve the Memorandum of Understanding between the City of Beaumont and the Beaumont Cherry Valley Water district regarding recycled water as presented and to authorize the City manager to initiate negotiations on a final contract.

City Manager Review: 

Attachments:

- A. Memorandum of Understanding between the City of Beaumont and the Beaumont Cherry Valley Water District regarding recycled water

Attachment A

1 **MEMORANDUM OF UNDERSTANDING REGARDING RECYCLED WATER**
 2 *by and between*
 3 **Beaumont Cherry Valley Water District**
 4 *and*
 5 **City of Beaumont**
 6

7 This is Memorandum of Understanding Regarding Recycled Water (MOU) is by and between the
 8 Beaumont Cherry Valley Water District, hereinafter called "DISTRICT," and the City of Beaumont,
 9 hereinafter called "CITY." The parties to this MOU may be referred to individually as "Party" or collectively
 10 as the "Parties."
 11
 12

13 **I. PURPOSE & SCOPE**

14
 15 The purpose of this MOU is to identify the general terms, roles, and responsibilities of each Party as they
 16 relate to the delivery of recycled water from the CITY to the DISTRICT, in anticipation of the Parties' timely
 17 negotiation of a final recycled water contract (Recycled Water Contract), on terms and conditions
 18 substantially as set forth herein.

19
 20 In particular, this MOU is intended to provide the terms upon which recycled water produced by the CITY's
 21 wastewater treatment plant (WWTP) may be captured and reused within the DISTRICT's service area and
 22 for the benefit of the CITY and its residents, with the following purposes:

- 23 • To ensure that, to the maximum extent possible, effluent generated by the CITY's WWTP is
 24 captured and reused within the CITY and/or the DISTRICT's service area;
- 25 • To supplement the DISTRICT's water supply in order to address long-term water supply needs and
 26 sustainability within the CITY's corporate limit and the DISTRICT's service area;
- 27 • To reduce imported water supply purchases for customers served by the DISTRICT; and
- 28 • To increase the sustainability and viability of development within the CITY and the DISTRICT
 29 service area.
- 30 • To increase the sustainability and viability of development within the CITY and the DISTRICT
 31 service area.
- 32 • To increase the sustainability and viability of development within the CITY and the DISTRICT
 33 service area.
- 34 • To increase the sustainability and viability of development within the CITY and the DISTRICT
 35 service area.

36 **II. BACKGROUND**

- 37 • CITY and DISTRICT were participants in the Beaumont Basin Groundwater Adjudication which was
 38 filed in Riverside County Superior Court in February 2003. The Judgment entered in the
 39 Adjudication in 2004 (Adjudication) acknowledges the use of recycled water within the Beaumont
 40 Basin and contains provisions regarding the delivery of recycled water to overlying parties. The
 41 DISTRICT applied to the Beaumont Basin Watermaster (Watermaster) for a storage account in the
 42 Beaumont Basin and the Watermaster granted DISTRICT an 80,000-acre-foot storage account
 43 therein. The storage account entitles the DISTRICT to store imported water and recycled water,
 44 with appropriate permits, in the storage account, to increase water supply reliability. This MOU

45 and any final Recycled Water Contract or related agreements between the Parties shall comply
 46 with the terms of the Adjudication.

- 47
- 48 • In the mid-2000s, the DISTRICT purchased approximately 80 acres on the east side of Beaumont
 49 Avenue between Brookside Avenue and Cherry Valley Boulevard to recharge imported water and
 50 captured stormwater. With regulatory agency approval, recycled water might also be recharged
 51 at this site and other DISTRICT- and/or CITY-owned sites. The DISTRICT estimates the recharge
 52 capacity of its 80-acre site in the range of 25,000 to 30,000 acre-feet per year (AFY).
 53
- 54 • DISTRICT has constructed a backbone non-potable water transmission, distribution and storage
 55 system which serves approximately 300 landscape connections with an estimated (2018) annual
 56 demand of approximately 1,880 acre-feet of water. The CITY accounted for over 36% of the non-
 57 potable water demand over the last three years. Non-potable water is defined as screened or
 58 untreated State Project Water, non-potable groundwater, recycled water, or a blend of each.
 59 Potable groundwater can be used to supplement the non-potable water if necessary. The existing
 60 non-potable water system consists of more than 45 miles of transmission mains and a 2 million
 61 gallon, above ground reservoir. The system is fully operational and is currently conveying non-
 62 potable water to serve the existing landscape connections.
 63
- 64 • DISTRICT prepared Urban Water Management Plans (UWMPs) in 2000, 2005, 2013, and 2015,
 65 that anticipated the delivery of recycled water from the CITY. Since 2001, substantial
 66 development has occurred within the DISTRICT, primarily within the CITY, that has resulted in over
 67 12,000 new water connections. These connections have resulted in a significant increase in the
 68 production of WWTP effluent that could be used to generate Title 22 recycled water. A lag in
 69 availability of recycled water resulted in less groundwater in the DISTRICT's groundwater storage
 70 account than anticipated in the previous UWMPs.
 71
- 72 • DISTRICT's service area population is projected to continue to grow. At build-out the population
 73 is estimated to be 112,300, of which at least 90,600 are expected to be in the CITY. Recycled
 74 water generated by the CITY's WWTP is expected to supply a significant portion of the growth in
 75 the CITY, and in the DISTRICT.
 76
- 77 • CITY owns and operates its WWTP with a current, permitted treatment capacity of 4 million
 78 gallons per day (mgd) with a current flow of about 3.2 mgd. The plant provides tertiary treatment
 79 of wastewater generated within the CITY and discharges effluent to Cooper's Creek, a tributary of
 80 San Timoteo Creek and the Santa Ana River under discharge permit R8-2015-0026, NPDES No. CA
 81 0105376, from the California Regional Water Quality Control Board, Santa Ana Region (Regional
 82 Board). This discharge permit allows the discharge of tertiary treated and disinfected wastewater
 83 to Cooper's Creek (001) overlying the San Timoteo Management Zone and to an "unnamed"
 84 tributary of Marshall Creek (007) overlying the Beaumont Management Zone. The permit also
 85 allows the discharge of tertiary treated and recycled water delivered to Tukwet Canyon Golf
 86 Course (R-001), Oak Valley Golf Course (R-002) and BCVWD (R-003). The DISTRICT has existing
 87 adjacent pipelines to supply non-potable water to Tukwet Canyon Golf Course and Oak Valley Golf
 88 Course.
 89
- 90 • The U. S. Fish and Wildlife Service, through the California Department of Fish and Wildlife, has
 91 determined that the WWTP discharge to Cooper's Creek has helped maintain habitat for

92 threatened and possibly endangered species and has further determined that 1.8 mgd of tertiary
 93 treated effluent shall continue to be discharged to Cooper’s Creek.

- 94
- 95 • CITY is underway with the reconstruction of its WWTP to increase the operating capacity to 6 mgd
 96 and construct desalting and brine disposal facilities in accordance with RWQCB Order R8-2015-
 97 0026, NPDES No. CA 0105376.
- 98
- 99 • DISTRICT desires to use recycled water produced by CITY’s WWTP to augment its water resource
 100 supply to meet current and future demands, and finds that use of recycled water from the CITY’s
 101 WWTP would be beneficial to both the CITY and DISTRICT. CITY would benefit by complying with
 102 the maximum benefit commitments of its discharge permit, by effectively reducing the cost of
 103 water to its residents, and through the sale of its excess recycled water supply; DISTRICT would
 104 benefit by securing a reliable, lower cost supplemental source of water while at the same time
 105 reducing its need for imported water.
- 106
- 107 • DISTRICT has developed a cross connection control and testing plan which has been approved by
 108 the California State Water Resources Control Board (SWRCB) Division of Drinking Water (CDDW)
 109 and has prepared draft rules and regulations for the use of recycled water which are awaiting
 110 DISTRICT review and approval.
- 111
- 112 • DISTRICT is in the process of finalizing a Non-Potable Water Master Plan which envisions the
 113 receipt and pumping of Title 22 quality recycled water from the CITY’s WWTP.
- 114
- 115 • DISTRICT, along with the Cities of Banning and Redlands and Yucaipa Valley Water District, is
 116 considering the development of a water resource management plan for the San Timoteo
 117 Groundwater Basin to optimize the management of the San Timoteo Basin, including use of the
 118 Basin for seasonal storage of surplus recycled water with its subsequent extraction in summer
 119 when demands exceed the normal recycled water supply.
- 120

121 **III. CITY ROLE AND RESPONSIBILITIES**

122

123 The CITY shall have the following basic responsibilities under the proposed Recycled Water Contract:

- 124
- 125 1. To provide Title 22 recycled water to DISTRICT.
- 126 a. CITY to provide recycled water quality reports to DISTRICT upon request.
- 127
- 128 b. Recycled water provided by CITY to DISTRICT shall meet or exceed standards and
 129 specifications established by regional, state, federal and other agencies having
 130 jurisdiction over the CITY’s wastewater operation(s) and recycled water production.
- 131
- 132 2. To design and construct system improvements necessary to produce and supply Title 22 water
 133 pursuant to applicable regulatory and jurisdictional requirements and a contract between the
 134 CITY and DISTRICT.
- 135 a. CITY to be fully responsible for all costs associated with the design and construction of
 136 improvements to produce and deliver recycled water up to the delivery point.
- 137 b. Delivery point of recycled water to be a location mutually agreed to by CITY and DISTRICT.

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 184
3. To install a meter at the delivery point, to measure the quantity and rate of flow of recycled water delivered by the CITY to the DISTRICT.
 4. To provide recycled water (to the extent it is available) up to the total flow treated by the WWTP, after deducting habitat maintenance flow requirements and treatment losses, to meet DISTRICT’s requested amount of recycled water. CITY and DISTRICT shall cooperate to develop systems and programs for subsurface seasonal storage and seasonal usage to maximize the capture and use of recycled water in winter when non-potable water demands are minimal. Such programs could include seasonal storage in the San Timoteo Groundwater Basin by the CITY with subsequent extraction in summer by the DISTRICT and/or development of seasonal users (schools, parks, golf courses, etc.).
 5. CITY and DISTRICT will meet cooperatively, at least annually, to develop a plan identifying potential annual recycled water demands, storage, and extraction requirements to maximize recycled water capture and reuse.
 6. The maximum recycled water delivery flow rate shall be as mutually agreed to between CITY and DISTRICT; the maximum delivery flow rate may increase over time as demands and wastewater flows increase. CITY will not provide storage at the WWTP site for more than 24 hours.
 7. To provide a maximum baseline volume of 1 million gallons of recycled water per day based upon 2019 WWTP effluent discharge at a minimum flow rate of 500 gpm and a maximum flow rate of 3,500 gpm. Final maximum capacity to be subject to the ability of the WWTP to deliver said flows pursuant to a technical review and analysis conducted by the CITY.
 - a. Maximum daily volume shall not be banked on the CITY’s WWTP site other than for daily deliveries, unless or until additional storage is built on the CITY’s WWTP site and specifically allowed by CITY for that purpose.
 - b. Ultimate maximum flow rates delivered from the WWTP could be as much as 5,250 gpm (or as otherwise required and agreed between the Parties to meet ultimate DISTRICT and CITY demands), and connection facilities between the CITY’s WWTP and DISTRICT Booster Station Site have been sized accordingly.
 8. To negotiate in good faith a purchase agreement with DISTRICT to sell recycled water. CITY to invoice DISTRICT for the monthly volumetric usage based upon the metered flow and recycled water delivery point at an agreed-upon Wholesale Recycled Water Rate.
 9. The Wholesale Recycled Water Rate shall include the additional costs incurred by the CITY to provide recycled water to DISTRICT at the delivery point, which may include transfer pumping to on-site equalization storage, on-site equalization storage, and pipeline(s) from the on-site equalization storage to the delivery point. The Wholesale Recycled Water Rate may include a fixed cost and a variable cost component. The fixed costs may include the amortized capital cost of additional or future WWTP facilities necessary to achieve recycled water treatment above CITY treatment requirements in order to fully utilize recycled water, and the facilities to pump, store, convey, and meter recycled water to the delivery point. The fixed cost may also be based on anticipated annual recycled water delivery, paid as a fixed monthly charge. The variable cost may

185 include those additional costs in excess of those required by the City to meet applicable regulatory
 186 and jurisdictional requirements and may include , operation and maintenance, labor and benefits,
 187 power, chemicals, and maintenance materials necessary to pump, store, convey, and meter
 188 recycled water to the delivery point paid monthly based on the metered volume of recycled water
 189 delivered by the CITY to the DISTRICT (“NET COST”). The Wholesale Recycled Water Rate could
 190 also include a recharge component for water stored by the CITY under the DISTRICT’s storage
 191 account and a recovered component for water extracted from seasonal storage by the DISTRICT.
 192 The unit for measurement of the volumetric rate shall be mutually agreed upon. CITY shall comply
 193 with legal requirements for rate setting and rate increases in establishing the Wholesale Recycled
 194 Water Rate to be charged the DISTRICT, and may amend the Wholesale Recycled Water Rate at
 195 or around the time it reviews and establishes its wastewater service rates.
 196

- 197 10. If additional on-site equalization storage, conveyance piping, and pumping facilities are required
 198 to meet increased DISTRICT demands, CITY shall endeavor to construct them in a timely fashion;
 199 with corresponding adjustments allowed to the fixed portion of the CITY’s Wholesale Recycled
 200 Water Rate.
 201
- 202 11. If CITY and DISTRICT mutually agree that it would be beneficial to provide additional treatment to
 203 maximize recycled water use in the DISTRICT, CITY and DISTRICT will share in the cost of the fixed
 204 and variable cost components of the additional facilities in a future, to be determined, cost sharing
 205 arrangement.
 206
- 207 12. CITY shall be responsible for its legal requirements for rate setting and rate changes. In the event
 208 the City is unable to establish a cost based rate, City shall have no obligation to deliver Recycled
 209 Water.
 210

211 **IV. DISTRICT ROLE AND RESPONSIBILITIES**

212
 213 The DISTRICT shall have the following basic responsibilities under the proposed Recycled Water Contract:
 214

- 215 1. To design and construct system improvements downstream of the delivery point necessary to
 216 accept and distribute Title 22 recycled water pursuant to an agreement between the CITY and
 217 DISTRICT.
 218 a. DISTRICT shall be responsible for all costs associated with the design and construction of
 219 improvements to accept and distribute recycled water downstream of the delivery point.
 220
 221 b. Delivery point of recycled water shall be a location mutually agreed to by CITY and
 222 DISTRICT.
 223
- 224 2. To install a meter, or meters, at the recycled water delivery point to measure the quantity of
 225 water delivered to the DISTRICT.
- 226 3. To make payments to CITY for recycled water at the Wholesale Recycled Water Rate established
 227 by the CITY, as set forth in Section III, above.
 228
- 229 4. DISTRICT agrees CITY shall not be obligated to and will not provide storage at the WWTP site for
 230 more than 24 hours.
 231

- 232 5. DISTRICT shall provide a credit toward projected water demand for proposed developments with
 233 said credit to contemplate the net estimated volume of recycled water produced and recycled
 234 within the development.
 235 a. Estimated volume of recycled water produced and recycled will consider the following:
 236 i. Projected/actual volume of water to be consumed within the development;
 237 ii. Projected/actual volume of wastewater to be discharged to the sanitary sewer
 238 system within the development;
 239 iii. Projected/actual wastewater volume lost pursuant to treatment and plant
 240 operations; and
 241 iv. Any other projected/actual recycled water losses – i.e. seasonal storage, new
 242 regulations.
 243
 244 b. Residential water consumption shall be calculated on a per-meter basis with the per
 245 meter flow calculation being based on actual meter data collected by the DISTRICT for
 246 residential developments with similar characteristics to those of the proposed
 247 residential development. Said characteristics to include, but not be limited to, lot size,
 248 lot density, and lot coverage.
 249
 250 c. Non-residential water consumption shall be calculated on a per-meter basis with the
 251 meter flow calculation being based upon projected water consumption for the proposed
 252 development. Said consumption calculations shall be based either on water
 253 consumption data provided by the developer, industry standards for water
 254 consumption for each of the proposed uses within the development, actual water use
 255 metered by the DISTRICT for similar uses, or a combination thereof.
 256
 257 6. DISTRICT shall establish a Non-potable Water Rate(s) for customers who utilize non-potable
 258 water for irrigation and other approved uses, and shall comply with legal requirements for rate
 259 setting and rate increases.
 260 a. DISTRICT has installed or shall cause to be installed separate meters for each non-potable
 261 water connection.
 262
 263 b. DISTRICT shall adopt and enforce rules and regulations for non-potable water use, and
 264 be responsible for on-site inspections, cross connection testing, and other reporting
 265 requirements.
 266
 267 7. DISTRICT shall negotiate a Recycled Water Contract with CITY for recycled water, and shall
 268 promptly pay CITY the invoiced amounts pursuant to that agreement.
 269
 270 8. If CITY and DISTRICT mutually agree that it would be beneficial to provide additional treatment
 271 and/or facilities to maximize recycled water use in the DISTRICT, they will share in the cost of the
 272 fixed and variable cost components of the additional facilities in a future, to be determined, cost
 273 sharing arrangement.
 274

275 **V. IT IS MUTUALLY UNDERSTOOD AND AGREED BY AND BETWEEN THE**
 276 **PARTIES THAT:**
 277

- 278 1. CITY reserves the right to enter into short term wholesale contracts for the sale of its unused
 279 recycled water not otherwise committed to DISTRICT pursuant to the Recycled Water Contract,
 280 which shall include consideration of the following terms:
 - 281 a. Prior to any sale, the CITY and DISTRICT shall endeavor to develop seasonal storage
 282 programs to maximize the capture and reuse of recycled water.
 - 283
 - 284 b. DISTRICT shall have first right of refusal to the water offered for sale by CITY through third-
 285 party contracts.
 - 286
- 287 2. CITY and DISTRICT shall negotiate and execute a final Recycled Water Contract within twelve (12)
 288 months of the effective date of this MOU, and/or upon completion of any CITY and DISTRICT rate
 289 studies.
- 290 3. This MOU may be terminated at any time by mutual written agreement of the Parties, or by either
 291 Party upon ninety (90) days' written notice to the other Party.
- 292

293
294 **VI. EFFECTIVE DATE AND SIGNATURE**

295
296 This MOU shall be effective upon the date both the CITY and DISTRICT have indicated their approval by
 297 the signatures of DISTRICT and CITY authorized officials, below. It shall be in force from its effective date
 298 to and until the later of 18 months following the effective date of this MOU or the full completion and
 299 acceptance of the City's ongoing WWTP and brine line construction projects, after which time it shall
 300 terminate, unless extended by mutual written agreement of the parties; or upon termination in
 301 accordance with Section V.3 hereinabove.

302
303 DISTRICT and CITY indicate agreement with this MOU on the dates and by their signatures set forth below.

304
305
306 **Signatures and Dates**

307
308 **BEAUMONT CHERRY VALLEY WATER DISTRICT**

CITY OF BEAUMONT

309
310
311 _____
312 John Covington, President

 312 Julio Martinez III, Mayor

313
314 Date _____

Date _____

Agenda Item No. 10

Staff Report

TO: Mayor and City Council Members

FROM: Elizabeth Gibbs, Community Services Director

DATE: June 18, 2019

SUBJECT: Interagency Service Agreement between City of Banning and City of Beaumont to provide Coordinated Transit Services

Background and Analysis:

In December 2002, the cities of Beaumont and Banning entered into an agreement to provide coordinated transit services that integrated some components of the cities of Beaumont and Banning's fixed route and dial-a-ride services (Attachment A). In recent years, Banning has expressed a strong desire to terminate that agreement and requested that Beaumont no longer service the Ramsey Street corridor.

On June 4, 2019, City Council formally adopted the Short Range Transit Plan for Fiscal Year 2019-2020, which included a plan to remove Route 2 from the city limits of Banning. In order to effectively implement that termination of service without financially impacting our transit dependent residents, it is necessary to enter into an interagency agreement with Banning that outlines certain terms and conditions of transferring passengers between the two public transit operations.

On Tuesday, June 11, 2019, Beaumont staff met with Banning's city manager and public works director to discuss the terms and conditions of the proposed agreement (Attachment B).

Some highlights of the proposed new agreement include:

- 1) To provide the public with specific transit information, advertising the operations of both agencies and promote the general use of transit;
- 2) Cooperate in the location, installation and maintenance of all jointly used bus stops, including use of the other's poles and posts at joint transfer points. Each party will be solely responsible for claims for damages arising out of its installation of bus stop signs or passenger amenities;
- 3) Implement boarding restrictions within respective service areas where duplication of service or potential revenue loss may occur, including limiting service to no more than three buses per hour at the other agency's jointly used bus stops. Neither party will board passengers at any bus stop within the other party's jurisdiction that is not specifically designated by this agreement;
- 4) Each party shall retain all fares collected for their service;

- 6) Each agency will accept transfer media of the other agency valued at the base fare at Walmart and San Gorgonio Hospital transfer points only. Passengers will not be required to top-up their fare to cover any shortfall between the base fares;
- 7) Where Beaumont and Banning's commuterlink routes intersect, each agency will accept multi-use media from the other agency for a one-dollar (\$1.00) discount with their applicable premium fare;
- 8) Transfer media will not be valid on paratransit service;
- 9) Electronic fare media is excluded until such time as Banning implements such a program;
- 10) Each party will accept the other party's valid employee identification on all fixed route and commuterlink service in lieu of payment of fare;
- 11) Each party will accept the other party's valid Military Veteran Identification for purchase of reduced Veterans fares;
- 12) Each party will formally inform each other of future plans and schedule changes no later than 30 days before the changes are scheduled to be implemented;
- 13) Neither party may operate duplicating services in the other party's jurisdiction without written approval of the other party's elected city council. Each party will operate in accordance with the Transportation Development Act; and
- 14) The term of the agreement shall be July 1st to June 30th or the date of execution by both parties, whichever is the latter. A meeting between the two cities' staff members is required prior to December 15th of each year to discuss the coordination of services for the following fiscal year and possible extension of the term of the agreement.

The City Attorney has reviewed and approved this agreement and this agreement will supersede the December 2002 agreement in its entirety.

Fiscal Impact:

There is no fiscal impact.

Recommendation:

1. Approve the Interagency Service Agreement between the City of Beaumont and the City of Banning and authorize the City Manager to execute on behalf of the City.

City Manager Review: 

Attachments:

- A. Agreement to Provide Coordinated Transit Services dated December 17, 2002.
- B. Interagency Service Agreement between the City of Banning and the City of Beaumont

AGREEMENT TO PROVIDE COORDINATED TRANSIT SERVICES

THIS AGREEMENT, made and entered into this 17th day of December, 2002, by and between the City of Banning ("City") and the City of Beaumont (sometimes jointly referred to herein as the "Parties").

RECITALS

WHEREAS, the City of Banning and the City of Beaumont are operators of separate transit systems; each consisting of fixed route and dial-a-ride services; and,

WHEREAS, the City of Banning and the City of Beaumont are members of the Transit Task Force ("Task Force"), formed for purpose of studying the potential of a single integrated San Geronio Pass transit system (the "Study"); and

WHEREAS, the City of Banning entered into a contract with a consultant to conduct the Study on behalf of the Task Force; and,

WHEREAS, the consultant has provided an "Existing Conditions and Transit Needs Report," and based thereon, the Task Force has developed a preliminary Pass Area Transit Plan (the "Plan"); and

WHEREAS, the Plan includes the integration of some components of the City of Banning and City of Beaumont fixed route and dial-a-ride services; and

WHEREAS, the City of Banning and the City of Beaumont desire to jointly document the manner of such integration and to formally allocate the risks associated with such integration.

TERMS AND CONDITIONS

1. Purpose

The purpose of this Agreement is to allow the Parties to integrate their transit systems in the manner described herein.

2. Term

This Agreement shall commence as of the day and year first above shown and shall remain in full force and effect until terminated as provided herein. Either party may terminate this Agreement by giving written notice at least thirty (30) days prior to the effective date of the termination. Each party hereby assumes its risk of loss as a result of such termination and hereby waives any right against the other for costs of performance or for breach of performance hereunder. Said waiver is void and of no effect upon proof of bad faith on the part of the party initiating the termination. The County of Riverside shall be the venue for any legal action commenced hereunder.

3. GENERAL AUTHORITY; BUDGET AUTHORITY

The City Managers ("City Manager"), or their designees, are hereby made the authorized representative, respectively, of the City of Banning and the City of Beaumont to grant such authorizations and take such further actions as may be necessary to effectuate this Agreement. If the integration of services requires the establishment of a budget, such budget shall first be approved as required by the internal regulations of each city. The City Managers, or their designees, shall thereafter have the authority to approve line item adjustments to such budget as long as either of such amendments are upon the same terms and conditions as specified herein, and do not

increase the total compensation agreed upon herein.

4. **COMMENCEMENT OF INTEGRATION**

At the date and time agreed upon by the City Managers, or their designees, the Parties shall commence the integrated transit operations program described in Attachment I. Attached hereto and made a part hereof.

5. **RELEASE OF NEWS INFORMATION**

No news release, including photographs, public announcements or confirmation of same, of any part of the subject matter of this Agreement or any phase of any program hereunder shall be made without prior written approval of the City Managers or their designees.

6. **COSTS**

Each party shall bear its own costs of the transit system integration described in Attachment I.

7. **City DISCLOSURE**

Each City shall provide the other City with any plans, publications, reports, statistics, records or other data or information pertinent to the services to be provided hereunder which are reasonably available to City.

8. **INDEPENDENT CONTRACTOR**

Each Party shall perform the services contained herein as an independent contractor. The employees of each Party shall not be considered an employee of the other or under supervision or control of the other. This Agreement is by and between the Parties, and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, joint power, or association, between the City of Banning and the City of Beaumont.

9. **Successor and Assignment**

The services as contained herein are to be rendered by Parties whose names are as appears first above written and said Parties shall not assign nor transfer any interest in this Agreement without the prior written consent of the other.

10. **Indemnification**

This Agreement contemplates the operation by each City ("TRANSIT OPERATOR") of a portion of its transit operations within the territory of the other ("HOST CITY"). Based thereon, the following indemnification is made:

A. Indemnification of City as TRANSIT OPERATOR by the HOST CITY

In addition to the liability imposed by law upon HOST CITY on account of bodily injury or death suffered through HOST CITY's negligence, which liability is not impaired or otherwise affected herein, HOST CITY hereby agrees to defend, indemnify and hold harmless TRANSIT OPERATOR, its officers, boards, commissions, employees and agents against and from any and all claims, demands, cause of action, suits and proceedings, including, but not limited to, actions related to the injury to any person or persons, including death or property damage, regardless of the merits of the same and from damages (including, but not limited to, damages to TRANSIT OPERATOR'S property), liabilities, costs or

expenses of every type, and or part thereof, resulting from an act or omission of HOST CITY or any subcontractor or anyone directly or employed including volunteers by either of them in the performance of any work included in this AGREEMENT.

B. Indemnification of the HOST CITY by the TRANSIT OPERATOR

In addition to the liability imposed by law upon TRANSIT OPERATOR on account of bodily injury or death suffered through TRANSIT OPERATOR'S negligence, which liability is not impaired or otherwise affected herein, TRANSIT OPERATOR hereby agrees to defend, indemnify and hold harmless HOST CITY, its officers, boards, commissions, employees and agents against and from any and all claims, demands, cause of action, suits and proceedings, including, but not limited to, actions related to the injury to any person or persons, including death or property damage, regardless of the merits of the same and from damages (including, but not limited to, damages to HOST CITY'S property), liabilities, costs or expenses of every type, and or part thereof, resulting from an act or omission of TRANSIT OPERATOR or any subcontractor or anyone directly or employed including volunteers by either of them in the performance of any work included in this AGREEMENT.

11. INSURANCE

Without limiting the scope to each Party's indemnification of the other, each Party shall provide and maintain at its own expense during the term of this Agreement the following program(s) of insurance covering its operation hereunder. Such insurance shall be provided by insurer(s) satisfactory to each City and evidence of such programs satisfactory to each City shall be delivered to each City Manager or his/her designee within ten (10) days of the effective date of this Agreement.

Minimum Scope of Insurance:

Commercial General Liability and Umbrella Liability Insurance on an occurrence basis, including the tort liability of another assumed in a business contract. Automobile and Umbrella Liability Insurance for any auto, including owned, hired and non-owned autos. Worker's Compensation Insurance as required by the State of California and Employer's Legal Liability, including a waiver of subrogation against each City.

Minimum Limits of Insurance:

General Liability/Umbrella Liability with a limit of not less than \$1,000,000.00 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement. Automobile Liability (and necessary commercial umbrella liability) Insurance with a limit of not less than \$1,000,000.00 each accident. Worker's Compensation (commercial umbrella and/or employers liability) Insurance with a limit of not less than \$1,000,000.00 each accident for bodily injury by accident or \$1,000,000.00 each employee for bodily injury by disease.

Deductibles and Self-Insured Retentions:

Any deductibles or self-insured retentions must be declared to and approved by each City.

Other Insurance Provisions:

Additional Insured Status of HOST City. The HOST City, its officers, officials, employees, and volunteers shall be insureds with respect to either liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of the Transit Operator or liability arising out of work or

operations performed by or on behalf of the Transit Operator, including materials, parts or equipment furnished in connection with such work or operations, excepting professional liability coverage.

Insurance Primary to City Insurance. For any claims related to this contract, the TRANSIT OPERATOR'S insurance coverage shall be primary insurance as respects the HOST CITY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the HOST CITY, its officers, officials, employees or volunteers shall be excess of the Transit Operator's insurance and shall not contribute with it.

Prior Notice of Cancellation. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be cancelled by Transit Operator or Transit Operator's insurance; except after thirty (30) days prior written notice to the HOST City.

12. VERIFICATION OF COVERAGE:

TRANSIT OPERATOR shall furnish the HOST CITY with original certificates and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the HOST City before operations commence. The HOST City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

Failure on the part of Transit Operator to procure or maintain required insurance shall constitute a material breach of this Agreement upon which HOST City may immediately terminate this Agreement.

13. INSURANCE TERMS APPLICABLE TO GOVERNMENT SERVICE CONTRACT

The verification of coverage requirements in this section supersedes any inconsistent provision appearing above. When each party hereto is a government entity, each Party shall be required to provide to the other, verification of the coverages required herein only from such carrier, joint powers authority, or self-insurance, as is relied upon by the Party in the normal course of business.

14. COMPLIANCE WITH LAWS

The Parties agree to be bound by applicable federal, state and local laws, regulations and directives as they pertain to the performance of this Agreement.

15. NON-DISCRIMINATION

In the fulfillment of the program established under this Agreement, either as to employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other terms of compensation, selection for training, including apprenticeship or participation in the program or the receiving of any benefits under the program, each Party agrees not to discriminate nor to allow any contractor or subcontractor to discriminate on the basis of race, color, creed, religion, natural origin, ancestry, sex, marital status or physical handicap.

16. SEVERABILITY

In the event that any provision herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid

to the extent of the scope or breadth permitted by law.

17. **INTERPRETATION**

No provision of this Agreement is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Agreement is to be construed as if both Parties drafted it.

18. **WAIVER**

No breach of any provision hereof can be waived unless in writing. Waiver of any one breach of any provision shall not be deemed to be a waiver of any other breach of the same or any other provision hereof.

23. **ASSESSMENT AND MONITORING**

The ongoing assessment and monitoring of this Agreement is the responsibility of the City Managers or their designees.

24. **NOTICE**

A. Notices, herein shall be presented by regular, certified or registered U.S. mail, as follows:

To City of Beaumont: City of Beaumont
 550 W. Sixth Street
 Beaumont, CA 92223
 Attention: City Attorney

To City of Banning: City of Banning
 Post Office Box 998
 Banning, California 92220
 Attention: City Attorney

Nothing in this paragraph shall be construed to prevent the giving of notice by personal service.

26. **Entire Agreement**

This Agreement with attachments constitutes the entire understanding and agreement of the parties. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof and contains all the covenants and agreements with respect to same.

27. **No Third Party Beneficiaries.**

No third party shall be deemed to have any rights hereunder against any of the parties hereto as a result of this Agreement.

28. **EMERGENCY NOTICE**

The TRANSIT OPERATOR shall notify the designated contact person of the HOST CITY as soon as reasonably possible upon the occurrence of a traffic accident, passenger trip and fall, or like event involving the Transit Operator during its operations in the HOST CITY. For purposes of this section the designated contact persons are:

City of Banning: Community Services Manager
Community Services Department
(909) 922-3243

City of Beaumont: Transit Services Manager
Transit Department
(909) 769-8530

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above shown.

CITY OF BEAUMONT

CITY OF BANNING


By 
Brian DeForge, Mayor

By 
Arthur Welch, Mayor

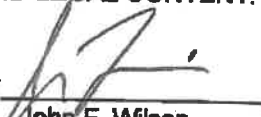
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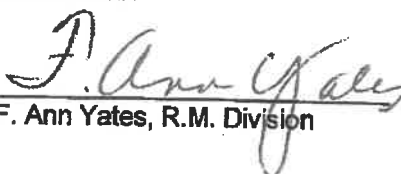

Alan Kapanicas, City Clerk
City of Beaumont


Marie A. Calderon, City Clerk
City of Banning

APPROVED AS TO FORM
AND LEGAL CONTENT:

By 
John F. Wilson
City Attorney

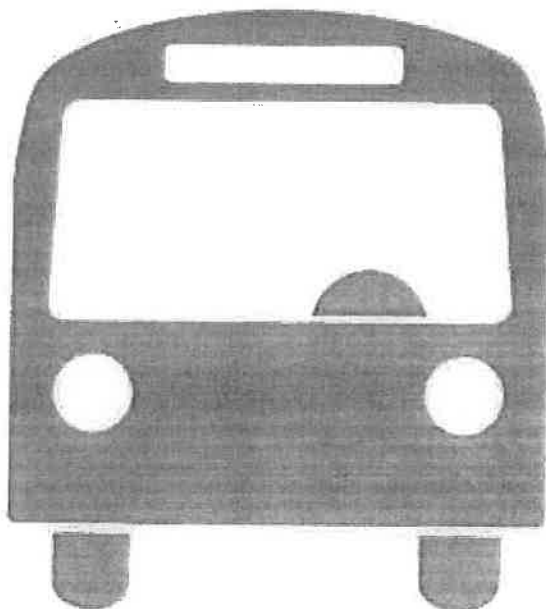
APPROVED AS TO INSURANCE
PROVISIONS:

By 
F. Ann Yates, R.M. Division

Attachment 1

PASS AREA TRANSIT STUDY

TRANSIT PLAN



Attachment 1

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 Route 5 (*Banning Northern Route*) _____ **6**

 Route 6 (*Banning Southern Route*) _____ **6**

 RTA Route 31 _____ **6**

 RTA Route 35 _____ **6**

 RTA Route 36 _____ **7**

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Single System Appearance in Banning and Beaumont _____ **7**

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APPENDIX A: FIXED ROUTE MAPS _____ **13**

Attachment 1**INTRODUCTION**

The San Geronio Pass Area of Western Riverside County consists of the incorporated cities of Calimesa, Beaumont and Banning and the unincorporated communities of Cherry Valley and Cabazon and the Morongo Band of Mission Indians Reservation.

Currently there are five public transit systems and Greyhound operating in the Pass Area. These include the Riverside Transit Agency (RTA), Omnitrans, SunLine Transit Agency, Banning Municipal Transit System, and Beaumont Municipal Transit System. Each provider functions independently and has its own routes, schedules, and fare structure. Together, these services offer Pass Area residents local transit service, intercity transit service within the Pass Area, and regional transit service to destinations in Riverside County including Hemet/San Jacinto, Moreno Valley, Palm Springs and Redlands/San Bernardino.

Over the course of the past year, the communities of the Pass Area have perceived a need to develop a seamless and user-friendly package of transit services. A study of Pass Area transit needs was funded by the Riverside County Transportation Commission in April 2000. Nelson\Nygaard Consulting Associates was retained in late 2000 to conduct a transit needs assessment of the Pass Area communities, which was completed in November 2001. The task of developing and implementing a transit plan for the Pass Area was assigned to the Pass Area transit providers.

To aid Pass Area transit staff with the development of the transit system, a Transit Task Force was created. The Task Force includes representatives from:

- City of Banning
- City of Beaumont
- City of Calimesa
- County of Riverside
- Morongo Band of Mission Indians (Morongo Commercial Development)
- Riverside Transit Agency (RTA)
- SunLine Transit Agency
- Riverside County Transportation Commission

THE PASS AREA COMMUNITY

Profiles of the Pass Area communities, transit customers and those who currently do not use transit are discussed in-depth in the *Existing Conditions*

Attachment 1

and Transit Needs Assessment prepared by Nelson\Nygaard Consulting Associates.

IDENTIFIED NEEDS

With the focus of the study being to develop a single seamless transit system that is easy for Pass Area residents to understand and use, a number of unmet transit needs and improvements were identified during the research phase of this study. They are discussed in detail in the *Existing Conditions and Transit Needs Assessment*.

Briefly, the research identified the following unmet transit needs for the Pass Area communities:

- An unserved residential areas in Banning (along Wilson Street between Sunset and San Geronio).
- Service for non-traditional works shifts and swing shifts throughout the Banning, Beaumont, Cherry Valley and Cabazon areas.
- Pass Area access to evening classes at Mount San Jacinto College and the computer manufacturing training program in Hemet.
- Local connections to the last run of regional routes
- Local Sunday service
- Reduced travel time to Redlands/Loma Linda/San Bernardino destinations

The following are areas, identified by the study, where local transit service can be improved:

- Eliminate one-way loops to reduce ride time on local routes
- Eliminate multiple fare structures
- Eliminate the lack of uniform headways
- Develop a single system identity
- Adjust route schedules to provide timed transfers between routes
- Relocate transfer point, develop transit center
- Increase marketing of transit services

OVERVIEW OF TRANSIT PLAN

This transit plan is not intended to be a detailed implementation plan. It is intended to set the priorities and direction for transit services in the Pass Area for the coming years. The plan is phased over three fiscal years, though it is anticipated that some elements will take longer than the three-year period to fully implement.

Noteworthy element of the plan includes:

Attachment 1

- A single user-friendly ride guide containing all transit services in and through the Pass Area
- Education program on Transit Friendly Community Planning
- Extended local service hours to get regional travelers back home
- Creation of a fixed route trunk line connecting the Beaumont, Banning and Cabazon commercial areas
- Fixed route deviations to provide service to major employers
- Style standards that will give the Banning and Beaumont transit systems a single system appearance
- The consolidation of the Banning and Beaumont DAR services
- Non-traditional "swing shift" subscription Dial-A-Ride service
- Regional express connector routes to Palm Springs and Loma Linda
- Research and development of a transit center

It will be up to the Transit Task Force and both local and regional policy boards to prioritize the services to be implemented with the resources available.

TRANSIT SYSTEM ELEMENTS

The plan elements listed below are targeted to address specific issues that have been identified through the Pass Area Transit Study. Each element is can be implemented independent of any of the other elements listed.

Consolidated Ride Guide for Pass Area Services

Implementation Date: March 2002 (Revised September 2002)

Estimated Cost: Not yet determined

To make travel in, to and through the Pass Area easier, a single Ride Guide listing the routes and services provided in the Pass Area will be developed. Information on each route will be presented in the same format for ease of understanding and use by the transit customer.

Community Transit Planning

Implementation Date: June 2002

Estimated Cost: Nominal

It is anticipated that the need for transit services will only increase over the coming years. As such, it is important that local cities take a proactive approach to facilitating the development of transit-friendly communities in the Pass Area. Two actions that can be taken now to initiate the forward thinking process are:

- 1) Educate City Planners on transit-friendly community development
- 2) Provide City Councils with information on the value of adopting a Transit Development Fee

Attachment 1**Extending Local Service to 7:00 PM**

Implementation Date: October 2002

Estimated Cost: Operating - \$90,000.00/year, Capital - None

The *Existing Conditions and Transit Needs Assessment* identified that individuals transferring from the last run of regional connector routes are being stranded at the San Gorgonio Memorial Hospital transfer point because the local services stop at 5:00 PM (in Beaumont) and 6:00 PM (in Banning).

To address this need, local service will be extended to 7:00 PM. This will allow individuals transferring from almost all regional routes to get home. The only exception will be the 7:00 PM arrival of RTA Route 36 from Yucaipa.

Rerouting of Fixed Routes

Implementation Date: October 2002

Estimated Cost: Operating - \$125,000.00/year, Capital - None

Below is a list of the fixed-routes serving the Pass Area. Information provided includes a brief description of service area, operational hours and the number of vehicles in service. Some routes have been modified to meet identified potential service demands. This transit plan includes renaming local fixed routes to present the appearance of a single local transit system. The current names are added for reference.

Route 1 Commercial Area Trunk Route (*Banning Cabazon Route*)

(M-F 6am – 7pm, Sat 8am – 5pm, two vehicles)

The old Cabazon Route will be modified significantly to provide service to the commercial areas of Beaumont, Banning and Cabazon. The route has been extended down Sixth Street to Beaumont Avenue and then to the southwest residential area of Beaumont. The route will serve the Apache Trail and Seminole Drive commercial area heading in both directions and will increase service to the Esperanza and Elm area of Cabazon. The route will deviate on demand to the Arrowhead Bottling Plant at Bonita and Elm and to Duraplastics in Beaumont. A second vehicle will be placed on this route (one operated by Banning and the other operated by Beaumont) to reduce the headway to one-hour. (See attached route map.)

Route 2 (*Beaumont Route 2*)

(M-F 6am – 7pm, one vehicle)

Route 2 was recently modified to provide service to additional areas of Beaumont. No further changes to this route are anticipated. (See attached route map.)

Attachment 1**Route 3 (Beaumont Route 3)**

(M-F 6am – 7pm, Sat 8am – 5pm, one vehicle)

Route 3 was recently put into service. No changes are anticipated for this route. (See attached route map.)

Route 4 (Beaumont Route 1)

(M-F 6am – 7pm, Sat 8am – 5pm, one vehicle)

No changes are anticipated for this route. (See attached route map.)

Route 5 (Banning Northern Route)

(M-F 6am – 7pm, Sat 8am – 5pm, one vehicle)

Route 5 will replace the Banning Northern Route and will serve the residential areas North of Ramsey Street in Banning and the commercial areas along Ramsey Street and Highland Springs. The route will be modified to provide service to Coombs Middle School (on Wilson Street). In order to accomplish this, the route was shortened slightly at the Northeast end of Banning. (Route 6 will provide service to this area.) Route 5 will maintain a one-hour headway. (See attached route map.)

Route 6 (Banning Southern Route)

(M-F 6am – 7pm, Sat 8am – 5pm, one vehicle)

Route 6 will replace the Banning Southern Route and will serve the residential areas South of the I-10 freeway and the commercial areas along Ramsey Street and Highland Springs. The route will deviate on demand to provide service to the Deutsch Company for morning and afternoon shift changes. It has been modified to provide service to Wilson Street between Sunset Avenue and Highland Home Road. Route 6 will maintain a one-hour headway. However, it is anticipated to fall behind schedule when required to deviate to the Deutsch Company. (See attached route map.)

RTA Route 31

(M-F 6:15am – 6:25pm, Sa 7:15m – 6:15pm, Sun 8:30am – 6:15pm, 2 vehicles)

Route 31 provides regional connection service to Hemet/San Jacinto from the San Gorgonio Memorial Hospital transfer point. This route will limit passenger stops to the San Gorgonio Memorial Hospital transfer point, Beaumont City Hall, and Wells Fargo Bank (across the street from the Beaumont City Hall). (See attached route map.)

RTA Route 35

(M-Sa 7:45am – 6:02pm, 1 vehicle)

Route 35 provides regional connection service to Moreno Valley from the San Gorgonio Memorial Hospital transfer point. This route

Attachment 1

will limit passenger stops to the San Geronio Memorial Hospital transfer point, Beaumont City Hall, and Wells Fargo Bank (across the street from the Beaumont City Hall). (See attached route map.)

RTA Route 36

(M-Sa 7:05am – 7:00pm, 2 vehicles)

Route 36 provides local service to Beaumont, Calimesa and Yucaipa, and is a regional connection to Omnitrans in Yucaipa. This route will limit passenger stops to the San Geronio Memorial Hospital transfer point, Beaumont City Hall, and Wells Fargo Bank (across the street from the Beaumont City Hall). It will board the freeway at Beaumont Avenue and exit on San Timoteo Canyon Road. (See attached route map.)

SunLink

(M-F 7:05am – 6:20pm, 2 vehicles)

SunLine Transit Agency's SunLink service provides express service between the Coachella Valley, Cabazon, Highland Springs, and Riverside. It travels through the Pass Area eight times a day (four to Riverside and four to the Coachella Valley). (See attached route map.)

Single System Appearance in Banning and Beaumont

Implementation Date: October 2002

Estimated Cost:

The Banning and Beaumont transit systems will be coordinated to present the appearance of a single transit system to customers and the public. Fares, transfers and passes will be standardized between the two providers. Style standards will be developed for exterior bus graphics (and interior colors on future vehicle purchases), bus stop signs, bus stop benches and amenities, and document and publication appearance. Operational policies, as they relate to the transit customer, will be coordinated. Beaumont Transit System's operating hours will increase to equal Banning Municipal Transit System's operating hours. Operating days and holidays will be coordinated.

The intent of this single system appearance is to simplify use of the transit systems for the transit customer. Whether the customer is boarding a Banning or Beaumont vehicle, he/she will pay the same fare, receive the same transfer, have to abide by the same policies, and read schedules that are presented in the same format. To the customer, it will appear that the Banning and Beaumont systems are a single transit system.

Attachment 1**Marketing Plan for Transit in the Pass Area***Implementation Date: August 2002**Estimated Cost:*

Any changes to the existing transit services will need to be publicized. However, a significant need for increased marketing of the Pass Area transit services was identified in the *Existing Conditions and Transit Needs Assessment*, with 60% of non-riders in the Pass Area not being familiar with the transit systems.

A comprehensive marketing plan will be developed to promote both the service changes identified within this plan, and the ongoing promotion of transit as a transportation alternative within, and out of, the Pass Area.

Customer Satisfaction Surveys*Implementation Date: January 2003, April 2003**Estimated Cost: Nominal*

The success of the transit system depends largely upon the satisfaction of its customers. Customer satisfaction surveys will be distributed three months after the implementation of the service changes within this plan. Customer input will be taken into consideration in "fine tuning" the transit system. Then, the same surveys will be distributed three months after that to identify any changes in customer satisfaction.

Multi-year Banning and Beaumont Dial-A-Ride Consolidation Plan*Implementation Date: October 2003**Estimated Cost: Not yet determined*

Though both DAR services operate quite efficiently (just under 4.5 passengers per hour), it is anticipated that greater customer convenience and some cost savings will be realized by combining the two services into a single service. The evolution into a single Dial-A-Ride service will be a multi-year process with the implementation of a single system taking place in FY 04.

A minor, but significant, step will be taken this fiscal year with a cooperative agreement between the two providers allowing each provider to travel into each others service area to eliminate transfers for customers traveling between the cities of Banning and Beaumont. The final system will provide service to ADA certified individuals, the elderly and persons with disabilities throughout Banning, Beaumont, Cherry Valley and Cabazon. Limited general passenger Dial-A-Ride service will be provided in Cherry Valley, outside of the ADA service corridor.

Dial-A-Ride service is not planned for the Banning Bench or the Morongo Band of Mission Indian Reservation. The Banning Municipal

Attachment 1

Transit System has received very few requests for service from the Banning Bench or the Morongo Band of Mission Indian Reservation. The *Existing Conditions and Transit Needs Assessment* did not identify a significant need for service in either of these areas. These two factors, along with the recent addition of taxi service in the Pass Area, were the basis of this determination.

Research Day Pass vs. Transfers

Implementation Date: October 2003 (if determined to be feasible)

Estimated Cost: Not yet determined

Currently both the Banning and Beaumont Transit Systems use a paper transfer system for customers wishing to transfer between routes to get to their destination. Local service fixed-routes intersect in multiple locations, which creates a challenge for transit operators to develop and enforce transfer policies that are fair and convenient to both the customer and the transit provider. During FY 03 the Banning and Beaumont Transit Systems will research the potential of adopting a day pass, or smart card technology, that would be honored by both agencies. The day pass offers the customer the maximum amount of flexibility in using the transit system and the ability to choose the most direct route for their chosen trips.

Eliminate One-way Loops

Implementation Date:

Estimated Cost: Operating - 1,000,000.000/year, Capital - \$1,500,000.00

The need to eliminate one-way loop routes was identified in the *Existing Conditions and Transit Needs Assessment*. However, upon closer study of the fixed routes this would be expensive to accomplish. In some cases the only method to eliminate the one-way loop (and not require customers to transfer more often) is to add a vehicle traveling in the opposite direction to the route. An alternative to the addition of vehicles is to offer a liberal transfer policy so customers can choose the most direct route to and from their destination. However, simply eliminating transfer restrictions on the Banning and Beaumont fixed-routes would have a significant adverse effect on both systems' farebox revenue. The day pass alternative discusses in this transit plan would offer a liberal transfer policy without the adverse effect on farebox revenue.

Sunday Service

Implementation Date:

Estimated Cost: \$40,000.00/year over current allocation

The *Existing Conditions and Transit Needs Assessment* identified that 30% of local fixed route customers identified Sunday service as a need. The Banning Municipal Transit System currently has two Sunday service demonstration routes budgeted. Their implementation has been delayed due to a shortage in drivers and vehicle reliability

Attachment 1

issues. A limited hour, limited route Sunday demonstration service (Beaumont Route 3, Banning Northern/Southern combined, and Banning Cabazon Route) could be offered to identify if a need exists for the service. However, implementing the service past the demonstration period would require ongoing additional funding.

"Swing Shift" Subscription Dial-A-Ride Service

Implementation Date:

Estimated Cost: \$75,000.00/year

The need for "after hour" service for employees working non-traditional and swing shifts was identified in the *Existing Conditions and Transit Needs Assessment*. After further research, it was found that there is no standard swing shift among Pass Area employers. Below is a chart of businesses with employees that may take advantage of a "swing shift" service, if provided.

Business	After Hours Shifts End	After Hours Shifts Begin
San Geronio Memorial Hospital	10:00 PM	10:00 PM
Cherry Valley Health Care	11:00 PM	10:30 PM
Banning Health Care	10:30 PM	10:30 PM
Miravilla Convalescent Facility	11:00 PM	11:00 PM
Deutsch Company	12:00 AM	12:00 AM
Duraplastics	11:30 PM	11:00 PM
Cabazon Outlet Malls	9:30, 10:00 PM	N/A
Albertson's	12:00 AM	8:00 PM, 12:00 PM
K-Mart	9:00 PM	9:00 PM
Food 4 Less	12:00 AM	12:00 AM
Del Taco	9:00 PM, 12:00 AM	N/A
Carl's, Jr.	10:00 PM	N/A
McDonald's	8:00, 9:00, 10:00, 11:00 PM, 12:00AM	N/A

It appears that employee work shifts end anywhere between 8:00 PM and 12:00 AM. To provide this service with a system of fixed-routes would require that they operate from 7:00 PM to 1:00 AM. This would be very expensive and provide a service in excess of the anticipated demand. A general passenger subscription only dial-a-ride service could meet this demand. The service would offer the flexibility to travel only when and where there is a demand.

Since many Pass Area businesses operate on both weekdays and weekends, this service will need to be provided seven days a week.

Regional Express Connector Routes

The need for expedited travel to and from Loma Linda, Veterans Administration Hospital and Redlands Hospital was identified in the

Attachment 1

Existing Conditions and Transit Needs Assessment. The Cabazon to Palm Desert gap has long been an issue for transit connectivity in Riverside County. Though the SunLink service bridges the gap four times each way Monday through Friday, there is a perceived need for additional service to get employees to jobs. Two freeway flyer routes are proposed to address these regional connection issues.

Desert Express

Implementation Date:

Estimated Cost: Depends on hours and days of operation

The Desert Express would connect the Cabazon Outlet Malls, Casino Morongo and Main Street of Cabazon to SunLine Transit Agency's Route 111 at Stevens and Palm Canyon via the I-10 freeway and highway 111. Service would be provided by a single cutaway vehicle rather than a transit coach. This will better match the anticipated ridership and reduce the overall operating cost per mile. The route would operate on a two-hour headway, making six round-trips each weekday. Weekend service could be provided at a later date. (See attached route map.)

Redlands/Loma Linda Express

Implementation Date:

Estimated Cost: Depends on hours and days of operation

Currently Pass Area transit customers have two transit options to travel to Loma Linda. The first option is to travel via RTA Route 36 and Omnitrans Route 8 or 9. The trip takes approximately one hour and fifty minutes one-way. The second option is via RTA Routes 35, 16 and 25. The trip takes approximately one hour and thirty minutes one-way.

A freeway express route, stopping at the San Geronio Memorial Hospital transfer point, Calimesa/Yucaipa, Redlands Mall (connecting with service to Redlands, Redlands Hospital and Highland) and Tippacnoe (connecting with service to Loma Linda, V. A. Hospital, and San Bernardino), could reduce travel time significantly, reducing it to less than an hour. (See attached route map.)

Transit Center/Relocation of Transfer Point

Implementation Date:

Estimated Cost: Not yet determined

The need to relocate the existing San Geronio Memorial Hospital transfer point was identified long before this study was initiated. The transfer point currently connects no less than nine (9) fixed-routes. The congestion caused by the number of vehicles is a frustration to the hospital and its patrons. The need for a transit center with ample room to accommodate local fixed-routes, regional connectors, the local Greyhound bus terminal, and a park-and-ride facility has been

Attachment 1

identified. However, there are no funds currently set aside for the purchase of land and development of the transit center.

The development of a transit center is a multi-year process. This plan proposes that a concerted effort for the development of a transit center begin with the identification of costs and potential funding sources. As funding sources are identified, potential locations can be discussed. Since this center will most likely be utilized by all of the transit operators providing service in, to and through the Pass Area, it is recommended that the development of the center be a cooperative venture among all operators.

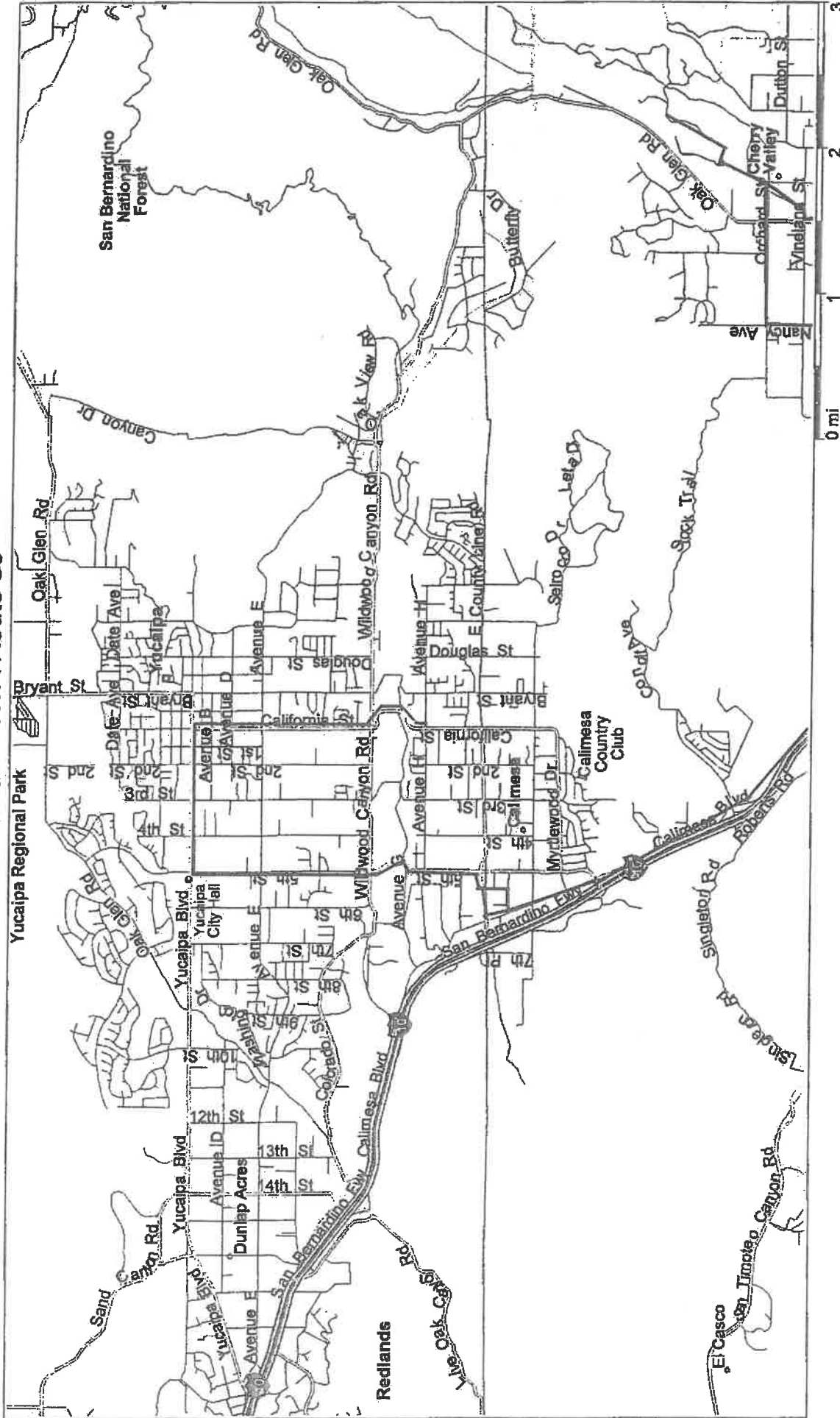
In the interim, local fixed route make up times will be relocated to different sites throughout the Pass Area when feasible in order to lessen the congestion at the San Geronio Memorial Hospital transfer point.

ATTACHMENT 1

PASS AREA TRANSIT STUDY

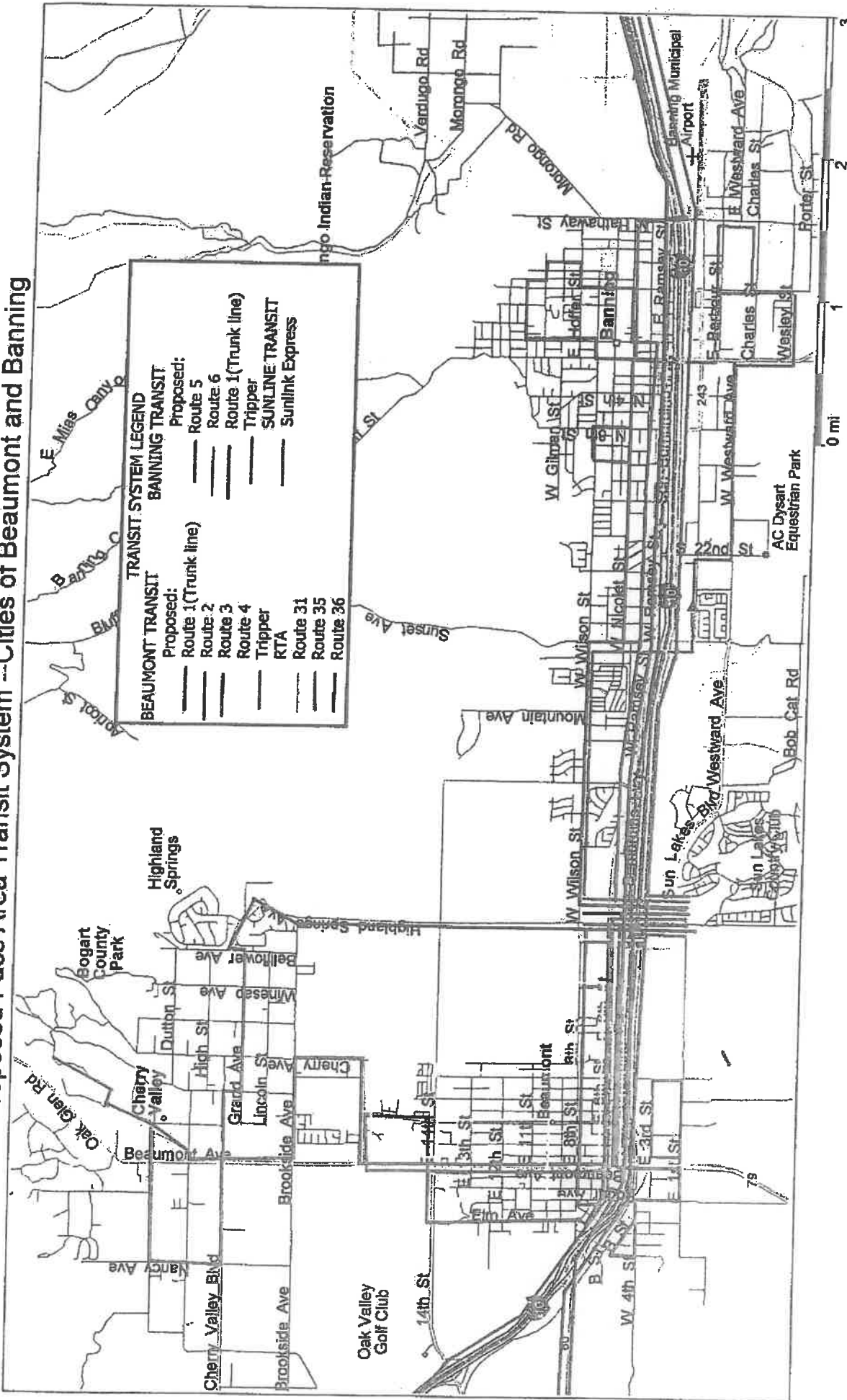
**APPENDIX A:
FIXED ROUTE MAPS**

Calimesa-----RTA Route 36



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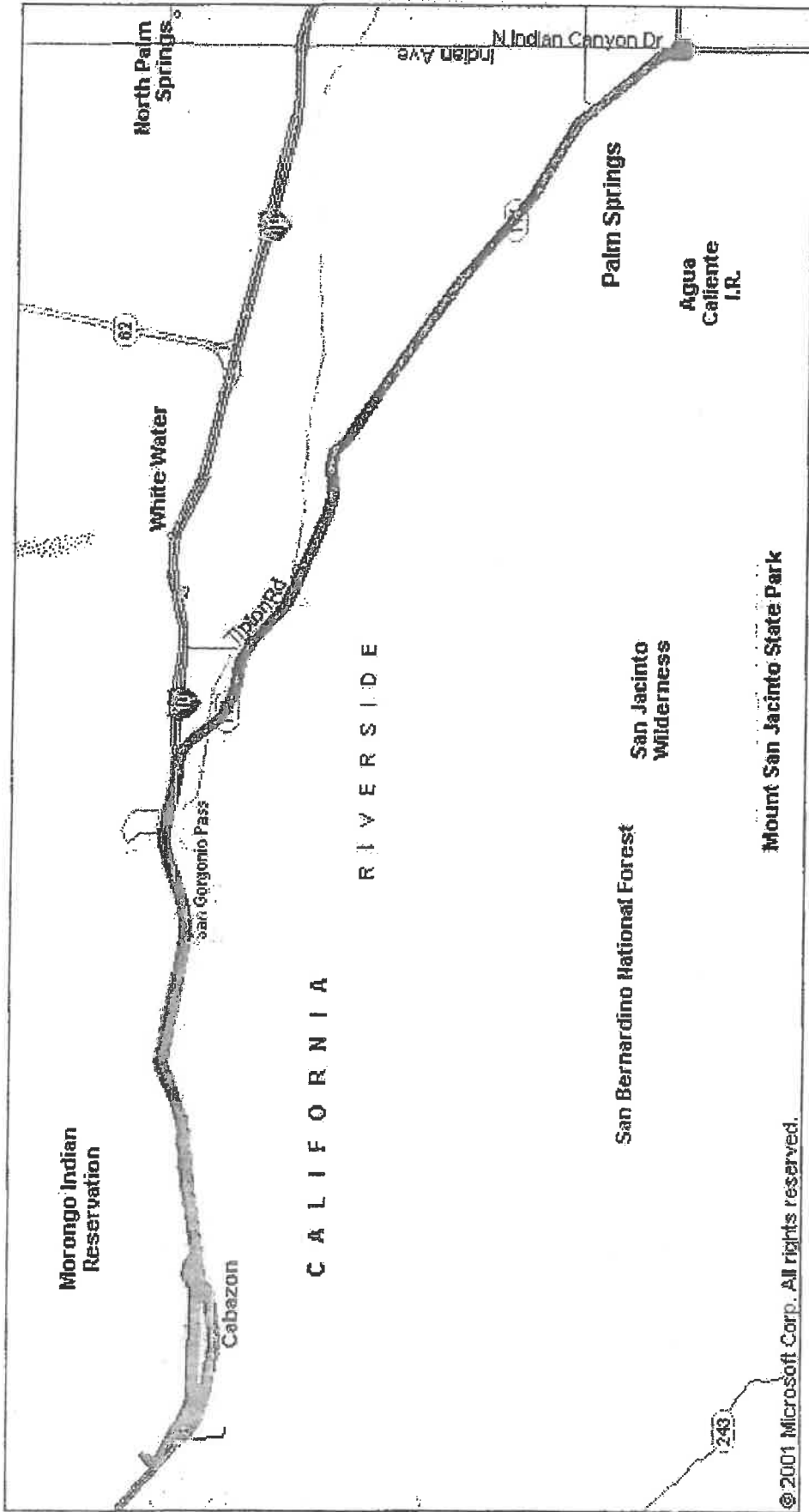
Proposed Pass Area Transit System -- Cities of Beaumont and Banning



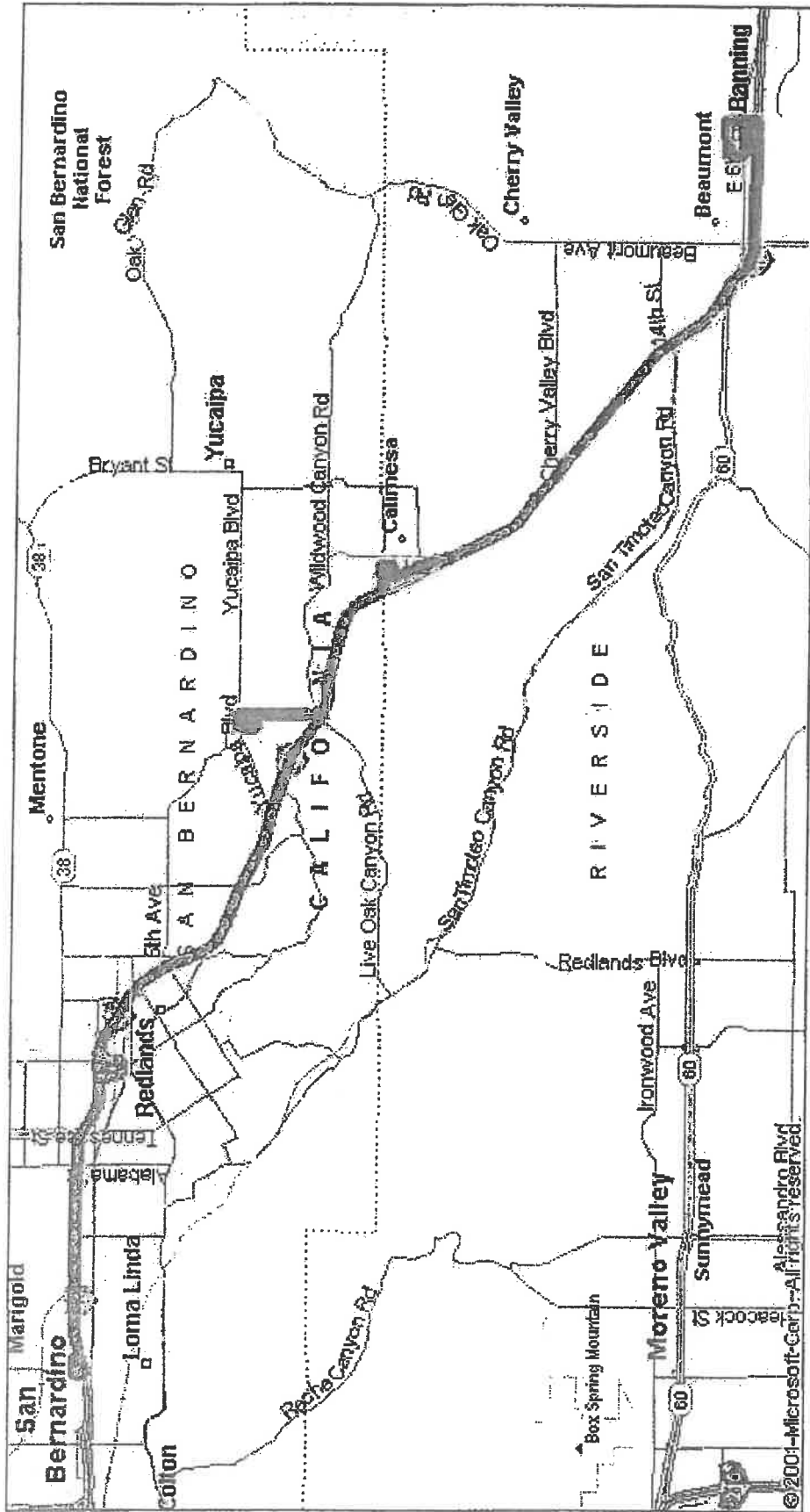
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Desert Express



Redlands / Loma Linda / San Bernardino Express



RESOLUTION NO. 2002-76

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BANNING
AUTHORIZING THE EXECUTION OF AN AGREEMENT WITH THE CITY OF
BEAUMONT TO PROVIDE COORDINATED TRANSIT SERVICES**

WHEREAS, the Banning Municipal Transit System and the Beaumont Municipal Transit Agency provide valuable transit services to the residents of the Pass Area and desire to better coordinate services for the benefit of Pass Area residents; and

WHEREAS, the Pass Area Transit Plan adopted by the City of Banning and City of Beaumont calls for greater coordination of local transit services within the Pass Area, reducing the need to transfer between bus routes; and


WHEREAS, an agreement between the City of Banning and the City of Beaumont is necessary to allow the two transit providers to travel in to one another's service area;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Banning as follows:


Section 1: The Mayor is hereby authorized to sign, on behalf of the City of Banning, the agreement with the City of Beaumont entitled Agreement to Provide Coordinated Transit Services, a copy of which is attached hereto and by this reference made a part hereof.

Section 2: If such agreement is not executed by all parties within 60 days from the effective date of this resolution, such authorization shall become void and of no effect.

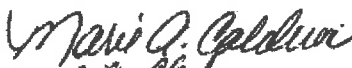
PASSED, APPROVED, AND ADOPTED this 22nd day of October, 2002.


John Hunt, Mayor
City of Banning


APPROVED AS TO FORM
AND LEGAL CONTENT


John F. Wilson
City Attorney

CERTIFIED TO BE A TRUE AND CORRECT
COPY OF THE ORIGINAL DOCUMENT ON
FILE IN THE OFFICE OF THE CITY CLERK.

BY 
TITLE City Clerk
DATE 10-28-02

ATTEST:




Marie A. Calderon, City Clerk

CERTIFICATION

I, Marie A. Calderon, City Clerk of the City of Banning, California, do hereby certify that the foregoing Resolution No. 2002-76 was duly adopted by the City Council of the City of Banning, California, at a regular meeting thereof held on the 22nd day of October, 2002 by the following vote, to wit:

AYES: Councilmembers Jenkins, Mediano, Salas, Wages, Mayor Hunt
NOES: None
ABSTAIN: None
ABSENT: None



Marie A. Calderon, City Clerk
City of Banning, California

AGREEMENT TO PROVIDE COORDINATED TRANSIT SERVICES

THIS AGREEMENT, made and entered into this ___ day of October, 2002, by and between the City of Banning ("City") and the City of Beaumont (sometimes jointly referred to herein as the "Parties").

RECITALS

WHEREAS, the City of Banning and the City of Beaumont are operators of separate transit systems; each consisting of fixed route and dial-a-ride services; and,

WHEREAS, the City of Banning and the City of Beaumont are members of the Transit Task Force ("Task Force"), formed for purpose of studying the potential of a single integrated San Gorgonio Pass transit system (the "Study"); and

WHEREAS, the City of Banning entered into a contract with a consultant to conduct the Study on behalf of the Task Force; and,

WHEREAS, the consultant has provided an "Existing Conditions and Transit Needs Report," and based thereon, the Task Force has developed a preliminary Pass Area Transit Plan (the "Plan"); and

WHEREAS, the Plan includes the integration of some components of the City of Banning and City of Beaumont fixed route and dial-a-ride services; and

WHEREAS, the City of Banning and the City of Beaumont desire to jointly document the manner of such integration and to formally allocate the risks associated with such integration.

TERMS AND CONDITIONS

1. **Purpose**

The purpose of this Agreement is to allow the Parties to integrate their transit systems in the manner described herein.

2. **Term**

This Agreement shall commence as of the day and year first above shown and shall remain in full force and effect until terminated as provided herein. Either party may terminate this Agreement by giving written notice at least thirty (30) days prior to the effective date of the termination. Each party hereby assumes its risk of loss as a result of such termination and hereby waives any right against the other for costs of performance or for breach of performance hereunder. Said waiver is void and of no effect upon proof of bad faith on the part of the party initiating the termination. The County of Riverside shall be the venue for any legal action commenced hereunder.

3. **GENERAL AUTHORITY; BUDGET AUTHORITY**

The City Managers ("City Manager"), or their designees, are hereby made the authorized representative, respectively, of the City of Banning and the City of Beaumont to grant such authorizations and take such further actions as may be necessary to effectuate this Agreement. If the integration of services requires the establishment of a budget, such budget shall first be approved as required by the internal regulations of each city. The City Managers, or their designees, shall thereafter have the authority to approve line item adjustments to such budget as long as either of such amendments are upon the same terms and conditions as specified herein, and do not

increase the total compensation agreed upon herein.

4. **COMMENCEMENT OF INTEGRATION**

At the date and time agreed upon by the City Managers, or their designees, the Parties shall commence the integrated transit operations program described in Attachment I. Attached hereto and made a part hereof.

5. **RELEASE OF NEWS INFORMATION**

No news release, including photographs, public announcements or confirmation of same, of any part of the subject matter of this Agreement or any phase of any program hereunder shall be made without prior written approval of the City Managers or their designees.

6. **COSTS**

Each party shall bear its own costs of the transit system integration described in Attachment I.

7. **City DISCLOSURE**

Each City shall provide the other City with any plans, publications, reports, statistics, records or other data or information pertinent to the services to be provided hereunder which are reasonably available to City.

8. **INDEPENDENT CONTRACTOR**

Each Party shall perform the services contained herein as an independent contractor. The employees of each Party shall not be considered an employee of the other or under supervision or control of the other. This Agreement is by and between the Parties, and is not intended, and shall not be construed, to create the relationship of agent, servant, employee, partnership, joint venture, joint power, or association, between the City of Banning and the City of Beaumont.

9. **Successor and Assignment**

The services as contained herein are to be rendered by Parties whose names are as appears first above written and said Parties shall not assign nor transfer any interest in this Agreement without the prior written consent of the other.

10. **Indemnification**

This Agreement contemplates the operation by each City ("TRANSIT OPERATOR") of a portion of its transit operations within the territory of the other ("HOST CITY"). Based thereon, the following indemnification is made:

A. Indemnification of City as TRANSIT OPERATOR by the HOST CITY

In addition to the liability imposed by law upon HOST CITY on account of bodily injury or death suffered through HOST CITY's negligence, which liability is not impaired or otherwise affected herein, HOST CITY hereby agrees to defend, indemnify and hold harmless TRANSIT OPERATOR, its officers, boards, commissions, employees and agents against and from any and all claims, demands, cause of action, suits and proceedings, including, but not limited to, actions related to the injury to any person or persons, including death or property damage, regardless of the merits of the same and from damages (including, but not limited to, damages to TRANSIT OPERATOR'S property), liabilities, costs or

expenses of every type, and or part thereof, resulting from an act or omission of HOST CITY or any subcontractor or anyone directly or employed including volunteers by either of them in the performance of any work included in this AGREEMENT.

B. Indemnification of the HOST CITY by the TRANSIT OPERATOR

In addition to the liability imposed by law upon TRANSIT OPERATOR on account of bodily injury or death suffered through TRANSIT OPERATOR'S negligence, which liability is not impaired or otherwise affected herein, TRANSIT OPERATOR hereby agrees to defend, indemnify and hold harmless HOST CITY, its officers, boards, commissions, employees and agents against and from any and all claims, demands, cause of action, suits and proceedings, including, but not limited to, actions related to the injury to any person or persons, including death or property damage, regardless of the merits of the same and from damages (including, but not limited to, damages to HOST CITY'S property), liabilities, costs or expenses of every type, and or part thereof, resulting from an act or omission of TRANSIT OPERATOR or any subcontractor or anyone directly or employed including volunteers by either of them in the performance of any work included in this AGREEMENT.

11. INSURANCE

Without limiting the scope to each Party's indemnification of the other, each Party shall provide and maintain at its own expense during the term of this Agreement the following program(s) of insurance covering its operation hereunder. Such insurance shall be provided by insurer(s) satisfactory to each City and evidence of such programs satisfactory to each City shall be delivered to each City Manager or his/her designee within ten (10) days of the effective date of this Agreement.

Minimum Scope of Insurance:

Commercial General Liability and Umbrella Liability Insurance on an occurrence basis, including the tort liability of another assumed in a business contract. Automobile and Umbrella Liability Insurance for any auto, including owned, hired and non-owned autos. Worker's Compensation Insurance as required by the State of California and Employer's Legal Liability, including a waiver of subrogation against each City.

Minimum Limits of Insurance:

General Liability/Umbrella Liability with a limit of not less than \$1,000,000.00 per occurrence. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement. Automobile Liability (and necessary commercial umbrella liability) Insurance with a limit of not less than \$1,000,000.00 each accident. Worker's Compensation (commercial umbrella and/or employers liability) Insurance with a limit of not less than \$1,000,000.00 each accident for bodily injury by accident or \$1,000,000.00 each employee for bodily injury by disease.

Deductibles and Self-Insured Retentions:

Any deductibles or self-insured retentions must be declared to and approved by each City.

Other Insurance Provisions:

Additional Insured Status of HOST City. The HOST City, its officers, officials, employees, and volunteers shall be insureds with respect to either liability arising out of automobiles owned, leased, hired, or borrowed by or on behalf of the Transit Operator or liability arising out of work or

operations performed by or on behalf of the Transit Operator, including materials, parts or equipment furnished in connection with such work or operations, excepting professional liability coverage.

Insurance Primary to City Insurance. For any claims related to this contract, the TRANSIT OPERATOR'S insurance coverage shall be primary insurance as respects the HOST CITY, its officers, officials, employees, and volunteers. Any insurance or self-insurance maintained by the HOST CITY, its officers, officials, employees or volunteers shall be excess of the Transit Operator's insurance and shall not contribute with it.

Prior Notice of Cancellation. Each insurance policy required by this clause shall be endorsed to state that coverage shall not be cancelled by Transit Operator or Transit Operator's insurance; except after thirty (30) days prior written notice to the HOST City.

12. VERIFICATION OF COVERAGE:

TRANSIT OPERATOR shall furnish the HOST CITY with original certificates and amendatory endorsements effecting coverage required by this clause. All certificates and endorsements are to be received and approved by the HOST City before operations commence. The HOST City reserves the right to require complete, certified copies of all required insurance policies, including endorsements effecting the coverage required by these specifications at any time.

Failure on the part of Transit Operator to procure or maintain required insurance shall constitute a material breach of this Agreement upon which HOST City may immediately terminate this Agreement.

13. INSURANCE TERMS APPLICABLE TO GOVERNMENT SERVICE CONTRACT

The verification of coverage requirements in this section supersedes any inconsistent provision appearing above. When each party hereto is a government entity, each Party shall be required to provide to the other, verification of the coverages required herein only from such carrier, joint powers authority, or self-insurance, as is relied upon by the Party in the normal course of business.

14. COMPLIANCE WITH LAWS

The Parties agree to be bound by applicable federal, state and local laws, regulations and directives as they pertain to the performance of this Agreement.

15. NON-DISCRIMINATION

In the fulfillment of the program established under this Agreement, either as to employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination, rates of pay or other terms of compensation, selection for training, including apprenticeship or participation in the program or the receiving of any benefits under the program, each Party agrees not to discriminate nor to allow any contractor or subcontractor to discriminate on the basis of race, color, creed, religion, natural origin, ancestry, sex, marital status or physical handicap.

16. SEVERABILITY

In the event that any provision herein contained is held to be invalid, void or illegal by any court of competent jurisdiction, the same shall be deemed severable from the remainder of this Agreement and shall in no way affect, impair or invalidate any other provision contained herein. If any such provision shall be deemed invalid due to its scope or breadth, such provision shall be deemed valid

to the extent of the scope or breadth permitted by law.

17. **INTERPRETATION**

No provision of this Agreement is to be interpreted for or against either party because that party or that party's legal representative drafted such provision, but this Agreement is to be construed as if both Parties drafted it.

18. **WAIVER**

No breach of any provision hereof can be waived unless in writing, Waiver of any one breach of any provision shall not be deemed to be a waiver of any other breach of the same or any other provision hereof.

23. **ASSESSMENT AND MONITORING**

The ongoing assessment and monitoring of this Agreement is the responsibility of the City Managers or their designees.

24. **NOTICE**

A. Notices, herein shall be presented by regular, certified or registered U.S. mail, as follows:

To City of Beaumont: City of Beaumont
 550 W. Sixth Street
 Beaumont, CA 92223
 Attention: City Attorney

To City of Banning: City of Banning
 Post Office Box 998
 Banning, California 92220
 Attention: City Attorney

Nothing in this paragraph shall be construed to prevent the giving of notice by personal service.

26. **Entire Agreement**

This Agreement with attachments constitutes the entire understanding and agreement of the parties. This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the subject matter hereof and contains all the covenants and agreements with respect to same.

27. **No Third Party Beneficiaries.**

No third party shall be deemed to have any rights hereunder against any of the parties hereto as a result of this Agreement.

28. **EMERGENCY NOTICE**

The TRANSIT OPERATOR shall notify the designated contact person of the HOST CITY as soon as reasonably possible upon the occurrence of a traffic accident, passenger trip and fall, or like event involving the Transit Operator during its operations in the HOST CITY. For purposes of this section the designated contact persons are:

City of Banning: Community Services Manager
Community Services Department
(909) 922-3243

City of Beaumont: Transit Services Manager
Transit Department
(909) 769-8530

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above shown.

CITY OF BEAUMONT

CITY OF BANNING

By _____
Brian DeForge, Mayor

By John Hunt
John Hunt, Mayor

ATTEST:

ATTEST:

Alan Kapanicas, City Clerk
City of Beaumont

Marie A. Calderon, City Clerk
City of Banning

APPROVED AS TO FORM
AND LEGAL CONTENT:

By _____
John F. Wilson
City Attorney

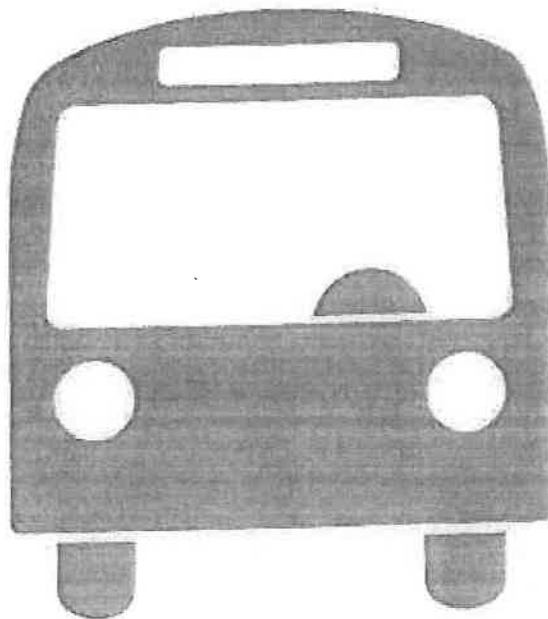
APPROVED AS TO INSURANCE
PROVISIONS:

By _____
F. Ann Yates, R.M. Division

ATTACHMENT I

PASS AREA TRANSIT STUDY

TRANSIT PLAN



ATTACHMENT I

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ATTACHMENT I**INTRODUCTION**

The San Geronio Pass Area of Western Riverside County consists of the incorporated cities of Calimesa, Beaumont and Banning and the unincorporated communities of Cherry Valley and Cabazon and the Morongo Band of Mission Indians Reservation.

Currently there are five public transit systems and Greyhound operating in the Pass Area. These include the Riverside Transit Agency (RTA), Omnitrans, SunLine Transit Agency, Banning Municipal Transit System, and Beaumont Municipal Transit System. Each provider functions independently and has its own routes, schedules, and fare structure. Together, these services offer Pass Area residents local transit service, intercity transit service within the Pass Area, and regional transit service to destinations in Riverside County including Hemet/San Jacinto, Moreno Valley, Palm Springs and Redlands/San Bernardino.

Over the course of the past year, the communities of the Pass Area have perceived a need to develop a seamless and user-friendly package of transit services. A study of Pass Area transit needs was funded by the Riverside County Transportation Commission in April 2000. NelsonNygaard Consulting Associates was retained in late 2000 to conduct a transit needs assessment of the Pass Area communities, which was completed in November 2001. The task of developing and implementing a transit plan for the Pass Area was assigned to the Pass Area transit providers.

To aid Pass Area transit staff with the development of the transit system, a Transit Task Force was created. The Task Force includes representatives from:

- City of Banning
- City of Beaumont
- City of Calimesa
- County of Riverside
- Morongo Band of Mission Indians (Morongo Commercial Development)
- Riverside Transit Agency (RTA)
- SunLine Transit Agency
- Riverside County Transportation Commission

THE PASS AREA COMMUNITY

Profiles of the Pass Area communities, transit customers and those who currently do not use transit are discussed in-depth in the *Existing Conditions*

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and Transit Needs Assessment prepared by Nelson\Nygaard Consulting Associates.

IDENTIFIED NEEDS

With the focus of the study being to develop a single seamless transit system that is easy for Pass Area residents to understand and use, a number of unmet transit needs and improvements were identified during the research phase of this study. They are discussed in detail in the *Existing Conditions and Transit Needs Assessment*.

Briefly, the research identified the following unmet transit needs for the Pass Area communities:

- An unserved residential areas in Banning (along Wilson Street between Sunset and San Geronio).
- Service for non-traditional works shifts and swing shifts throughout the Banning, Beaumont, Cherry Valley and Cabazon areas.
- Pass Area access to evening classes at Mount San Jacinto College and the computer manufacturing training program in Hemet.
- Local connections to the last run of regional routes
- Local Sunday service
- Reduced travel time to Redlands/Loma Linda/San Bernardino destinations

The following are areas, identified by the study, where local transit service can be improved:

- Eliminate one-way loops to reduce ride time on local routes
- Eliminate multiple fare structures
- Eliminate the lack of uniform headways
- Develop a single system identity
- Adjust route schedules to provide timed transfers between routes
- Relocate transfer point, develop transit center
- Increase marketing of transit services

OVERVIEW OF TRANSIT PLAN

This transit plan is not intended to be a detailed implementation plan. It is intended to set the priorities and direction for transit services in the Pass Area for the coming years. The plan is phased over three fiscal years, though it is anticipated that some elements will take longer than the three-year period to fully implement.

Noteworthy element of the plan includes:

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- A single user-friendly ride guide containing all transit services in and through the Pass Area
- Education program on Transit Friendly Community Planning
- Extended local service hours to get regional travelers back home
- Creation of a fixed route trunk line connecting the Beaumont, Banning and Cabazon commercial areas
- Fixed route deviations to provide service to major employers
- Style standards that will give the Banning and Beaumont transit systems a single system appearance
- The consolidation of the Banning and Beaumont DAR services
- Non-traditional "swing shift" subscription Dial-A-Ride service
- Regional express connector routes to Palm Springs and Loma Linda
- Research and development of a transit center

It will be up to the Transit Task Force and both local and regional policy boards to prioritize the services to be implemented with the resources available.

TRANSIT SYSTEM ELEMENTS

The plan elements listed below are targeted to address specific issues that have been identified through the Pass Area Transit Study. Each element is can be implemented independent of any of the other elements listed:

Consolidated Ride Guide for Pass Area Services

Implementation Date: March 2002 (Revised September 2002)

Estimated Cost: Not yet determined

To make travel in, to and through the Pass Area easier, a single Ride Guide listing the routes and services provided in the Pass Area will be developed. Information on each route will be presented in the same format for ease of understanding and use by the transit customer.

Community Transit Planning

Implementation Date: June 2002

Estimated Cost: Nominal

It is anticipated that the need for transit services will only increase over the coming years. As such, it is important that local cities take a proactive approach to facilitating the development of transit-friendly communities in the Pass Area. Two actions that can be taken now to initiate the forward thinking process are:

- 1) Educate City Planners on transit-friendly community development
- 2) Provide City Councils with information on the value of adopting a Transit Development Fee

ATTACHMENT I**Extending Local Service to 7:00 PM**

Implementation Date: October 2002

Estimated Cost: Operating - \$90,000.00/year, Capital - None

The *Existing Conditions and Transit Needs Assessment* identified that individuals transferring from the last run of regional connector routes are being stranded at the San Geronimo Memorial Hospital transfer point because the local services stop at 5:00 PM (in Beaumont) and 6:00 PM (in Banning).

To address this need, local service will be extended to 7:00 PM. This will allow individuals transferring from almost all regional routes to get home. The only exception will be the 7:00 PM arrival of RTA Route 36 from Yucaipa.

Rerouting of Fixed Routes

Implementation Date: October 2002

Estimated Cost: Operating - \$125,000.00/year, Capital - None

Below is a list of the fixed-routes serving the Pass Area. Information provided includes a brief description of service area, operational hours and the number of vehicles in service. Some routes have been modified to meet identified potential service demands. This transit plan includes renaming local fixed routes to present the appearance of a single local transit system. The current names are added for reference.

Route 1 Commercial Area Trunk Route (*Banning Cabazon Route*)

(M-F 6am – 7pm, Sat 8am – 5pm, two vehicles)

The old Cabazon Route will be modified significantly to provide service to the commercial areas of Beaumont, Banning and Cabazon. The route has been extended down Sixth Street to Beaumont Avenue and then to the southwest residential area of Beaumont. The route will serve the Apache Trail and Seminole Drive commercial area heading in both directions and will increase service to the Esperanza and Elm area of Cabazon. The route will deviate on demand to the Arrowhead Bottling Plant at Bonita and Elm and to Duraplastics in Beaumont. A second vehicle will be placed on this route (one operated by Banning and the other operated by Beaumont) to reduce the headway to one-hour. (See attached route map.)

Route 2 (*Beaumont Route 2*)

(M-F 6am – 7pm, one vehicle)

Route 2 was recently modified to provide service to additional areas of Beaumont. No further changes to this route are anticipated. (See attached route map.)

ATTACHMENT**Route 3 (Beaumont Route 3)**

(M-F 6am – 7pm, Sat 8am – 5pm, one vehicle)

Route 3 was recently put into service. No changes are anticipated for this route. (See attached route map.)

Route 4 (Beaumont Route 1)

(M-F 6am – 7pm, Sat 8am – 5pm, one vehicle)

No changes are anticipated for this route. (See attached route map.)

Route 5 (Banning Northern Route)

(M-F 6am – 7pm, Sat 8am – 5pm, one vehicle)

Route 5 will replace the Banning Northern Route and will serve the residential areas North of Ramsey Street in Banning and the commercial areas along Ramsey Street and Highland Springs. The route will be modified to provide service to Coombs Middle School (on Wilson Street). In order to accomplish this, the route was shortened slightly at the Northeast end of Banning. (Route 6 will provide service to this area.) Route 5 will maintain a one-hour headway. (See attached route map.)

Route 6 (Banning Southern Route)

(M-F 6am – 7pm, Sat 8am – 5pm, one vehicle)

Route 6 will replace the Banning Southern Route and will serve the residential areas South of the I-10 freeway and the commercial areas along Ramsey Street and Highland Springs. The route will deviate on demand to provide service to the Deutsch Company for morning and afternoon shift changes. It has been modified to provide service to Wilson Street between Sunset Avenue and Highland Home Road. Route 6 will maintain a one-hour headway. However, it is anticipated to fall behind schedule when required to deviate to the Deutsch Company. (See attached route map.)

RTA Route 31

(M-F 6:15am – 6:25pm, Sa 7:15m – 6:15pm, Sun 8:30am – 6:15pm, 2 vehicles)

Route 31 provides regional connection service to Hemet/San Jacinto from the San Gorgonio Memorial Hospital transfer point. This route will limit passenger stops to the San Gorgonio Memorial Hospital transfer point, Beaumont City Hall, and Wells Fargo Bank (across the street from the Beaumont City Hall). (See attached route map.)

RTA Route 35

(M-Sa 7:45am – 6:02pm, 1 vehicle)

Route 35 provides regional connection service to Moreno Valley from the San Gorgonio Memorial Hospital transfer point. This route

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will limit passenger stops to the San Gorgonio Memorial Hospital transfer point, Beaumont City Hall, and Wells Fargo Bank (across the street from the Beaumont City Hall). (See attached route map.)

RTA Route 36

(M-Sa 7:05am – 7:00pm, 2 vehicles)

Route 36 provides local service to Beaumont, Calimesa and Yucaipa, and is a regional connection to Omnitrans in Yucaipa. This route will limit passenger stops to the San Gorgonio Memorial Hospital transfer point, Beaumont City Hall, and Wells Fargo Bank (across the street from the Beaumont City Hall). It will board the freeway at Beaumont Avenue and exit on San Timoteo Canyon Road. (See attached route map.)

SunLink

(M-F 7:05am – 6:20pm, 2 vehicles)

SunLine Transit Agency's SunLink service provides express service between the Coachella Valley, Cabazon, Highland Springs, and Riverside. It travels through the Pass Area eight times a day (four to Riverside and four to the Coachella Valley). (See attached route map.)

Single System Appearance in Banning and Beaumont

Implementation Date: October 2002

Estimated Cost:

The Banning and Beaumont transit systems will be coordinated to present the appearance of a single transit system to customers and the public. Fares, transfers and passes will be standardized between the two providers. Style standards will be developed for exterior bus graphics (and interior colors on future vehicle purchases), bus stop signs, bus stop benches and amenities, and document and publication appearance. Operational policies, as they relate to the transit customer, will be coordinated. Beaumont Transit System's operating hours will increase to equal Banning Municipal Transit System's operating hours. Operating days and holidays will be coordinated.

The intent of this single system appearance is to simplify use of the transit systems for the transit customer. Whether the customer is boarding a Banning or Beaumont vehicle, he/she will pay the same fare, receive the same transfer, have to abide by the same policies, and read schedules that are presented in the same format. To the customer, it will appear that the Banning and Beaumont systems are a single transit system.

ATTACHMENT I**Marketing Plan for Transit in the Pass Area***Implementation Date: August 2002**Estimated Cost:*

Any changes to the existing transit services will need to be publicized. However, a significant need for increased marketing of the Pass Area transit services was identified in the *Existing Conditions and Transit Needs Assessment*, with 60% of non-riders in the Pass Area not being familiar with the transit systems.

A comprehensive marketing plan will be developed to promote both the service changes identified within this plan, and the ongoing promotion of transit as a transportation alternative within, and out of, the Pass Area.

Customer Satisfaction Surveys*Implementation Date: January 2003, April 2003**Estimated Cost: Nominal*

The success of the transit system depends largely upon the satisfaction of its customers. Customer satisfaction surveys will be distributed three months after the implementation of the service changes within this plan. Customer input will be taken into consideration in "fine tuning" the transit system. Then, the same surveys will be distributed three months after that to identify any changes in customer satisfaction.

Multi-year Banning and Beaumont Dial-A-Ride Consolidation Plan*Implementation Date: October 2003**Estimated Cost: Not yet determined*

Though both DAR services operate quite efficiently (just under 4.5 passengers per hour), it is anticipated that greater customer convenience and some cost savings will be realized by combining the two services into a single service. The evolution into a single Dial-A-Ride service will be a multi-year process with the implementation of a single system taking place in FY 04.

A minor, but significant, step will be taken this fiscal year with a cooperative agreement between the two providers allowing each provider to travel into each others service area to eliminate transfers for customers traveling between the cities of Banning and Beaumont. The final system will provide service to ADA certified individuals, the elderly and persons with disabilities throughout Banning, Beaumont, Cherry Valley and Cabazon. Limited general passenger Dial-A-Ride service will be provided in Cherry Valley, outside of the ADA service corridor.

Dial-A-Ride service is not planned for the Banning Bench or the Morongo Band of Mission Indian Reservation. The Banning Municipal

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Transit System has received very few requests for service from the Banning Bench or the Morongo Band of Mission Indian Reservation. The *Existing Conditions and Transit Needs Assessment* did not identify a significant need for service in either of these areas. These two factors, along with the recent addition of taxi service in the Pass Area, were the basis of this determination.

Research Day Pass vs. Transfers

Implementation Date: October 2003 (if determined to be feasible)

Estimated Cost: Not yet determined

Currently both the Banning and Beaumont Transit Systems use a paper transfer system for customers wishing to transfer between routes to get to their destination. Local service fixed-routes intersect in multiple locations, which creates a challenge for transit operators to develop and enforce transfer policies that are fair and convenient to both the customer and the transit provider. During FY 03 the Banning and Beaumont Transit Systems will research the potential of adopting a day pass, or smart card technology, that would be honored by both agencies. The day pass offers the customer the maximum amount of flexibility in using the transit system and the ability to choose the most direct route for their chosen trips.

Eliminate One-way Loops

Implementation Date:

Estimated Cost: Operating - 1,000,000.000/year, Capital - \$1,500,000.00

The need to eliminate one-way loop routes was identified in the *Existing Conditions and Transit Needs Assessment*. However, upon closer study of the fixed routes this would be expensive to accomplish. In some cases the only method to eliminate the one-way loop (and not require customers to transfer more often) is to add a vehicle traveling in the opposite direction to the route. An alternative to the addition of vehicles is to offer a liberal transfer policy so customers can choose the most direct route to and from their destination. However, simply eliminating transfer restrictions on the Banning and Beaumont fixed-routes would have a significant adverse effect on both systems' farebox revenue. The day pass alternative discusses in this transit plan would offer a liberal transfer policy without the adverse effect on farebox revenue.

Sunday Service

Implementation Date:

Estimated Cost: \$40,000.00/year over current allocation

The *Existing Conditions and Transit Needs Assessment* identified that 30% of local fixed route customers identified Sunday service as a need. The Banning Municipal Transit System currently has two Sunday service demonstration routes budgeted. Their implementation has been delayed due to a shortage in drivers and vehicle reliability

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issues. A limited hour, limited route Sunday demonstration service (Beaumont Route 3, Banning Northern/Southern combined, and Banning Cabazon Route) could be offered to identify if a need exists for the service. However, implementing the service past the demonstration period would require ongoing additional funding.

"Swing Shift" Subscription Dial-A-Ride Service

Implementation Date:

Estimated Cost: \$75,000.00/year

The need for "after hour" service for employees working non-traditional and swing shifts was identified in the *Existing Conditions and Transit Needs Assessment*. After further research, it was found that there is no standard swing shift among Pass Area employers. Below is a chart of businesses with employees that may take advantage of a "swing shift" service, if provided.

Business	After Hours Shifts End	After Hours Shifts Begin
San Geronio Memorial Hospital	10:00 PM	10:00 PM
Cherry Valley Health Care	11:00 PM	10:30 PM
Banning Health Care	10:30 PM	10:30 PM
Miravilla Convalescent Facility	11:00 PM	11:00 PM
Deutsch Company	12:00 AM	12:00 AM
Duraplastics	11:30 PM	11:00 PM
Cabazon Outlet Malls	9:30, 10:00 PM	N/A
Albertson's	12:00 AM	8:00 PM, 12:00 PM
K-Mart	9:00 PM	9:00 PM
Food 4 Less	12:00 AM	12:00 AM
Del Taco	9:00 PM, 12:00 AM	N/A
Carl's, Jr.	10:00 PM	N/A
McDonald's	8:00, 9:00, 10:00, 11:00 PM, 12:00AM	N/A

It appears that employee work shifts end anywhere between 8:00 PM and 12:00 AM. To provide this service with a system of fixed-routes would require that they operate from 7:00 PM to 1:00 AM. This would be very expensive and provide a service in excess of the anticipated demand. A general passenger subscription only dial-a-ride service could meet this demand. The service would offer the flexibility to travel only when and where there is a demand.

Since many Pass Area businesses operate on both weekdays and weekends, this service will need to be provided seven days a week.

Regional Express Connector Routes

The need for expedited travel to and from Loma Linda, Veterans Administration Hospital and Redlands Hospital was identified in the

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Existing Conditions and Transit Needs Assessment. The Cabazon to Palm Desert gap has long been an issue for transit connectivity in Riverside County. Though the SunLink service bridges the gap four times each way Monday through Friday, there is a perceived need for additional service to get employees to jobs. Two freeway flyer routes are proposed to address these regional connection issues.

Desert Express

Implementation Date:

Estimated Cost: Depends on hours and days of operation

The Desert Express would connect the Cabazon Outlet Malls, Casino Morongo and Main Street of Cabazon to SunLine Transit Agency's Route 111 at Stevens and Palm Canyon via the I-10 freeway and highway 111. Service would be provided by a single cutaway vehicle rather than a transit coach. This will better match the anticipated ridership and reduce the overall operating cost per mile. The route would operate on a two-hour headway, making six round-trips each weekday. Weekend service could be provided at a later date. (See attached route map.)

Redlands/Loma Linda Express

Implementation Date:

Estimated Cost: Depends on hours and days of operation

Currently Pass Area transit customers have two transit options to travel to Loma Linda. The first option is to travel via RTA Route 36 and Omnitrans Route 8 or 9. The trip takes approximately one hour and fifty minutes one-way. The second option is via RTA Routes 35, 16 and 25. The trip takes approximately one hour and thirty minutes one-way.

A freeway express route, stopping at the San Geronio Memorial Hospital transfer point, Calimesa/Yucaipa, Redlands Mall (connecting with service to Redlands, Redlands Hospital and Highland) and Tippacanoe (connecting with service to Loma Linda, V. A. Hospital, and San Bernardino), could reduce travel time significantly, reducing it to less than an hour. (See attached route map.)

Transit Center/Relocation of Transfer Point

Implementation Date:

Estimated Cost: Not yet determined

The need to relocate the existing San Geronio Memorial Hospital transfer point was identified long before this study was initiated. The transfer point currently connects no less than nine (9) fixed-routes. The congestion caused by the number of vehicles is a frustration to the hospital and its patrons. The need for a transit center with ample room to accommodate local fixed-routes, regional connectors, the local Greyhound bus terminal, and a park-and-ride facility has been

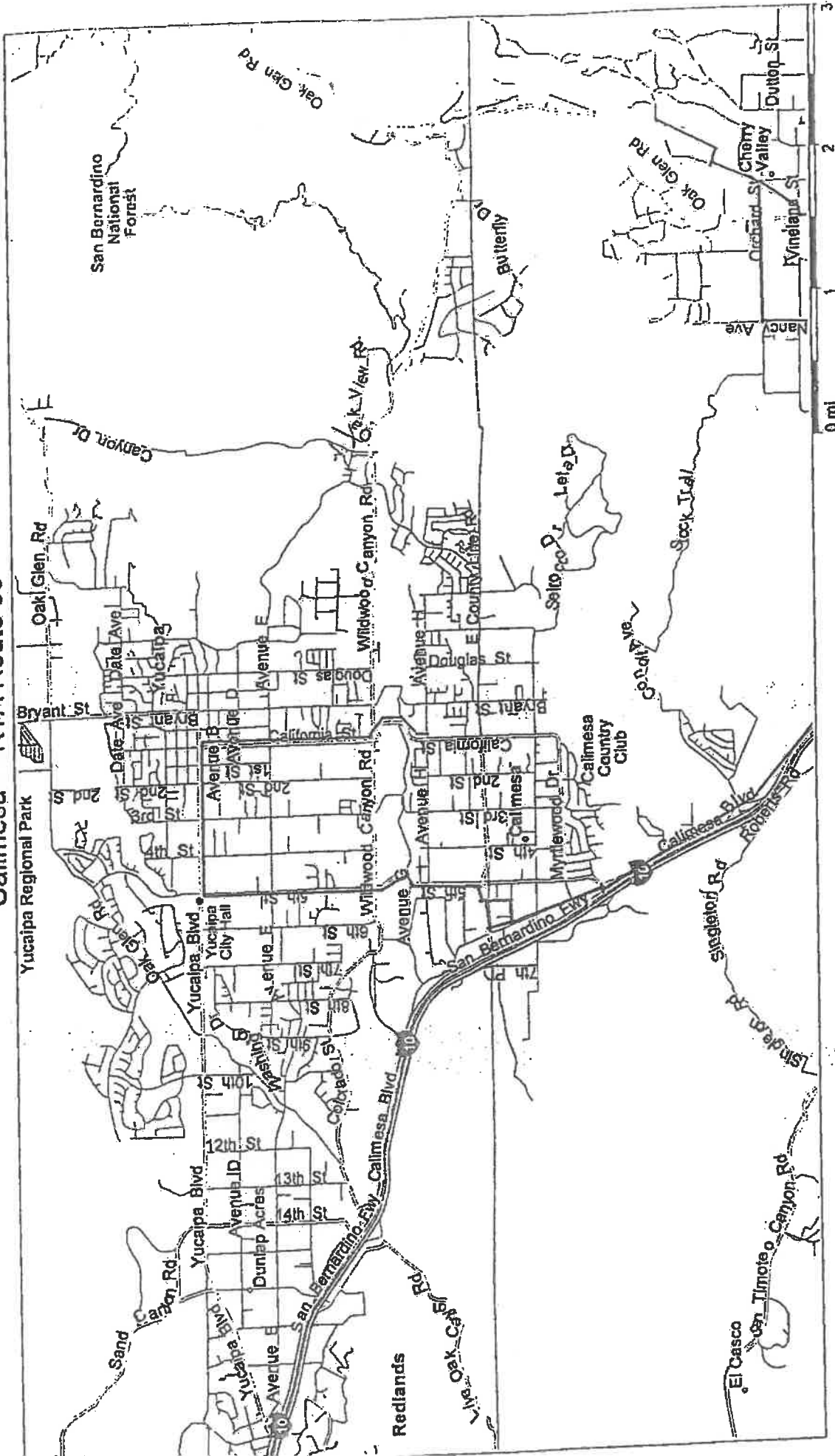
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identified. However, there are no funds currently set aside for the purchase of land and development of the transit center.

The development of a transit center is a multi-year process. This plan proposes that a concerted effort for the development of a transit center begin with the identification of costs and potential funding sources. As funding sources are identified, potential locations can be discussed. Since this center will most likely be utilized by all of the transit operators providing service in, to and through the Pass Area, it is recommended that the development of the center be a cooperative venture among all operators.

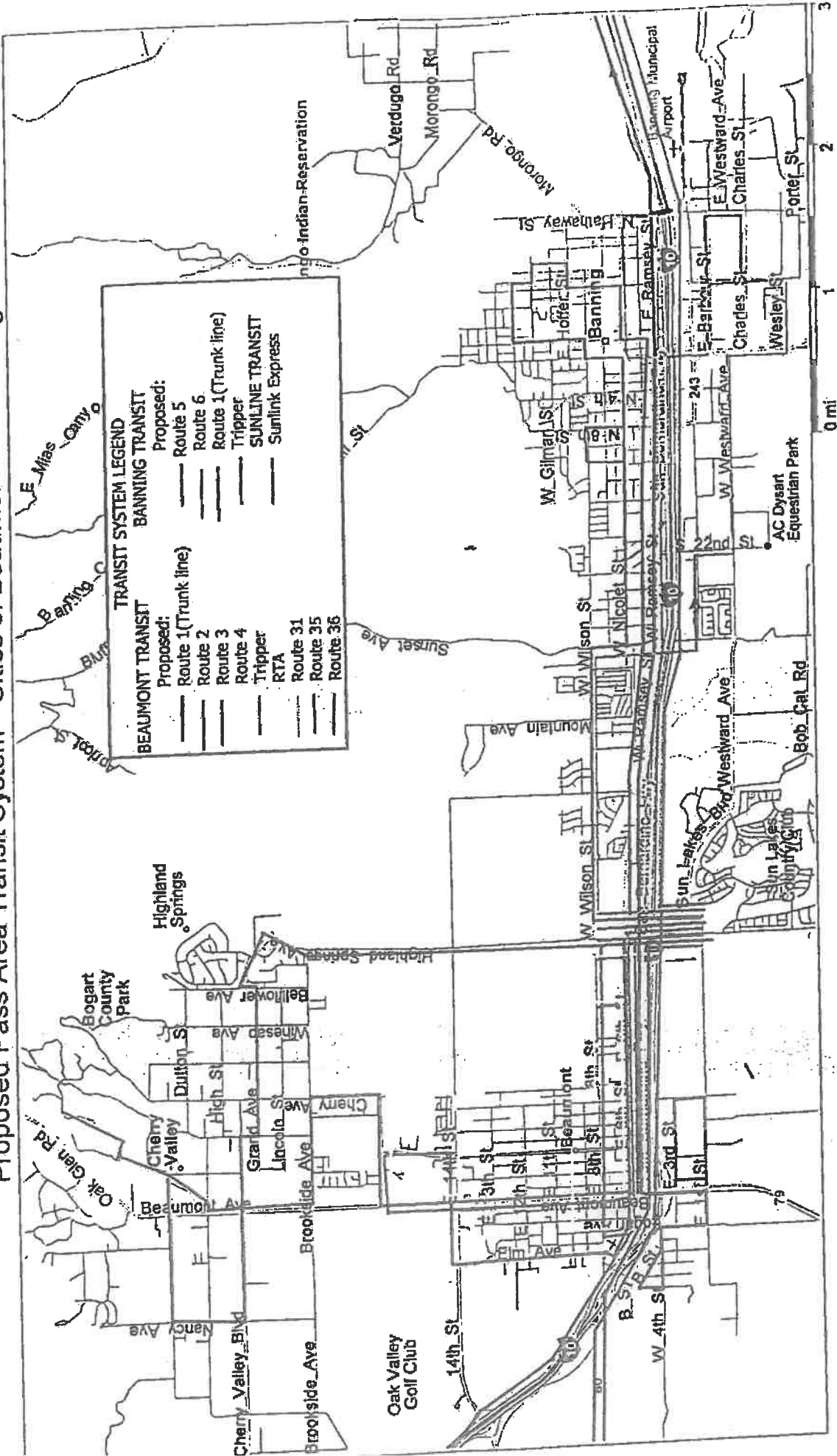
In the interim, local fixed route make up times will be relocated to different sites throughout the Pass Area when feasible in order to lessen the congestion at the San Geronio Memorial Hospital transfer point.

Calimesa RTA Route 36



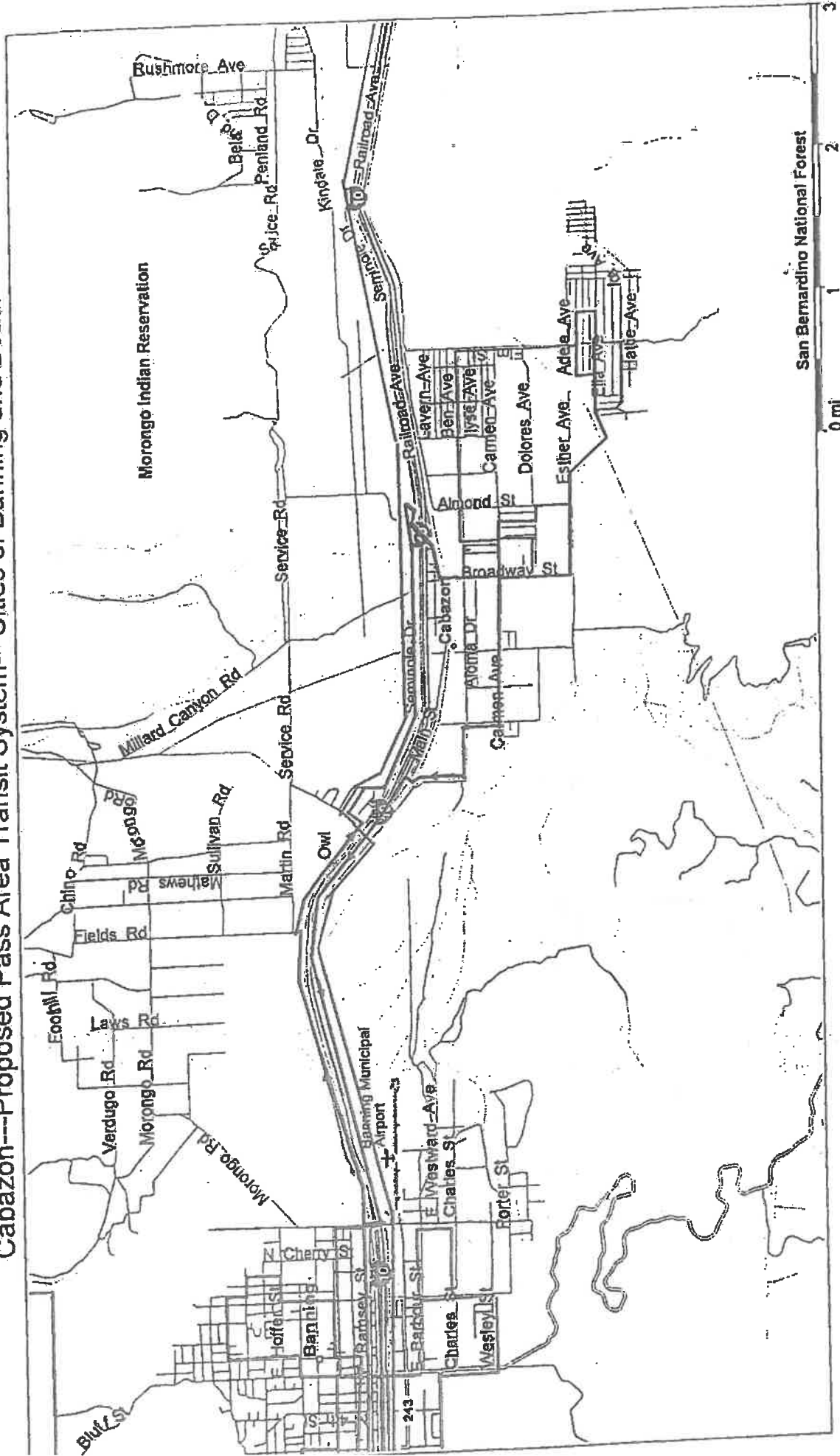
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Proposed Pass Area Transit System --Cities of Beaumont and Banning



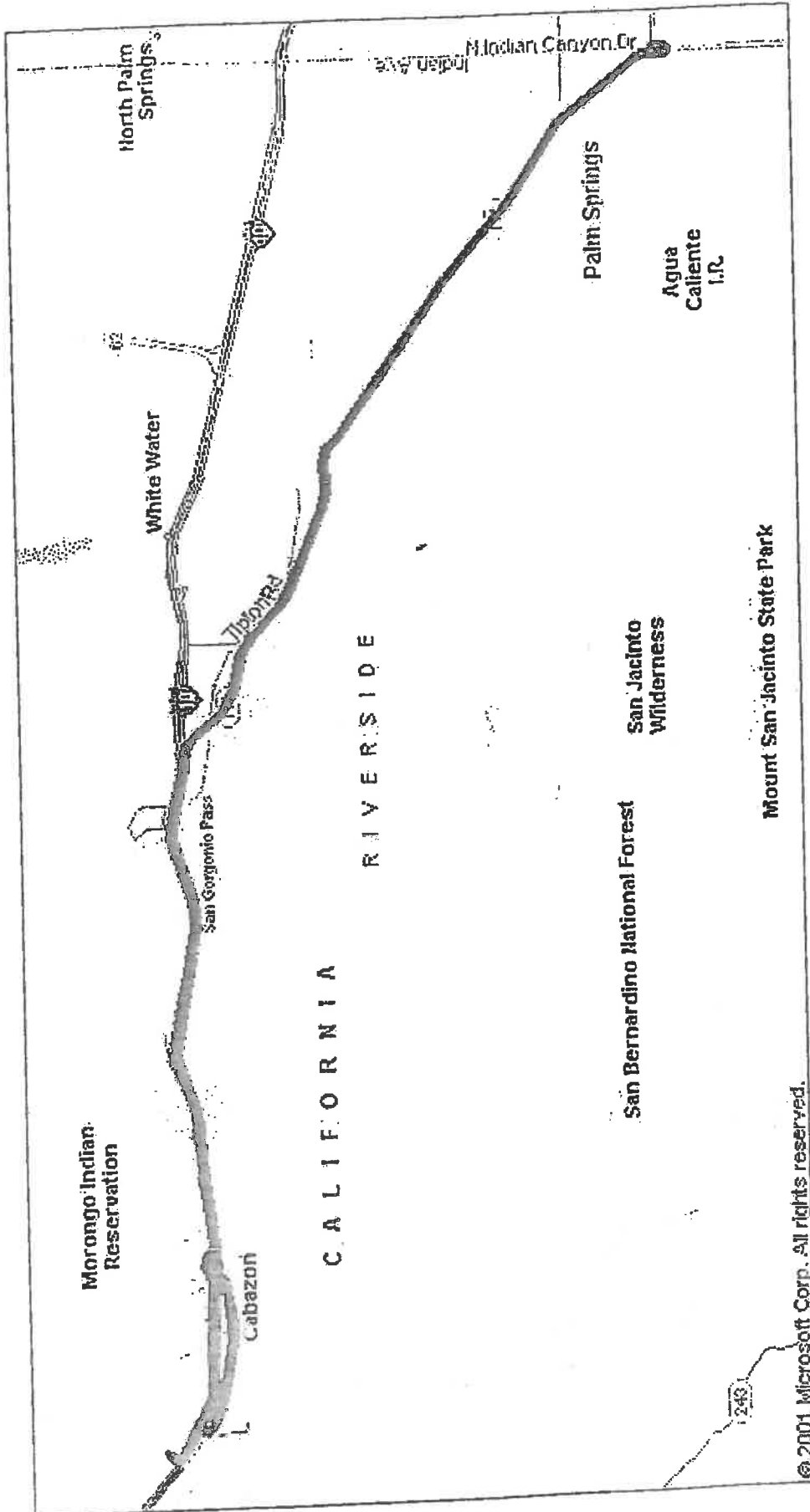
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Cabazon---Proposed Pass Area Transit System---Cities of Banning and Beaumont

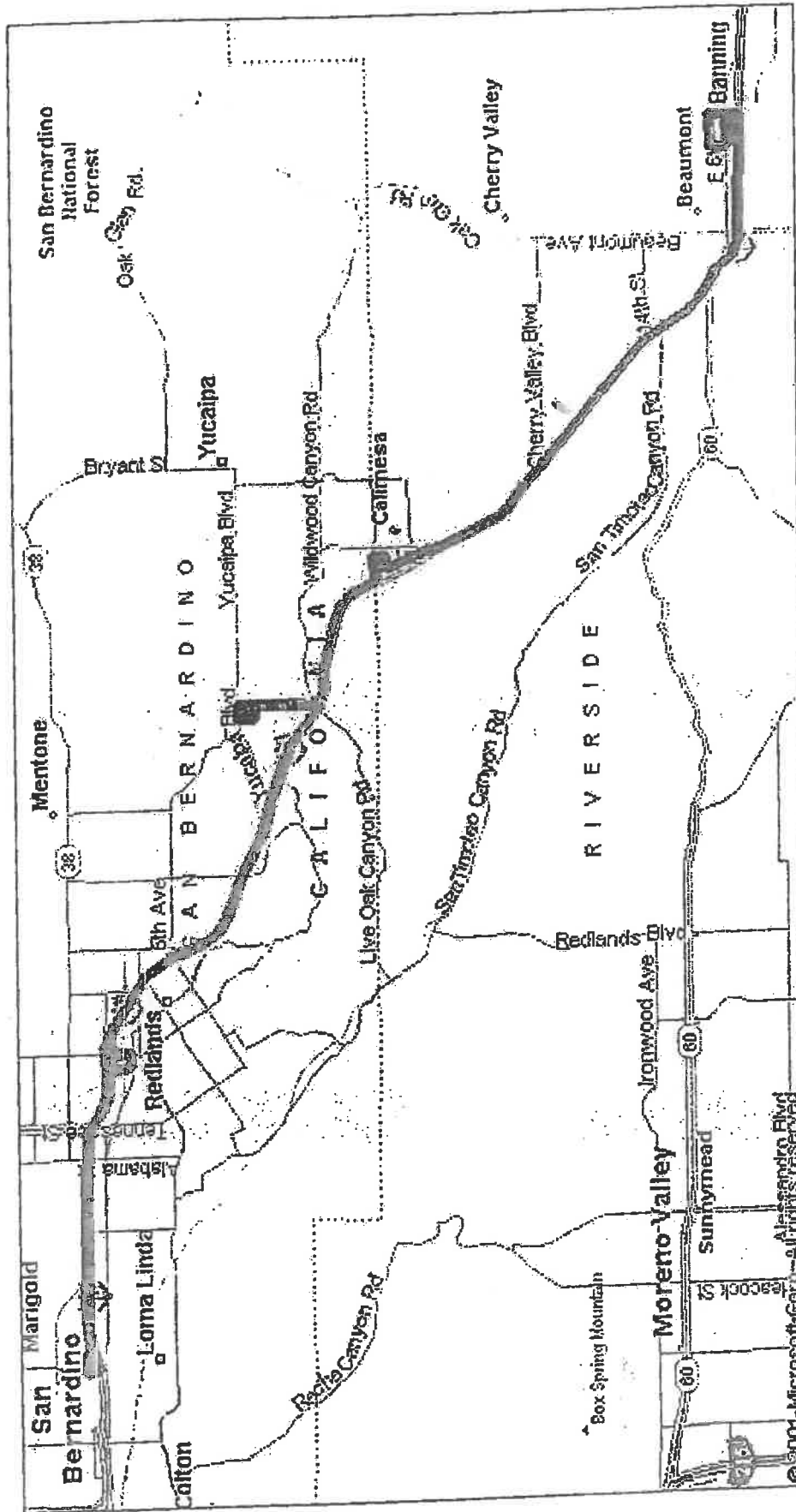


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Desert Express



Redlands / Loma Linda / San Bernardino Express



**INTERAGENCY SERVICE AGREEMENT
BETWEEN
THE CITY OF BANNING
AND
THE CITY OF BEAUMONT**

THIS AGREEMENT is made and entered into the latter of 1st day of July, 2019 or upon execution by both parties by and between the City of Banning, a municipal corporation, 99 E Ramsey Street, Banning, California 92220 (hereinafter referred to as "BANNING"); and the City of Beaumont, a municipal corporation, 550 East 6th Street, Beaumont, California 92223 (hereinafter referred to as "BEAUMONT"). The annual term of this agreement shall coincide with the fiscal year of July 1st to June 30th.

RECITALS:

WHEREAS, BANNING and BEAUMONT are empowered by law to provide the public with convenient, safe, and accessible transportation within their respective jurisdictions; and

WHEREAS, BANNING and BEAUMONT each operate a public transit system; and

WHEREAS, BANNING and BEAUMONT desire to cooperate and coordinate in route planning, scheduling, stops, transfers, fares and information dissemination; and

WHEREAS, both parties agree that this Agreement shall be non-financial in nature;

WHEREAS, this agreement shall supersede any and all previous service agreements concerning public transit between BANNING and BEAUMONT;

NOW, THEREFORE, it is mutually understood and agreed by BANNING and BEAUMONT as follows:

ARTICLE 1. GENERAL AUTHORITY

The City Managers ("City Manager"), or their designees, are hereby made the authorized representative, respectively, of BANNING and BEAUMONT to grant such authorizations and take such further actions as may be necessary to effectuate this Agreement

ARTICLE 2. PUBLIC INFORMATION

BANNING and BEAUMONT agree to cooperate in providing the public with specific transit information, advertising the operations of both agencies and promoting the general use of transit.

ARTICLE 3. STOPS

A. BANNING and BEAUMONT agree to cooperate in the location, installation and maintenance of the following jointly used bus stops, including the use of the other's posts:

Walmart Transfer Station – 1540 East 2nd Street, Beaumont, CA 92223
San Gorgonio Memorial Hospital – 600 North Highland Springs Avenue, Banning, CA 92220

B. Each party shall be solely responsible for claims for damages arising out of its installation of its bus stop signs or passenger amenities and its transportation and related services.

C. Each party will implement the following boarding restrictions within its respective service area where duplication of service or potential revenue loss may occur, including:

BEAUMONT will limit BANNING to no more than three buses per hour at the Walmart Transfer Station; and

BANNING will limit BEAUMONT to no more than three buses per hour at the San Gorgonio Memorial Hospital bus stop.

Neither party will board passengers at any other bus stop within the other party's jurisdiction.

D. Each party shall be responsible for obtaining any required licenses or permits and paying any necessary fees in order to establish bus stops, install amenities or operate service in either service area.

ARTICLE 4. FARES

Fares may vary in accordance with adopted policies of each party. Each party shall retain all fares collected in the operation of their service.

ARTICLE 5. TRANSFER CONNECTIONS

BANNING and BEAUMONT agree to facilitate minimization of passenger waiting time, and both parties shall coordinate schedules whenever practical.

ARTICLE 6. TRANSFER

A. BANNING shall accept BEAUMONT'S transfer media valued at BANNING'S base fare for that service toward BANNING'S regular fixed route service at the Walmart Transfer Station and San Gorgonio Hospital bus stop. In the event that BEAUMONT'S base fare is valued at more than BANNING'S base fare, no change or credit will be due to the passenger. Passengers are not required to top-up their fare to cover any shortfall between the BEAUMONT'S and BANNING'S base fares. Transfer media includes a one-time transfer ticket issued by BEAUMONT.

B. BEAUMONT shall accept BANNING'S transfer media valued at BEAUMONT'S base fare for that service toward BEAUMONT'S regular fixed route service at the Walmart Transfer Station and San Gorgonio Hospital bus stop. In the event that BANNING'S base fare is valued at more than BEAUMONT'S base fare, no change or credit will be due to the passenger. Passengers are not required to top-up their fare to cover any shortfall between the BANNING'S and BEAUMONT'S base fares. Transfer media includes a one-time transfer ticket issued by BANNING.

C. BANNING shall accept BEAUMONT'S Commuter plus Local Day or Monthly Passes as transfer media for a one-dollar (\$1) discount on BANNING'S Commuterlink buses with their applicable premium fare.

D. BEAUMONT shall accept BANNING'S Commuter plus Local Day or Monthly Passes as transfer media for a one-dollar (\$1) discount on BEAUMONT'S Commuterlink buses with their applicable premium fare.

E. The transfer media shall not be issued on or valid on Dial-A-Ride or other curb-to-curb service.

F. Until such time as both agencies use electronic fare media, such as Token Transit, electronic fare media is excluded from this agreement

G. Each party shall accept the other party's valid employee identification, on all fixed route and commuter services in lieu of payment of fare.

H. BANNING shall accept BEAUMONT'S Military Veteran Identification for purchase of BANNING'S reduced Veterans Fares.

I. BEAUMONT shall accept BANNING'S Military Veteran Identification for purchase of BEAUMONT'S reduced Veterans fares.

ARTICLE 7. OPERATIONAL INFORMATION

Each party shall formally inform the designated representative of each City of future plans for route and schedule changes, exclusive of temporary demand and emergency situations, no later than 30 days before the changes are scheduled to be implemented.

ARTICLE 8. CONTROL AND RESPONSIBILITY

A. Each party to this Agreement, in its operations pursuant hereto, is acting as an independent contractor and agrees to indemnify and hold the other party, including its officers, directors, employees, agents, subcontractors and suppliers, harmless from and against all claims, losses, damages and expenses, including attorney's fees, on account of bodily injury to or death of any person, or for property damage arising out of such party's performance of services described in this Agreement, unless, and to the extent, caused by the negligence, gross negligence or intentional conduct of the other party.

B. Each party to this agreement shall indemnify, defend and hold harmless the other party, including its officers, directors, employees, agents, subcontractors and suppliers, from and against any and all liability or expense including any claim of liability and any and all losses or costs, including legal expenses and costs of expert witnesses and consultants, that may be imposed by the other party solely by virtue of the provisions of Section 895.2 of the California Government Code.

ARTICLE 9. SERVICE TO BE OPERATED

Neither party may operate duplicating services in the other's jurisdiction without the written approval of the other party's elected city council. Every attempt shall be made to coordinate alignments, schedules, stops, fare policies, and route planning for the safety and convenience of the public and in accordance with Article 5 – Relationships Between Operators – of the Transportation Development Act.

ARTICLE 10. COMPLIANCE WITH AMERICANS WITH DISABILITIES ACT (ADA)

Each party shall be solely responsible for complying with the Americans with Disabilities Act of 1991 (ADA) as amended, including the provision of parallel ADA demand response service along each party's fixed routes operated in the other party's service area.

ARTICLE 11. NO MONETARY CLAIMS

Neither party shall have any claims against or liabilities to the other party on account of expenses incurred or revenues received or lost as a result of this Agreement except as otherwise provided to the contrary herein.

ARTICLE 12. TERMS OF THE AGREEMENT

This Agreement shall be effective on July 1, 2019, or the date of full execution by both parties, whichever is latter, and will remain in effect for a term of one year. Prior to December 15th of the existing year, both parties will meet at least once to discuss coordination of services for the following fiscal year, as well as to discuss an

extension of this agreement by an additional subsequent term for one year. Notwithstanding the forgoing sentence, either party may terminate this agreement by giving 60 days written notice to the other party.

ARTICLE 13. GOVERNING LAW; SEVERABILITY.

This Agreement is in all respects governed by California law. If any part of this Agreement or the application thereof is declared invalid for any reason, such invalidity shall not affect the other provisions of this Agreement which can be given effect without the invalid provision or application, and to this end the provisions of this Agreement are declared to be severable.

ARTICLE 14. INSURANCE.

The parties each verify that they are a self-insured entity or maintain indemnity coverage through a Joint Powers Authority in reasonable and customary amounts for their respective operations.

ARTICLE 15. COMPLIANCE WITH LAWS.

Each party shall observe and comply with the Transportation Development Act of 1971, all other applicable laws, ordinances, codes and regulations of governmental agencies, including federal, state, municipal and local governing bodies having jurisdiction over any or all of the services, including all provisions of the Occupational Safety and Health Act of 1979 as amended, all California Occupational Safety and Health Regulations, and all other applicable federal, state, municipal and local safety regulations. All services performed by either party must be in accordance with these laws, ordinances, codes and regulations.

ARTICLE 16. NOTIFICATION AND MAILING ADDRESSES

Any requests and demands made between the parties pursuant to this Agreement are to be directed as follows:

CITY OF BEAUMONT:
550 East 6th Street
Beaumont, CA 92223
Attn: Todd Parton
City Manager
(951) 769-8520

CITY OF BANNING:

Attn: _____
Title: _____

Any notices of service and schedule changes are to be directed as follows:

CITY OF BEAUMONT:
550 East 6th Street
Beaumont, CA 92223

CITY OF BANNING:

Attn: Elizabeth Gibbs
Community Services Director
(951) 769-8521

Attn: _____

ARTICLE 17. ENTIRE AGREEMENT.

The terms and conditions of this Agreement represents the entire agreement between the parties with respect to its subject matter. This Agreement shall supersede any and all prior contracts between the parties, regarding the subject matter of this Agreement. The terms and conditions of this Agreement shall not be altered or otherwise modified except by a written amendment executed by both parties.

ARTICLE 18. NO THIRD PARTY BENEFICIARIES.

This Agreement is not intended to, and shall not be interpreted to, create any rights or establish any standard of care with regards to any third party who is not a signatory and party to this Agreement.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed on the date first above written.

CITY OF BEAUMONT

CITY OF BANNING

By _____
Julio Martinez, Mayor

By _____
Art Welch, Mayor

Date: _____

Date: _____

APPROVED AS TO FORM:

APPROVED AS TO FORM:

By _____
John O. Pinkney, City Attorney

By _____

Staff Report

TO: Mayor and Council Members

FROM: Elizabeth Gibbs, Community Services Director

DATE: June 18, 2019

SUBJECT: Second Amendment to the Custodial Services Contract with Executive Facilities Services, Inc. for Custodial Services at the Beaumont Police Department, the Police Annex Building, and Building H, in the Amount of \$25,000, and a Contingency of \$20,000 for a Total Not to Exceed Contract Amount of \$150,000; and Approve an Extension of Contract for One Additional Year, for Fiscal Year 2019-2020

Background and Analysis:

In January 2018, staff issued a request for proposal for custodial services. On May 15, 2018, City Council accepted a proposal from Executive Facilities Services, Inc. (EFS) and authorized the Mayor to execute a contract with EFS for a term of one year, commencing on July 1, 2018 (Attachment A).

On December 4, 2018, Council approved the first contract amendment with EFS for additional services, specifically adding two additional buildings: Building B and the Grounds Maintenance Yard (Attachment B).

Proposed Contract Amendment

Three additional buildings are now in need of custodial services. These buildings include: the Beaumont Police Department, the Animal Care building (Building H), and the new Police Annex building located on 8th Street.

The cost to add the three buildings to the current contract effective July 1, 2019, equates to approximately \$25,000, for Fiscal Year 2019-2020 (Attachment C).

Proposed Contract Extension

Staff recommends an extension of term for one year with EFS, with no cost increase at this time; however, EFS has requested that staff meet with them in November 2019 to discuss the anticipated increase in the mandated minimum wage rate, effective January 2020, for a potential minimal increase in the contract to offset the minimum wage increase. Staff is recommending an additional \$20,000 in contingency in anticipation of those negotiations. It should be noted that the minimum wage increase mandated in January 2019 was absorbed by EFS.

Fiscal Impact:

If the contract extension and amendment are approved for Fiscal Year 2019-2020, a new purchase order would be issued in a not to exceed amount of \$150,000, which includes the Second Amendment increase of \$25,000 and an additional \$20,000 contingency in anticipation of the January 2020 minimum wage increase negotiations.

Recommendation:

1. Approve a contract amendment with EFS for an additional one-year, effective July 1, 2019; and
2. Approve the Second Amendment to Agreement for Services with Independent Contractor drafted by the City Attorney and authorize the City Manager to execute on behalf of the City; and
3. Authorize a Purchase Order for Fiscal Year 2019-2020, in an amount not to exceed \$150,000, allocated to the respective facilities; and
4. Authorize the City Manager, or his designee, to negotiate and if necessary, approve a Third Amendment to Agreement for Services with Independent Contractor on behalf of the City solely for the purpose of offsetting the mandated minimum wage increase in January 2020, not to exceed \$20,000.

City Manager Review:  _____

Attachment "A"

**Professional Services Agreement
Executive Facilities Services, Inc.**

AGREEMENT FOR SERVICES BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR SERVICES BY INDEPENDENT CONTRACTOR is made and effective as of the 15th day of May, 2018, by and between the CITY OF BEAUMONT ("CITY") whose address is 550 E. 6th Street, Beaumont, California 92223 and Executive Facility Services, Inc., a California corporation, whose address is 9980 Indiana Avenue, Suite 8, Riverside, California 92503 ("CONTRACTOR").

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

- A. CITY desires to engage CONTRACTOR to provide cleaning, janitorial, and custodial services for multiple City-owned facilities throughout the community; and
- B. CONTRACTOR has made a proposal ("Proposal") to the CITY to provide such professional services, which Proposal is attached hereto as Exhibit "A"; and
- C. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to CITY that CONTRACTOR possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, CITY and CONTRACTOR agree as follows:

- 1. **Term of Agreement.** This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate after one (1) year unless extended by the parties with the approval of the City Council of the CITY.
- 2. **Services to be Performed.** CONTRACTOR agrees to provide the services ("Services") as follows: cleaning, janitorial, and custodial services for multiple City-owned facilities throughout the community and any other services which the City may request in writing. All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. CONTRACTOR designates Jim Ferraro as CONTRACTOR'S professional responsible for overseeing the Services provided by CONTRACTOR. Notwithstanding anything to the contrary herein, any provisions in the Proposal that are in addition to or inconsistent with the terms of this Agreement shall be deemed invalid and shall have no force or effect.
- 3. **Associates and Subcontractors.** CONTRACTOR may, at CONTRACTOR's sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as CONTRACTOR deems necessary to perform the Services; provided, however, that CONTRACTOR shall not subcontract any of the Services without the written consent of

CITY.

4. Compensation.

4.01 CONTRACTOR shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the CITY. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by CITY to CONTRACTOR under this Agreement shall not exceed \$100,000.00.

4.02 CONTRACTOR shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the CITY, in writing.

4.03 CONTRACTOR shall submit to CITY, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month. The CITY shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. CITY shall have the right to review and audit all invoices prior to or after payment to CONTRACTOR. This review and audit may include, but not be limited to CITY's:

a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;

b. Determination that the multiplication of the hours billed times the approved rate schedule dollars is correct;

c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If CITY determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, CITY shall either return the bill to CONTRACTOR with a request for explanation or adjust the payment accordingly, and give notice to CONTRACTOR of the adjustment.

4.04 If the work is satisfactorily completed, CITY shall pay such invoice within thirty (30) days of its receipt. Should CITY dispute any portion of any invoice, CITY shall pay the undisputed portion within the time stated above, and at the same time advise CONTRACTOR in writing of the disputed portion.

5. Obligations of CONTRACTOR.

5.01 CONTRACTOR agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement, or contain additional terms other than the Services to be rendered and the price for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, CONTRACTOR will supply all personnel, materials and equipment required to perform the Services. CONTRACTOR shall provide its own offices, telephones, vehicles and computers and set its own work

hours. CONTRACTOR will determine the method, details, and means of performing the Services under this Agreement.

5.03 CONTRACTOR shall keep CITY informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by CITY, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR is responsible for paying, when due, all income and other taxes, fees and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. CONTRACTOR agrees to indemnify, defend and hold harmless CITY for any claims, costs, losses, fees, penalties, interest, or damages suffered by CITY resulting from CONTRACTOR's failure to comply with this provision.

5.05 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 CONTRACTOR represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event CITY is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

5.07 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United States.

5.08 In the event that CONTRACTOR employs, contracts with, or otherwise utilizes any CalPers retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the CITY and shall be subject to the CITY's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder.

6. Insurance. CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall

comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, CONTRACTOR hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. If existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. CONTRACTOR shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; CONTRACTOR agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's CITY, its officials, employees and agents. CONTRACTOR also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than \$1 million per accident. If CONTRACTOR or CONTRACTOR's employees will use personal autos in performance of the Services hereunder, CONTRACTOR shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation coverage for any of CONTRACTOR's employees that will be providing any Services hereunder. CONTRACTOR will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers' compensation will not limit the obligations of CONTRACTOR under this Agreement. CONTRACTOR expressly agrees not to use any statutory immunity defenses under such laws with respect to CITY, its employees, officials and agents.

6.04 Optional Insurance Coverage. Choose and check one: Required ___ /Not Required X; Errors and omissions insurance in a minimum amount of \$2 million per occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any Services for CITY.

7. General Conditions pertaining to Insurance Coverage

7.01 No liability insurance coverage provided shall prohibit CONTRACTOR from waiving the right of subrogation prior to a loss. CONTRACTOR waives all rights of subrogation against CITY regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.

7.02. Prior to beginning the Services under this Agreement, CONTRACTOR shall furnish CITY with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03. All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A:VII". The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except

after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that that all insurance coverage required to be provided by CONTRACTOR or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to CITY.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by CITY, as the need arises. CONTRACTOR shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect CITY's protection without CITY's prior written consent.

7.06 CONTRACTOR agrees to provide immediate notice to CITY of any claim or loss against CONTRACTOR or arising out of the Services performed under this Agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

8. Indemnification.

8.01 CONTRACTOR and CITY agree that CITY, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by CONTRACTOR or any subcontractor or agent of either. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to CITY. CONTRACTOR acknowledges that CITY would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect CITY as set forth herein.

a. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless CITY, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by CITY, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. CONTRACTOR's obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which CONTRACTOR (and/or CONTRACTOR's agents and/or employees) is alleged to be an employee of CITY. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by CITY.

b. Without affecting the rights of CITY under any provision of this

Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless CITY as set forth above for liability attributable solely to the fault of CITY, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

9. Additional Services, Changes and Deletions.

9.01 In the event CONTRACTOR performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of CITY, CONTRACTOR shall not be compensated for such services. CONTRACTOR expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the CITY in writing.

9.02 CONTRACTOR shall promptly advise the City Manager and Finance Director of CITY as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the CITY and/or City Council.

10. Termination of Agreement.

10.01 Notwithstanding any other provision of this Agreement, CITY, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to CONTRACTOR.

10.02 In the event of termination, the payment of monies due CONTRACTOR for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, CONTRACTOR agrees to promptly provide and deliver to CITY all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to CITY.

11. Status of CONTRACTOR.

11.01 CONTRACTOR shall perform the Services in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of CITY. However, CONTRACTOR shall regularly confer with CITY's City Manager as provided for in this Agreement.

11.02 CONTRACTOR agrees that it is not entitled to the rights and benefits afforded to CITY's employees, including disability or unemployment insurance, workers' compensation, retirement, CalPers, medical insurance, sick leave, or any other employment benefit. CONTRACTOR is responsible for providing, at its own expense, disability, unemployment, workers' compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 CONTRACTOR hereby specifically represents and warrants to CITY that it possesses the qualifications and skills necessary to perform the Services under this

Agreement in a competent, professional manner, without the advice or direction of CITY and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the CITY is located. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

12. Ownership of Documents: Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of Services performed for the CITY shall become the sole property of CITY, and CONTRACTOR shall promptly deliver all such materials to CITY upon request. At the CITY's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions to CITY upon request, at no cost to CITY.

12.02 Subject to applicable federal and state laws, rules and regulations, CITY shall hold all intellectual property rights to any materials developed pursuant to this Agreement. CONTRACTOR shall not such use data or documents for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of CITY.

12.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as CITY may deem necessary, CONTRACTOR shall make available to CITY's agents for examination all of such records and shall permit CITY's agents to audit, examine and reproduce such records.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by CONTRACTOR for CITY and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of CITY. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 CONTRACTOR shall timely file FPPC Form 700 Conflict of Interest Statements with CITY if required by California law and/or the CITY's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

13.06 CONTRACTOR covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 CONTRACTOR has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. CONTRACTOR agrees that they are unaware of any financial or economic interest of any public officer or employee of the CITY relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the CITY may immediately terminate this Agreement by giving notice thereof. CONTRACTOR shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. CONTRACTOR shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the CITY in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by CITY. The CITY, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the CITY with respect to the proposal and award process of this Agreement or any CITY contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any CITY contract has been awarded. CONTRACTOR shall immediately report any attempt by any CITY officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from CONTRACTOR.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above-written.

CITY:

CITY OF BEAUMONT

By: 
Nancy Carroll, Mayor

CONTRACTOR:

Executive Facilities Services, Inc. a California corporation

By: 
Debra A. Ferraro, CEO

By: 
James A. Ferraro, Secretary

EXHIBIT "A"

PROPOSAL

Attachment "B"

**Scope of Work and Cost Proposal
Executive Facilities Services, Inc.**



March 7, 2018

**Ms. Elizabeth Gibbs
Transit Director
City of Beaumont
550 E. 6th Street
Beaumont, CA 92223**

Dear Ms. Gibbs:

Thank you for allowing Executive Facilities Services, Inc. the opportunity to present to you a competitive janitorial proposal for the servicing of your multiple buildings identified in the Request for Proposal for Custodial Services.

Attached please find the following information regarding Executive Services for your review:

- **Service proposal which will include the following:**
 - **Letter from CPA regarding financial condition**
 - **Organization Chart**
 - **Similar table experience**
 - **Client reference contact list information**
 - **Certificate of Insurance**
 - **Rate Sheet**

As per the Non-mandatory facility walkthrough on February 13, 2018, the enclosed Price Quote encompasses the services outlined in the specifications provided.

Additional facility services also can be performed upon request.

**9980 INDIANA AVENUE • SUITE 8 • RIVERSIDE CA 2503
(844) 780-2626 • FAX (951) 346-7822
www.execservices.biz**



The total monthly service charge reflected on the enclosed Rate Sheet represents your only cost, and is inclusive of:

- All labor and supervision
- All materials and equipment required for custodial services
- All payroll, payroll taxes, insurance, etc.

Lastly, each individual that will be providing services to your facility is covered by an insurance program that our employees and your business in several ways.

This comprehensive program provides complete coverage, including a 1M General Liability each occurrence, 2M General Liability General Aggregate policy, 1M Worker's Compensation and 1M Auto Liability Insurance. We also retain a 1M Umbrella Liability policy.

A Certificate of Insurance is attached for your review.

Please do not hesitate to contact me at (844) 780-2626 in the event you have any questions regarding our service proposal.

Trusting we may be of service,

A handwritten signature in black ink, appearing to read "Jim Ferraro".

Jim Ferraro
Executive Facilities Services, Inc.

9980 INDIANA AVENUE • SUITE 8 • RIVERSIDE CA 2503
(844) 780-2626 • FAX (951) 346-7822
www.execservices.biz



**EXECUTIVE FACILITIES
SERVICES, INC.**

EXECUTIVE FACILITIES SERVICES, INC.

“A PREMIER BUILDING SERVICES PROVIDER”

CITY OF BEAUMONT

CUSTODIAL SERVICES

**550 E. 6TH STREET
BEAUMONT, CA 92223**

CONTACT PERSON: JIM FERRARO

MARCH 7, 2018

9980 INDIANA AVENUE, SUITE 8

RIVERSIDE , CA 2506

844-780-2626 • FAX 951-346-3922

WWW.EXEC SERVICES.BIZ

Qualifications, Related Experience and References

A. Company Information

- 1. Executive Services Company Profile**
- 2. Executive Services Primary Contact List**
- 3. Executive Services Financial Condition Statement**

B. Scope of Work:

- **Statement of understanding of Scope of Work**
- **Daily work plan**
- **Record of response time**
- **Quality control**
- **Proposed enhancements**
- **Optional services available**

C. Personnel Experience

- 1. Executive Services Organization Chart**
- 2. Key Personnel Information**
- 3. Key Personnel Statement**

D. Comparable Projects

- 1. Executive Services Similar Client Experience**

E. Sample Cleaning Specifications

- to be revised with Client

F. References

- 1. Requested Client Reference Information**

G. Rate Sheet

A) Company Information:

**1) EXECUTIVE FACILITIES SERVICES, INC.
COMPANY PROFILE**

To ensure optimum performance, Executive Facilities Services, Inc. invests substantial resources in time management, research / development and employee training. The result is a five-step service program that is effective, efficient and most importantly gives you the results you expect.

1. PERSONALIZED SERVICE

We are in the people business. Maintaining personal service means we are there when you need us. Great service is not an accident – it is the result of detailed planning and attention to your needs. Our experience and ability to recognize your needs is the cornerstone of our commitment to provide you with personal service.

Personal Service with attention to details ...

2. RESPONSIVENESS

Our ability to respond to an emergency or a question is handled the same way – immediately. We recognize that response is paramount to our service capability and we take pride in the fact that we have built our business around being responsive to our clients needs.



3. COST EFFICIENT

Delivering a high quality service at a reasonable cost is what it's all about in today's highly competitive market. Executive Services has not only met this challenge, we continue to overcome it. Always an innovator, we were one of the first to introduce video training, wage premiums for meeting higher production goals, employee incentive programs and more efficient methods to increase productivity. With over 25 years of experience, we continue to refine our services to insure our clients receive the highest quality service available at an affordable price.

4. TRAINED AND SUPERVISED PERSONNEL

The heart of any organization lies within its people. In our industry, too often low paid workers result in untrained and unsupervised workers. You may have experienced that in other service companies. Executive Services has a different and often unique attitude about our personnel. We consider our employees our most valued asset. Our compensation package has resulted in exceptional performance and improved productivity. We recognize that properly trained and well-supervised personnel result in well-maintained facilities for our clients.

Trained ...

Supervised ...

RESULTS: *Positive productive employees
service your facility.*



5. ENVIRONMENTALLY SAFE CHEMICALS

As a locally owned firm, our children live and play in the same community as yours. We have always been committed to using environmentally safe chemicals in our company. Even before it was popular, we practiced a company policy of being a responsible corporate partner to the community we serve – yours and ours. You can rest assured that protecting the environment is as important to you as it is to us.

Educated in the proper and

safe use of all chemical.

Provides green paper products.



6. COMPANY HISTORY

Executive Services was founded in 1981 and remained owned and operated by Mr. George Horokia until 2004. In August of 2004, Jim Ferraro purchased Executive Services and successfully reengineered Executive Services into the professional janitorial services provider that it is today.

Some of the actions completed by Jim Ferraro are listed below:

- 1. Incorporation of Executive Facilities Services, Inc.**
- 2. Development of evaluation program for all employees**
- 3. Development of employee recruitment program**
- 4. Development of employee training program**
- 5. Upgrading of all commercial cleaning equipment**
- 6. Development of rate model to continually evaluate client accounts**
- 7. Development of annual business plan**
- 8. Development of annual financial plan**

Since 2004, Executive Services has successfully developed the following infrastructure:

- Successfully acquired Excellent Building Maintenance in January 2014**
- Successfully acquired White Glove Professional Cleaning Services in October 2015**
- Successfully acquired Best Janitorial Services in August 2017**
- Established an office and warehouse located in Moorpark and Riverside, CA.**
- 5000 square feet of warehouse space combined**
- Computerized inventory system for both locations**
- Approximately 25k of inventory maintained at all times**
- Four full time Operations Managers**
- Six full time night supervisors**
- Four floor care teams**
- User friendly Web Site**
- Multi vendor supply chain system**
- Approximately 200 active part time cleaning professional employees**
- On call labor pool available**
- Executive Services Inc. is currently providing janitorial services to over 4 million square feet for existing clients at over 260 locations within the Southern California**

7. ADVANTAGES OF CONTRACTING WITH EXECUTIVE SERVICES, INC.

Some of the many advantages that The City of Beaumont would benefit from by contracting with Executive Services are:

- **Known janitorial service provider - currently servicing two hundred and sixty (260) sites within Southern California**
- **Has proven to be able to respond to 'emergency 'situations**
- **Single client & multiple site start-up experience**
- **Riverside office and warehouse facility**
- **Responsive to all emergency situations**
- **Immediate access to Key Personnel and Company Owner**
- **Large number of professional, well trained employees**
- **NOT A FRANCHISED ORGANIZATION**
- **Web based communication method utilized**
- **Financially strong organization**
- **English speaking employees**
- **Warehouses and inventory maintained with minimum of two week supplies inventory in addition to on site supply inventories**
- **Additional facility services available if needed**

2) EXECUTIVE SERVICES
PRIMARY CONTACT LIST

Jim Ferraro	(844) 780-2626 office (909) 815-0144 cell jferraro@execservices.biz
Lupe Galindo	(844) 780-2626 office (951) 901-5024 cell lgalindo@execservices.biz
Christian Ferraro	(844) 780-2626 office (951) 776-7249 cell cferraro@execservices.biz
Brit Brock	(844) 780-2626 office (951) 217-8316 cell bbrock@execservices.biz
Ivy Corta	(844) 780-2626 office (951) 565-1440 cell icorta@execservices.biz
Debra Ferraro	(844) 780-2626 office (951) 212-2358 cell dferraro@execservices.biz

**3) EXECUTIVE FACILITIES SERVICES, INC.
FINANCIAL CONDITION STATEMENT**

- **Please see attached Financial Condition statement from Javier Carrillo, CPA.**
- **No past or existing bankruptcy filings, pending litigation, planned office closures, impending mergers, or labor disputes.**



September 22, 2017

Re: Executive Facilities Services, Inc.
James F. and Debra A. Ferraro

To whom it may concern,

This letter is to confirm that our firm, Teaman, Ramirez & Smith, Inc. is the CPA firm for Executive Facilities Services, Inc. (A California Corporation) and James and Debra Ferraro.

We confirm that James and Debra Ferraro own 100% of Executive Facilities Services, Inc.'s stock. Furthermore, they have owned 100% of the stock since August of 2004. If you require any additional information you can contact me at (951) 274-9500.

Sincerely

TEAMAN, RAMIREZ & SMITH, INC.

A handwritten signature in black ink that reads "Javier Carrillo". The signature is written in a cursive style.

Javier Carrillo
Certified Public Accountant

cc: James F. and Debra A. Ferraro

B. Scope of Work:

In response to the Proposer's understanding of this client's service request, I believe that actions should speak louder than any words that could have been written to respond to this request.

Over the last fifteen years, Executive Facilities Services, Inc. has been providing nightly janitorial services throughout Southern California at multiple sites. During this time period, all janitorial and additional facility services have been performed in a responsible and professional manner. Communication is another key to our success and Jim Ferraro and his staff are in continuous communication with site representatives.

We are proud to say that we have experienced an extremely low number of service related issues at any of the sites serviced by Executive Services employees. If and when a service issue has been raised, it is addressed and resolved immediately.

Our service record speaks for itself and serves to ensure that Executive Services has a complete understanding of this project, the Scope of Work and the ability to meet our client's needs and requirements.

The approach and work / action plan that has been successful for Executive Services at our client sites and is utilized by the Key Personnel and location specific employees will remain in place. Below please find some of the important elements of our ongoing work / action plan:

1. Ongoing review meetings of Scope of Work with all Key Personnel
2. Ongoing facility inspections with site specific supervisors
3. Identify and secure replacement equipment (when necessary)
4. Ongoing review meetings with site specific staff of the Scope of Work
5. Ongoing facility inspections with site specific staff and site supervisor
6. Ongoing site visits by Night Supervisors and Key Personnel

Additional ongoing actions taking place in regard to our current operation plan:

- All site-specific staff members have been trained in cleaning procedures, equipment and chemical usage
- All site-specific staff members have been trained in cleaning methods at other Executive Services client locations prior to being assigned to a new client site. The most effective method to train a new employee in janitorial services is actual cleaning at a facility with a trainer.
- Currently, Executive Services uses five (5) on site trainers to assist the Key Personnel in employee training.
- Executive Services practices a "team based" cleaning method. For example, one team member will complete all restroom services while the other team member performs trash collection services. At the completion of these functions, the remaining service requirements are completed by both team members. (separate wet work from dry services)
- During the facility inspection process, specific janitorial services are assigned and revised as needed by the individual site staffs.

We have found that it is best to work with each site-specific team on an individual basis to determine which individual will complete each service requirement in the most efficient and professional manner.

Communication is the key to responding to emergency service situations that may arise at a client facility. Executive Services has been successful in responding to client emergencies or service requests because of two proven methods of communication:

- **Emergency situation:** clients are requested to contact any Executive Services via our main office telephone number. Between the hours of 8am-5pm a live person at our office will answer the telephone. If someone is not in the office during this time, the telephone calls will be forwarded to Jim Ferraro. Any calls made to Executive Services will be automatically forwarded to supervisory personnel.
- **Non-emergency issue:** in an effort not to take away valuable time from our clients, we request that a work order be sent to an Executive Services representative. All non-emergency related issues will be responded to on the same evening that the email message is sent if received before 5PM. If the email is received after 5PM, all efforts will be made to respond to the request that same evening or guaranteed to address the following evening.
- Executive Services has an after-hours emergency contact person for all clients and this telephone number is provided to Key Personnel only.

Executive Facilities Services, Inc. has found that the most effective method in ensuring that a quality service is being provided to our clients is via site visitations. All sites serviced by Executive Services are visited by Night Supervisors on a weekly basis in addition to supplies delivery inspections. Also, all sites are visited by Key Personnel on a regular visitation schedule.

Regarding supply delivery inspections, when paper products / restroom supplies or cleaning materials are being delivered to a site, the site is also going to be inspected by the Day Supervisor making the delivery. If any deficiencies are noticed by the Operations Managers, the Night Supervisor is made aware of the deficiency and it is corrected that evening.

The site visitation schedule is developed by Jim Ferraro weekly and no site-specific staff member is aware of when a site will be performed at their site by a Day Supervisor, Night Supervisor or Key Personnel.

All additional facility services such as carpet cleaning and hard floor services are maintained on a site-specific Excel file clearly identifying when the service is scheduled to be performed. This schedule is coordinated with the site representative and communicated to the site representative prior to the service being completed.

Executive Services, Inc. has been providing janitorial services within the Southern California since 2004 and throughout the entire time period Executive Services has never requested a rate increase beyond the consumer price index from its clients. How is that possible you may ask?

All of our contracts are considered a "full risk" contract. This simply means that the successful contractor is responsible for all cost associated with the performance of the required services. It is certainly in the best interest of the contractor to control his cost and remain within their operating budget.

Proactive cost control measure taken by Executive Facilities Services, Inc. management includes:

1. On a quarterly basis, the management team meets with suppliers to review current materials costs (cleaning chemicals, paper products).
2. If it deemed necessary, all suppliers are requested to bid upon a select volume to be purchased by Executive Facilities Services, Inc. for a specific time period.
3. Bulk purchasing of paper products, chemicals and equipment if available.

This is just example of the proactive cost control measures taken by Executive Facilities Services, Inc. Taking steps such as these only help to ensure that Executive Services is able to maintain cost controls and achieve budget requirements and goals.

F. Executive Services can also provide the following additional facility services:

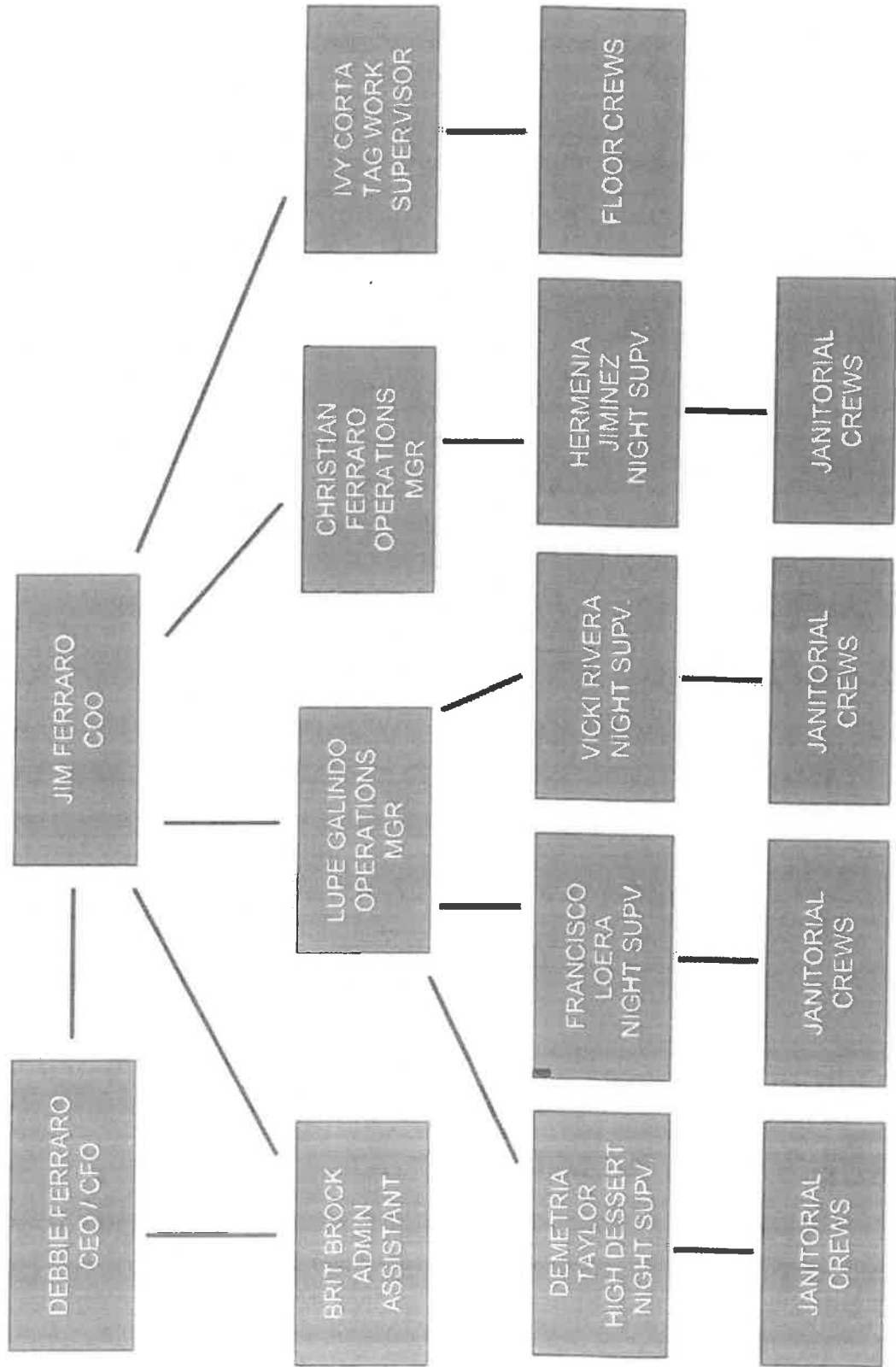
- Day porter service
- Steam extraction carpet cleaning service
- Floor refinishing, stripping, waxing and sealing
- Window cleaning (interior and exterior)
- Interior lighting maintenance
- High pressure mobile wash
- Post construction clean up
- Additional facility services available upon request

C. Personnel Experience:

1) EXECUTIVE SERVICES, INC.
ORGANIZATION CHART

- Please see attached organization chart

EXECUTIVE FACILITIES SERVICES, INC. ORGANIZATIONAL CHART



**2) EXECUTIVE SERVICES, INC.
KEY PERSONNEL INFORMATION**

As a service driven organization our primary strengths are Leadership and Experience. Managing to be both productive and innovative takes a team effort by the people leading the organization. Based in Riverside, CA, Executive Services is fortunate to have an experienced and proven management team. Our goal is to simply save you money without sacrificing service or quality. We offer a complete service system that encompasses all of your facility needs under one umbrella. Our professional staff members are all uniformed and trained on each new account to ensure that we do not fall under the level of service that we guarantee our clients.

We offer you friendly service, outstanding quality, and communication that is second to none. We pride ourselves on being a progressive company and taking a proactive role when it comes to our environment and our employees. By ensuring that we use the safest cleaning products and materials available, we will not only keep your work environment clean, but our planet safe as well. We offer all of our employee's part-time benefits and a living wage to ensure that we maintain a quality staff and low turnover.

It is our policy to ensure that each client from the smallest to the largest receives the highest quality service available. The bottom line...

We simply do the job right the first time.

"I guarantee it"

JIM FERRARO, COO

Mr. Ferraro began his career in the service industry in 1984 with a national transportation company. During his career, Jim has held positions of responsibility including Vice President and Chief Operating Officer.

Jim's current responsibilities include new business development, customer relations, operational services and strategic planning for Executive Services. He oversees all aspects of day to day operations, customer service, safety, employee hiring, training, and staff development.

Jim attended the Bloomsburg University in Pennsylvania where he received a Bachelor of Science degree in Business Administration. He also attended the University of Phoenix where he completed his Masters degree in Business Administration. Jim continues to further his education on effective management, training and communication skills, labor relations, non-union management, media communication and other related topics.



Key Job Elements:

1. New Business Development
2. Client Relations
3. Safety
4. Quality Control
5. Employee Relations

LUPE GALINDO – NIGHT OPERATIONS MANAGER

Ms. Galindo is the Night Supervisor –Operations. Lupe is responsible for the supervision of our Operations and Quality Control Departments. Lupe has many years of experience in the quality control field, carpet & window cleaning and equipment maintenance. Lupe has been in the industry for over 20 years.

Lupe is a proven professional that will provide the highest quality of service while handling multiple tasks simultaneously. She is a detailed individual with highly effective organizational skills.

Key Job Elements:

1. Equipment Maintenance
2. Supplies inventory management
3. Quality Control
4. Safety
5. Employee Training

CHRISTIAN FERRARO- DAY OPERATIONS MANAGER

Christian serves as the Operations Manager for the Inland Empire market. Christian is responsible for the supervision of our Operations and Quality Control Departments. Graduating with a Bachelor of Science degree in Finance from Chico State University, Christian worked for Executive Services throughout college learning the business from the ground up.

Christian continues to expand his knowledge of the janitorial industry via his ongoing management of the Riverside location and will be working with the Inland Empire clients.

DEBRA A. FERRARO, CEO / CFO

Debbie brings over 25 years of financial information processing and reporting to the organization. Debbie is accountable for all the financial responsibilities of the organization including accounts payable and accounts receivable, employee payroll and monthly financial reporting and corporate tax reporting. Debbie has been with Executive Facilities Services, Inc. since 2004.

Debbie has earned her Bachelor of Science degree in Accounting and has worked in both the private and public accounting sector. Debbie is a very outgoing, sociable person with the highest level of professional integrity. She is also very active within the local community and involved in many different organizations.

Key Job Elements:

1. Client Billing
2. Accounts Receivable
3. Accounts Payable
4. Financial Statement preparation
5. Account Analysis

VICKI RIVERIA, NIGHT SUPERVISOR

Vicki joined Executive Services in 2015 and has over 7 years of experience in the commercial cleaning industry. Vicki is currently responsible for quality control and the nightly supervision of Executive Services commercial cleaning crews.

Vicki's has responsibilities include:

Key Job Elements:

1. Quality Control
2. Safety
3. Training
4. Janitorial employee supervision
5. Supplies Distribution

JORGE FLORES, FLOOR TECHNICIAN

Jorge was a floor care technician for Executive Services when the company was acquired in 2014. He has been retrained trained in carpet cleaning services via hot water extraction and bonnet cleaning and also is trained in the servicing of hard floors.

Jorge will also assist in the supervision of the nightly cleaning crews as needed.

Key Job Elements:

1. Safety
2. Quality control
3. Carpet cleaning services
4. Hard floor services
5. Supplies distribution

CARLOS SOSA, FLOOR TECHNICIAN

Carlos was a floor care technician for White Glove Maintenance when the company was acquired 2015. Carlos has been retrained in the carpet cleaning services via hot water extraction and bonnet cleaning and also is trained in the servicing of hard floors.

Carlos will also assist in the supervision of the nightly cleaning crews as needed.

Key Job Elements:

1. Safety
2. Quality Control
3. Carpet cleaning services
4. Hard floor services
5. Supplies distribution

**3) EXECUTIVE SERVICES, INC.
KEY PERSONNEL STATEMENT**

One of the keys to the success that Executive Services has achieved is consistency.

Consistency in:

1. Leadership
2. Training
3. Communication
4. Employee relations
5. Tools and methods of operation

The level consistency that is practiced by Executive Services is what has made Executive Services successful and will continue to do so in the future.

Executive Services management believes in keeping things simple and not complicating daily service responsibilities. The management team recognizes that success in the janitorial industry can be achieved by continuous training and as having the same people perform the same function every night. The employees that are selected to perform the nightly janitorial services at The City of Beaumont sites will be the same employee's night in and night out. It is NOT the practice of Executive Services to rotate employees in and out of client sites.

The Key Personnel that are involved in the ongoing operations of these locations will remain involved throughout the life of the contract. If a person that has been identified as a Key Personnel should leave Executive Services, a replacement person of equal to or greater ability will replace the person that has left their position with Executive Services.

D. Comparable projects:**EXECUTIVE FACILITIES SERVICES, INC.
SIMILAR CLIENT EXPERIENCE**

As you will see in the attached Sample of Similar Client Table, Executive Facilities Services, Inc. has extensive experience in single client multiple locations start ups and nightly janitorial services. In this table, you will find a sample of eleven (11) existing clients that require nightly janitorial services similar to your services. Executive Services also provides nightly janitorial service to numerous other clients and specific client information can be provided upon request.

Regarding multiple site locations, currently Executive Facilities Services, Inc. is providing nightly janitorial services at approximately (260) locations within the Southern California. Services provided include janitorial services and hard floor surface services. Executive Facilities Services, Inc. is also responsible for all paper products and restroom materials for select clients.

In September of 2010, Executive Services recently responded to a request to provide emergency janitorial services for San Bernardino County of Schools for the Desert/Mountain Region. We were able to respond successfully within days of these requests at all twenty (20) locations without any reports of service failures. We have also replaced over 50 roll towel dispensers at these locations at no additional charge.

Also, in the spring of 2005, Executive Services successfully started nightly janitorial services for thirteen (13) Provident Bank locations. At all of the Provident Bank locations, Executive Services also performs carpet cleaning, window cleaning and hard floor surface services. Executive Services is also responsible for all paper products and restroom materials.

Executive Services also responded within a very short period of time to start up the services for 35 Bank of America locations within Southern California and we did so without any service issues.

If Executive Services is selected to be the janitorial services provider for the City of Beaumont sites, the Key Personnel that are identified in Section B. Item 2 will be responsible for ongoing janitorial services for all sites.

All existing personnel that are currently providing services will remain in place.

Action Plan steps that will take place to ensure a successful continuation of services are:

1. Jim Ferraro will review the required cleaning equipment and materials.
2. Executive Services will review the level of inventory of supplies and equipment at our warehouse.
3. All Key Personnel will review the Scope of Work.
4. Each Key Person will review their specific assignments for each location.

5. The primary focus of the Key Personnel – Supervisors continues to be the training and monitoring of cleaning personnel.
6. Training schedules are adjusted to ensure availability for additional new employees (ongoing process).
7. Employee utilization schedule was analyzed for existing Executive Services employees already providing nightly janitorial services near The City of Beaumont sites.
8. Janitorial routes are reviewed regularly and current schedule utilized will remain in effect.

Jim Ferraro, President and Primary Owner of Executive Facilities Services, Inc. is the person responsible for the overall monitoring of the Executive Services ongoing operations.

**EXECUTIVE SERVICES
SAMPLE OF SIMILAR SITE
CLIENT EXPERIENCE
2018**

CLIENT NAME	START DATE	END DATE	# OF LOCATIONS	SQ. FT	APPROXIMATE ANNUAL VALUE	CONTACT PERSON	PHONE NUMBER
RIVERSIDE COUNTY LIBRARY SYSTEM *** successfully renewed each year	1988	Oct-09	22	226,300	\$ 258,000.00	SUE GOODWIN	(951) 274-4506
PROVIDENT BANK *** successfully renewed each year *** additional facility services included in annual value	2016	under contract	24	292,55	\$ 532,800.00		
SAN BERNARDINO COUNTY SUPERINTENDENT OF SCHOOLS East & West Valley Regions Desert / Mountain Region	2007 2010	under contract under contract	19 20	276,000 88,778	\$ 612,000.00	RALPH ELBA	(909) 382-3560
MILAN PROPERTIES, LLC *** day porter services included in annual value	6/28/05	under contract	11 * not including shopping centers	136,000	\$ 456,000.00	KARLA ARZARGA	(951)833-8740
RIVERSIDE METRO AUTO GROUP *** day porter services included in annual value *** additional facility services included in annual value	6/29/05	under contract	5	100,000	\$ 144,000.00	MAURICE WARD	(951) 961-2881
F. E SCHNETZ PROPERTY MANAGEMENT	2008	under contract	4	165,000	\$ 135,000.00	FRANK SCHNETZ	(909) 869-0754

F. References:

**EXECUTIVE FACILITIES SERVICES, INC.
REFERENCE INFORMATION**

1) Below please find required reference information:

- | | |
|---|--|
| 1. Donna Ruegga
Vice President | Provident Bank
3756 Central Avenue
Riverside, CA 92506
(951) 782-6121
druegge@myprovident.com |
| 2. Karla Arzarga
Senior Property Manager | Milan Properties, LLC
11382 Mountain View Ave., Suite C
Loma Linda, CA 92354
(909) 799-8460
karla@milancap.com |
| 3. Jorge Mendoza
Area Manager | CW Services / Bank of America
275 S. Valencia Avenue
Brea, CA 92823
(951) 336-7522
jorge.mendoza@dtz.com |
| 4. Joe Tomero
Building Maintenance
Supervisor | Conejo Rec & Park District
250 Reino Road,
Newberry Park, Ca. 91320
(805) 381-2788
jtomero@crpd.org |

Services provided at all of the above listed clients are consistent with the services outlined in the Scope of Work provided.

Starting dates and approximate contract values for the above mentioned clients are listed on the Similar Client Experience spreadsheet.

G. Rate Sheet

**City of Beaumont
3/7/18**

Key Service Indicators:

All nightly janitorial services to be performed as per the Scope of Work

All hard floors to be machine scrubbed monthly

Building Name	Monthly Rate
1) Beaumont Civic Center – Building A	\$ 3,740.00
2) Beaumont Civic Center – Building D	\$ 510.00
3) Beaumont Civic Center – Building F	\$ 340.00
4) Beaumont Civic Center – Building G	\$ 382.50
5) Beaumont Police Department	\$ 680.00
6) Chatigny Community Recreation Center	\$ 3,400.00
7) Vehicle Maintenance Yard	\$ 125.00
Total Monthly Costs:	\$9,177.50 7775 ⁰⁰

Per square foot cost of .17 cents including monthly hard floor maintenance

Attachment "B"

**First Amendment to Agreement for Services
with Independent Contractor**

FIRST AMENDMENT TO AGREEMENT FOR SERVICES WITH INDEPENDENT CONTRACTOR

THIS FIRST AMENDMENT TO AGREEMENT FOR SERVICES WITH INDEPENDENT CONTRACTOR (“Amendment”) is made and effective as of the __day of December, 2018 by and between the CITY OF BEAUMONT (“CITY”), a general law city, and Executive Facility Services, Inc., a California corporation (“CONTRACTOR”) in consideration of the mutual promises and purpose contained herein, the parties agree as follow:

RECITALS

This First Amendment is made with respect to the following facts and purpose that the parties agree are true and correct:

A. On May 15, 2018 the City and entered into that certain agreement entitled “Agreement for Services by Independent Contractor” (“Agreement”).

B. Contractor has begun performing the Services under the Agreement and City has requested an increase in the scope of the Services as reflected in the proposal of Contractor dated November 16, 2018, a copy of which is attached hereto as Exhibit “A” and made a part hereof.

AMENDMENT

The Agreement is hereby amended to increase the fees by \$676.98 per month for Services to Bldg. B and \$167.53 per month for Services to the Maintenance Yard as provided in Exhibit “A”.

The recitals to this Amendment are deemed incorporated herein by this reference. All other terms of the Agreement not expressly amended by this Amendment shall remain in full force and effect. In the event of a conflict between the Agreement and this Amendment, this Amendment shall control.

[signatures on following page – balance of page blank]

IN WITNESS WHEREOF, the parties hereby have made and executed this Amendment to be effective as of the day and year first above-written.

CITY:

CONTRACTOR:

CITY OF BEAUMONT

By: _____

By: _____

Nancy Carroll Mayor

Print Name: _____

ATTEST

Title: _____

City Clerk

APPROVED AS TO FORM

John Pinkney, City Attorney

EXHIBIT "A"
ATTACH PROPOSAL

Attachment "C"

**Second Amendment to Agreement for Services
with Independent Contractor**

SECOND AMENDMENT TO AGREEMENT FOR SERVICES WITH INDEPENDENT CONTRACTOR

THIS SECOND AMENDMENT TO AGREEMENT FOR SERVICES WITH INDEPENDENT CONTRACTOR (“Amendment”) is made and effective as of the __ day of June 2019, by and between the CITY OF BEAUMONT (“CITY”), a general law city, and Executive Facility Services, Inc., a California corporation (“CONTRACTOR”) in consideration of the mutual promises and purpose contained herein, the parties agree as follow:

RECITALS

This Second Amendment is made with respect to the following facts and purpose that the parties agree are true and correct:

A. On May 15, 2018 the City and Contractor entered into that certain agreement entitled “Agreement for Services by Independent Contractor” (“Agreement”).

B. On December 4, 2018 the City and Contractor entered into that certain First Amendment to the Agreement.

C. Contractor has begun performing the Services under the Agreement and City has requested an increase in the scope of the Services as reflected in the proposal of Contractor dated _____, a copy of which is attached hereto as Exhibit “A” and made a part hereof.

AMENDMENT

The Agreement is hereby amended to increase the fees by \$335.06 per month for Services to Bldg. H, \$947.38 per month for Services to the Beaumont Police Department, and \$552.38 per month for Services to the Police Annex building as provided in Exhibit “A”.

The recitals to this Amendment are deemed incorporated herein by this reference. All other terms of the Agreement not expressly amended by this Amendment shall remain in full force and effect. In the event of a conflict between the Agreement and this Amendment, this Amendment shall control.

[signatures on following page – balance of page blank]

IN WITNESS WHEREOF, the parties hereby have made and executed this Amendment to be effective as of the day and year first above-written.

CITY:

CONTRACTOR:

CITY OF BEAUMONT

By: _____

By: _____

Julio Martinez, Mayor

Print Name: _____

ATTEST

Title: _____

City Clerk

APPROVED AS TO FORM

John Pinkney, City Attorney

EXHIBIT "A"
ATTACH PROPOSAL

Exhibit A

SITE SQUARE FOOTAGE		JULY-DEC MONTHLY BILLING	DAYS PER WEEK	HOURS PER DAY	HOURS PER WEEK	HOURS PER MONTH
4000	POLICE DEPARTMENT BUILDING	\$ 947.38	5	2.00	10.00	43.33
2500	POLICE ANNEX	\$ 552.38	3	2.00	6.00	26.00
2200	ANIMAL CONTROL	\$ 335.06	2	2.00	4.00	17.33

Staff Report

TO: Mayor and City Council Members

FROM: Sean, Thuilliez, Chief of Police

DATE: June 18, 2019

SUBJECT: Sale of Surplus Animal Control Service Vehicle

Background and Analysis:

The Beaumont Police Department has in its fleet a 2006 Ford E350 V-10 (unit 06-38) van with approximately 70,000 miles, configured for animal control services (ACO). The van was purchased in 2006 and later configured with the intent to be used for ACO for the cities of Beaumont, Banning, and Calimesa. The City no longer serves the City of Banning for ACO and reduced staffing to two ACO officers thereby eliminating the need of this vehicle. The transfer of the van to another City department would not be cost effective due to the fact that it is configured for animal control related services.

The Ramona Humane Society (a non-profit 501 (c)(3) organization) is in need of an animal control vehicle and requested to purchase this vehicle, unit 06-38, for \$6,000.

The fair market value range for this vehicle according to Kelly Blue Book is between \$4,737 and \$6,428.

Fiscal Impact:

The fiscal impact is approximately \$300 to remove the radio and computer equipment from the vehicle. This cost will be off set from the \$6,000 in revenue to the general fund.

Recommendation:

1. Approve the sale of the ACO vehicle, unit 06-38, to Ramona Humane Society for \$6,000.

City Manager Review: 

Agenda Item No. 13

Staff Report

TO: Mayor and City Council Members

FROM: Kari Mendoza, Administrative Services Director

DATE: June 18, 2019

SUBJECT: Approval of Requisition for Polydyne, Inc.

Background and Analysis:

Purchases for goods and services that will exceed \$25,000 are brought to City Council per the City's purchasing ordinance. On August 7, 2018, City Council approved a purchase order of \$100,000 to Polydyne, Inc. for the purchase of polymer for Fiscal Year 2018-2019. Polymer is necessary to the City's wastewater treatment process and the requested purchase is necessary to meet operational requirements through the remainder of the fiscal year. It is used to coagulate suspended solids in order to remove them during the treatment process. The original purchase order has been exhausted, creating the need to request further funding.

Fiscal Impact:

The additional funding needed to supply polymer for the remainder of the fiscal year is \$20,000 and would be funded from Account # 700-4050-7070-0000, special department supplies.

Recommendation:

1. Approve the requisition for Polydyne, Inc. in the amount of \$20,000.

City Manager Review:  _____

Agenda Item No. 14

Staff Report

To: Mayor and Council Members

From: Jeff Hart, Public Works Director

Date: June 18, 2019

Subject: Approve the First Amendment of the Professional Services Agreement for Plan Check and Public Works Inspection Services to NV5, Inc. in an Amount not to Exceed \$296,400 for Fiscal Year 2018/2019

Background and Analysis:

On July 1, 2018, the City Council awarded a contract to NV5, Inc. (NV5) to pay sixty five percent (65%) of total fees collected for plan check services as well as a rate of \$105.00 per hour for public works inspection services, with a not to exceed amount of \$218,400 annually. MS4 and NPDES compliance services were also approved at an amount not to exceed \$61,700 annually.

The City has multiple on-going projects which require approval of engineering plans and construction inspections to ensure improvements are being constructed properly and conform to City standards. NV5 reviews multiple technical studies and improvement plans which consist of hydrology reports, geotechnical reports, water quality reports, traffic reports, sewer improvement plans, storm drain improvement plans, street improvement plans, and grading improvement plans. Once technical studies are approved, improvement plans signed, fees collected, and bonds accepted by the City Council, construction of the improvements can begin. Inspection services are critical to ensure improvements are built properly and comply with City standards and the approved plans.


The City utilizes Engineering Resources of Southern California (ERSC) and NV5 for plan check series and public works inspection services. Both firms were approved for a budget amount not to exceed \$218,400 annually for plan check services and inspection services in 2018. NV5 has been assigned more plan checks and inspections for on-going projects, and ERSC is not projected to invoice the approved budget amount of \$218,400. Therefore, staff has the flexibility to shift ERSC's unused budget over to NV5's budget to cover outstanding public works inspection service costs. Staff is recommending that the City Council increase the contract amount to NV5 by \$78,000 for public works inspection services. The increased budget will allow the City to pay NV5 for all public works inspections that are expected to be performed through the end of the Fiscal Year 2018/2019. By increasing the contract amount by \$78,000, NV5's contract will be amended in an amount not to exceed \$296,400 annually.

Fiscal Impact:

The proposed increased contract amount of \$296,400 for NV5 will be covered within the overall budget of Public Works Plan Check and Inspection Services.

Recommendation:

1. Approve the First Amendment of the Professional Services Agreement for Plan Check and Public Works Inspection Services to NV5, Inc. in an amount not to exceed \$296,400 for Fiscal Year 2018/2019.

City Manager Review: 

Attachments:

- A. NV5 Signed Contract July 2018
- B. ERSC Signed Contract July 2018
- C. First Amendment to NV5 Professional Services Agreement

Attachment A

NV5 Signed Contract July 2018

AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR is made the 1st day of July, 2018, by and between the CITY OF BEAUMONT (“CITY”) whose address is 550 E. 6th Street, Beaumont, California 92223 and NV5, Inc., a California corporation whose address is 15092 Avenue of Science, Suite 200, San Diego, CA 92128 (“CONTRACTOR”).

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

A. CITY issued a Request for Proposals for Public Works Inspection, Plan Checking, Surveying and Storm Water Compliance & Inspection a copy of which is attached hereto as Exhibit “A”; and

B. CONTRACTOR has made a proposal (“Proposal”) to the CITY to provide such professional services, which Proposal is attached hereto as Exhibit “B”; and

C. CONTRACTOR’s and another contractor’s proposals were selected by the City; and

D. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to CITY that CONTRACTOR possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, CITY and CONTRACTOR agree as follows:

1. Term of Agreement. This Agreement shall be effective as of July 1, 2018 and shall automatically terminate after three (3) years unless extended by the parties in a written agreement approved by the City Council of the CITY in accordance with the Beaumont Municipal Code.

2. Services to be Performed. CONTRACTOR agrees to provide the services (“Services”) as follows: Public Works Inspection, Plan Checking, Surveying and Storm Water Compliance & Inspection only. All Services shall be performed in the manner and according to the timeframe set forth in the Proposal or as requested by City staff. CONTRACTOR designates Carmen Kasner as CONTRACTOR’S professional responsible for overseeing the Services provided by CONTRACTOR.

3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR’S sole cost and expense, employ such competent and qualified independent associates, subcontractors

and consultants as CONTRACTOR deems necessary to perform the Services; provided, however, that CONTRACTOR shall not subcontract any of the Services without the written consent of CITY.

4. Compensation.

4.01 CONTRACTOR shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the CITY. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by CITY to CONTRACTOR under this Agreement shall not exceed a rate of sixty five percent (65%) of total fees collected associated with Plan Checks assigned to NV5 and a rate of one hundred and five dollars (\$105.00) an hour for Public Works Inspection Services with a not to exceed amount of two hundred eighteen thousand, four hundred dollars (\$218,400) annually. MS4 and NPDES compliance services is \$61,700 annually.

4.02 CONTRACTOR shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the CITY, in writing.

4.03 CONTRACTOR shall submit to CITY, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month clearly identifying the name of the applicant associated with the billing. The CITY shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. CITY shall have the right to review and audit all invoices prior to or after payment to CONTRACTOR. This review and audit may include, but not be limited to CITY's:

- a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;
- b. Determination that the multiplication of the hours billed times the approved rate schedule dollars is correct;
- c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If CITY determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, CITY may either return the bill to CONTRACTOR with a request for explanation or adjust the payment accordingly, and give notice to CONTRACTOR of the adjustment.

4.04 If the work is satisfactorily completed, CITY shall pay such invoice within thirty (30) days of its receipt or when the fees are received from the applicant, if later. Should CITY dispute any portion of any invoice, CITY shall pay the undisputed portion within the time stated above, and at the same time advise CONTRACTOR in writing of the disputed portion.

5. Obligations of CONTRACTOR.

5.01 CONTRACTOR agrees to perform all Services in accordance with the terms and conditions of this Agreement, the RFP and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement and/or the RFP, or contain additional terms other than the Services to be rendered and the price for the Services, the terms of this Agreement and/or the RFP shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, CONTRACTOR will supply all personnel, materials and equipment required to perform the Services. CONTRACTOR shall provide its own offices, telephones, vehicles and computers and set its own work hours. CONTRACTOR will determine the method, details, and means of performing the Services under this Agreement.

5.03 CONTRACTOR shall keep CITY informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by CITY, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR is responsible for paying, when due, all income and other taxes, fees and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. CONTRACTOR agrees to indemnify, defend and hold harmless CITY for any claims, costs, losses, fees, penalties, interest, or damages suffered by CITY resulting from CONTRACTOR's failure to comply with this provision.

5.05 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 CONTRACTOR represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event CITY is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

5.07 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United States.

5.08 In the event that CONTRACTOR employs, contracts with, or otherwise utilizes any CalPERS retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the CITY and shall be subject to the CITY's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of

California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder.

6. Insurance. CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, CONTRACTOR hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. If existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. CONTRACTOR shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; CONTRACTOR agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's CITY, its officials, employees and agents. CONTRACTOR also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than \$1 million per accident. If CONTRACTOR or CONTRACTOR's employees will use personal autos in performance of the Services hereunder, CONTRACTOR shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation coverage for any of CONTRACTOR's employees that will be providing any Services hereunder. CONTRACTOR will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers' compensation will not limit the obligations of CONTRACTOR under this Agreement. CONTRACTOR expressly agrees not to use any statutory immunity defenses under such laws with respect to CITY, its employees, officials and agents.

6.04 Optional Insurance Coverage. Choose and check one: Required X /Not Required ___; Errors and omissions insurance in a minimum amount of \$2 million per occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any Services for CITY.

7. General Conditions pertaining to Insurance Coverage

7.01 No liability insurance coverage provided shall prohibit CONTRACTOR from waiving the right of subrogation prior to a loss. CONTRACTOR waives all rights of subrogation against CITY regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.

7.02. Prior to beginning the Services under this Agreement, CONTRACTOR shall furnish CITY with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03. All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A:VIIP". The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that that all insurance coverage required to be provided by CONTRACTOR or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to CITY.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by CITY, as the need arises. CONTRACTOR shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect CITY's protection without CITY's prior written consent.

7.06 CONTRACTOR agrees to provide immediate notice to CITY of any claim or loss against CONTRACTOR or arising out of the Services performed under this Agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

8. Indemnification.

8.01 CONTRACTOR and CITY agree that CITY, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by CONTRACTOR or any subcontractor or agent of either. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to CITY. CONTRACTOR acknowledges that CITY would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect CITY as set forth herein.

a. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless CITY, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by CITY, court costs, interest, defense costs, including expert witness fees and any other costs or

expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. CONTRACTOR's obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which CONTRACTOR (and/or CONTRACTOR's agents and/or employees) is alleged to be an employee of CITY. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by CITY.

b. Without affecting the rights of CITY under any provision of this Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless CITY as set forth above for liability attributable solely to the fault of CITY, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

9. Additional Services, Changes and Deletions.

9.01 In the event CONTRACTOR performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of CITY, CONTRACTOR shall not be compensated for such services. CONTRACTOR expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the CITY in writing.

9.02 CONTRACTOR shall promptly advise the City Manager and Finance Director of CITY as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the CITY and/or City Council.

10. Termination of Agreement.

10.01 Notwithstanding any other provision of this Agreement, CITY, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to CONTRACTOR.

10.02 In the event of termination, the payment of monies due CONTRACTOR for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, CONTRACTOR agrees to promptly provide and deliver to CITY all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to CITY.

11. Status of CONTRACTOR.

11.01 CONTRACTOR shall perform the Services in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of CITY. However, CONTRACTOR shall regularly confer with CITY's City Manager as provided for in this Agreement.

11.02 CONTRACTOR agrees that it is not entitled to the rights and benefits afforded to CITY's employees, including disability or unemployment insurance, workers' compensation, retirement, CalPers, medical insurance, sick leave, or any other employment benefit. CONTRACTOR is responsible for providing, at its own expense, disability, unemployment, workers' compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 CONTRACTOR hereby specifically represents and warrants to CITY that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of CITY and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the CITY is located. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of Services performed for the CITY shall become the sole property of CITY, and CONTRACTOR shall promptly deliver all such materials to CITY upon request. At the CITY's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions to CITY upon request, at no cost to CITY.

12.02 Subject to applicable federal and state laws, rules and regulations, CITY shall hold all intellectual property rights to any materials developed pursuant to this Agreement. CONTRACTOR shall not such use data or documents for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of CITY.

12.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as CITY may deem necessary, CONTRACTOR shall make available to CITY's agents for examination all of such records and shall permit CITY's agents to audit, examine and reproduce such records.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to

the rendering of Services by CONTRACTOR for CITY and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of CITY. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 CONTRACTOR shall timely file FPPC Form 700 Conflict of Interest Statements with CITY if required by California law and/or the CITY's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

13.06 CONTRACTOR covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 CONTRACTOR has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. CONTRACTOR agrees that they are unaware of any financial or economic interest of any public officer or employee of the CITY relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the CITY may immediately terminate this Agreement by giving notice thereof. CONTRACTOR shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. CONTRACTOR shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the CITY in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by CITY. The CITY, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the CITY with respect to the proposal and award process of this Agreement or any CITY

contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any CITY contract has been awarded. CONTRACTOR shall immediately report any attempt by any CITY officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from CONTRACTOR.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above-written.

CITY:

CONTRACTOR:

CITY OF BEAUMONT

NK5, Inc.

By: 
Nancy Carroll, Mayor

By: 

Print Name: Carmen Kasner

Title: Regional Manager

Attachment B

ERSC Signed Contract July 2018

AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR is made and effective as of the 1st day of July, 2018, by and between the CITY OF BEAUMONT (“CITY”) whose address is 550 E. 6th Street, Beaumont, California 92223 and Engineering Resources of Southern California (ERSC), a California corporation, whose address is 1861 W. Redlands Blvd., Redlands, California 92373 (“CONTRACTOR”).

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

- A. CITY issued a Request for Proposals for to provide Public Works Inspection, Plan Checking and Surveying Services a copy of which is attached hereto as Exhibit “A”; and
- B. CONTRACTOR has made a proposal (“Proposal”) to the CITY to provide such professional services, which Proposal is attached hereto as Exhibit “B”; and
- C. CONTRACTOR’s and another contractor’s proposals were selected by the City; and
- D. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to CITY that CONTRACTOR possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, CITY and CONTRACTOR agree as follows:

- 1. Term of Agreement. Subject to the other terms of this Agreement, this Agreement shall become effective commencing July 1, 2018 and terminate after three (3) years unless extended by the parties in writing with the approval of the City Council of the CITY and in compliance with the Beaumont Municipal Code.
- 2. Services to be Performed. CONTRACTOR agrees to provide the services (“Services”) as follows: Public Works Inspection, Plan Checking and Surveying Services. . All Services shall be performed in the manner and according to the timeframe set forth in the Proposal or as requested by City staff. CONTRACTOR designates John M. Burdin as CONTRACTOR’S professional responsible for overseeing the Services provided by CONTRACTOR.
- 3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR’S sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as CONTRACTOR deems necessary to perform the Services; provided, however,

that CONTRACTOR shall not subcontract any of the Services without the written consent of CITY.

4. Compensation.

4.01 CONTRACTOR shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the CITY. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by CITY to CONTRACTOR under this Agreement shall not exceed a rate of sixty five percent (65%) of total fees collected associated with Plan Checks assigned to ERSC and a rate of one hundred and five dollars (\$105.00) an hour for Public Works Inspection Services with a not to exceed amount of two hundred eighteen thousand, four hundred dollars (\$218,400) annually.

4.02 CONTRACTOR shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the CITY, in writing.

4.03 CONTRACTOR shall submit to CITY, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month clearly identifying the name of the applicant associated with the billing. The CITY shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. CITY shall have the right to review and audit all invoices prior to or after payment to CONTRACTOR. This review and audit may include, but not be limited to CITY's:

- a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;
- b. Determination that the multiplication of the hours billed times the approved rate schedule dollars is correct;
- c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If CITY determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, CITY may either return the bill to CONTRACTOR with a request for explanation or adjust the payment accordingly, and give notice to CONTRACTOR of the adjustment.

4.04 If the work is satisfactorily completed, CITY shall pay such invoice within thirty (30) days of its receipt or when the fees are received from the applicant, if later. Should CITY dispute any portion of any invoice, CITY shall pay the undisputed portion within the time stated above, and at the same time advise CONTRACTOR in writing of the disputed portion.

5. Obligations of CONTRACTOR.

5.01 CONTRACTOR agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the

Proposal shall conflict with the terms of this Agreement or the RFP, or contain additional terms other than the Services to be rendered and the price for the Services, the terms of this Agreement and/or RFP shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, CONTRACTOR will supply all personnel, materials and equipment required to perform the Services. CONTRACTOR shall provide its own offices, telephones, vehicles and computers and set its own work hours. CONTRACTOR will determine the method, details, and means of performing the Services under this Agreement.

5.03 CONTRACTOR shall keep CITY informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by CITY, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR is responsible for paying, when due, all income and other taxes, fees and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. CONTRACTOR agrees to indemnify, defend and hold harmless CITY for any claims, costs, losses, fees, penalties, interest, or damages suffered by CITY resulting from CONTRACTOR's failure to comply with this provision.

5.05 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 CONTRACTOR represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event CITY is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

5.07 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United States.

5.08 In the event that CONTRACTOR employs, contracts with, or otherwise utilizes any CalPERS retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the CITY and shall be subject to the CITY's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-

free workplace.

5.10 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder.

6. Insurance. CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, CONTRACTOR hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. If existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. CONTRACTOR shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; CONTRACTOR agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's CITY, its officials, employees and agents. CONTRACTOR also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than \$1 million per accident. If CONTRACTOR or CONTRACTOR's employees will use personal autos in performance of the Services hereunder, CONTRACTOR shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation coverage for any of CONTRACTOR's employees that will be providing any Services hereunder. CONTRACTOR will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers' compensation will not limit the obligations of CONTRACTOR under this Agreement. CONTRACTOR expressly agrees not to use any statutory immunity defenses under such laws with respect to CITY, its employees, officials and agents.

6.04 Optional Insurance Coverage. Choose and check one: Required X /Not Required ; Errors and omissions insurance in a minimum amount of \$2 million per occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any Services for CITY.

7. General Conditions pertaining to Insurance Coverage

7.01 No liability insurance coverage provided shall prohibit CONTRACTOR from waiving the right of subrogation prior to a loss. CONTRACTOR waives all rights of subrogation against CITY regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.

7.02. Prior to beginning the Services under this Agreement, CONTRACTOR shall furnish CITY with certificates of insurance, endorsements, and upon request, complete

copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03. All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A:VI"). The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that that all insurance coverage required to be provided by CONTRACTOR or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to CITY.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by CITY, as the need arises. CONTRACTOR shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect CITY's protection without CITY's prior written consent.

7.06 CONTRACTOR agrees to provide immediate notice to CITY of any claim or loss against CONTRACTOR or arising out of the Services performed under this Agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

8. Indemnification.

8.01 CONTRACTOR and CITY agree that CITY, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by CONTRACTOR or any subcontractor or agent of either. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to CITY. CONTRACTOR acknowledges that CITY would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect CITY as set forth herein.

a. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless CITY, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by CITY, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually,

allegedly or impliedly, in whole or in part to the performance of this Agreement. CONTRACTOR's obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which CONTRACTOR (and/or CONTRACTOR's agents and/or employees) is alleged to be an employee of CITY. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by CITY.

b. Without affecting the rights of CITY under any provision of this Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless CITY as set forth above for liability attributable solely to the fault of CITY, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

9. Additional Services, Changes and Deletions.

9.01 In the event CONTRACTOR performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of CITY, CONTRACTOR shall not be compensated for such services. CONTRACTOR expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the CITY in writing.

9.02 CONTRACTOR shall promptly advise the City Manager and Finance Director of CITY as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the CITY and/or City Council.

10. Termination of Agreement.

10.01 Notwithstanding any other provision of this Agreement, CITY, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to CONTRACTOR.

10.02 In the event of termination, the payment of monies due CONTRACTOR for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, CONTRACTOR agrees to promptly provide and deliver to CITY all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to CITY.

11. Status of CONTRACTOR.

11.01 CONTRACTOR shall perform the Services in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of CITY. However, CONTRACTOR shall regularly confer with CITY's City Manager as provided for in this Agreement.

11.02 CONTRACTOR agrees that it is not entitled to the rights and benefits

afforded to CITY's employees, including disability or unemployment insurance, workers' compensation, retirement, CalPers, medical insurance, sick leave, or any other employment benefit. CONTRACTOR is responsible for providing, at its own expense, disability, unemployment, workers' compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 CONTRACTOR hereby specifically represents and warrants to CITY that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of CITY and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the CITY is located. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of Services performed for the CITY shall become the sole property of CITY, and CONTRACTOR shall promptly deliver all such materials to CITY upon request. At the CITY's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions to CITY upon request, at no cost to CITY.

12.02 Subject to applicable federal and state laws, rules and regulations, CITY shall hold all intellectual property rights to any materials developed pursuant to this Agreement. CONTRACTOR shall not such use data or documents for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of CITY.

12.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as CITY may deem necessary, CONTRACTOR shall make available to CITY's agents for examination all of such records and shall permit CITY's agents to audit, examine and reproduce such records.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by CONTRACTOR for CITY and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any

manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of CITY. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 CONTRACTOR shall timely file FPPC Form 700 Conflict of Interest Statements with CITY if required by California law and/or the CITY's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

13.06 CONTRACTOR covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 CONTRACTOR has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. CONTRACTOR agrees that they are unaware of any financial or economic interest of any public officer or employee of the CITY relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the CITY may immediately terminate this Agreement by giving notice thereof. CONTRACTOR shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

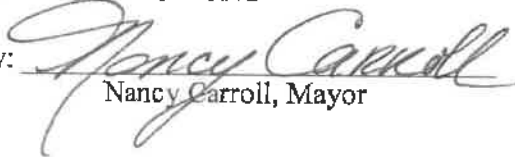
13.08 Improper Consideration. CONTRACTOR shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the CITY in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by CITY. The CITY, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the CITY with respect to the proposal and award process of this Agreement or any CITY contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any CITY contract has been awarded. CONTRACTOR shall

immediately report any attempt by any CITY officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from CONTRACTOR.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above-written.

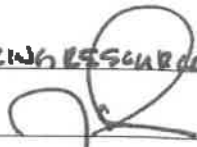
CITY:

CITY OF BEAUMONT

By: 
Nancy Carroll, Mayor

CONTRACTOR:

ENGINEERING RESEARCHES OF SO. CO. INC.

By: 

Print Name: JOHN M. BENSON

Title: REGIONAL

Attachment C

First Amendment to NV5 Professional Services Agreement

**CITY OF BEAUMONT
FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT
(NV5, INC.)**

This FIRST AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT (“Agreement”) is made as of the 1st day of July, 2019, by and between the City of Beaumont, a municipal corporation (“CITY”), and NV5, INC., a California corporation, (“CONTRACTOR”). In consideration of the mutual covenants and conditions set forth herein, the parties agree as follows:

RECITALS

This First Amendment is made with respect to the following facts and purpose that the parties agree are true and correct:

- A. On July 1st, 2018, the City entered into a Professional Services Agreement (“Agreement”) with NV5, INC, after following an RFP process, to provide plan check services, public works inspection services, and MS4 and NPDES compliance services. The duration of the agreement is for three (3) years after which the Agreement will automatically terminate unless extended by both parties.
- B. Under the Agreement, the City Council agreed to pay NV5 sixty five percent (65%) of total fees collected that are associated with Plan Checks assigned to NV5 and a rate of One Hundred and Five dollars (\$105.00) an hour for public works inspection services with a not to exceed amount of Two Hundred Eighteen Thousand Four Hundred Dollars (\$218,400) annually. MS4 and NPDES compliance services was established at Sixty One Thousand Seven Hundred Dollars (\$61,700.00) annually.
- C. Effective July 1st, 2019, the City Council voted to increase the not to exceed amount for public works inspection services to Two Hundred Ninety Six Thousand and Four Hundred Dollars (\$296,400.00).
- D. Increased compensation will only be for public works inspections services.

AMENDMENT

The Agreement is amended to amend Section 4.01 regarding Compensation as set forth below:

Compensation. 4.01 CONTRACTOR shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the CITY. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by CITY to CONTRACTOR under this Agreement shall not exceed the following amounts:

- (i) Sixty five percent (65%) of total fees collected from applicants that are associated with Plan Checks assigned to NV5;
- (ii) One Hundred and Five Dollars (\$105.00) per hour for Public Works Inspection Services not to exceed the total amount of Two Hundred Ninety Six Thousand, Four Hundred Dollars (\$296,400) annually; and
- (iii) As set forth in the Proposal for MS4 and NPDES compliance services not to exceed Sixty One Thousand Seven Hundred Dollars (\$61,700.00) annually.

All other terms and provisions of the Agreement, not specifically amended by this Agreement shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereby have made and executed this First Amendment to Professional Services Agreement to be effective as of the day and year first above-written.

CITY:
CITY OF BEAUMONT

CONTRACTOR:
NV5, INC., a California corporation

By: _____
Julio Martinez, Mayor

By: _____

Print Name: _____

Title: _____

ATTEST:

By: _____
Steven Mehlman, City Clerk

APPROVED AS TO FORM:

By: _____
John O. Pinkney, City Attorney

Staff Report

To: Mayor and Council Members

From: Jeff Hart, Director of Public Works/City Engineer

Date: June 18, 2019

SUBJECT: Authorize Third Amendment to the Professional Services Agreement for Wastewater Regulatory Support Services/NPDES to G&G Environmental Consultants, Inc. of Riverside California, in an Amount Not to Exceed \$146,292 for the Fiscal Year 2019/20

Background and Analysis:

On May 26, 2016, the City received proposals from the following four (4) firms to provide the Wastewater Regulatory Support Services/NPDES services.

1. G & G Environmental Compliance, Inc.
2. EEC Environmental
3. Lynn Merrill & Associates, Inc.
4. Veolia

On July 5, 2016, the City Council awarded a professional services agreement to the highest ranked firm, G&G Environmental Compliance, Inc. (G&G).

On June 20, 2017, the City Council renewed the Wastewater Regulatory Support Service/NPDES professional services agreement to G&G for an additional one-year term. These regulatory services are required by the State Water Board on yearly basis.

On June 5, 2018, the City Council renewed the Wastewater Regulatory Support Service/NPDES professional services agreement to G&G for an additional one-year term. The current contract will expire on July 5, 2019.

The scope of the work for this contract includes:

- Develop of a Program Schedule,
- Availability and Role Responsibilities of Dedicated Staff,
- Commercial and Industrial Plan Check,
- Commercial and Industrial User Inspections,
- Program Reporting,
- Monitoring Program,
- Compliance Assurance,
- Review of Existing Program Documents and Procedures,

- Other Duties as Directed (SSMP, Surcharge Billing, Agreements, etc.), and
- Program Data Base.

Fees collected during the development process will cover the cost of required plan check and inspection services. Additionally, G&G will provide inspection services to monitor post construction water quality management plans (WQMP) to ascertain compliance in accordance with NPDES requirements.

Engaging G&G will also help the City to ensure compliance assurance by identifying any potential violations in the plan check and inspection process, as well as strictly administering staff concurred directives regarding actual violations identified in the Enforcement Response Plan. Authorizing the contract amendment will further ensure that the City is in compliance with procedural and regulatory requirements in order to connect to the Inland Empire Brine Line, and ultimately the Orange County Sanitation District's treatment facility.

The total cost of these services for Fiscal Year 2019/20 is anticipated to be \$146,292 to be funded by both the wastewater and street maintenance funds.

Fiscal Impact:

This contract will be funded with 50% to be paid from wastewater funds in an amount not to exceed \$73,146 and 50% to be paid from street maintenance funds in an amount not to exceed \$73,146 for Fiscal Year 2019/20.

Recommendation:

1. Authorize the third amendment to the professional service agreement for Wastewater Regulatory Support Services/NPDES to G&G Environmental Consultants, Inc. of Riverside California, in an amount not to exceed \$146,292 for the Fiscal Year 2019/2020.

City Manager Review: 

Attachments:

- A. Third Amendment to Agreement for Professional Services
- B. Contract awarded July 5, 2018
- C. Contract awarded July 5, 2017
- D. Contract awarded July 5, 2016

Attachment A
Third Amendment to Agreement for Professional Services

**THIRD AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT BETWEEN
THE CITY OF BEAUMONT AND G & G ENVIROMENTAL COMPLIANCE, INC.,
FOR WASTEWATER REGULATORY SERVICES**

THIS THIRD AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR (“Third Amenement”) is made and effective as of the 1st, day of July, 2019, by and between the CITY OF BEAUMONT (“CITY”) whose address is 550 E. 6th Street, Beaumont, California 92223 and G & G Environmental Compliance, Inc. a California corporation whose address is 5053 La Mart Drive, Suite 203, Riverside, CA 92507 (“CONTRACTOR”) in consideration of the mutual promises and purpose contained herein, the parties agree as follow:

1. RECITALS

This Third Amendment is made with respect to the following facts and purpose that the parties agree are true and correct:

A. On July 5, 2016, the City and G & G Environmental Consultant Inc., entered into that certain agreement entitled “Agreement for Professional Services by Independent Contractor” for Wastewater Regulatory Program Services” (“Agreement”).

B. On July 5, 2017, the City and G & G Environmental Consultant Inc., renewed that certain agreement entitled “Agreement for Professional Services by Independent Contractor” for Wastewater Regulatory Program Services for additional one year term” (“First Amendment”). The Agreement, as amended by the First Amenment, is referred to as the “Agreement”.

C. On July 5, 2018, the City and G & G Environmental Consultant Inc., renewed that certain agreement entitled “Agreement for Professional Services by Independent Contractor” for Wastewater Regulatory Program Services for additional one year term (“Second Amendment”). The Agreement, as amended by the Second Amenment, is referred to as the “Agreement”.

D. City has determined that the Agreement should be further extended for one year as provided in this Third Amenment.

2. AMENDMENT

Section 1 Term of Agreement. The Agreement, as amended, originally became effective on July 5, 2016 and shall continue until terminated as provided for herein. Upon approval of this Amendment by the City Council, the new extension term will commence July 5, 2019 and will expire on July 5, 2020 subject to up to, one further one-year extensions if approved by the City Council in its sole and absolute discretion.

Section 4.01 Compensation. CONTRACTOR shall be paid at the rates set forth in the Proposal, a copy of which is attached hereto as Exhibit “A”, and CONTRACTOR shall not

increase any rate without the prior written consent of the CITY COUNCIL. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by CITY to CONTRACTOR under this Amendment shall not exceed ONE HUNDRED FORTY SIX THOUSAND TWO HUNDRED AND NINETY-TWO DOLLARS AND ZERO CENTS (\$146,292.00). Any terms of the Proposal that are different from or in addition to the terms of the Agreement, as amended, shall be of no force or effect.

The recitals to this Amendment are deemed incorporated herein by this reference. All other terms of the Agreement not expressly amended by this Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereby have made and executed this Third Amendment to Professional Services Agreement to be effective as of the day and year first above-written.

CITY:

CONTRACTOR:

CITY OF BEAUMONT

By: _____

By: _____

Julio Martinez, Mayor

Print Name: _____

ATTEST

Title: _____

Steven Mehlman, City Clerk

APPROVED AS TO FORM

John O. Pinkney, City Attorney



A Proposal to Provide Wastewater Regulatory Program Services



Submitted to:

City of Beaumont Public Works Department
Attn: Kristine Day, Assistant City Manager
550 E. 6th Street
Beaumont, CA 92223

Submitted by:

G&G Environmental Compliance, Inc.
5053 La Mart Drive, Suite 203
Riverside, CA 92507
(951) 683-3538
www.ggcorp.net

April 1, 2019



Wastewater Regulatory Program Services

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Wastewater Regulatory Program Services

1.0 G&G CORPORATION

1.1 Statement of Qualifications

G&G Environmental Compliance, Inc. (G&G) is a small business corporation that specializes in Pretreatment Program (PTP) development and management. The two principal owners of G&G have extensive Wastewater Regulatory Program experience as former Program Managers for City and Municipal agencies in southern California. All G&G Program Managers possess more than 20+ years of experience in multiple Pretreatment Programs throughout the Inland Empire and have obtained certifications by the California Water Environment Association (CWEA) as Environmental Compliance Inspectors.

Our staff has successfully developed the following PTP elements:

- Interagency Agreements
- Waste Discharge Ordinances, Enforcement Response Plans, & BMP Development
- Technically Based Local Limits
- Reclaimed Water Use Ordinances
- Surcharge (Special Billing) Programs
- Inspection and Monitoring for Industrial Waste Water and Storm Water programs
- Development and Implementation of FOG Control Programs
- Development of Sanitary Sewer Management Plans (SSMPs) and Sanitary Sewer Overflow (SSO) Response Plans
- PTP Databases
- Plan Check & Pretreatment Equipment Approvals
- Annual Budgets for Effective Program Implementation

G&G also provides information as directed regarding other ancillary wastewater related issues including sewer system management plans; wastewater sewer rates; NPDES permit negotiations and advocacy services; and sludge management and disposal option evaluations.

Company Information

Name: G&G Environmental Compliance, Inc.
Address: 5053 La Mart Drive, Suite 203
 Riverside, CA 92507
Phone #: (951) 683-3858—Office
 (951) 682-3859—Fax
Website: www.ggcorp.net
Owners: Gary Ethridge—President
 Gary DeFrese—Vice President



Wastewater Regulatory Program Services

For a more in-depth background on G&G and our services please visit our website at www.ggc Corp.net. Our company provides program development services that are designed to fit our client's needs. G&G provides professional regulatory compliance services to City and Municipal agencies throughout southern California.

1.2 Project Team

While G&G can provide the technical and regulatory expertise needed to facilitate a successful PTP, our approach involves integrating our services into a broader team that includes key city staff and management to ensure effective communication and implementation of all PTP functions. Our project team consists of four (4) G&G staff and management members that together provide the necessary skill levels to perform the wide range of activities within the Program. G&G has adequate resources to provide additional qualified staff and management if necessary, to handle high workloads or to complete tasks when one or more of the principle project team members is unavailable. By utilizing the appropriate skill level for each task, G&G can provide a wider range of coverage at a lower cost.

Our project team members will work directly with designated City staff and management to ensure a seamless integration of our services. The project team from G&G will consist of a program manager and field inspector. The designated contact for G&G is the project manager.

A brief summary of the qualifications for each G&G Project Team member is provided in this subsection, with complete resumes provided in Appendix A.

Gary Ethridge - PROJECT MANAGER

Mr. Ethridge is a certified Grade IV Environmental Compliance Inspector (ECI) with over 27 years of regulatory experience with municipal and city agencies. He is a recognized leader in the Environmental Compliance Inspection profession. He holds a Master of Science degree in Environmental Management and has extensive experience developing and managing regulatory programs, technical professional staff members, and budgets for a wide range of programs. Prior to forming G&G he was employed with Eastern Municipal Water District (EMWD) as the Environmental Compliance Manager and the Director of Regulatory Compliance from 1988-2000. He managed PTP's for EMWD's five Wastewater Reclamation Facilities (WRFs).

Arif Baseer – TECHNICAL LEAD (WASTEWATER PROGRAMS)

Mr. Arif Baseer will serve in the role of Technical Lead which reflects his experience level and familiarity with Pretreatment Programs. He holds a CWEA Grade III ECI certification and has performed a wide range of inspection, permitting, and compliance related duties for several existing programs including the Cities of Beaumont, Colton, San Bernardino, and



Wastewater Regulatory Program Services

Corona. He also has extensive experience in Inland Empire Brine Line (IEBL) inspection and monitoring programs.

Joseph Rosales – TECHNICAL LEAD (STORMWATER PROGRAMS)

Mr. Joseph Rosales will be performing the Senior Stormwater Inspector duties. Joe has over 20 years of professional environmental experience including 12 years of experience in MS4 program management, administration, and overall MS4 program compliance. He holds numerous Stormwater certifications that showcase his high level of knowledge and experiences in the Stormwater industry.

Ryan Stanton - ENVIRONMENTAL COMPLIANCE INSPECTOR

Mr. Stanton is a Grade I CWEA Certified Environmental Compliance Inspector (ECI) and will be helping with the FOG Control Inspections as well as other light industrial and commercial field inspection duties. He also has three years of experience in the industrial commercial stormwater program area and holds a certification as a Qualified Stormwater Professional (QSP).

Other back-up resources that are available as needed include:

Gary DeFrese – CWEA Grade IV Inspector and Program Manager

Paul Torres – Grade II CWEA Certified Environmental Compliance Inspector.



Wastewater Regulatory Program Services

2.0 WORK PLAN APPROACH

G&G understands the importance of a well-integrated City/Consultant staff team. One of our goals will be to foster a seamless relationship with City staff so that the development and implementation of the program will appear effortless. G&G will assign key staff members to facilitate the timeliness and quality of all deliverables. Our work plan enables several tasks to be worked simultaneously which will maximum the use of existing resources.

2.1 Understanding of the Requirements

G&G has developed the basic program elements during the previous two years of the program and continues to inspect, permit, and monitor the wastewater quality of the Significant Industrial Users (SIUs). An Ordinance was developed along with and Enforcement Response plan (ERP) which is providing the guidelines for the City's Pretreatment Program. The City has also adopted wastewater discharge limitations and has submitted a request to the Regional Board to approve the City's Pretreatment Program.

Basic forms for conducting the program have also been developed including Permit Applications, Inspection Report Forms, Compliance related documents (Written Warning, Notice of Violation, etc.) Typical Pretreatment Program activities that are essential to a sound program include: Up to date IU Survey, identifying new permitted users; conducting new business and tenant improvement plan reviews to ensure all new users are evaluated and properly classified; conducting on-site inspections at all existing permitted users; conducting inspections at all commercial facilities that are required to discharge through an approved grease interceptor (automotive, car-wash, and restaurants); and taking timely and effective compliance actions in accordance with the adopted ERP.

One of the areas that will continue to be busy is in the area of plan review and on-site inspections for new and tenant improvement businesses. This effort is necessary to maintain the IU survey database and to appropriately classify and condition new users regarding a potential need for a permit or at least Best Management Practices (BMPs) related to their discharge quality to the sewer collection system.

One area that still needs to be addressed is the development of an effective and well-integrated surcharge billing program that utilizes on-site flow and waste strength measurements to determine actual sewer billing fees. The upcoming rate reviews should include surcharge billing constituents including BOD, Flow, TSS, and TDS. Permits and agreements with significant users can be used to detail the reporting requirements and information from those reports can be used to determine average discharge parameters that can be used to determine the sewer rate for those SIUs that fall under the program requirements.



Wastewater Regulatory Program Services

Another area that needs to be better defined is related to cost recovery for the program. This can be through the development of fees for service (i.e., permit fees; non-compliance fees; plan check fees, surcharge fees, etc.). Another approach would be to use the approved program budget and “build in the fees” into the City’s rate structure. These items will be discussed during the upcoming year.

With the upcoming revised NPDES Permit the requirement for an approved program is almost assured. The approved program requires additional reporting as well as multiple program documents that provide policy and procedures that must be followed to demonstrate compliance with the approved program. These policies are generally in the form of an approved Ordinance that the Regional Board has also had an opportunity to review; local wastewater limitations; Enforcement Response Plan (ERP); and other program elements including qualified staffing, and a budget.

The ongoing Fats, Oils, and Grease (FOG) Control Program will continue to be implemented with the primary focus in this area to be in reducing the instances of sanitary sewer overflows that are related to line blockages from heavy grease loading. A copy of the existing Sewer System Management Plan (hard copy only) has been located. The state requires an audit of this plan every 5-years and since this document is dated 2010 it is due for a thorough review. Additionally, a copy of this plan was required to be transmitted to the State upon approval by the City Council and to date we have not been able to locate a copy on the State’s Web-site. This work will be added to this year’s workload.

G&G continues to provide monthly reports to the Regional Board in response to an Administrative Order issued to the City regarding TDS and EC monitoring at the Wastewater Facility.

2.2 Develop Program Schedule

Upon a notice to proceed or receipt of an approved Purchase Order, G&G will develop and communicate a schedule of program activities based upon priorities that the City has identified related to program development and implementation. Our primary goal here is to maintain compliance with all wastewater related regulations while educating the commercial and industrial users about their specific roles and responsibilities for compliance with the rules and regulations for sewer use.

2.3 Availability and Role Responsibilities

G&G has dedicated staff that is available for all listed program services during normal city work hours. The Program Manager (PM) will be the primary contact person and is responsible for ensuring effective management of all G&G staff members. The PM will also delegate



Wastewater Regulatory Program Services

tasks in a manner that provides the most effective use of G&G resources within the Wastewater Program Service areas that are contained in the RFP. The PM and Principal in Charge will collaborate monthly on budget management, task management and overall program requirements and progress regarding goals set in the findings and recommendation report.

G&G will utilize the appropriate skill level within the project to maximize the efficient use of resources and cost. The PM, in general, will be assigned all upper level (more complex) inspections, compliance assurance related duties, and the plan check functions for new and tenant improvement projects. Additionally, the PM will assign routine daily inspections to the Environmental Compliance inspectors that perform the more routine inspections associated with the Fats, Oils, and Grease (FOG) Control Program and industrial survey tasks to maintain an accurate database of commercial and industrial users with the City of Beaumont. In the case of an absence or unavailability, and if the need arises, G&G will provide a replacement of the absent worker at the same skill level or above.

2.4 Commercial & Industrial Plan Check

G&G staff will provide pretreatment plan check reviews for all new and tenant improvement commercial and industrial projects. On-going tasks include, review of applications; determination of permit requirements; review and approval of on-site plumbing plans and necessary treatment devices; rough plumbing site inspection; and in the evaluation and characterization of potential waste strength for billing purposes.

Hard copies of all required plan check reviews and approvals will be maintained and pertinent data entered into the plan check database.

The commercial and industrial plan check function is the ideal point in the process to determine if the special billing (surcharge) program should be initiated. The requirement to install the necessary monitoring equipment during the construction phase is critical for collecting representative sample of wastewater flow and waste strength data in determining potential impacts as well as to establish equitable billing based upon the adopted rates.

2.5 Industrial/Commercial User Inspections

G&G staff will complete all required routine and compliance inspections as required by existing permit, compliance schedules, and ordinance requirements. All compliance related activities will be communicated to the Director (or City staff as directed) to ensure a complete understanding of the issue(s) prior to taking or recommending enforcement actions. Recommendations will follow the established protocol of the approved ERP.



Wastewater Regulatory Program Services

Permitted industrial users are inspected at frequencies that are consistent with the permit category they are placed in. Significant Industrial Users (SIU) are inspected a minimum of quarterly. Wastewater from each SIU is monitored by the City (or its contractor) in addition to self-monitoring requirements by each SIU. All data is evaluated by the City to ensure compliance with all permit and Ordinance requirements.

One of the primary reasons to perform on-site inspections at businesses that generally do not receive industrial user permits (either because of low discharge volumes and/or low waste strength discharges under normal daily conditions) is to monitor the on-site housekeeping practices (spill containment, control, and countermeasures, etc.). Improperly stored containers of automotive oils, solvents, soaps, etc. can cause major impacts to the wastewater collection and treatment system and routine inspections proactively identify and correct these situations.

Other “non-permitted” user inspections (i.e., restaurants) are performed to ensure proper maintenance of on-site treatment equipment (interceptors, grease traps, etc.) to prevent on-site spills, sanitary sewer overflows, and other public health related issues.

2.6 Program Reporting

Agencies with approved Pretreatment Programs are required to report all program activities to State, Regional, and Federal agencies as detailed in the NPDES Permit. All scheduled reporting (Quarterly and Annual) will be accomplished in a timely manner. A review of all necessary information will be performed prior to drafting each report for the Director’s signature. All reporting done on behalf of the City will follow established procedures and there will be no direct reporting by G&G to a regulatory agency unless specifically requested and approved by the City prior to communicating with the outside agency.

Additional reporting will be performed as needed to ensure effective communications with the regulatory officials. Program modifications, including local limit changes, Ordinance changes, or any other Program change considered reportable (i.e. significant program changes) will be reported as required by the federal PTP regulations (40CFR403.8).

Reporting also includes, as necessary, the preparation of a list and a brief description of issues for each user that meets the definition of Significant Noncompliance (SNC). The PTP requires the publication of those users and the nature of noncompliance in the largest local newspaper on an annual basis. G&G staff will work with each industry and the City to facilitate corrective actions in an effort to minimize the instances of SNC. For those cases meeting the definition of SNC, a listing will be drafted in accordance with publication standards, and each issue will be thoroughly discussed with City management and the Industrial User (IU) prior to publication.



Wastewater Regulatory Program Services

2.7 Monitoring Program

G&G staff will coordinate and facilitate the contracted City monitoring program for samples collected at each industry. Staff will prepare a listing of required pollutants for each permitted IU and an associated schedule for routine sampling as indicated in each wastewater discharge permit. Further, our staff will ensure that appropriate records are maintained to support the sample billing for each IU.

Compliance and other non-routine (i.e., surveillance or surcharge) sampling will be initiated and coordinated as required to collect information needed to verify compliance with all Program requirements.

2.8 Compliance Assurance

When inspection and/or monitoring information indicate actual or potential noncompliance with Permit or Ordinance provisions G&G staff will initiate remedial actions in accordance with the established Program directives contained in the approved Enforcement Response Plan (ERP).

All proposed actions will be communicated as recommendations to the Director prior to initiating formal enforcement actions. Our staff will provide all necessary regulatory and technical support related to the determination of noncompliance and in formulating the appropriate response.

In general, the ERP and G&G's responses to enforcement are designed to achieve compliance at the lowest possible levels (i.e., verbal and written warning and Notices of Non-Compliance, etc.) which minimizes the costs associated with non-compliance and resolves the non-compliance quickly.

Any non-compliance issues that escalate beyond routine corrective actions will be well communicated with the City in accordance with the ERP to ensure effective resolution of the non-compliance and continued protection of the City's wastewater infrastructure, their employees, the public health, and the environment.

2.9 Review of Existing Program Documents and Procedures

G&G reviews policy documents against any new state or federal program directives and communicates those to the City. Many of the foundational documents (Ordinance, ERP, local limits, etc.) are adopted to define the policies and objectives for each program element. When changes occur in permits issued to the City or in the National Pretreatment Program regulations, changes must be made to City documents to maintain compliance with the new directives.



Wastewater Regulatory Program Services

2.10 Other Duties as Directed (SSMP, Surcharge Billing, Agreements, etc.)

G&G understands that the City may need assistance with commercial/industrial facility stormwater inspections or other wastewater related issues (i.e., surcharge billing, SSMP reviews and edits, NPDES advocacy, interagency agreements, etc.). G&G has the expertise and will provide services in these areas as requested.

Additionally, G&G can assist the City with oversight and auditing functions related to the regulatory responsibilities (typically through permit requirements) for the Wastewater Treatment Facility. These would include but may not be limited to General Industrial Stormwater reporting, NPDES reporting through CIWQS, and audits of the monitoring programs.

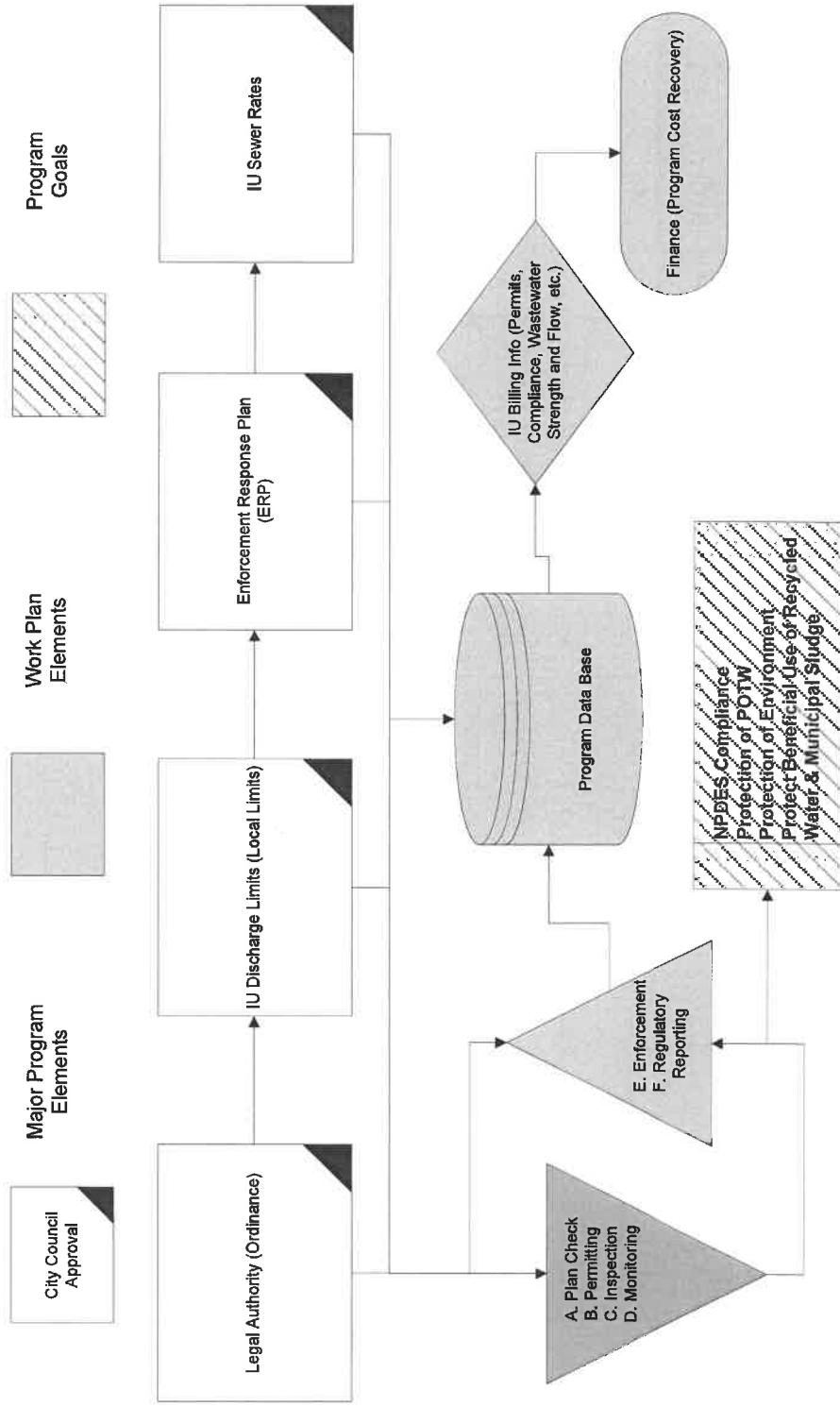
Finally, the City has other Stormwater program responsibilities as designated in the ORDER NO. R8-2010-0033 NPDES NO. CAS 618033 under the Area Wide Urban Run-Off Management Program (i.e., plan check, WQMP review and Approvals, Pre and Post construction inspections, attendance at meetings, etc.). A rate schedule for these activities is included in Section 3.0 of this proposal.

2.11 Program Data Base

A database has been developed and populated that contains data related to inspections and monitoring as well as compliance related issues. It is highly recommended that a data base be purchased that is compatible with the iPACS system used for the Pretreatment Program tracking that is used by SAWPA, OCSD, and the SAWPA member agencies. One such program software for this is LINKO CTS and FOG Control. This software can be purchased (i.e., owned by the City) and maintained through an annual contract for upgrades and software support or it can be leased (Cloud version) where the program is essentially leased.



Summary of Work Plan Approach & Methodology





Wastewater Regulatory Program Services

3.0 RESOURCES AND PROJECTED PROGRAM COSTS

G&G proposes to perform the services described herein allocating time and resources as dictated by the skill level required to perform the task. We are providing a range of skill levels from Inspector Grade I through Inspector Grade IV. G&G also has other staff available at these certification levels to “fill-in” during heavy work times, or when the primary resources are unavailable.



Wastewater Regulatory Program Services

PROJECTED PROGRAM COST

G&G will assist the City of Beaumont in the performance of the tasks defined in the Scope of Work at the hourly rates listed in the Table below.

Task	Budget	Hours & Rates			
		Rate	Hours	Miles	Estimated Cost
Compliance Assurance	\$30,715				
Administrative Support		\$60	140		\$8,400
Inspector I		\$72	45		\$3,240
Inspector II		\$85	70		\$5,950
Technical Lead (Inspector III-IV)		\$95	115		\$10,925
Project Manager		\$110	20		\$2,200
Total Task Budget Estimate			390		\$30,715
Administration	\$34,070				
		Rate	Hours	Miles	Estimated \$
Administrative Support		\$60	100		\$6,000
Inspector I		\$72	60		\$4,320
Inspector II		\$85	90		\$7,650
Technical Lead (Inspector III-IV)		\$95	100		\$9,500
Project Management		\$110	60		\$6,600
Total Task Budget Estimate			410		\$34,070
Inspection Duties	\$38,700				
		Rate	Hours	Miles	Estimated \$
Inspector I		\$72	100		\$7,200
Inspector II		\$85	300		\$25,500
Technical Lead (Inspector III-IV)		\$95	40		\$3,800
Project Manager		\$110	20		\$2,200
Total Task Budget Estimate			460		\$38,700
Plan Check	\$20,267				
		Rate	Hours	Miles	Estimated \$
Inspector I		\$72	36		\$2,592
Inspector II		\$85	115		\$9,775
Technical Lead (Inspector III-IV)		\$95	60		\$5,700
Project Manager		\$110	20		\$2,200
Total Task Budget Estimate			231		\$20,267
Stormwater Inspections	\$18,220				
		Rate	Hours	Miles	Estimated \$
Inspector I (QSP Certified)		\$72	160		\$11,520
Inspector II (QSP Certified)		\$85	40		\$3,400
Project Manager		\$110	30		\$3,300
Total Task Budget Estimate			230		\$18,220
Travel & Materials	\$4,320				
		Rate	Hours	Miles	Estimated \$
Travel		\$0.58		4000	\$2,320
Materials					\$2,000
Total Task Budget Estimate					\$4,320
TOTALS	\$146,292		1721	4000	\$146,292



Wastewater Regulatory Program Services

4.0 STAFFING

The staffing requirement for the G&G consulting team is estimated at 0.75 Full Time Equivalents. (Approximately 1720 hours). G&G proposes to divide this time between different skill levels (Program Manager, Technical Leads, and certified ECI Inspectors). In general, routine inspections, data input, field work, etc. will be performed by an appropriate skill level (i.e., Grade I or II Inspector) with the program management, compliance, and reporting functions performed by more senior staff members. G&G recognizes that the success of this project is dependent upon the all team members working in unison and effectively communicating with City staff regarding progress and obstacles.

In addition to the listed personnel, G&G has alternative staff with appropriate skill levels (i.e., Grade IV inspectors, administrative staff, and certified inspectors to accomplish tasks in the event one of the primary responsible staff or management members is absent.) No substitutions will be made without notification and approval by the City of Beaumont.

SUMMARY OF STAFF QUALIFICATIONS

- **Program Manager** – CWEA Grade IV Environmental Compliance Inspector with 25 years experience in the regulatory compliance field. Master's Degree in Environmental Management. Over 25 years of progressively responsible management experience in the Water and Wastewater profession.
- **Technical Leads** – CWEA Grade III-IV Environmental Compliance Inspector (one with 5 years' experience and the other with over with 30 years' experience in the wastewater compliance field. The stormwater program technical lead has over 20 years of experience.
- **Inspectors** – CWEA Grade I and II in Environmental Compliance with 3+ years' experience.



Wastewater Regulatory Program Services

5.0 RELATED AND/OR RECENTLY COMPLETED PROJECTS

The G&G Team has the unique capability to provide the City with a full range of experienced staff for this project. The G&G Team has been developing and implementing successful Pretreatment Programs for many city and municipal agencies throughout Southern California including the City of Corona, City of Colton, Yucaipa Valley Water District, Western Municipal Water District, Santa Ana Watershed Project Authority (SAWPA), City of Banning, Western Riverside County Regional Wastewater Authority (WRCRWA), and San Bernardino Valley Municipal Water District. The following list provides a sample of the duties being performed.

- Review and modify existing Sewer Use Ordinance
- Review and modify existing local discharge limits
- Review and modify existing Enforcement Response Plan
- Develop Inspection and Sampling Program
- Develop Sanitary Sewer Management Plans
- Draft Extraterritorial Agreements with contributing municipal agencies
- Manage and implement stormwater programs
- Advocate on the City’s behalf for better regulatory permit language in State and Federal permits issued to the City
- Develop and Implement a Recycled Water Inspection & Permitting Program

Client:	City of Corona 755 Public Safety Way Corona, CA 92880
Client Contact:	Tom Moody Operations Manager 951.279.3660
Project Budget:	5-year contract with annual task orders of approx. \$1,200,000 - (PTP; Haz Mat Inspections: Cross-Connection Control; Backflow Prevention, and Reclaimed Water Conversions)
Period of Performance:	July 2010 to Present



Wastewater Regulatory Program Services

CLIENT CONTACT INFORMATION (CONTINUED)

Client:	City of Colton 650 N. La Cadena Drive Colton, California 92324
Client Contact:	David Kolk, PhD Public Works & Utility Services Director 909.370.61
Program Budget (varied by year):	\$101,000 - \$175,000
Period of Performance:	June 2002 to Present
<hr/>	
Client:	Yucaipa Valley Water District 12770 Second Street Yucaipa, California 92399
Client Contact:	John Wrobel, Regulatory & Environmental Control Manager 909.797.5117
Program Budget:	\$35,000 - \$60,000 (Program plus projects)
Period of Performance:	June 2004 to Present
<hr/>	
Client:	San Bernardino Valley Municipal Water District 380 East Vanderbilt Way San Bernardino, CA 92408
Client Contact:	Robert M. Tincher, M.S., P.E. Manager of Water Resources 909.387.9215
Project (Local Limit) Budget:	\$25,000
Period of Performance:	January 2008 through Present



Wastewater Regulatory Program Services

6.0 INSURANCE POLICIES

General Liability

G&G carries \$2,000,000.00 (per occurrence) with a \$4,000,000 aggregate limit of commercial general liability through CNA Insurance Companies. (Policy No. 6024707390)

Automobile Liability

G&G carries \$1,000,000.00 of commercial automobile liability for scheduled autos, hired autos, and non-owned autos through CNA Insurance Companies (Policy No. 6045362193)

Workers Compensation and Employers Liability

G&G carries the required Workers compensation and Employers' Liability in the amount of \$1,000,000.00 per accident, and per disease (each employee) through CAN Insurance Companies. (Policy No. 602470723)

Professional Liability

G&G carries Professional Liability (errors and omission) Insurance in the amount of \$1,000,000.00 errors and omissions; \$2,000,000 policy aggregate through Evanston Insurance Company. (Policy No. MKLV5EN100713)

Umbrella Liability

G&G also carries an Umbrella Liability Policy in the amount of \$1,000,000 through CAN Insurance Companies. (Policy No. 3033804961)

G&G will provide copies of all policies and additionally insured certificates upon request.

G&G can provide copies of all policies and additionally insured certificates upon request.



Wastewater Regulatory Program Services

APPENDIX A - RESUMES

GARY ETHRIDGE

Education/Certifications:

- M.S./Environmental Management/Environmental Management/Chadwick University
- B.S./Environmental Science/University of California, Riverside
- Grade IV Environmental Compliance Inspector – C.W.E.A.
- Project and Program Management
- Hazardous Materials & Industrial Pretreatment Program Management
- Regulated Waste Stream Identification and Process Management

Professional Experience

G&G Environmental Compliance, Inc.
Riverside, California

President - Direct all environmental project work including management of all technical and management staff. Program management includes federal pretreatment and miscellaneous water, reclaimed water, and wastewater programs for the City of Colton; Yucaipa VWD; City of Banning; City of Grand Terrace; San Bernardino Valley Municipal Water District; and the City of Corona.

Charis Professional Services Corporation
Temecula, California

Vice President – Environmental Projects Division Directed all environmental project work including management of a multi-disciplinary staff of environmental professionals with expertise in natural and cultural resources. Managed multiple high visibility projects including a congressional land withdrawal project to expand the Army's National Training Center at Fort Irwin; large biological field studies (Lane Mountain Milk-vetch and the Desert Tortoise); and air quality assessments.

Eastern Municipal Water District
Perris, California

Director of Regulatory Compliance - Drafted and negotiated conditions and reporting requirements for NPDES and Waste Discharge Requirement Permits for five Regional Reclamation Facilities for EMWD. Developed Stormwater Prevention Plans, Recycled Water Use Ordinance, Backflow Prevention Ordinance, and a Wastewater Discharge Ordinance for EMWD. Directed a staff of 40+ professional environmental and water quality laboratory personnel.



Wastewater Regulatory Program Services

ARIF BASEER

Education/Certifications:

- B.S. Environmental Science/University of California, Riverside
- Grade III Environmental Compliance Inspector – C.W.E.A.

Professional Experience

G&G Environmental Compliance, Inc.
Riverside, California

Senior Environmental Compliance Inspector

Municipal NPDES Field Inspections, Various Municipal Agencies:

Mr. Baseer assists with the NPDES Inspection Program for numerous municipalities including Cities of Corona, Colton, Banning, Yucaipa, and the Santa Ana Watershed Project Authority (SAWPA). Mr. Baseer's job functions include: conducting Stormwater, Pretreatment and Hazmat inspections at Industrial, Commercial, and Restaurant facilities to meet requirements of various NPDES Permits, categorizes and prioritize Businesses to their correct SIC/NAISC Codes to ensure proper inspection frequency, collecting wastewater and stormwater samples, completes and submits inspection reports as required by the agencies, reviews analytical lab data and inputs information into the respective agencies' database, conducts business surveys in order to capture new business that are required to be inspected and permitted, conducts follow-up inspection as necessary to ensure businesses are brought back into compliance status, and attends agency staff meetings as requested.

Laboratory Technician, MPOL Medical Laboratory:

Prior to G&G Environmental Compliance, Mr. Baseer was employed as a Medical Laboratory Technician at MPOL Medical Laboratory located in Corona, CA. As a Laboratory Technician, Mr. Baseer was responsible for analyzing samples to determine detection limits of various constituents for reporting purposes. In his role, Mr. Baseer operated sophisticated laboratory equipment as well as performing QA/QC procedures and occasional maintenance. In addition, Mr. Baseer was responsible for administrative tasks such as data entry, document preparation, data review and analyses, and ordering tests.



Wastewater Regulatory Program Services

JOSEPH ROSALES SENIOR STORMWATER INSPECTOR

Mr. Joseph Rosales has over 20 years of professional environmental experience including 12 years of experience in MS4 program management, administration, and overall MS4 program compliance. Mr. Rosales is currently administering the City of Montclair's Stormwater Program where his primary responsibility is to ensure overall compliance of the Stormwater Program by meeting activities and requirements established in the NPDES MS4 Permit. He also participates in San Bernardino County's development process and negotiations of the National Pollutant Discharge Elimination System (NPDES) MS4 Permit, the Report of Waste Discharge (ROWD) application and San Bernardino County's Water Quality Management Plan (WQMP) Guidance Document. Mr. Rosales holds numerous Stormwater certifications that showcases his high level of knowledge and experiences in the Stormwater industry.

RELEVANT EXPERIENCE

Municipal NPDES Stormwater Management Program (SWMP), Various Municipal Agencies:

Mr. Rosales manages and coordinates the NPDES Inspection Program for numerous municipalities including Cities of Rialto, Perris, Lake Elsinore, including the following functions: Supervises Stormwater Inspectors; Conduct Industrial, Commercial, Restaurant and Construction site inspections to meet requirements of MS4 and General State-wide NPDES Permits; Categorizes and prioritize Businesses to their correct SIC/NAISC Codes to ensure proper inspection frequency based on compliance with General Industrial Permit, Whitewater River MS4 Permit, and County of San Bernardino MS4 Permit; Set-up Stormwater Inspection Programs per MS4 Permit program requirements; Establishes assignments to junior staff and Conduct pretreatment inspections as it relates to the State of California's Fats, Oils and Grease program.

Municipal NPDES Stormwater Management Program (SWMP), City of Montclair: Mr. Rosales manages and coordinates all aspects of the City's NPDES program, including budget preparation, field inspections, program administration and public outreach. Specific duties include: Implement EPA and State stormwater regulations; Conduct Industrial/Commercial and Construction site inspections; Review and approve Water Quality Management Plans; Review and approve Sediment and Erosion Control Plans; Prepare and submit reports to the State of California; Prepare City Council agenda reports; Attend NPDES General meetings and related sub-committee meetings; and conduct stormwater samples and prepare defensible Chain of Custody Reports. Prior to working for the City's NPDES Program, Mr. Rosales was a reserve Code Enforcement Officer and provided additional code enforcement support as needed.



Wastewater Regulatory Program Services

APPENDIX B - RATE SCHEDULE

RATE SCHEDULE

Effective Dates: July 1, 2019 – June 30, 2020

The following rate schedule includes all current client services and associated costs. As new services are added the listing will be updated. All listed prices are re-evaluated in May of each calendar year and revised as necessary. In the event a contract is awarded after the adoption of the rates but during the same Fiscal Year, the rates become effective upon execution of the contract and are honored throughout the term of the contract even if that extends beyond the Fiscal Year described above. Rate schedules become effective on the 1st day of the Fiscal Year which begins in July and ends on June 30th.

	RATES
Skill Level Rates	Hourly Rate
Program Manager	\$110.00
Technical Lead (Grade III-IV) /Senior Stormwater Lead	\$95.00
Grade II Inspectors	\$85.00
Grade I Inspector	\$72.00
Data Analyst and Administrative Specialist	\$60.00

For additional information regarding G&G services or pricing please contact our office at (951) 683-3538.

Sincerely,

A handwritten signature in black ink, appearing to read "Gary Ethridge".

Gary Ethridge, President
G&G Environmental Compliance, Inc

Attachment B
Contract awarded July 5, 2018

**SECOND AMENDMENT TO PROFESSIONAL SERVICES AGREEMENT BETWEEN
THE CITY OF BEAUMONT AND G & G ENVIROMENTAL COMPLIANCE, INC.,
FOR WASTEWATER REGULATORY SERVICES**

THIS SECOND AMENDMENT TO AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR ("Second Amenement") is made and effective as of the 1st, day of July, 2018, by and between the CITY OF BEAUMONT ("CITY") whose address is 550 E. 6th Street, Beaumont, California 92223 and G & G Environmental Compliance, Inc. a California corporation whose address is 5053 La Mart Drive, Suite 203, Riverside, CA 92507 ("CONTRACTOR") in consideration of the mutual promises and purpose contained herein, the parties agree as follow:

1. RECITALS

This Second Amendment is made with respect to the following facts and purpose that the parties agree are true and correct:

A. On July 5, 2016, the City and G & G Environmental Consultant Inc., entered into that certain agreement entitled "Agreement for Professional Services by Independent Contractor" for Wastewater Regulatory Program Services" ("Agreement").

B. On July 5, 2017, the City and G & G Environmental Consultant Inc., renewed that certain agreement entitled "Agreement for Professional Services by Independent Contractor" for Wastewater Regulatory Program Services for additional one year term" ("First Amendment"). The Agreement, as amended by the First Amenment, is referred to as the "Agreement".

C. City has determined that the Agreement should be further extended for one year as provided in this Second Amenment..

2. AMENDMENT

Section 1 Term of Agreement. The Agreement, as amended, originally became effective on July 5, 2018 and shall continue until terminated as provided for herein. Upon approval of this Amendment by the City Council, the new extension term will commence July 5, 2018 and will expire on July 5, 2019 subject to up to, two further one-year extensions if approved by the City Council in its sole and absolute discretion.

Section 4.01 Compensation. CONTRACTOR shall be paid at the rates set forth in the Proposal, a copy of which is attached hereto as Exhibit "A", and CONTRACTOR shall not increase any rate without the prior written consent of the CITY COUNCIL. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by CITY to CONTRACTOR under this Amenment shall not exceed ONE HUNDRED FORTY SIX THOUSAND ONE HUNDRED AND TWENTY-SEVEN DOLLARS AND ZERO CENTS

(\$146,127.00). Any terms of the Proposal that are different from or in addition to the terms of the Agreement, as amended, shall be of no force or effect.

The recitals to this Amendment are deemed incorporated herein by this reference. All other terms of the Agreement not expressly amended by this Amendment shall remain in full force and effect.

IN WITNESS WHEREOF, the parties hereby have made and executed this Second Amendment to Professional Services Agreement to be effective as of the day and year first above-written.

CITY:

CONTRACTOR:

CITY OF BEAUMONT

G&E ENVIRONMENTAL

By: Nancy Carroll
Nancy Carroll, Mayor

By: Gary Ehridge

Print Name: GARY EHRIDGE

ATTEST

Andreanna Pfeiffer
Andreanna Pfeiffer, City Clerk

Title: President

APPROVED AS TO FORM

John Pinkney
John Pinkney, City Attorney

Attachment C
Contract Awarded July 5, 2017

AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR is made and effective as of the 1 day of July, 2017, by and between the CITY OF BEAUMONT ("CITY") whose address is 550 E. 6th Street, Beaumont, California 92223 and G & G Environmental Consultant Inc. whose address is 5053 La Mart Drive Suite 203 Riverside Ca. 92507 ("CONTRACTOR").

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

A. CITY desires to engage CONTRACTOR to provide Wastewater Regulatory Program Services/N.P.D.E.S; and

B. CONTRACTOR has made a proposal ("Proposal") to the CITY to provide such professional services, which Proposal is attached hereto as Exhibit "A"; and

C. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to CITY that CONTRACTOR possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, CITY and CONTRACTOR agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Not with standing anything in this Agreement, this Agreement shall automatically terminate after one (1) year unless extended by the parties with the approval of the City Council of the CITY.

2. Services to be Performed. CONTRACTOR agrees to provide the services ("Services") as follows: Aeration Basins Cleaning and Maintenance services and any other services which the City may request in writing from time to time. All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. CONTRACTOR designates Gary Ethridge as CONTRACTOR'S professional responsible for overseeing the Services provided by CONTRACTOR.

3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR's sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as CONTRACTOR deems necessary to perform the Services; provided, however, that CONTRACTOR shall not subcontract any of the Services without the written consent of CITY.

4. Compensation.

4.01 CITY agrees to pay CONTRACTOR the amount as set forth in the Proposal. CONTRACTOR shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the CITY. Not with standing anything in this Section 4, total fees and charges paid by CITY under this Agreement shall not exceed amount of One Hundred and Twelve \$112,875 without approval by the City Council of CITY.

4.02 CONTRACTOR shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the CITY, in writing.

4.03 CONTRACTOR shall submit to CITY, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month. The CITY shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. CITY shall have the right to review and audit all invoices prior to or after payment to CONTRACTOR. This review and audit may include, but not be limited to CITY's:

- a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;
- b. Determination that the multiplication of the hours billed times the approved rate schedule dollars is correct;
- c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If CITY determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, CITY shall either return the bill to CONTRACTOR with a request for explanation or adjust the payment accordingly, and give notice to CONTRACTOR of the adjustment.

4.04 If the work is satisfactorily completed, CITY shall pay such invoice within thirty (30) days of its receipt. Should CITY dispute any portion of any invoice, CITY shall pay the undisputed portion within the time stated above, and at the same time advice CONTRACTOR in writing of the disputed portion.

5. Obligations of CONTRACTOR.

5.01 CONTRACTOR agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement, or contain additional terms other than the Services to be rendered and the price for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, CONTRACTOR will supply all

personnel, materials and equipment required to perform the Services. CONTRACTOR shall provide its own offices, telephones, vehicles and computers and set its own work hours. CONTRACTOR will determine the method, details, and means of performing the Services under this Agreement.

5.03 CONTRACTOR shall keep CITY informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by CITY, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR is responsible for paying, when due, all income and other taxes, fees and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. CONTRACTOR agrees to indemnify, defend and hold harmless CITY for any claims, costs, losses, fees, penalties, interest, or damages suffered by CITY resulting from CONTRACTOR's failure to comply with this provision.

5.05 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 CONTRACTOR represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event CITY is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

5.07 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United States.

5.08 In the event that CONTRACTOR employs, contracts with, or otherwise utilizes any CalPers retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the CITY and shall be subject to the CITY's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder.

6. Insurance. CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, CONTRACTOR hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. If existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. CONTRACTOR shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; CONTRACTOR agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's CITY, its officials, employees and agents. CONTRACTOR also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than \$1 million per accident. If CONTRACTOR or CONTRACTOR's employees will use personal autos in performance of the Services hereunder, CONTRACTOR shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation coverage for any of CONTRACTOR's employees that will be providing any Services hereunder. CONTRACTOR will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers' compensation will not limit the obligations of CONTRACTOR under this Agreement. CONTRACTOR expressly agrees not to use any statutory immunity defenses under such laws with respect to CITY, its employees, officials and agents.

6.04 Optional Insurance Coverage. Choose and check one: Required /Not Required ; Errors and omissions insurance in a minimum amount of \$2 million per occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any Services for CITY.

7. General Conditions pertaining to Insurance Coverage

7.01 No liability insurance coverage provided shall prohibit CONTRACTOR from waiving the right of subrogation prior to a loss. CONTRACTOR waives all rights of subrogation against CITY regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.

7.02. Prior to beginning the Services under this Agreement, CONTRACTOR shall furnish CITY with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03. All required policies shall be issued by a highly rated insurer with a

minimum A.M. Best rating of "A:VII"). The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that that all insurance coverage required to be provided by CONTRACTOR or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to CITY.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by CITY, as the need arises. CONTRACTOR shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect CITY's protection without CITY's prior written consent.

7.06 CONTRACTOR agrees to provide immediate notice to CITY of any claim or loss against CONTRACTOR or arising out of the Services performed under this Agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

8. Indemnification.

8.01 CONTRACTOR and CITY agree that CITY, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by CONTRACTOR or any subcontractor or agent of either. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to CITY. CONTRACTOR acknowledges that CITY would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect CITY as set forth herein.

a. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless CITY, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by CITY, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. CONTRACTOR's obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which CONTRACTOR (and/or CONTRACTOR's agents and/or employees) is alleged

to be an employee of CITY. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by CITY.

b. Without affecting the rights of CITY under any provision of this Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless CITY as set forth above for liability attributable solely to the fault of CITY, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

9. Additional Services, Changes and Deletions.

9.01 In the event CONTRACTOR performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of CITY, CONTRACTOR shall not be compensated for such services. CONTRACTOR expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the CITY in writing.

9.02 CONTRACTOR shall promptly advise the City Manager and Finance Director of CITY as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the CITY and/or City Council.

10. Termination of Agreement.

10.01 Notwithstanding any other provision of this Agreement, CITY, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to CONTRACTOR.

10.02 In the event of termination, the payment of monies due CONTRACTOR for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, CONTRACTOR agrees to promptly provide and deliver to CITY all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to CITY.

11. Status of CONTRACTOR.

11.01 CONTRACTOR shall perform the Services in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of CITY. However, CONTRACTOR shall regularly confer with CITY's City Manager as provided for in this Agreement.

11.02 CONTRACTOR agrees that it is not entitled to the rights and benefits afforded to CITY's employees, including disability or unemployment insurance, workers' compensation, retirement, CalPers, medical insurance, sick leave, or any other employment benefit. CONTRACTOR is responsible for providing, at its own expense,

disability, unemployment, workers' compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 CONTRACTOR hereby specifically represents and warrants to CITY that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of CITY and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the CITY is located. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

12. Ownership of Documents: Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of Services performed for the CITY shall become the sole property of CITY, and CONTRACTOR shall promptly deliver all such materials to CITY upon request. At the CITY's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions to CITY upon request, at no cost to CITY.

12.02 Subject to applicable federal and state laws, rules and regulations, CITY shall hold all intellectual property rights to any materials developed pursuant to this Agreement. CONTRACTOR shall not such use data or documents for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of CITY.

12.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as CITY may deem necessary, CONTRACTOR shall make available to CITY's agents for examination all of such records and shall permit CITY's agents to audit, examine and reproduce such records.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by CONTRACTOR for CITY and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of CITY. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 CONTRACTOR shall timely file FPPC Form 700 Conflict of Interest Statements with CITY if required by California law and/or the CITY's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

13.06 CONTRACTOR covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 CONTRACTOR has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. CONTRACTOR agrees that they are unaware of any financial or economic interest of any public officer or employee of the CITY relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the CITY may immediately terminate this Agreement by giving notice thereof. CONTRACTOR shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. CONTRACTOR shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the CITY in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by CITY. The CITY, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the CITY with respect to the proposal and award process of this Agreement or any CITY contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any CITY contract has been awarded. CONTRACTOR shall immediately report any attempt by any CITY officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from CONTRACTOR.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above-written.

CITY:

CITY OF BEAUMONT

By: _____

[Handwritten Signature]
Mayor

CONTRACTOR:

B&B Environmental

By: _____

[Handwritten Signature]

Print Name: _____

GARY ETHERIDGE

Title: _____

President & CEO

EXHIBIT "A"

PROPOSAL

Attachment D
Contract Awarded July 5, 2016

06-12

AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR is made and effective as of the 5th day of July, 2016, by and between the CITY OF BEAUMONT ("CITY") whose address is 550 E. 6th Street, Beaumont, California 92223 and G & G Environmental Consultant Inc. whose address is 5053 La Mart Drive Suite 203 Riverside Ca. 92507 ("CONTRACTOR").

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

A. CITY desires to engage CONTRACTOR to provide Wastewater Regulatory Program Services; and

B. CONTRACTOR has made a proposal ("Proposal") to the CITY to provide such professional services, which Proposal is attached hereto as Exhibit "A"; and

C. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to CITY that CONTRACTOR possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, CITY and CONTRACTOR agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Not with standing anything in this Agreement, this Agreement shall automatically terminate after one (1) year unless extended by the parties with the approval of the City Council of the CITY.

2. Services to be Performed. CONTRACTOR agrees to provide the services ("Services") as follows: Aeration Basins Cleaning and Maintenance services and any other services which the City may request in writing from time to time. All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. CONTRACTOR designates Gary Ethridge as CONTRACTOR'S professional responsible for overseeing the Services provided by CONTRACTOR.

3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR'S sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as CONTRACTOR deems necessary to perform the Services; provided, however, that CONTRACTOR shall not subcontract any of the Services without the written consent of CITY.

4. Compensation.

4.01 CITY agrees to pay CONTRACTOR the amount as set forth in the Proposal. CONTRACTOR shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the CITY. Notwithstanding anything in this Section 4, total fees and charges paid by CITY under this Agreement shall not exceed amount to be determined as needed without approval by the City Council of CITY.

4.02 CONTRACTOR shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the CITY, in writing.

4.03 CONTRACTOR shall submit to CITY, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month. The CITY shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. CITY shall have the right to review and audit all invoices prior to or after payment to CONTRACTOR. This review and audit may include, but not be limited to CITY's:

a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;

b. Determination that the multiplication of the hours billed times the approved rate schedule dollars is correct;

c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If CITY determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, CITY shall either return the bill to CONTRACTOR with a request for explanation or adjust the payment accordingly, and give notice to CONTRACTOR of the adjustment.

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5. Obligations of CONTRACTOR.

5.01 CONTRACTOR agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement, or contain additional terms other than the Services to be rendered and the price for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, CONTRACTOR will supply all

personnel, materials and equipment required to perform the Services. CONTRACTOR shall provide its own offices, telephones, vehicles and computers and set its own work hours. CONTRACTOR will determine the method, details, and means of performing the Services under this Agreement.

5.03 CONTRACTOR shall keep CITY informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by CITY, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR is responsible for paying, when due, all income and other taxes, fees and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. CONTRACTOR agrees to indemnify, defend and hold harmless CITY for any claims, costs, losses, fees, penalties, interest, or damages suffered by CITY resulting from CONTRACTOR's failure to comply with this provision.

5.05 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 CONTRACTOR represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event CITY is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

5.07 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United States.

5.08 In the event that CONTRACTOR employs, contracts with, or otherwise utilizes any CalPers retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the CITY and shall be subject to the CITY's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder.

6. Insurance. CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, CONTRACTOR hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. If existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. CONTRACTOR shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; CONTRACTOR agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's CITY, its officials, employees and agents. CONTRACTOR also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than \$1 million per accident. If CONTRACTOR or CONTRACTOR's employees will use personal autos in performance of the Services hereunder, CONTRACTOR shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation coverage for any of CONTRACTOR's employees that will be providing any Services hereunder. CONTRACTOR will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers' compensation will not limit the obligations of CONTRACTOR under this Agreement. CONTRACTOR expressly agrees not to use any statutory immunity defenses under such laws with respect to CITY, its employees, officials and agents.

6.04 Optional Insurance Coverage. Choose and check one: Required X /Not Required ; Errors and omissions insurance in a minimum amount of \$2 million per occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any Services for CITY.

7. General Conditions pertaining to Insurance Coverage

7.01 No liability insurance coverage provided shall prohibit CONTRACTOR from waiving the right of subrogation prior to a loss. CONTRACTOR waives all rights of subrogation against CITY regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.

7.02. Prior to beginning the Services under this Agreement, CONTRACTOR shall furnish CITY with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03. All required policies shall be issued by a highly rated insurer with a

minimum A.M. Best rating of "A:VII"). The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that that all insurance coverage required to be provided by CONTRACTOR or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to CITY.

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7.06 CONTRACTOR agrees to provide immediate notice to CITY of any claim or loss against CONTRACTOR or arising out of the Services performed under this Agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

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8.01 CONTRACTOR and CITY agree that CITY, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by CONTRACTOR or any subcontractor or agent of either. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to CITY. CONTRACTOR acknowledges that CITY would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect CITY as set forth herein.

a. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless CITY, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by CITY, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. CONTRACTOR's obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which CONTRACTOR (and/or CONTRACTOR's agents and/or employees) is alleged

to be an employee of CITY. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by CITY.

b. Without affecting the rights of CITY under any provision of this Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless CITY as set forth above for liability attributable solely to the fault of CITY, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

9. Additional Services, Changes and Deletions.

9.01 In the event CONTRACTOR performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of CITY, CONTRACTOR shall not be compensated for such services. CONTRACTOR expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the CITY in writing.

9.02 CONTRACTOR shall promptly advise the City Manager and Finance Director of CITY as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the CITY and/or City Council.

10. Termination of Agreement.

10.01 Notwithstanding any other provision of this Agreement, CITY, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to CONTRACTOR.

10.02 In the event of termination, the payment of monies due CONTRACTOR for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, CONTRACTOR agrees to promptly provide and deliver to CITY all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to CITY.

11. Status of CONTRACTOR.

11.01 CONTRACTOR shall perform the Services in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of CITY. However, CONTRACTOR shall regularly confer with CITY's City Manager as provided for in this Agreement.

11.02 CONTRACTOR agrees that it is not entitled to the rights and benefits afforded to CITY's employees, including disability or unemployment insurance, workers' compensation, retirement, CalPers, medical insurance, sick leave, or any other employment benefit. CONTRACTOR is responsible for providing, at its own expense,

disability, unemployment, workers' compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 CONTRACTOR hereby specifically represents and warrants to CITY that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of CITY and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the CITY is located. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of Services performed for the CITY shall become the sole property of CITY, and CONTRACTOR shall promptly deliver all such materials to CITY upon request. At the CITY's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions to CITY upon request, at no cost to CITY.

12.02 Subject to applicable federal and state laws, rules and regulations, CITY shall hold all intellectual property rights to any materials developed pursuant to this Agreement. CONTRACTOR shall not such use data or documents for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of CITY.

12.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as CITY may deem necessary, CONTRACTOR shall make available to CITY's agents for examination all of such records and shall permit CITY's agents to audit, examine and reproduce such records.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by CONTRACTOR for CITY and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of CITY. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 CONTRACTOR shall timely file FPPC Form 700 Conflict of Interest Statements with CITY if required by California law and/or the CITY's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

13.06 CONTRACTOR covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 CONTRACTOR has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. CONTRACTOR agrees that they are unaware of any financial or economic interest of any public officer or employee of the CITY relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the CITY may immediately terminate this Agreement by giving notice thereof. CONTRACTOR shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

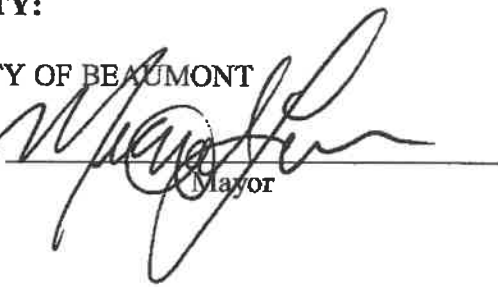
13.08 Improper Consideration. CONTRACTOR shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the CITY in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by CITY. The CITY, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the CITY with respect to the proposal and award process of this Agreement or any CITY contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any CITY contract has been awarded. CONTRACTOR shall immediately report any attempt by any CITY officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from CONTRACTOR.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above-written.

CITY:

CITY OF BEAUMONT

By: _____



Mayor

CONTRACTOR:

GBB ENVIRONMENTAL

By: _____



Print Name: GARY ETHERIDGE

Title: President, GBB

EXHIBIT "A"

PROPOSAL

Agenda Item No. 16

Staff Report

TO: Mayor and City Council Members

FROM: Kari Mendoza, Administrative Services Director

DATE: June 18, 2019

SUBJECT: Authorize Staff to Release a Request for Quotes for Design/Build Energy Performance Contracting Services

Background and Analysis:

The City staff request to release a request for proposals (RFP) for design/build energy contracting services. The scope of work is to include identifying and replacing/upgrading old antiquated and/or inefficient systems, identify paths to maximize renewable energy, and provide energy supply options.

Staff intends to leverage all available grant programs, utility incentives, state and federal bonds, and utility/operational savings to initiate a city-wide energy conservation/modernization program.

Fiscal Impact:

Staff estimates that the cost to issue and process the RFP to be \$550 for legal services, \$3,000 in staff time and \$600 for overhead costs. Totaling an estimated cost of \$4,150.

Recommendation:

1. Authorize staff to release the RFQ for Design/Build Energy Performance Contracting Services.

City Manager Review:  _____

Attachments:

- A. City of Beaumont RFQ for Design/Build Energy Performance Contracting Services.

Attachment A



Website:
www.beaumontca.gov

Address:
550 E. 6th Street
Beaumont, CA 92223

Phone:
951.769.8530

Request for Qualification For Design/Build Energy Performance Contracting Services

Proposals Due By:

3:00 pm
July 31, 2019

Contact:

Kari Mendoza
Administrative Services Director
karim@beaumontca.gov

RFQ Available:

www.publicpurchase.com



OVERVIEW

The City of Beaumont (“City”) is issuing this document, a Request for Qualification’s (“RFQ”) for DESIGN/BUILD ENERGY PERFORMANCE CONTRACTING SERVICES from qualified Vendors (“Vendor”) to provide these services.

BACKGROUND

The City of Beaumont was incorporated in November 1912. The City is located in the western portion of Riverside County and is bounded on the west by Calimesa and unincorporated areas, on the north by the unincorporated County area (Cherry Valley), on the south by unincorporated County area and the City of San Jacinto, and on the east by the City of Banning. The land area within the City’s boundaries is approximately 26 square miles.

SCOPE OF SERVICES

The City intends to leverage all available grant programs, utility incentives state and federal bonds, and utility/operational savings to initiate a city-wide energy conservation/modernization program. Respondents shall support the city’s goal by providing the professional services to develop, design, build and commission the program. The high-level objectives specific to the program, include:

- Achieving persistent long-term expense reduction through reduced energy usage and demand reduction;
- Identify and replace/upgrading old, antiquated, and/or inefficient systems;
- Maintain consistent and reasonable levels of occupant comfort, and minimize the disruption of City services;
- Minimizing the financial and technical risk to the City;
- Identifying opportunities to maximize the City’s investments;
- Identify paths to economically maximize renewable energy
- Provide energy supply options

MINIMUM QUALIFICATION FOR ESCO

The City will only consider submission from ESCO’s that meet the following minimum qualifications:

- Must be accredited by the National Association of Energy Services Companies (NAESCO) as an Energy Services Provider (ESP)
- Must be listed on the Department of Energy list of Qualified Energy Service Companies
- Must be an established ESCO in the State of California for at least 10 years.



The Vendor shall be responsible for completing the specified services in accordance with the City's Agreement of Services by Independent Contractor (Exhibit A)

RFQ PROCESS AND SUBMITTAL REQUIREMENT

Responses must be typewritten, tailored to the requirements of this RFQ, and clearly demonstrate the firm's ability to meet the needs of the city. The response shall be no more than 40 pages single sided.

Respondents shall deliver three (3) bound copies of your responses, as well as a digital copy on an external thumb drive, no later than July 31, 2019 at or before 3:00 p.m., PST to the following address:

**City of Beaumont
Attn: Kari Mendoza
550 E 6th Street
Beaumont, Ca. 9223**

Responses received after the date and time specified will not be opened or considered valid. Emailed or faxed responses will not be accepted.

The City intends to use the responses that it receives to assist in the possible selection for Design/Build Energy Performance Contracting Services. The City will evaluate each firm based on the information contained in their proposal pursuant to the scoring criteria in the Proposal Evaluation Criteria and Timeline section.

The City, at its sole discretion, may select one, or none of the respondents to this request. Should the City deem it expedient, one or more firms may be invited to participate in an interview process.

This RFQ is solely a solicitation for qualifications. Neither this RFQ, nor any Response to this RFQ shall be deemed or construed to: (i) create any contractual relationship between City and any Firm; (ii) create any obligation for City to enter into a contract with any Firm or other party; or (iii) serve as the basis for a claim for reimbursement for costs associated with submittal of any Response.

If the City selects a Firm for City's potential energy conservation/modernization program, the City shall have the right to negotiate any or all of the final terms and conditions of any agreement with the Firm and nothing in this RFQ or any Response shall be deemed or construed as a limitation of such rights.



CONTENT OF RESPONSES

In order for responses to be considered, they must be clear, concise, complete, well organized and demonstrate both the respondent's qualifications and their ability to follow instructions.

Submittal Letter (one page maximum)

Include the proposal's title and submittal due date, the name, address, and telephone number of the responding firm (or firms if there is a joint venture or association). If the firm is proposing to co-respond with another principal firm, the cover letter must specify the type of services to be provided by each firm and the proposed percentage allocated to that phase or function for the correspondent. The submittal letter will **NOT** be considered part of the forty (40) page limit.

Table of Contents

Include complete and clear listings of headings and pages to allow easy reference to key information. The table of contents will **NOT** be considered part of the forty (40) page limit.

Tab One: Firm Information:

The intent of the firm information section is to judge the strength and commitment of the responding firm in both ESPC and the City's objectives as outlined in Section 1. For each sub-sections describe in detail your firm's stability and commitment.

- Legal name and address of Firm, principal place of business, legal form of entity
- Company Overview and Organizational Structure
- Company History, Financial Strength, and Stability
- Total ESPC (guaranteed or not guaranteed) contracted value in the last 5 years.
- Total value of owned energy producing assets under energy supply agreements.
- Most current Financial Statement
- Business Engagement Model
- Describe your firm's experience complying with the provisions of the "Buy American" Act and other Federal grant requirements.

Tab Two: Project Team:

- Roles and responsibilities of team members to be dedicated to the project, including an organization chart
- A description of each person in the organization chart's experience as relevant to the proposed energy projects
- Describe how your organizational structure provides the best value to the City
- Describe your firm's overhead structure

Tab Three: Project Approach

The intent of the project approach section is to judge the strength of the responding firms project process. For each sub- section describe in detail your firm's methodologies and practices.

- Describe the project development and delivery process that you would recommend.
- Describe what information, documents, staff assistance, facilities or other resources would be required from the City.



- Describe any direct relationship of the company or team member's interest or affiliation with any energy, fuel, product or system.
- Description of measures or services provided related to energy efficiency, renewable energy, energy storage, asset planning, utility program expertise, energy supply management, and other services relevant to the goals identified in Section 1.
- Description of project financing models, asset ownership offerings, public-private partnership opportunities, or service agreements available to the City.
- Describe significant construction issues involving the following: 1) equipment non-performance, 2) design or development issues and 3) unexpected delay; and how they were resolved.

Tab Four: Project References:

The intent of the project references section is to judge the breadth of expertise and successful outcomes of the responding firm.

Provide (1) recent representative project reference for the following services. Project or service must have been provided in the last five years.

- Name and Location of project
- Project price and savings, if applicable
- Project approval and completion dates
- The energy conservation measures implemented or deliverable to the customer
- Customer name, title and contact information

1. Energy Service Performance Contract
2. Power Purchase Agreement
3. Energy Master Planning or Energy Supply Management
4. Smart Cities Project

Tab Five: Additional Benefits and Value-Added Elements

Describe any additional benefits that may result from ECM implementation and the respondent's added value elements.

PROPOSAL EVALUATION CRITERIA AND TIMELINE

The City will evaluate qualifications based on the scoring criteria outlined in this section.

Respondents who are not actively engaged in providing services of the nature proposed in their response to the RFQ and/or who cannot clearly demonstrate to the satisfaction of the City their ability to satisfactorily perform the work in accordance with the RFQ requirements will not be considered.

The city shall be the sole judge of the qualifications and services to be offered and its decision shall be final. Discussions may be conducted with respondents who submit qualifications determined to be reasonably acceptable of being selected for award.



Scoring Matrix

Section	Weight	Respondent's Score
1) Firm Information	10	
2) Project Team	15	
3) Project Approach	30	
4) Project References	30	
5) Additional Benefits and Value-Added Elements	15	
Total	100	

Timeline

The City reserves the right, at its sole discretion and at any time prior to entering into an agreement for an energy conservation/modernization project, to alter its anticipated schedule as related to this RFQ or any project.

<u>Event</u>	<u>Anticipated Date</u>
1. RFQ Published	June 19, 2019
2. Deadline for Requests for Information	June 31, 2019
3. Responses to RFIs published	July 8, 2019
4. RFQ Responses Due	July 31, 2019
5. Selection and Notification of ESCo	August 16, 2019
6. Recommendation to the City Council	August 20, 2019
7. Investment Grade Audit (IGA) Start Date	September 1, 2019

QUESTION AND ANSWER PERIOD

Inquiries regarding this RFQ must be submitted in writing thru www.publicpurchase.com.

The cut-off date for questions and inquiries relating to this RFQ is indicated on the criteria and timeline schedule. Addendums to this RFQ, if any, will be posted on Public Purchase webpage.

No telephone calls will be permitted.

CONFIDENTIALITY

Prior to the proposal submittal deadline, all proposals will be designated confidential to the extent permitted by the California Public Records Act. After the proposal submittal deadline, all responses will be regarded as public record and will be subject to review by the public. Any language purported to render confidential all or portions of the proposals will be regarded as non-effective and will be disregarded.



AMENDMENTS TO REQUEST FOR PROPOSALS

The City reserves the right to amend the RFQ by addendum prior to the final proposal submittal date.

NON-COMMITMENT TO CITY

The City reserves the right to reject any and all proposals and to waive informalities and minor irregularities in any proposal reviewed. The City may reject any proposal that does not conform to the instructions provided in this RFQ. Additionally, the City reserves the right to negotiate all final terms and conditions of any proposal received before entering into final contract.

CONFLICT OF INTEREST

The Vendor shall disclose any personal or professional financial, business, or other relationships with the City that may have an impact on the outcome of this contract or any resulting project. The Vendor shall also list current clients who may have a financial interest in the outcome of this contract.

EXHIBITS

- A. Agreement for Services by Independent Contractor

----- END OF REQUEST FOR PROPOSAL -----

EXHIBITS TO FOLLOW



EXHIBIT A

Agreement for Services by Independent Contractor

Agreement of Services by Independent Contractor

THIS AGREEMENT FOR SERVICES BY INDEPENDENT CONTRACTOR is made and effective as of the ___ day of ___, 2018, by and between the CITY OF BEAUMONT (“CITY”) whose address is 550 E. 6th Street, Beaumont, California 92223 and _____, a California corporation, whose address is _____ (“CONTRACTOR”).

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

- A. CITY desires to engage CONTRACTOR to provide Design/Build Energy Performance Contracting Services; and
- B. CONTRACTOR has made a proposal (“Proposal”) to the CITY to provide such professional services, which Proposal is attached hereto as Exhibit “A”; and
- C. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to CITY that CONTRACTOR possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, CITY and CONTRACTOR agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate after one (1) year unless extended by the parties with the approval of the City Council of the CITY.
2. Services to be Performed. CONTRACTOR agrees to provide the services (“Services”) as follows: Design/Build and any other services which the City may request in writing. All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. CONTRACTOR designates _____ as CONTRACTOR’S professional responsible for overseeing the Services provided by CONTRACTOR. Notwithstanding anything to the contrary herein, any provisions in the Proposal that are in addition to or inconsistent with the terms of this Agreement shall be deemed invalid and shall have no force or effect.
3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR’S sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as



CONTRACTOR deems necessary to perform the Services; provided, however, that CONTRACTOR shall not subcontract any of the Services without the written consent of CITY.

4. Compensation

4.01 CONTRACTOR shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the CITY. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by CITY to CONTRACTOR under this Agreement shall not exceed \$100,000.00.

4.02 CONTRACTOR shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the CITY, in writing.

4.03 CONTRACTOR shall submit to CITY, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month. The CITY shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. CITY shall have the right to review and audit all invoices prior to or after payment to CONTRACTOR. This review and audit may include, but not be limited to CITY's:

- a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;
- b. Determination that the multiplication of the hours billed times the approved rate schedule dollars is correct;
- c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If CITY determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, CITY shall either return the bill to CONTRACTOR with a request for explanation or adjust the payment accordingly, and give notice to CONTRACTOR of the adjustment.

4.04 If the work is satisfactorily completed, CITY shall pay such invoice within thirty (30) days of its receipt. Should CITY dispute any portion of any invoice, CITY shall pay the undisputed portion within the time stated above, and at the same time advise CONTRACTOR in writing of the disputed portion.

5. Obligations of CONTRACTOR.

5.01 CONTRACTOR agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement, or contain additional terms other than the Services to be rendered and the price for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, CONTRACTOR will supply all personnel, materials and equipment required to perform the Services. CONTRACTOR shall provide its own offices, telephones, vehicles and computers and set its own work hours. CONTRACTOR will determine the method, details, and means of performing the Services under this Agreement.



5.03 CONTRACTOR shall keep CITY informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by CITY, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR is responsible for paying, when due, all income and other taxes, fees and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. CONTRACTOR agrees to indemnify, defend and hold harmless CITY for any claims, costs, losses, fees, penalties, interest, or damages suffered by CITY resulting from CONTRACTOR's failure to comply with this provision.

5.05 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 CONTRACTOR represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event CITY is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

5.07 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United States.

5.08 In the event that CONTRACTOR employs, contracts with, or otherwise utilizes any CalPers retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the CITY and shall be subject to the CITY's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder.

6. Insurance. CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, CONTRACTOR hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. If existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. CONTRACTOR shall provide the following types and amounts of insurance:



6.01 Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; CONTRACTOR agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's CITY, its officials, employees and agents. CONTRACTOR also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than \$1 million per accident. If CONTRACTOR or CONTRACTOR's employees will use personal autos in performance of the Services hereunder, CONTRACTOR shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation coverage for any of CONTRACTOR's employees that will be providing any Services hereunder. CONTRACTOR will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers' compensation will not limit the obligations of CONTRACTOR under this Agreement. CONTRACTOR expressly agrees not to use any statutory immunity defenses under such laws with respect to CITY, its employees, officials and agents.

6.04 Optional Insurance Coverage. Choose and check one: Required ___ /Not Required ; Errors and omissions insurance in a minimum amount of \$2 million per occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any Services for CITY.

7. General Conditions pertaining to Insurance Coverage

7.01 No liability insurance coverage provided shall prohibit CONTRACTOR from waiving the right of subrogation prior to a loss. CONTRACTOR waives all rights of subrogation against CITY regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.

7.02. Prior to beginning the Services under this Agreement, CONTRACTOR shall furnish CITY with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03. All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A:VII"). The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that that all insurance coverage required to be provided by CONTRACTOR or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to CITY.

7.05 All coverage types and limits required are subject to approval, modification and



additional requirements by CITY, as the need arises. CONTRACTOR shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect CITY's protection without CITY's prior written consent.

7.06 CONTRACTOR agrees to provide immediate notice to CITY of any claim or loss against CONTRACTOR or arising out of the Services performed under this Agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

8. Indemnification.

8.01 CONTRACTOR and CITY agree that CITY, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by CONTRACTOR or any subcontractor or agent of either. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to CITY. CONTRACTOR acknowledges that CITY would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect CITY as set forth herein.

a. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless CITY, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by CITY, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. CONTRACTOR's obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which CONTRACTOR (and/or CONTRACTOR's agents and/or employees) is alleged to be an employee of CITY. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by CITY.

b. Without affecting the rights of CITY under any provision of this Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless CITY as set forth above for liability attributable solely to the fault of CITY, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

9. Additional Services, Changes and Deletions.

9.01 In the event CONTRACTOR performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of CITY, CONTRACTOR shall not be compensated for such services. CONTRACTOR expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the CITY in writing.



9.02 CONTRACTOR shall promptly advise the City Manager and Finance Director of CITY as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the CITY and/or City Council.

10. Termination of Agreement.

10.01 Notwithstanding any other provision of this Agreement, CITY, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to CONTRACTOR.

10.02 In the event of termination, the payment of monies due CONTRACTOR for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, CONTRACTOR agrees to promptly provide and deliver to CITY all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to CITY.

11. Status of CONTRACTOR.

11.01 CONTRACTOR shall perform the Services in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of CITY. However, CONTRACTOR shall regularly confer with CITY's City Manager as provided for in this Agreement.

11.02 CONTRACTOR agrees that it is not entitled to the rights and benefits afforded to CITY's employees, including disability or unemployment insurance, workers' compensation, retirement, CalPers, medical insurance, sick leave, or any other employment benefit. CONTRACTOR is responsible for providing, at its own expense, disability, unemployment, workers' compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 CONTRACTOR hereby specifically represents and warrants to CITY that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of CITY and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the CITY is located. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

12. Ownership of Documents: Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of Services performed for the CITY shall become the sole property of CITY, and CONTRACTOR shall promptly deliver all such materials to CITY upon request. At the CITY's sole discretion,



CONTRACTOR may be permitted to retain original documents, and furnish reproductions to CITY upon request, at no cost to CITY.

12.02 Subject to applicable federal and state laws, rules and regulations, CITY shall hold all intellectual property rights to any materials developed pursuant to this Agreement. CONTRACTOR shall not such use data or documents for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of CITY.

12.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as CITY may deem necessary, CONTRACTOR shall make available to CITY's agents for examination all of such records and shall permit CITY's agents to audit, examine and reproduce such records.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by CONTRACTOR for CITY and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of CITY. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 CONTRACTOR shall timely file FPPC Form 700 Conflict of Interest Statements with CITY if required by California law and/or the CITY's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

13.06 CONTRACTOR covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.



13.07 CONTRACTOR has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. CONTRACTOR agrees that they are unaware of any financial or economic interest of any public officer or employee of the CITY relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the CITY may immediately terminate this Agreement by giving notice thereof. CONTRACTOR shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. CONTRACTOR shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the CITY in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by CITY. The CITY, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the CITY with respect to the proposal and award process of this Agreement or any CITY contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any CITY contract has been awarded. CONTRACTOR shall immediately report any attempt by any CITY officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from CONTRACTOR.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above-written.

CITY:

CONTRACTOR:

CITY OF BEAUMONT

By: _____
Julio Martinez, Mayor

By: _____

By: _____

Staff Report

TO: Mayor and City Council Members

FROM: Kari Mendoza, Administrative Services Director

DATE: June 18, 2019

SUBJECT: Authorize Staff to Release a Request for Proposals for Employee Benefits, Insurance Broker and Consulting Services

Background and Analysis:

The City staff intends to release a request for proposals (RFP) for qualified licensed brokers to provide consulting and insurance brokerage services for the City's current and future employee benefits, including group medical (includes prescription coverage), dental, vision, life, accidental death and dismemberment, short and long-term disability, and an employee assistance program (EAP). The City seeks a consultant and broker that is well versed in the benefits market, experienced in advising comparable public agencies and works well with various levels of staff and management. Submitted proposals must meet all requirements set forth in the attached RFP.

Fiscal Impact:

Staff estimates that the cost to issue and process the RFP to be \$550 for legal services, \$3,000 in staff time and \$600 for overhead costs. Totaling an estimated cost of \$4,150.

Recommendation:

1. Authorize staff to release the RFP for Employee Benefits Insurance Broker and Consulting Services.

City Manager Review:  _____

Attachments:

- A. City of Beaumont RFP for Employee Benefits Insurance Broker and Consulting Services.

Attachment A



Agenda Item No. 17.

Website:
www.beaumontca.gov

Address:
550 E. 6th Street
Beaumont, CA 92223

Phone:
951.769.8520

Request for Proposals For Employee Benefits Insurance Broker & Consulting Services

Proposals Due By:

3:00 pm
July 31, 2019

Contact:

Kari Mendoza
Administrative Services Director
karim@beaumontca.gov

RFP Available:

www.publicpurchase.com



OVERVIEW

The City requests proposals from qualified licensed brokers to provide consulting and insurance brokerage services for the City's current and future employee benefits, including group medical (includes prescription coverage), dental, vision, life, accidental death and dismemberment, short- and long-term disability, and an employee assistance program (EAP). The City seeks a consultant and broker that is well versed in the benefits market, experienced in advising comparable public agencies and works well with various levels of staff and management. Submitted proposals must meet all requirements set forth in this Request for Proposal (RFP).

Benefitted employees and qualified dependents are eligible to receive some level of each of the aforementioned benefits.

A. Medical Insurance—Eligible benefitted employees currently may select from one of the following plans; Kaiser and Cigna HMO

B. Dental Insurance—The City provides dental insurance through Guardian.

C. Vision Insurance—The City provides vision insurance through Guardian VSP or Kaiser enrollees receive vision coverage through the Kaiser plan.

D. Life Insurance—The City provides life and accidental death and dismemberment insurance through Guardian.

E. Short Term Disability Insurance—The City contracts with Guardian to provide short-term disability insurance.

F. Employee Assistance Program—The City contracts with Guardian to provide an employee assistance program (EAP).

BACKGROUND

The City of Beaumont was incorporated in November 1912. The City is located in the western portion of Riverside County and is bounded on the west by Calimesa and unincorporated areas, on the north by the unincorporated County areas (Cherry Valley), on the south by unincorporated County areas and the City of San Jacinto, and on the east by the City of Banning. The land area within the City's boundaries is approximately 26 square miles.

There are approximately 150 benefitted employees. Eligibility for benefits is determined by resolution or labor agreement with the representative employee bargaining units. There are two bargaining units representing the majority of employee classifications within the City: Police Officers Association (POA) and the Service Employees International Union (SEIU); and the



unrepresented employee classifications include Police Managers, Managers and Professional Technical as Individuals. The City's Human Resources Division strives to provide employee benefit programs that best meet the needs of employees, retirees, their dependents and the City. Assists the participants in utilizing their plans effectively.

SCOPE OF SERVICES

The City is seeking to name a Broker of Record for the City's employee insurance benefits and is looking for continuity of services in the rapidly changing area of employee benefits. The City is particularly interested in a broker who can offer creative, innovative approaches, with a proven track record, that allows the City to maintain quality programs and contain or reduce costs.

The selected broker will perform a full range of benefit program services related to the acquisition, implementation, maintenance, communication and improvement of the City's employee insurance benefits. The selected broker shall provide services, including, but not limited to, the following:

A. Analysis and Reporting

1. Analyze existing coverage and identify or develop cost-saving alternative benefit strategies and plans.
2. Assist in the development of long-range goals and strategies, including making projections of potential savings.
3. Provide analysis and recommendations based on utilization and performance reports, statistical and/or financial reports, and plan specific data.
4. Assist the City in monitoring and analyzing experience trends and providing timely alerts on changing patterns and appropriate recommendations.
5. Provide, maintain and update comparison reports of other public and private companies' benefit plan offerings and costs to determine their competitiveness with the City's programs.
6. Provide a cost benefit analysis to the City for outsourcing COBRA administration.
7. Provide financial and/or performance reviews of self-funded and fully insured plans and programs.
8. Be available to provide various types of reports as needed, such as cost analysis for benefit changes, and other statistical, financial, forecasting, trend, labor negotiations or experience reports.
9. Prepare and present reports on trends, new products and audits, as requested.
10. Regularly monitor and evaluate performance measures and guarantees for providers.
11. Maintain full and accurate records with respect to all matters and services provided on behalf of the City's benefit plans and programs. Provide City staff or officials all spreadsheets, assumptions and calculations upon completion of any project performed on behalf of the City's benefit plans and programs.



B. Liaison and Problem Intervention

1. Act as liaison between the City and insurance providers.
2. Provide day-to-day consultation on plan interpretation and problem resolution, including, but not limited to, explanation of plans, assisting employees/retirees with selecting plans that meet their needs and geographic location, and transitioning retirees from early retiree plans to Medicare-coordinated plans.
3. Provide timely customer service and assistance to staff, employees and retirees with issues involving provider billing, claims, vendor service issues/problems, advocacy for services, disputes, interpretation of contracts and services, changes and general troubleshooting.
4. Attendance as needed at meetings with City staff, employees and/or retirees to facilitate and assist in the management of the City's employee benefit plans.
5. Act as an advocate or ombudsman in appeal, arbitration or court process between the City and the providers on unresolved issues if needed; provide advice when needed to enforce City, employee, retiree or their dependents' rights.
6. Assist the City in proactive mitigation of negative impacts or disruption of services to employees and retirees from benefit and/or provider network changes.

C. Compliance

1. Assist with ongoing plan administration and ensure that programs are in compliance with State and Federal legislation.
2. Provide on-site training to City staff, as needed, regarding regulatory updates and/or Best Practice seminars for the effective administration of benefits plan.
3. Review and disseminate information to staff on new or revised State and Federal legislation that impacts benefits programs.
4. Assist City staff with annual audit to ensure compliance with all mandated reporting and posting/notice requirements for benefit plans.
5. Develop and/or assist in developing communication materials and tools for conducting dependent verification audits.

D. Annual Renewal Process and Evaluation

1. Establish a strategy for benefits, both annually and three to five years in the future. Consider trends, union negotiations, prospective legislations, new delivery systems and geographic health-care practices to make long-term projections.
2. Review and make cost-saving recommendations regarding the modification of plan design, benefit levels, premiums, communications and quality of current employee and retiree benefit plans.
3. Recommend appropriate premium rates and reserves to maintain the viability of the plans to ensure that quality and cost-effective benefits are provided by the plans.
4. Annual (March) estimates of renewal rates and cost trends and assist City staff in preparation of budget figures.



5. Conduct thorough and applicable market research in preparation for contract renewals.
6. Representation in all negotiations with providers on various topics, including, but not limited to, premiums, benefit levels and plan design, performance measures and guarantees, contractual terms and conditions, and quality assurance standards.
7. Make recommendations for items of negotiation with providers, including, but not limited to, benefit levels and plan design, premiums, quality of service, performance measures and guarantees, and return on investment, where applicable.
8. Prepare specifications and compile data, obtain quotes and proposals, negotiate rates and analyze and compare proposals.
9. Review rate proposals to ensure underlying assumptions are appropriate and accurate to the City.
10. Provide communication development and support for the annual open enrollment period, new benefit offerings and/or changes to the existing benefits offerings.
11. Attendance at, and assistance with, coordination of the annual Benefits Fair and Open Enrollment meetings.

E. Other Service Requirements

1. Assist in the development and implementation of an employee wellness program to improve employee health and reduce employee and retiree health-care costs, both in the short-term and in the long-term.
2. Assist in the development and/or purchasing of web site technologies to support on-line enrollments, changes and employee education to assist employees/retirees in self-management of benefits, and to reduce the related administrative demands on City staff.
3. Recommend and help develop enhancements and improvements for communications specific to the needs of the City's employees and retirees, including, but not limited to, brochures, pamphlets, matrices, comparison charts, summaries, electronic communications, forms, employee handbooks and employee orientation.
4. Provide timely research and responses to technical questions posed by City staff.
5. Provide regular and timely communications needed for the effective administration of benefit plans.
6. Provide guidance and recommendations on items such as, but not limited to, trends in benefits plans, methods for improving cost containment, financial arrangements and administration.
7. Assist with the presentation content for labor and management benefits meetings and/or City Council meetings.
8. Provide access to published benefit-related survey information.
9. Develop additional benefits communications specific to the needs of the City's employees and retirees.
10. Attendance at, and assistance with, meetings with the City Council, City staff and labor groups.



- 11. Recommend that City staff attend particular broker-sponsored seminars, benefit events and educational forums that would be beneficial to the City.
- 12. Develop and/or assist in developing and evaluating employee/retiree needs and satisfaction surveys.
- 13. Work collaboratively with other consultants and City staff.
- 14. Manage plan transitions as necessary.
- 15. Review and evaluate current administrative processes related to enrollment and billing. Recommend and assist with implementation of administrative process enhancements.

ADDITIONAL VENDOR RESPONSIBILITIES

The Vendor shall be responsible for completing the specified services in accordance with the City’s Agreement of Services by Independent Contractor (Exhibit A)

TERM

The term of the agreement shall be determined upon need of services and consistent with City’s policies. The initial period of the contract is for three (3) years, with the option for two (2) one (1) year extensions if approved by City Council, subject to agreement terms and the Beaumont Municipal Code.

SOLICITATION SCHEDULE

EVENT	ANTICIPATED DATE
RFP Published	June 19, 2019
Deadline for Requests for Information	June 31, 2019
Responses for RFI’s Published	July 8, 2019
RFP Responses Due	July 31, 2019
Recommendation to City Council	August 20, 2019

QUESTION AND ANSWER PERIOD

Inquiries regarding this RFP must be submitted in writing thru www.publicpurchase.com.

The cut-off date for questions and inquiries relating to this RFP is indicated on the solicitation schedule. Addendum to this RFP, if any, will be posted on Public Purchase webpage.

No telephone calls will be permitted.



SUBMISSION OF BID PROPOSAL

In order to be considered for award, the bid proposal must be received by City of Beaumont, at the appropriate location by the required time in a sealed envelope.

Vendors should submit one (1) hard copy marked original, three (3) additional hard copies, and one (1) digital copy on either CD or flash drive in accordance with the bid submission deadline, which is **3:00 pm on July 31, 2019** to the following location:

City of Beaumont
Attn: Kari Mendoza
550 E 6th Street
Beaumont CA 92223

Responses received after this date and time will not be considered. Emailed and/or faxed proposals will not be accepted. The City is not responsible for lost or misdirected documents. Bids must be enclosed in a sealed envelope/package bearing the name of the Bidder and titled "RFP for Employee Benefits Insurance Broker and Consulting Services" clearly marked on the outside of the envelope.

The prospective bidder assumes sole responsibility for submitting a complete bid proposal in response to this RFP. No special consideration will be given after bid proposals are opened because of a bidder's failure to comply with all requirements of the RFP.

No postmarked proposals will be accepted. Once submitted, proposals cannot be altered without prior written consent of the City.

All costs associated with preparation of any proposal shall be the sole responsibility of the proposer. Each proposal shall be limited to a maximum of 30 pages (not including resumes), using minimum 12-point font size.

PROPOSAL REQUIREMENTS

The proposal shall clearly address all of the information requested herein. To achieve a uniform review process and obtain the maximum degree of comparability, it is required that proposals be organized and contain all information as specified below.

- A. Cover Letter: Maximum of two (2) pages serving as an Executive Summary, which shall include an understanding of the Scope of Services (outlined in Exhibit A). The RFP shall be transmitted with a cover letter that must be signed by an official, authorized to bind the Vendor contractually. The cover letter accompanying the RFP shall also provide the name, title, address, and telephone number of individuals with the authority to negotiate and contractually bind the Vendor. The cover letter constitutes certification by the Vendor, under penalty of perjury, that the Vendor complies with nondiscrimination



requirements of the State and Federal Government. An unsigned proposal or one signed by an individual unauthorized to bind the Vendor may be rejected.

- B. **Introduction/Information:** Introduction of the service proposal, including a statement of understanding the types of services requested. Provide a discussion on how the objectives of the Scope of Services (Exhibit A) will be accomplished. Provide the name of the firm submitting the proposal, mailing address, telephone number and the name of the individual to contact if further information is required. Any participating Vendors and proposed sub-Vendors shall be identified and included in the proposal (all sub-Vendors must be approved by City prior to signing the agreement with City).
- C. **Firm Profile:** Provide the firm name, including number of personnel, years in business, office location(s), organizational structure (e.g., corporation, partnership, sole practitioner, etc.), areas of expertise, and relevant experience. Include any other information which should be considered, such as any special services or customer service philosophy which define your firm's practice.
- D. **References:** Three to five references from current or past clients. Discuss the services you have provided or are currently providing to them. Be sure to include reference's business name, contact person, address and phone number length of time services were provided, and a description of the services provided.
- E. **Scope of Services:** Scope of Services provided in Exhibit A. Provide a description of how the tasks, sub-tasks, and deliverables will be provided. Responses should be presented in a logical format that can be easily attached to the Agreement of Services by Independent Contractor.
- F. **Cost Proposal:** Cost proposal should detail all costs related for the services requested, as outlined in Scope of Services, as well as an estimate of any additional fees that may accrue over the course of the contract.

Should additional work be required, which is beyond the scope of this RFP but is related to the overall contract, the Vendor will be requested to submit a written proposal and upon approval, a purchase order will be issued to authorize the work.

- G. **Liability Insurance:** The selected Vendor will be required to have professional liability insurance including liability at a minimum of one million (\$1,000,000) per occurrence and two million (\$2,000,000) in aggregate, worker's compensation, and vehicle coverage including comprehensive and collision insurance naming the City of Beaumont as additional insured. The proposal shall state whether such insurances will be in force at time of contract execution.



CONFIDENTIALITY

Prior to the proposal submittal deadline, all proposals will be designated confidential to the extent permitted by the California Public Records Act. After the proposal submittal deadline, all responses will be regarded as public record and will be subject to review by the public. Any language purported to render confidential all or portions of the proposals will be regarded as non-effective and will be disregarded.

AMENDMENTS TO REQUEST FOR PROPOSALS

The City reserves the right to amend the RFP by addendum prior to the final proposal submittal date.

NON-COMMITMENT TO CITY

The City reserves the right to reject all proposals and to waive informalities and minor irregularities in any proposal reviewed. The City may reject any proposal that does not conform to the instructions provided in this RFP. Additionally, the City reserves the right to negotiate all final terms and conditions of any proposal received before entering into final contract.

CONFLICT OF INTEREST

The Vendor shall disclose any personal or professional financial, business, or other relationships with the City that may have an impact on the outcome of this contract or any resulting project. The Vendor shall also list current clients who may have a financial interest in the outcome of this contract.

PROPOSAL EVALUATION/SELECTION

The City intends to engage the most qualified Vendor available that demonstrates a thorough understanding of the City’s needs. City staff will use the following criteria to evaluate the proposals:

Criteria	Points
Understanding of the Scope of Services	35
Approach to Performing this Type of Service	30
Proposed Fee	20
Related Experience	15
Total	100



EXHIBITS

A. Agreement for Services by Independent Contractor

----- END OF REQUEST FOR PROPOSAL -----

EXHIBITS TO FOLLOW

EXHIBIT A

Agreement for Services by Independent Contractor



Agreement of Services by Independent Contractor

THIS AGREEMENT FOR SERVICES BY INDEPENDENT CONTRACTOR is made and effective as of the ___ day of ___, 2018, by and between the CITY OF BEAUMONT (“CITY”) whose address is 550 E. 6th Street, Beaumont, California 92223 and _____, a California corporation, whose address is _____ (“CONTRACTOR”).

RECITALS

This Agreement is entered into on the basis of the following facts, understandings and intentions of the parties to this Agreement:

- A. CITY desires to engage CONTRACTOR to provide Design/Build Energy Performance Contracting Services; and
- B. CONTRACTOR has made a proposal (“Proposal”) to the CITY to provide such professional services, which Proposal is attached hereto as Exhibit “A”; and
- C. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to CITY that CONTRACTOR possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, CITY and CONTRACTOR agree as follows:

- 1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate after one (1) year unless extended by the parties with the approval of the City Council of the CITY.
- 2. Services to be Performed. CONTRACTOR agrees to provide the services (“Services”) as follows: Design/Build and any other services which the City may request in writing. All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. CONTRACTOR designates _____ as CONTRACTOR’S professional responsible for overseeing the Services provided by CONTRACTOR. Notwithstanding anything to the contrary herein, any provisions in the Proposal that are in addition to or inconsistent with the terms of this Agreement shall be deemed invalid and shall have no force or effect.
- 3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR’s sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as CONTRACTOR deems necessary to perform the Services; provided, however, that CONTRACTOR shall not subcontract any of the Services without the written consent of CITY.
- 4. Compensation
 - 4.01 CONTRACTOR shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the CITY. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by CITY to CONTRACTOR under this



Agreement shall not exceed \$100,000.00.

4.02 CONTRACTOR shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the CITY, in writing.

4.03 CONTRACTOR shall submit to CITY, on or before the fifteenth (15th) of each month, itemized invoices for the Services rendered in the previous month. The CITY shall not be obligated to pay any invoice that is submitted more than sixty (60) days after the due date of such invoice. CITY shall have the right to review and audit all invoices prior to or after payment to CONTRACTOR. This review and audit may include, but not be limited to CITY's:

- a. Determination that any hourly fee charged is consistent with this Agreement's approved hourly rate schedule;
- b. Determination that the multiplication of the hours billed times the approved rate schedule dollars is correct;
- c. Determination that each item charged is the usual, customary, and reasonable charge for the particular item. If CITY determines an item charged is greater than usual, customary, or reasonable, or is duplicative, ambiguous, excessive, or inappropriate, CITY shall either return the bill to CONTRACTOR with a request for explanation or adjust the payment accordingly, and give notice to CONTRACTOR of the adjustment.

4.04 If the work is satisfactorily completed, CITY shall pay such invoice within thirty (30) days of its receipt. Should CITY dispute any portion of any invoice, CITY shall pay the undisputed portion within the time stated above, and at the same time advise CONTRACTOR in writing of the disputed portion.

5. Obligations of CONTRACTOR.

5.01 CONTRACTOR agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement, or contain additional terms other than the Services to be rendered and the price for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, CONTRACTOR will supply all personnel, materials and equipment required to perform the Services. CONTRACTOR shall provide its own offices, telephones, vehicles and computers and set its own work hours. CONTRACTOR will determine the method, details, and means of performing the Services under this Agreement.

5.03 CONTRACTOR shall keep CITY informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by CITY, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR is responsible for paying, when due, all income and other taxes, fees and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. CONTRACTOR agrees to indemnify, defend and hold harmless CITY for any claims, costs, losses, fees, penalties, interest, or damages suffered by CITY resulting from



CONTRACTOR's failure to comply with this provision.

5.05 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state and federal laws, rules and regulations.

5.06 CONTRACTOR represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event CITY is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

5.07 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United States.

5.08 In the event that CONTRACTOR employs, contracts with, or otherwise utilizes any CalPers retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the CITY and shall be subject to the CITY's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder.

6. Insurance. CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, CONTRACTOR hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. If existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. CONTRACTOR shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; CONTRACTOR agrees to have its insurer endorse the general liability coverage required herein to include as additional insured's CITY, its officials, employees and agents. CONTRACTOR also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than \$1 million per accident. If CONTRACTOR or CONTRACTOR's employees will use personal autos in performance of the Services hereunder, CONTRACTOR shall provide evidence of personal auto liability coverage for each such person.



6.03 Workers' Compensation coverage for any of CONTRACTOR's employees that will be providing any Services hereunder. CONTRACTOR will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers' compensation will not limit the obligations of CONTRACTOR under this Agreement. CONTRACTOR expressly agrees not to use any statutory immunity defenses under such laws with respect to CITY, its employees, officials and agents.

6.04 Optional Insurance Coverage. Choose and check one: Required ___ /Not Required ; Errors and omissions insurance in a minimum amount of \$2 million per occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any Services for CITY.

7. General Conditions pertaining to Insurance Coverage

7.01 No liability insurance coverage provided shall prohibit CONTRACTOR from waiving the right of subrogation prior to a loss. CONTRACTOR waives all rights of subrogation against CITY regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.

7.02. Prior to beginning the Services under this Agreement, CONTRACTOR shall furnish CITY with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03. All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A:VII". The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that that all insurance coverage required to be provided by CONTRACTOR or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to CITY.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by CITY, as the need arises. CONTRACTOR shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect CITY's protection without CITY's prior written consent.

7.06 CONTRACTOR agrees to provide immediate notice to CITY of any claim or loss against CONTRACTOR or arising out of the Services performed under this Agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

8. Indemnification.

8.01 CONTRACTOR and CITY agree that CITY, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim,



lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of or in any way related to the performance of this Agreement by CONTRACTOR or any subcontractor or agent of either. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to CITY. CONTRACTOR acknowledges that CITY would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect CITY as set forth herein.

a. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless CITY, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by CITY, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of or in any way attributable actually, allegedly or impliedly, in whole or in part to the performance of this Agreement. CONTRACTOR's obligation to defend, indemnify and hold harmless shall include any and all claims, suits and proceedings in which CONTRACTOR (and/or CONTRACTOR's agents and/or employees) is alleged to be an employee of CITY. All obligations under this provision are to be paid by CONTRACTOR as they are incurred by CITY.

b. Without affecting the rights of CITY under any provision of this Agreement or this Section, CONTRACTOR shall not be required to indemnify and hold harmless CITY as set forth above for liability attributable solely to the fault of CITY, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

9. Additional Services, Changes and Deletions.

9.01 In the event CONTRACTOR performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of CITY, CONTRACTOR shall not be compensated for such services. CONTRACTOR expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the CITY in writing.

9.02 CONTRACTOR shall promptly advise the City Manager and Finance Director of CITY as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the CITY and/or City Council.

10. Termination of Agreement.

10.01 Notwithstanding any other provision of this Agreement, CITY, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to CONTRACTOR.

10.02 In the event of termination, the payment of monies due CONTRACTOR for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately



upon termination, CONTRACTOR agrees to promptly provide and deliver to CITY all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to CITY.

11. Status of CONTRACTOR.

11.01 CONTRACTOR shall perform the Services in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of CITY. However, CONTRACTOR shall regularly confer with CITY's City Manager as provided for in this Agreement.

11.02 CONTRACTOR agrees that it is not entitled to the rights and benefits afforded to CITY's employees, including disability or unemployment insurance, workers' compensation, retirement, CalPers, medical insurance, sick leave, or any other employment benefit. CONTRACTOR is responsible for providing, at its own expense, disability, unemployment, workers' compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 CONTRACTOR hereby specifically represents and warrants to CITY that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of CITY and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the CITY is located. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of Services performed for the CITY shall become the sole property of CITY, and CONTRACTOR shall promptly deliver all such materials to CITY upon request. At the CITY's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions to CITY upon request, at no cost to CITY.

12.02 Subject to applicable federal and state laws, rules and regulations, CITY shall hold all intellectual property rights to any materials developed pursuant to this Agreement. CONTRACTOR shall not such use data or documents for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of CITY.

12.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as CITY may deem necessary, CONTRACTOR shall make available to CITY's agents for examination all of such records and shall permit CITY's agents to audit, examine and reproduce such records.



13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by CONTRACTOR for CITY and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of CITY. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 CONTRACTOR shall timely file FPPC Form 700 Conflict of Interest Statements with CITY if required by California law and/or the CITY's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California.

13.06 CONTRACTOR covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 CONTRACTOR has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. CONTRACTOR agrees that they are unaware of any financial or economic interest of any public officer or employee of the CITY relating to this Agreement. It is further understood and agreed that if such a financial interest does exist at the inception of this Agreement, the CITY may immediately terminate this Agreement by giving notice thereof. CONTRACTOR shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. CONTRACTOR shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the CITY in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by CITY. The CITY, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the CITY with respect to the proposal and award process of this Agreement or any CITY contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any CITY contract has been awarded.



CONTRACTOR shall immediately report any attempt by any CITY officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from CONTRACTOR.

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above-written.

CITY:

CONTRACTOR:

CITY OF BEAUMONT

By: _____
Julio Martinez, Mayor

By: _____

By: _____



ROXANN M. VOTAW
votaw@sbemp.com
FIRM ADMINISTRATOR

REPLY TO:
Palm Springs, California

JUNE 5, 2019

CITY OF BEAUMONT PROFESSIONAL SERVICES THRU: 5/31/2019

TOTAL DUE: \$124,110.29

Sincerely,
SBEMP, LLP

By: Roxann M Votaw

SLOVAK BARON EMPEY MURPHY & PINKNEY LLP

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JUNE 5, 2019

City of Beaumont
 E-MAIL INVOICES

Our file no:
 City of Beaumont*BofA

Professional services through: 5/31/2019:

Invoice # 53272

	<u>Amount</u>
BALANCE DUE – PLEASE SUBMIT PAYMENT:	<u>\$412.50</u>

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JUNE 5, 2019

City of Beaumont
E-MAIL INVOICES

Our file no:
City of Beaumont*Macias

Professional services through: 5/31/2019:

Invoice # 53273

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$35.32

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JUNE 5, 2019

City of Beaumont
E-MAIL INVOICES

Our file no:
City of Beaumont*McFarlinAnder

Professional services through: 5/31/2019:

Invoice # 53274

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$5,574.50

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JUNE 5, 2019

City of Beaumont
 E-MAIL INVOICES

Our file no:
 City of Beaumont*MV

Professional services through: 5/31/2019:

Invoice # 53275

	<u>Amount</u>
BALANCE DUE – PLEASE SUBMIT PAYMENT:	<u>\$17,260.50</u>

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JUNE 5, 2019

City of Beaumont
 E-MAIL INVOICES

Our file no:
 City of Beaumont*Norton Rose

Professional services through: 5/31/2019:

Invoice # 53276

	<u>Amount</u>
BALANCE DUE – PLEASE SUBMIT PAYMENT:	<u>\$2,200.00</u>

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JUNE 5, 2019

City of Beaumont
E-MAIL INVOICES

Our file no:
City of Beaumont*Peters

Professional services through: 5/31/2019:

Invoice # 53277

	<u>Amount</u>
BALANCE DUE – PLEASE SUBMIT PAYMENT:	<u>\$715.00</u>

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JUNE 5, 2019

City of Beaumont
E-MAIL INVOICES

Our file no:
City of Beaumont*Police Dept

Professional services through: 5/31/2019:

Invoice # 53278

	<u>Amount</u>
BALANCE DUE – PLEASE SUBMIT PAYMENT:	<u>\$406.30</u>

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JUNE 5, 2019

City of Beaumont
E-MAIL INVOICES

Our file no:
City of Beaumont*Successor Age

Professional services through: 5/31/2019:

Invoice # 53279

	<u>Amount</u>
BALANCE DUE – PLEASE SUBMIT PAYMENT:	<u>\$2,035.00</u>

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JUNE 5, 2019

City of Beaumont
 E-MAIL INVOICES

Our file no:
 City of Beaumont*TalleyAguirre

Professional services through: 5/31/2019:

Invoice # 53280

	<u>Amount</u>
BALANCE DUE – PLEASE SUBMIT PAYMENT:	\$11,825.00

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JUNE 5, 2019

City of Beaumont
E-MAIL INVOICES

Our file no:
City of Beaumont*ULC Defense

Professional services through: 5/31/2019:

Invoice # 53281

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$18,800.96

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JUNE 5, 2019

City of Beaumont
 E-MAIL INVOICES

Our file no:
 City of Beaumont*Urban Logic

Professional services through: 5/31/2019:

Invoice # 53282

	<u>Amount</u>
BALANCE DUE – PLEASE SUBMIT PAYMENT:	<u>\$20,995.30</u>

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JUNE 5, 2019

City of Beaumont
E-MAIL INVOICES

Our file no:
City of Beaumont*Wallis Receiv

Professional services through: 5/31/2019:

Invoice # 53283

	<u>Amount</u>
BALANCE DUE – PLEASE SUBMIT PAYMENT:	<u>\$495.00</u>

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JUNE 5, 2019

City of Beaumont
 E-MAIL INVOICES

Our file no:
 City of Beaumont-3rdPartyClaim

Professional services through: 5/31/2019:

Invoice # 53284

	<u>Amount</u>
BALANCE DUE – PLEASE SUBMIT PAYMENT:	<u>\$234.00</u>

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JUNE 5, 2019

City of Beaumont
E-MAIL INVOICES

Our file no:
City of Beaumont-AC Equipment

Professional services through: 5/31/2019:

Invoice # 53285

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$4,369.00

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JUNE 5, 2019

City of Beaumont
E-MAIL INVOICES

Our file no:
City of Beaumont-Gen Lit

Professional services through: 5/31/2019:

Invoice # 53286

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$2,035.00

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JUNE 5, 2019

City of Beaumont
E-MAIL INVOICES

Our file no:
City of Beaumont-Labor&Employ

Professional services through: 5/31/2019:

Invoice # 53287

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$6,978.80

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JUNE 5, 2019

City of Beaumont
 E-MAIL INVOICES

Our file no:
 City of Beaumont-OverRetainer

Professional services through: 5/31/2019:

Invoice # 53288

Amount

BALANCE DUE – PLEASE SUBMIT PAYMENT:

\$19,266.67

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JUNE 5, 2019

City of Beaumont
 E-MAIL INVOICES

Our file no:
 City of Beaumont-Retainer

Professional services through: 5/31/2019:

Invoice # 53289

	<u>Amount</u>
BALANCE DUE – PLEASE SUBMIT PAYMENT:	\$7,500.00

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JUNE 5, 2019

City of Beaumont
E-MAIL INVOICES

Our file no:
City of Beaumont-Serrato

Professional services through: 5/31/2019:

Invoice # 53290

	<u>Amount</u>
BALANCE DUE – PLEASE SUBMIT PAYMENT:	<u>\$2,971.44</u>

SLOVAK BARON EMPEY MURPHY & PINKNEY LLP

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MEMO

To: City of Beaumont
From: Townsend Public Affairs, Inc.
Date: June 13, 2019
Subject: Legislative Report

SUMMARY

This memo is an overview of activities by Townsend Public Affairs (“TPA”) on work conducted on behalf of the City of Beaumont (“City”), including the following items:

- *Grants*
- *State Update*
- *Upcoming Funding Activities*
- *Legislative Matrix*



GRANTS

Southern California Association of Governments

On March 7, 2019, the Southern California Association of Governments (SCAG) Board took action on Sustainable Communities Program (SCP) award recommendations. As part of the Green Region Initiatives, TPA worked with City staff to prepare an application for funding that would allow the City to prepare a parking strategies plan. SCAG recommended the City's application be awarded and will be included in the list of proposed projects that will be submitted to the California Transportation Commission (CTC) for final approval.

SB 2 Planning Grants

Senate Bill 2 directs the California Housing and Community Development Department (HCD) to use 50 percent of the revenue in the first year to establish a program that provides financial and technical assistance to local governments to update planning documents and zoning ordinances in order to streamline housing production. Eligible activities must demonstrate a nexus to accelerating housing production and may include updates to general plans, community plans, specific plans, and updates to zoning ordinances. These applications will be funded on a first come first serve basis. TPA is working with City staff to prepare an application for a much-needed zoning update. Applications will be accepted and awarded on an over the counter basis until November 2019.

Statewide Parks Program

TPA is currently working with City staff to identify a project for the Statewide Park Development and Community Revitalization Program. Funded under Proposition 68, this program offers competitive grants to create new recreations opportunities to underserved communities. Applications are due on August 4, 2019.

Proposition 68 – Per Capita Program

Proposition 68, passed by voters in June 2018, provided \$185 million for local park rehabilitation, creation, and improvement grants to local governments on a per capita basis. Each city is guaranteed a minimum of \$200,000 to rehabilitate or improve park access in existing parks. The California Department of Parks and Recreation is administering the Per Capita Program and has recently released draft guidelines to help cities navigate the application and award process. All projects require a 20 percent match unless the applicant serves a severely disadvantaged community, defined as having a median household income of less than 60 percent of the statewide average. A questionnaire was submitted to the Department of Parks and Recreation on June 3.

STATE UPDATE

State Legislative Update

On June 13, 2019 the Assembly voted 60-15 to pass a **\$214.8 billion** FY 19-20 State Budget. Shortly after, the Senate voted 29-11 to pass the same Budget bill. The Budget is now on Governor Newsom's desk for his consideration and signature.

Below is a summary of the key highlights in the budget;

The 2019-20 Budget approved by the Legislature this afternoon is record setting at \$214.8 billion. It includes significant funding for Governor Newsom's key proposals, including increased dollar amounts for healthcare, homelessness and education.

Housing & Homelessness

- \$500 million in one-time funds for housing related infrastructure to help boost needed construction;
- \$500 million in one-time funds for a mixed income loan program through CalHFA;
- \$500 million in one-time funds to expand the Low-Income Housing Tax Credit;
- \$250 million for planning grants to help local jurisdictions work through the Regional Housing Needs Assessment;
- \$650 million in one-time funds to help local jurisdictions address the homelessness crisis.

Universal Preschool & Childcare

This Budget funds major new investments in universal preschool and childcare, including;

- Over 11,000 new vouchers and child care slots and an additional 10,000 new state preschool full-day slots;
- The Budget also adopts the Governor's proposal to expand the duration of Paid Family Leave benefits from 6 weeks to 8 weeks, beginning July 1, 2020, and notes legislative intent to move toward the goal of providing a 90% wage replacement rate for low-wage workers using these benefits.

Public Schools

The Budget provides \$81.1 billion in state and local funds to public schools and community colleges in 2019-2020, equal to over \$12,000 per student, including;

- \$389 billion in Prop 98 funding to the Public School Stabilization Account (PSSSA);
- \$3.15 billion to moderate school districts' future pension cost increases;
- Additional funding for special education in preschool and K-12.

Higher Education

- Funds 15,000 new slots for undergraduates at UC and CSU;
- Expands the College Promise fee waiver program to a second year at community colleges and funds over 15,000 new competitive Cal Grant awards;

- \$50 million to support state and local Child Savings Account programs, which are designed to help families build assets for their children's post-secondary education;
- \$119.8 million ongoing General Fund appropriation to support operational cost increases in the UC system;
- \$49.9 million ongoing General Fund appropriation to support academic quality initiatives;
- \$147.8 million ongoing General Fund to support compensation increases at the Cal State University System.

Health Care

The Budget package continues California's progress toward universal, affordable health care for all.

- It bolsters Covered California plans, including providing \$450M in additional subsidies to help low-income and middle-income Californians purchase affordable health care coverage;
- It expands Medi-Cal to more aged, blind, and disabled seniors, as well as eligible residents who need post-partum mental health services;
- It approves Governor Newsom's proposal to expand Medi-Cal in order to increase health care access for young adults ages 19-25, regardless of immigration status;
- Includes \$8M for a competitive grant program to reduce mental health disparities across California.

Safe & Affordable Drinking Water

- \$130 million per year to provide communities with the resources to deliver clean drinking water, funded from a long-term commitment of Greenhouse Gas Reduction Funds.

Natural Resources

- \$1 billion across multiple departments to continue development and implementation of Proposition 68 bond programs;
- \$45 million in one-time funding for multiple agencies including the Department of Parks and Recreation, the Department of Forestry and Fire Protection, the California Conservation Corps, and the California Tahoe Conservancy to address their most critical deferred maintenance needs;
- \$92 million to implement multi-benefit flood improvement projects;
- Approves trailer bill language to extend the sunset of the Habitat Conservation Fund competitive grant program by 10 years, to January 1, 2030.

Public Safety

- \$34.9 million to restore funding levels and provide training for law enforcement officers;
- \$152.3 million to improve the state's emergency response and preparedness capabilities;
- \$30.4 million for 25 additional superior court judgeships by late 2019;
- \$41.9 million to improve access to justice and modernize court operations;
- \$576,000 to the California Law Revision Commission to simplify and rationalize criminal law and procedures under the criminal code;
- Increased funding for CDCR to implement health, education, substance abuse and rehabilitation efforts;

- Eliminate use of out-of-state beds for California inmates and remove all prisoners from Arizona by June 2019.

Transportation

- \$2 billion for Road Maintenance and Rehabilitation Account (RMRA) for local and capital funding under SB 1.

Cap and Trade

- Invests \$1.4 billion in discretionary Greenhouse Gas Reduction Funds (GGRF) in 2019-20.
- Specifically, the Cap and Trade expenditure plan includes the following spending programs and activities:
 - \$245 million for implementation of AB 617 (Garcia, 2018) - Community Air Protection & Local Programs to Reduce Air Pollution;
 - \$238 million for the Clean Vehicle Rebate Project;
 - \$182 million for clean trucks, buses, and off-road freight equipment including the Hybrid and Zero-Emission Truck and Bus Voucher Incentive Project and advanced technology freight demonstration and pilot commercial deployment projects;
 - \$165 million for Healthy & Resilient Forests to reduce the risk of wildfire;
 - \$100 million for safe drinking water programs;
 - \$60 million for the Transformative Climate Communities program;
 - \$30 million for the Urban Greening Program.

Other Issues

- The Budget provides tens of millions of dollars more for 2020 Census outreach, extending California’s historic investment to help ensure a complete count;
- Over \$300 million for disaster preparedness, including communications infrastructure, and new funding to help communities affected by disasters;
- \$15 million for cannabis equity programs;
- The Budget also temporarily ends the sales tax on diapers and menstrual products.

Budget Resiliency

The 2019-20 Budget package assumes an estimated \$19.4 billion in reserves, including \$16.5 billion in the Proposition 2 “rainy day fund”.

UPCOMING FUNDING ACTIVITY

TPA monitors and routinely sends grant opportunities that may be of interest to the City. In addition, we regularly communicate with City staff to identify potential needs and priority program areas. Below is a list of grant opportunities provided to the City and the current status of each upcoming grant program.

Upcoming Grant Programs	
<p>Senate Bill 2 Planning Grants: California Housing and Community Development Department (HCD) will provide financial and technical assistance to local governments to update planning documents and zoning ordinances in order to streamline housing production.</p>	<p>Status: First Come First Serve</p>
<p>BUILD Transportation Grant: This program funds surface transportation infrastructure projects that have a significant local or regional impact. The federal share may not exceed 80% of the project.</p>	<p>Status: Applications due July 15, 2019</p>
<p>Statewide Parks Program: Funded under Proposition 68, the Statewide Park Program will fund projects that create new parks or enhance existing parks with new recreational opportunities in underserved communities</p>	<p>Status: Application due August 5, 2019</p>
<p>Storm Water Grant Program - Multi-benefit storm water management projects which may include, but shall not be limited to, green infrastructure, rainwater and storm water capture projects and storm water treatment facilities.</p>	<p>Status: Applications open Fall 2019</p>
<p>California Trails and Greenways Investment Program: 27.7 million available for trail projects. Anticipate draft guidelines and public hearings for release in Summer 2019.</p>	<p>Status: Application deadline August 2019</p>

**City of Beaumont
2019-20 Legislative Report (6/13/2019)**

AB 11 (Chiu D) Community Redevelopment Law of 2019.

Current Text: Amended: 4/11/2019 [html](#) [pdf](#)

Status: 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 4/25/2019) (May be acted upon Jan 2020)

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law dissolved redevelopment agencies as of February 1, 2012, and designates successor agencies to act as successor entities to the dissolved redevelopment agencies. This bill, the Community Redevelopment Law of 2019, would authorize a city or county, or two or more cities acting jointly, to propose the formation of an affordable housing and infrastructure agency by adoption of a resolution of intention that meets specified requirements, including that the resolution of intention include a passthrough provision and an override passthrough provision, as defined.

Organization Position Department
City of Beaumont Watch

AB 14 (Rivas, Luz D) Multifamily Housing Program: homeless youths: homeless families.

Current Text: Introduced: 12/3/2018 [html](#) [pdf](#)

Status: 1/17/2019-Referred to Com. on H. & C.D.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would appropriate an unspecified sum from the General Fund into the Housing Rehabilitation Loan Fund to be expended under the Multifamily Housing Program to fund housing for homeless youths and homeless families in accordance with certain requirements, including that the department prioritize loans to housing projects in disadvantaged communities, as defined, and that unspecified amounts be set aside for both certain homeless youths and certain homeless families.

Organization Position Department
City of Beaumont Watch

AB 40 (Ting D) Zero-emission vehicles: comprehensive strategy.

Current Text: Introduced: 12/3/2018 [html](#) [pdf](#)

Status: 4/26/2019-Failed Deadline pursuant to Rule 61(a)(2). (Last location was TRANS. on 1/24/2019) (May be acted upon Jan 2020)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would, no later than January 1, 2021, require the State Air Resources Board to develop a comprehensive strategy to ensure that the sales of new motor vehicles and new light-duty trucks in the state have transitioned fully to zero-emission vehicles, as defined, by 2040, as specified.

Organization Position Department
City of Beaumont Watch

AB 68 (Ting D) Land use: accessory dwelling units.

Current Text: Amended: 6/12/2019 [html](#) [pdf](#)

Status: 6/12/2019-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on HOUSING.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Planning and Zoning Law authorizes a local agency to provide, by ordinance, for the creation of accessory dwelling units in single-family and multifamily residential zones and sets forth required ordinance standards, including, among others, lot coverage. This bill would delete the provision authorizing the imposition of standards on lot coverage and would prohibit an ordinance from imposing requirements on minimum lot size.

Organization Position Department
City of Beaumont Watch

AB 139 (Quirk-Silva D) Emergency and Transitional Housing Act of 2019.

Current Text: Amended: 4/10/2019 [html](#) [pdf](#)

Status: 6/6/2019-Referred to Com. on HOUSING.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires the housing element to contain specified information and analysis, including an assessment of housing needs and an inventory of resources and constraints relevant to the meeting of those needs that includes, among other things, the identification of a zone or zones where emergency shelters are allowed as a permitted use without a conditional use or other discretionary permit. Current law requires the identified zone or zones to include sufficient capacity to accommodate the need for emergency shelter, as specified. This bill would define "sufficient capacity" for these purposes.

Organization **Position** **Department**
 City of Beaumont Watch

AB 147 **(Burke D) Use taxes: collection: retailer engaged in business in this state: marketplace facilitators.**

Current Text: Chaptered: 4/25/2019 [html](#) [pdf](#)

Status: 4/25/2019-Approved by the Governor. Chaptered by Secretary of State - Chapter 5, Statutes of 2019.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would specify that, on and after April 1, 2019, a retailer engaged in business in this state includes any retailer that, in the preceding calendar year or the current calendar year, has total combined sales of tangible personal property for delivery in this state by the retailer and all persons related to the retailer that exceed \$500,000. The bill would allow the California Department of Tax and Fee Administration to grant relief to certain retailers engaged in business in this state for specified interest or penalties imposed on use tax liabilities due and payable for tax reporting periods beginning April 1, 2019 and ending December 31, 2022.

Organization **Position** **Department**
 City of Beaumont Watch

AB 213 **(Reyes D) Local government finance: property tax revenue allocations: vehicle license fee adjustments.**

Current Text: Introduced: 1/15/2019 [html](#) [pdf](#)

Status: 6/6/2019-Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would, for the 2019–20 fiscal year, require the vehicle license fee adjustment amount to be the sum of the vehicle license fee adjustment amount in the 2018–19 fiscal year, the product of that sum and the percentage change in gross taxable assessed valuation within the jurisdiction of that entity between the 2018–19 fiscal year to the 2018–19 fiscal year, and the product of the amount of specified motor vehicle license fee revenues that the Controller allocated to the applicable city in July 2010 and 1.17.

Organization **Position** **Department**
 City of Beaumont Watch

AB 392 **(Weber D) Peace officers: deadly force.**

Current Text: Amended: 5/23/2019 [html](#) [pdf](#)

Status: 6/12/2019-Referred to Com. on PUB. S.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would redefine the circumstances under which a homicide by a peace officer is deemed justifiable to include when the officer reasonably believes, based on the totality of the circumstances, that deadly force is necessary to defend against an imminent threat of death or serious bodily injury to the officer or to another person, or to apprehend a fleeing person for a felony that threatened or resulted in death or serious bodily injury, if the officer reasonably believes that the person will cause death or serious bodily injury to another unless the person is immediately apprehended.

Organization **Position** **Department**
 City of Beaumont Oppose

AB 485 **(Medina D) Local government: economic development subsidies.**

Current Text: Introduced: 2/12/2019 [html](#) [pdf](#)

Status: 6/11/2019-In committee: Hearing postponed by committee.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires each local agency, as defined, to provide specified information to the public before approving an economic development subsidy within its jurisdiction, and to, among other things, hold hearings and report on those subsidies, as provided. Current law defines "economic

development subsidy” for these purposes. This bill, on and after January 1, 2020, would similarly require each local agency to provide specified information to the public before approving an economic development subsidy for a warehouse distribution center, as defined, and to, among things, hold hearings and report on those subsidies, as provided.

Organization Position Department
 City of Beaumont Watch

AB 510

(Cooley D) Local government records: destruction of records.

Current Text: Introduced: 2/13/2019 [html](#) [pdf](#)

Status: 5/3/2019-Failed Deadline pursuant to Rule 61(a)(3). (Last location was L. GOV. on 2/21/2019) (May be acted upon Jan 2020)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Current law authorizes the head of a department of a county or city, or the head of a special district to destroy recordings of telephone and radio communications maintained by that county, city, or special district after 100 days if that person receives approval from the legislative body and the written consent of the agency attorney. This bill would exempt the head of a department of a county or city, or the head of a special district from these recording retention requirements if the county, city, or special district adopts a records retention policy governing recordings of routine video monitoring and recordings of telephone and radio communications.

Organization Position Department
 City of Beaumont Watch

AB 516

(Chiu D) Authority to remove vehicles.

Current Text: Amended: 3/28/2019 [html](#) [pdf](#)

Status: 5/22/2019-Referred to Coms. on TRANS. and PUB. S.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Current law authorizes a peace officer and specified public employees, as an alternative to removal of a vehicle, to immobilize the vehicle with a device designed and manufactured for that purpose, if, among other circumstances, the vehicle is found upon a highway or public lands by the peace officer or employee and it is known to have been issued 5 or more notices of parking violations that are delinquent because the owner or person in control of the vehicle has not responded to the appropriate agency within a designated time period. This bill would delete the authority of a peace officer or public employee, as appropriate, to remove or immobilize a vehicle under those circumstances.

Organization Position Department
 City of Beaumont Oppose

AB 694

(Irwin D) Veterans Housing and Homeless Prevention Bond Act of 2019.

Current Text: Amended: 6/6/2019 [html](#) [pdf](#)

Status: 6/6/2019-Referred to Coms. on HOUSING, V.A. and GOV. & F. From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on HOUSING.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would enact the Veterans Housing and Homeless Prevention Bond Act of 2019 to authorize the issuance of bonds in an amount not to exceed \$600,000,000 to provide additional funding for the VHHPA. The bill would provide for the handling and disposition of the funds in the same manner as the 2014 bond act.

Organization Position Department
 City of Beaumont Watch

AB 747

(Levine D) Planning and zoning: general plan: safety element.

Current Text: Amended: 4/1/2019 [html](#) [pdf](#)

Status: 6/5/2019-From committee: Do pass and re-refer to Com. on APPR. with recommendation: To Consent Calendar. (Ayes 7. Noes 0.) (June 5). Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would, upon the next revision of a local hazard mitigation plan on or after January 1, 2020, or beginning on or before January 1, 2021, if a local jurisdiction has not adopted a local hazard mitigation plan, require the safety element to be reviewed and updated as necessary to identify evacuation routes and their capacity, safety, and viability under a range of emergency scenarios. The bill would authorize a city or county that has adopted a local hazard mitigation plan, emergency

operations plan, or other document that fulfills commensurate goals and objectives to use that information in the safety element to comply with this requirement by summarizing and incorporating by reference that other plan or document in the safety element.

Organization Position Department
 City of Beaumont Watch

AB 750 (Chen R) School safety: school resource officers.

Current Text: Amended: 3/28/2019 [html](#) [pdf](#)

Status: 6/4/2019-Failed Deadline pursuant to Rule 61(a)(2). (Last location was ED. on 3/14/2019)(May be acted upon Jan 2020)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would require a school district or a charter school to hire or contract with at least one school resource officer, as defined, authorized to carry a loaded firearm, to be present at each school of the school district or charter school during regular school hours and any other time when pupils are present on campus. By imposing an additional requirement on school districts and charter schools, the bill would impose a state-mandated local program.

Organization Position Department
 City of Beaumont Watch

AB 761 (Nazarian D) State armories: homeless shelters.

Current Text: Amended: 4/8/2019 [html](#) [pdf](#)

Status: 6/11/2019-From committee: Do pass and re-refer to Com. on APPR. (Ayes 7. Noes 0.) (June 11). Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would authorize, at the sole discretion of the Adjutant General, the use of any armory deemed vacant by the Military Department throughout the year by the county or city in which the armory is located for the purpose of providing temporary shelter from hazardous weather conditions for homeless persons.

Organization Position Department
 City of Beaumont Watch

AB 847 (Grayson D) Housing: transportation-related impact fees grant program.

Current Text: Amended: 3/27/2019 [html](#) [pdf](#)

Status: 4/26/2019-Failed Deadline pursuant to Rule 61(a)(2). (Last location was H. & C.D. on 4/1/2019)(May be acted upon Jan 2020)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would require the Department of Housing and Community Development , upon appropriation by the Legislature, to establish a competitive grant program to award grants to cities and counties to offset up to 100% of any transportation-related impact fees exacted upon a qualifying housing development project, as defined, by the local jurisdiction.

Organization Position Department
 City of Beaumont Watch

AB 849 (Bonta D) Elections: city and county redistricting.

Current Text: Amended: 5/17/2019 [html](#) [pdf](#)

Status: 6/6/2019-Referred to Coms. on E. & C.A. and GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Current law establishes criteria and procedures pursuant to which cities and counties adjust or adopt council and supervisorial district area boundaries, as applicable, for the purpose of electing members of the governing body of each of those local jurisdictions. This bill would revise and recast these provisions. The bill would require the governing body of each local jurisdiction described above to adopt new district boundaries after each federal decennial census, except as specified.

Organization Position Department
 City of Beaumont Watch

AB 881 (Bloom D) Accessory dwelling units.

Current Text: Amended: 4/11/2019 [html](#) [pdf](#)

Status: 5/22/2019-Referred to Coms. on HOUSING and GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: The Planning and Zoning Law provides for the creation of accessory dwelling units by local ordinance, or, if a local agency has not adopted an ordinance, by ministerial approval, in accordance with specified standards and conditions. Current law requires the ordinance to designate areas where accessory dwelling units may be permitted and authorizes the designated areas to be based on criteria that includes, but is not limited to, the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety. This bill would instead require a local agency to designate these areas based on the adequacy of water and sewer services and the impact of accessory dwelling units on traffic flow and public safety.

Organization **Position** **Department**
 City of Beaumont

AB 1096 (Melendez R) Firearms: concealed carry licenses.

Current Text: Introduced: 2/21/2019 [html](#) [pdf](#)

Status: 6/4/2019-Failed Deadline pursuant to Rule 61(a)(2). (Last location was PUB. S. on 3/7/2019) (May be acted upon Jan 2020)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would require the sheriff of a county, or the chief or other head of a municipal police department, to issue a license to carry a concealed handgun or to carry a loaded and exposed handgun, as specified, if good cause exists for the issuance and the applicant is of good moral character and satisfies certain other criteria.

Organization **Position** **Department**
 City of Beaumont Watch

AB 1184 (Gloria D) Public records: writing transmitted by electronic mail: retention.

Current Text: Amended: 5/16/2019 [html](#) [pdf](#)

Status: 6/6/2019-Referred to Com. on JUD.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Would, unless a longer retention period is required by statute or regulation, require a public agency for purposes of the California Public Records Act to retain and preserve for at least 2 years every writing containing information relating to the conduct of the public's business prepared, owned, or used by any public agency that is transmitted by electronic mail.

Organization **Position** **Department**
 City of Beaumont Oppose

AB 1266 (Rivas, Robert D) Traffic control devices: bicycles.

Current Text: Amended: 6/12/2019 [html](#) [pdf](#)

Status: 6/12/2019-Read second time and amended. Re-referred to Com. on APPR.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Current law authorizes the Department of Transportation or local authorities to erect official traffic control devices within or adjacent to intersections of highways under their respective jurisdictions to regulate or prohibit turning movements at those intersections. When a turn is required, existing law requires the erection of a sign giving notice of that requirement, except as specified. Current law prohibits a driver of a vehicle from disobeying the directions of a traffic control device erected pursuant to that provision. This bill would exempt from the prohibition described above operators of bicycles traveling straight through an intersection, if an official traffic control device indicates that the movement is permitted. The bill would require the Department of Transportation to develop standards to implement these provisions.

Organization **Position** **Department**
 City of Beaumont Watch

AB 1332 (Bonta D) Sanctuary State Contracting and Investment Act.

Current Text: Amended: 4/29/2019 [html](#) [pdf](#)

Status: 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/8/2019)(May be acted upon Jan 2020)

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf.	Enrolled	Vetoed	Chaptered
1st House				2nd House				Conc.			

Summary: Current law requires law enforcement agencies to report to the Department of Justice annually regarding transfers of persons to immigration authorities and requires the Attorney General to publish guidance, audit criteria, and training recommendations regarding state and local law

enforcement databases, for purposes of limiting the availability of information for immigration enforcement, as specified. This bill, the Sanctuary State Contracting Act, would, among other things, require the Department of Justice, commencing on January 1, 2020, and quarterly thereafter, to publish a list on its internet website, based on specified criteria, of each person or entity that, in the opinion of the Department of Justice, is providing data broker, extreme vetting, or detention facilities support to any federal immigration agency, as specified.

Organization **Position** **Department**
 City of Beaumont Watch

AB 1484 **(Grayson D) Mitigation Fee Act: housing developments.**

Current Text: Amended: 4/10/2019 [html](#) [pdf](#)
Status: 5/29/2019- Referred to Com. on GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Mitigation Fee Act requires a local agency that establishes, increases, or imposes a fee as a condition of approval of a development project to, among other things, determine a reasonable relationship between the fee's use and the type of development project on which the fee is imposed. This bill would require each city, county, or city and county to post on its internet website the type and amount of each fee imposed on a housing development project, as defined.

Organization **Position** **Department**
 City of Beaumont

AB 1486 **(Ting D) Surplus land.**

Current Text: Amended: 5/16/2019 [html](#) [pdf](#)
Status: 6/12/2019- Referred to Coms. on GOV. & F., HOUSING and G.O.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law prescribes requirements for the disposal of surplus land by a local agency. Current law defines "local agency" for these purposes as every city, county, city and county, and district, including school districts of any kind or class, empowered to acquire and hold real property. This bill would expand the definition of "local agency" to include sewer, water, utility, and local and regional park districts, joint powers authorities, successor agencies to former redevelopment agencies, housing authorities, and other political subdivisions of this state and any instrumentality thereof that is empowered to acquire and hold real property, thereby requiring these entities to comply with these requirements for the disposal of surplus land. The bill would specify that the term "district" includes all districts within the state, and that this change is declaratory of existing law.

Organization **Position** **Department**
 City of Beaumont Watch

AB 1487 **(Chiu D) San Francisco Bay area: housing development: financing.**

Current Text: Amended: 5/16/2019 [html](#) [pdf](#)
Status: 6/6/2019- Referred to Coms. on HOUSING and GOV. & F.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law provides for the establishment of various special districts that may support and finance housing development, including affordable housing special beneficiary districts that are authorized to promote affordable housing development with certain property tax revenues that a city or county would otherwise be entitled to receive. This bill, the San Francisco Bay Area Regional Housing Finance Act, would establish the Housing Alliance for the Bay Area (hereafter the entity) and would state that the entity's purpose is to increase affordable housing in the San Francisco Bay area, as defined, by providing for enhanced funding and technical assistance at a regional level for tenant protection, affordable housing preservation, and new affordable housing production.

Organization **Position** **Department**
 City of Beaumont Watch

AB 1636 **(Bonta D) Criminal procedure: determination of probable cause.**

Current Text: Amended: 4/4/2019 [html](#) [pdf](#)
Status: 6/4/2019- Failed Deadline pursuant to Rule 61(a)(8). (Last location was APPR. SUSPENSE FILE on 4/24/2019)

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would authorize a person charged by complaint with a felony to, at the time of arraignment, make a motion for a determination of probable cause on each count charged, which shall be made by the court immediately on the basis of the complaint, warrant, police reports, or other

documents of similar reliability, or may be continued for not more than 3 days for good cause. The bill would require the court to dismiss any count charged for which the court does not make a finding of probable cause.

Organization **Position** **Department**
 City of Beaumont Watch

AB 1708 (Rodriguez D) Emergency response: trauma kits.

Current Text: Amended: 4/10/2019 [html](#) [pdf](#)

Status: 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 4/24/2019)(May be acted upon Jan 2020)

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law exempts from civil liability any person who, in good faith and not for compensation, renders emergency medical or nonmedical care or assistance at the scene of an emergency other than an act or omission constituting gross negligence or willful or wanton misconduct. Current law exempts public or private organizations that sponsor, authorize, support, finance, or supervise the training of people, or certifies those people in emergency medical services, from liability for civil damages alleged to result from those training programs. This bill would define "trauma kit" to mean a first aid response kit that contains specified items, including, among other things, at least 2 tourniquets.

Organization **Position** **Department**
 City of Beaumont Watch Police Department

AB 1713 (Burke D) Vehicles: driving under the influence.

Current Text: Introduced: 2/22/2019 [html](#) [pdf](#)

Status: 4/26/2019-Failed Deadline pursuant to Rule 61(a)(2). (Last location was PUB. S. on 3/18/2019) (May be acted upon Jan 2020)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law prohibits a person from driving a motor vehicle when the person has 0.08 percent or more, by weight, of alcohol in their blood. This bill would instead prohibit a person from driving a motor vehicle when the person has 0.05 percent or more, by weight, of alcohol in their blood.

Organization **Position** **Department**
 City of Beaumont Watch

AB 1763 (Chiu D) Planning and zoning: density bonuses: affordable housing.

Current Text: Amended: 6/11/2019 [html](#) [pdf](#)

Status: 6/11/2019-From committee chair, with author's amendments: Amend, and re-refer to committee. Read second time, amended, and re-referred to Com. on HOUSING.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require a density bonus to be provided to a developer who agrees to construct a housing development in which 100% of the total units, exclusive of managers' units, are for lower income households, as defined. The bill would also require that a housing development that meets this criteria receive 4 incentives or concessions under the Density Bonus Law. The bill would generally require that the housing development receive a density bonus of 80%, but would exempt the housing development from any maximum controls on density if it is located within 1/2 mile of a major transit stop or a high-quality transit corridor, as defined, and additionally require the city, county, or city and county to allow an increase in height and floor area ratio in specified amounts that vary depending on whether the development is located within 1/2 mile of a major transit stop or a high-quality transit corridor.

Organization **Position** **Department**
 City of Beaumont Watch

ACA 1 (Aguilar-Curry D) Local government financing: affordable housing and public infrastructure: voter approval.

Current Text: Amended: 3/18/2019 [html](#) [pdf](#)

Status: 5/20/2019-Read second time. Ordered to third reading.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The California Constitution prohibits the ad valorem tax rate on real property from exceeding 1% of the full cash value of the property, subject to certain exceptions. This measure would create an additional exception to the 1% limit that would authorize a city, county, city and county, or

special district to levy an ad valorem tax to service bonded indebtedness incurred to fund the construction, reconstruction, rehabilitation, or replacement of public infrastructure, affordable housing, or permanent supportive housing, or the acquisition or lease of real property for those purposes, if the proposition proposing that tax is approved by 55% of the voters of the city, county, or city and county, as applicable, and the proposition includes specified accountability requirements.

Organization **Position** **Department**
 City of Beaumont Watch

ACA 13

(Obernolte R) Local sales taxes: online sales.

Current Text: Introduced: 3/26/2019 [html](#) [pdf](#)

Status: 3/28/2019-Introduced measure version corrected.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would provide that, on and after January 1, 2021, for the purpose of distributing the revenues derived under a sales tax imposed pursuant to the Bradley-Burns Uniform Local Sales and Use Tax Law, the retail sale of tangible personal property by a qualified retailer, as defined, that is transacted online is instead consummated at the point of the delivery of that tangible personal property to the purchaser’s address or to any other delivery address designated by the purchaser.

Organization **Position** **Department**
 City of Beaumont Watch

SB 4

(McGuire D) Housing.

Current Text: Amended: 4/10/2019 [html](#) [pdf](#)

Status: 4/26/2019-Failed Deadline pursuant to Rule 61(a)(2). (Last location was GOV. & F. on 4/2/2019) (May be acted upon Jan 2020)

Desk	2 year	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would authorize a development proponent of a neighborhood multifamily project or eligible transit-oriented development (TOD) project located on an eligible parcel to submit an application for a streamlined, ministerial approval process that is not subject to a conditional use permit. The bill would define a “neighborhood multifamily project” to mean a project to construct a multifamily unit of up to 2 residential dwelling units in a nonurban community, as defined, or up to 4 residential dwelling units in an urban community, as defined, that meets local height, setback, and lot coverage zoning requirements as they existed on July 1, 2019.

Organization **Position** **Department**
 City of Beaumont

SB 5

(Beall D) Affordable Housing and Community Development Investment Program.

Current Text: Amended: 5/24/2019 [html](#) [pdf](#)

Status: 6/10/2019-Referred to Coms. on H. & C.D. and L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would establish in state government the Affordable Housing and Community Development Investment Program, which would be administered by the Affordable Housing and Community Development Investment Committee. The bill would authorize a city, county, city and county, joint powers agency, enhanced infrastructure financing district, affordable housing authority, community revitalization and investment authority, transit village development district, or a combination of those entities, to apply to the Affordable Housing and Community Development Investment Committee to participate in the program and would authorize the committee to approve or deny plans for projects meeting specific criteria.

Organization **Position** **Department**
 City of Beaumont

SB 6

(Beall D) Residential development: available land.

Current Text: Amended: 4/23/2019 [html](#) [pdf](#)

Status: 5/30/2019-Referred to Coms. on H. & C.D. and A. & A.R.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require the Department of Housing and Community Development to furnish the Department of General Services with a list of local lands suitable and available for residential development as identified by a local government as part of the housing element of its general plan. The bill would require the Department of General Services to create a database of that information and information regarding state lands determined or declared excess and to make this database available and searchable by the public by means of a link on its internet website.

Organization Position
City of Beaumont Watch

Department

SB 13

(Wieckowski D) Accessory dwelling units.

Current Text: Amended: 5/17/2019 [html](#) [pdf](#)

Status: 6/6/2019-Referred to Coms. on H. & C.D. and L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would authorize the creation of accessory dwelling units in areas zoned to allow single-family or multifamily dwelling use. The bill would also revise the requirements for an accessory dwelling unit by providing that the accessory dwelling unit may be attached to, or located within, an attached garage, storage area, or other structure, and that it does not exceed a specified amount of total floor area.

Organization Position
City of Beaumont Oppose

Department

SB 18

(Skinner D) Keep Californians Housed Act.

Current Text: Amended: 5/21/2019 [html](#) [pdf](#)

Status: 6/6/2019-Referred to Coms. on H. & C.D. and JUD.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires a tenant or subtenant in possession of a rental housing unit under a month-to-month lease at the time that property is sold in foreclosure to be provided 90 days' written notice to quit before the tenant or subtenant may be removed from the property. Current law also provides tenants or subtenants holding possession of a rental housing unit under a fixed-term residential lease entered into before transfer of title at the foreclosure sale the right to possession until the end of the lease term, except in specified circumstances. Current law repeals these provisions as of December 31, 2019. This bill would delete the above-described repeal date, thereby extending the operation of these provisions indefinitely.

Organization Position
City of Beaumont Watch

Department

SB 45

(Allen D) Wildfire, Drought, and Flood Protection Bond Act of 2020.

Current Text: Amended: 4/4/2019 [html](#) [pdf](#)

Status: 5/1/2019-May 6 set for first hearing canceled at the request of author.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would enact the Wildfire, Drought, and Flood Protection Bond Act of 2020, which, if approved by the voters, would authorize the issuance of bonds in the amount of \$4,300,000,000 pursuant to the State General Obligation Bond Law to finance projects to restore fire damaged areas, reduce wildfire risk, create healthy forest and watersheds, reduce climate impacts on urban areas and vulnerable populations, protect water supply and water quality, protect rivers, lakes, and streams, reduce flood risk, protect fish and wildlife from climate impacts, improve climate resilience of agricultural lands, and protect coastal lands and resources.

Organization Position
City of Beaumont Watch

Department

SB 50

(Wiener D) Planning and zoning: housing development: streamlined approval: incentives.

Current Text: Amended: 6/4/2019 [html](#) [pdf](#)

Status: 6/4/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/13/2019)(May be acted upon Jan 2020)

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would authorize a development proponent of a neighborhood multifamily project located on an eligible parcel to submit an application for a streamlined, ministerial approval process that is not subject to a conditional use permit. The bill would define a "neighborhood multifamily project" to mean a project to construct a multifamily structure on vacant land, or to convert an existing structure that does not require substantial exterior alteration into a multifamily structure, consisting of up to 4 residential dwelling units and that meets local height, setback, and lot coverage zoning requirements as they existed on July 1, 2019.

Organization Position
City of Beaumont

Department

SB 127

(Wiener D) Transportation funding: active transportation: complete streets.

Current Text: Amended: 5/17/2019 [html](#) [pdf](#)

Status: 6/6/2019-Referred to Com. on TRANS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would establish an Active Transportation Asset Branch within the Transportation Asset Management Office of the department and require the Transportation Asset Management Plan program manager to develop and meaningfully integrate performance measures into the asset management plan as specified, and to establish interim goals, objectives, and actions to meet the department's transportation mode shift goals, as specified. The bill would require the California Transportation Commission to give high priority to increasing safety for pedestrians and bicyclists and to the implementation of bicycle and pedestrian facilities.

Organization Position Department
 City of Beaumont Watch

SB 128

(Beall D) Enhanced infrastructure financing districts: bonds: issuance.

Current Text: Amended: 3/21/2019 [html](#) [pdf](#)

Status: 5/2/2019-Referred to Com. on L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law authorizes the legislative body of a city or a county to establish an enhanced infrastructure financing district, with a governing body referred to as a public financing authority, to finance public capital facilities or other specified projects of communitywide significance. Current law requires a public financing authority to adopt an infrastructure financing plan and hold a public hearing on the plan, as specified. Current law authorizes the public financing authority to issue bonds for these purposes upon approval by 55% of the voters voting on a proposal to issue the bonds. Current law requires the proposal submitted to the voters by the public financing authority and the resolution for the issuance of bonds following approval by the voters to include specified information regarding the bond issuance. This bill would instead authorize the public financing authority to issue bonds for these purposes without submitting a proposal to the voters.

Organization Position Department
 City of Beaumont Watch

SB 144

(Mitchell D) Criminal fees.

Current Text: Amended: 5/21/2019 [html](#) [pdf](#)

Status: 6/6/2019-Referred to Com. on PUB. S.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law imposes various fees contingent upon a criminal arrest, prosecution, or conviction for the cost of administering the criminal justice system, including administering probation and diversion programs, collecting restitution orders, processing arrests and citations, administering drug testing, and incarcerating inmates. This bill would repeal the authority to collect most of these fees, among others. The bill would make the unpaid balance of most court-imposed costs unenforceable and uncollectible and would require any portion of a judgment imposing those costs to be vacated.

Organization Position Department
 City of Beaumont Watch

SB 200

(Monning D) Safe and Affordable Drinking Water Fund.

Current Text: Amended: 5/17/2019 [html](#) [pdf](#)

Status: 6/10/2019-Referred to Com. on E.S. & T.M.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would establish the Safe and Affordable Drinking Water Fund in the State Treasury to help water systems provide an adequate and affordable supply of safe drinking water in both the near and the long term. The bill would authorize the board to provide for the deposit into the fund of federal contributions, voluntary contributions, gifts, grants, and bequests and would provide that moneys in the fund are available, upon appropriation by the Legislature, to the board to fund grants, loans, contracts, or services to assist eligible recipients.

Organization Position Department
 City of Beaumont Watch

SB 212

(Allen D) Elections: local voting methods.

Current Text: Amended: 3/21/2019 [html](#) [pdf](#)

Status: 6/6/2019-Referred to Com. on E. & R.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Under current law, a candidate for nonpartisan office who receives votes on the majority of all ballots cast at a primary election is elected to that office, and the office does not appear on the ballot in the ensuing general election. Current law prescribes which candidates appear on the ballot in the ensuing general election if no candidate has been elected pursuant to this provision, or if the number of candidates elected at the primary election is less than the total number to be elected to that office. Under current law, these provisions do not apply to elections to fill certain enumerated offices. This bill would apply these provisions, upon approval by a jurisdiction’s voters, to the nomination of officers for general law cities and school districts, except as specified.

Organization Position Department
 City of Beaumont Watch

SB 230 (Caballero D) Law enforcement: use of deadly force: training: policies.

Current Text: Amended: 4/30/2019 [html](#) [pdf](#)

Status: 6/10/2019-Referred to Com. on PUB. S.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would require each law enforcement agency to maintain a policy that provides guidelines on the use of force, utilizing deescalation techniques and other alternatives to force when feasible, specific guidelines for the application of deadly force, and factors for evaluating and reviewing all use of force incidents, among other things. The bill would require each agency to make their use of force policy accessible to the public. By imposing additional duties on local agencies, this bill would create a state-mandated local program.

Organization Position Department
 City of Beaumont Watch

SB 280 (Jackson D) Older adults and persons with disabilities: fall prevention.

Current Text: Amended: 4/10/2019 [html](#) [pdf](#)

Status: 6/6/2019-Referred to Coms. on AGING & L.T.C. and H. & C.D.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Mello-Granlund Older Californians Act establishes the California Department of Aging, and sets forth its duties and powers, including, among other things, entering into a contract for the development of information and materials to educate Californians on the concept of “aging in place” and the benefits of home modification. Current law also establishes the Senior Housing Information and Support Center within the department for the purpose of providing information and training relating to available innovative resources and senior services, and housing options and home modification alternatives designed to support independent living or living with family. This bill would repeal those provisions relating to the department’s provision of information on housing and home modifications for seniors.

Organization Position Department
 City of Beaumont Watch

SB 310 (Skinner D) Jury selection.

Current Text: Amended: 5/17/2019 [html](#) [pdf](#)

Status: 6/6/2019-Referred to Com. on JUD.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The Trial Jury Selection and Management Act requires all persons be selected for jury service at random and from sources inclusive of a representative cross section of the population of the area served by the court. This bill would add the list of state tax filers within the area served by the court as an appropriate list for the selection of jurors, and when substantially purged of duplicate names, would require this list, together with the list of registered voters and the list of licensed drivers and identification cardholders, to be considered inclusive of a representative cross section of the population for the purposes of jury selection.

Organization Position Department
 City of Beaumont Watch

SB 330 (Skinner D) Housing Crisis Act of 2019.

Current Text: Amended: 6/12/2019 [html](#) [pdf](#)

Status: 6/12/2019-From committee with author's amendments. Read second time and amended. Re-referred to Com. on H. & C.D.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The The Housing Accountability Act requires a local agency that proposes to disapprove a housing development project that complies with applicable, objective general plan and zoning standards and criteria that were in effect at the time the application was deemed to be complete, or to approve it on the condition that it be developed at a lower density, to base its decision upon written findings supported by substantial evidence on the record that specified conditions exist, and places the burden of proof on the local agency to that effect. The act requires a court to impose a fine on a local agency under certain circumstances and requires that the fine be at least \$10,000 per housing unit in the housing development project on the date the application was deemed complete. This bill would, until January 1, 2025, specify that an application is deemed complete for these purposes if a preliminary application was submitted, as specified.

Organization **Position** **Department**
 City of Beaumont Oppose

SB 332

(Hertzberg D) Wastewater treatment: recycled water.

Current Text: Amended: 4/30/2019 [html](#) [pdf](#)

Status: 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. SUSPENSE FILE on 5/13/2019)(May be acted upon Jan 2020)

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would declare, except in compliance with the bill’s provisions, that the discharge of treated wastewater from ocean outfalls is a waste and unreasonable use of water. The bill would require each wastewater treatment facility that discharges through an ocean outfall and affiliated water suppliers to reduce the facility’s annual flow as compared to the average annual wastewater discharge baseline volume, as prescribed, by at least 50% on or before January 1, 2030, and by at least 95% on or before January 1, 2040. The bill would subject the owner or operator of a wastewater treatment facility, as well as the affiliated water suppliers, to a civil penalty of \$2,000 per acre-foot of water above the required reduction in overall volume discharge for the failure to meet these deadlines.

Organization **Position** **Department**
 City of Beaumont Watch

SB 531

(Glazer D) Local agencies: retailers.

Current Text: Amended: 4/29/2019 [html](#) [pdf](#)

Status: 6/3/2019-Referred to Coms. on L. GOV. and REV. & TAX.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would prohibit, on or after January 1, 2020, a local agency from entering into any form of agreement that would result, directly or indirectly, in the payment, transfer, diversion, or rebate of Bradley-Burns local tax revenues to any retailer, as defined, in exchange for the retailer locating or continuing to maintain a place of business that serves as the place of sale, as defined, within the territorial jurisdiction of the local agency if that place of business would generate revenue, from the sale of tangible property delivered to and received by the purchaser in the territorial jurisdiction of another local agency, for the local agency under the Bradley-Burns Uniform Local Sales and Use Tax Law.

Organization **Position** **Department**
 City of Beaumont Watch

SB 532

(Portantino D) Redevelopment: City of Glendale: bond proceeds: affordable housing.

Current Text: Amended: 4/24/2019 [html](#) [pdf](#)

Status: 6/6/2019-Referred to Coms. on H. & C.D. and L. GOV.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law requires remaining bond proceeds that cannot be spent pursuant to specified requirements of any successor agency that has been issued a finding of completion to be used at the earliest possible date to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation. This bill, notwithstanding the requirement that the remaining bond proceeds be used to defease the bonds or to purchase those same outstanding bonds on the open market for cancellation, would authorize the successor agency in the City of Glendale to use the remaining bond proceeds for the purposes predevelopment, development, acquisition, rehabilitation, and preservation of affordable housing, as defined.

Organization **Position** **Department**
 City of Beaumont Watch

SB 542

(Stern D) Workers’ compensation.

Current Text: Introduced: 2/22/2019 [html](#) [pdf](#)

Status: 5/30/2019-Referred to Com. on INS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Would provide that in the case of certain state and local firefighting personnel and peace officers, the term "injury" also includes a mental health condition or mental disability that results in a diagnosis of post-traumatic stress or mental health disorder that develops or manifests itself during a period in which the firefighting member or peace officer is in the service of the department or unit. These provisions would apply to claims for benefits filed or pending on or after January 1, 2017.

Organization **Position**
 City of Beaumont Oppose

Department
 Police
 Department

SB 625

(Hill D) Party buses: cannabis.

Current Text: Introduced: 2/22/2019 [html](#) [pdf](#)

Status: 6/6/2019-Referred to Coms. on C. & C. and TRANS.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law prohibits a passenger in a motor vehicle being driven upon a highway from drinking any alcoholic beverage or smoking or ingesting any cannabis product. Current law exempts passengers in any bus, taxicab, or limousine, as specified, from this prohibition. This bill would instead exempt the ingestion of cannabis products by a passenger in bus, taxicab, or limousine only if there are no passengers under 21 years of age present and the driver is sealed off from the passenger compartment, as specified.

Organization **Position**
 City of Beaumont Watch

Department

SB 725

(Rubio D) Veterans rental housing.

Current Text: Introduced: 2/22/2019 [html](#) [pdf](#)

Status: 6/6/2019-Referred to Com. on V.A.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law creates the Veterans Housing and Homeless Prevention Act of 2014, to provide for the acquisition, construction, rehabilitation, and preservation of affordable multifamily supportive housing, affordable transitional housing, affordable rental housing, or related facilities for veterans and their families to allow veterans to access and maintain housing stability. This bill would require the department to establish a rental housing assistance program to provide financial assistance to veterans seeking rental housing, based on the needs of the veterans.

Organization **Position**
 City of Beaumont Watch

Department

SB 732

(Allen D) Transactions and use tax: South Coast Air Quality Management District.

Current Text: Amended: 4/30/2019 [html](#) [pdf](#)

Status: 5/17/2019-Failed Deadline pursuant to Rule 61(a)(5). (Last location was APPR. on 4/30/2019) (May be acted upon Jan 2020)

Desk	Policy	2 year	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: Current law establishes the South Coast Air Quality Management District vested with the authority to regulate air emissions from stationary sources located in the South Coast Air Basin and establishes a district board to govern the district. This bill would authorize the south coast district board to impose a transactions and use tax within the boundaries of the south coast district, as specified, with the moneys generated from the transactions and use tax to be used to supplement existing revenues being used for south coast district purposes, as specified.

Organization **Position**
 City of Beaumont Watch

Department

SCA 1

(Allen D) Public housing projects.

Current Text: Introduced: 12/3/2018 [html](#) [pdf](#)

Status: 6/4/2019-From committee: Be adopted and re-refer to Com. on E. & C.A. (Ayes 9. Noes 0.) (June 4). Re-referred to Com. on E. & C.A.

Desk	Policy	Fiscal	Floor	Desk	Policy	Fiscal	Floor	Conf. Conc.	Enrolled	Vetoed	Chaptered
1st House				2nd House							

Summary: The California Constitution prohibits the development, construction, or acquisition of a low-

rent housing project, as defined, in any manner by any state public body until a majority of the qualified electors of the city, town, or county in which the development, construction, or acquisition of the low-rent housing project is proposed approve the project by voting in favor at an election, as specified. This measure would repeal these provisions.

Organization **Position**
City of Beaumont Watch

Department

Total Measures: 55
Total Tracking Forms: 55