CITY COUNCIL CLOSED & REGULAR SESSION

550 E. 6th Street, Beaumont, CA

Tuesday, September 01, 2020
Closed Session: 5:00 PM | Regular Meeting: 6:00 PM

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

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AGENDA

MEETING PARTICIPATION NOTICE

This meeting will be conducted utilizing teleconference communications and will be recorded for live streaming as well as open to public attendance subject to social distancing and applicable health orders. All City of Beaumont public meetings will be available via live streaming and made available on the City's official YouTube webpage. Please use the following link during the meeting for live stream access.

BeaumontCa.gov/Livestream

Public comments will be accepted using the following options.

1. Written comments will be accepted via email and will be read aloud during the corresponding item of the meeting. Public comments shall not exceed three (3) minutes unless otherwise authorized by City Council. Comments can be submitted anytime prior to the meeting as well as during the meeting up until the end of the corresponding item. Please submit your comments to: **NicoleW@BeaumontCA.gov**

2. Phone-in comments will be accepted by joining a conference line prior to the corresponding item of the meeting. Public comments shall not exceed three (3) minutes unless otherwise authorized by City Council. Please use the following phone number to join the call:
   (951) 922 - 4845

3. In person comments subject to the adherence of the applicable health orders and social distancing requirements.

In compliance with the American Disabilities Act, if you require special assistance to participate in this meeting, please contact the City Clerk's office using the above email or call **(951) 572 - 3196**. Notification 48 hours prior to a meeting will ensure the best reasonable accommodation arrangements.

CLOSED SESSION - 5:00 PM

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 with be made in the City Council Chambers.

CALL TO ORDER

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

Public Comments Regarding Closed Session

1. **Conference with Labor Negotiators - Pursuant to Government Code Section 54957.6 City Designated Representatives City Manager Todd Parton and Administrative Services Director Kari Mendoza. Employee Organizations: Beaumont Police Officers Association**
2. **Public Employee Performance Evaluation Pursuant to Government Code Section 54957(b)(1) - Employee Title: City Manager**

Adjourn to Regular Session

REGULAR SESSION - 6:00 PM

CALL TO ORDER

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

Report out from Closed Session:
Action on any Closed Session items:
Action of any requests for Excused Absence:
Pledge of Allegiance:
Approval / Adjustments to the Agenda:
Conflict of Interest Disclosure:

ANNOUNCEMENTS/ RECOGNITION / 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 City 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**

   Recommended Action:

   Ratify warrants dated:
   May 21, 2020
   May 28, 2020

2. **Approval of Minutes**

   Recommended Action:

   Approval of Minutes dated:
   July 28, 2020
   August 18, 2020

3. **Authorize City Staff to Apply for the Fiscal Year 2020 Edward Byrne Memorial Justice Assistance Grant Program and Authorize the City Manager to Execute an Interlocal Agency Agreement with the County of Riverside to Seek Justice Assistance Grant Funds**

   Recommended Action:
   Authorize staff to apply for the Fiscal Year 2020 Edward Byrne Memorial Justice Assistance Grant (JAG) program, and
   Authorize the City Manager to execute a interlocal agency agreement between the County of Riverside and the City of Beaumont to seek JAG funds for Fiscal Year 2020.

4. **Approval of a Five-Year Purchase Contract with Axon Enterprise, Inc. for Taser 7 Systems in an Amount Not to Exceed $38,790**

   Recommended Action:

   Approve a five-year purchase contract with Axon Enterprise, Inc. for Taser 7 Systems in an amount not to exceed $38,790.

5. **Authorize the City Manager to Execute a 36-Month Services Agreement with Frontier Communications to Provide Internet Services to the Beaumont Police Department**

   Recommended Action:
   Authorize the City Manager to execute a 36-month services agreement with Frontier Communications for a new 1GB internet line and 60 direct inbound dial number for the Police Department in the amount of $14,280 per year.

6. **Performance Bond Acceptance and Security Agreement for MPLD II Inland Empire LLC, Parcel Map 36426 Fourth Street Sewer Improvements**

   Recommended Action:
   Accept the following bond and security agreement:
   Performance Bond No. 107174939 for sewer improvements.

7. **A Resolution of The City of Beaumont Authorizing City Council to Summarily Vacate Street Right-of-Way from Luis Estrada Road Fronting Maya Plaza and Being Generally Located at the Southwest Corner of the Intersection with SR-79**

Recommended Action:

Waive the full reading and adopt by title only, "A Resolution of The City of Beaumont Authorizing City Council to Summarily Vacate Street Right-of-Way from Luis Estrada Road Fronting Maya Plaza";
Approve the Quitclaim Deed and Authorize the Mayor to Execute; and
Record the street vacation and Quitclaim Deed documents with the Riverside County Clerk Recorder's Office.

8. **A Resolution of The City of Beaumont Authorizing the Mayor to Accept the Offer of Dedication for Drainage Maintenance Within Luis Estrada Road and Euclid Road (Now Vacated); Approve the Certificate of Acceptance for Drainage Maintenance Easement; and Record the Offer of Dedication Documents with the Riverside County Clerk Recorder's Office**

Recommended Action:

Waive the full reading and adopt by title only, "A Resolution of The City of Beaumont Authorizing the Mayor to Accept the Offer of Dedication for Drainage Maintenance Within Luis Estrada Road and Euclid Road (Now Vacated)";
Approve the Certificate of Acceptance for Drainage Maintenance Easement; and
Record the Offer of Dedication documents with the Riverside County Clerk Recorder's Office.

PUBLIC HEARINGS

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

ACTION ITEMS

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

9. **A Resolution Authorizing the Issuance of Its 2020 Special Tax Bonds in an Aggregate Principal Amount Not to Exceed $4,000,000 and Approving Certain Documents and Taking Certain Other Actions in Connection Therewith," and Authorizing the Execution and Delivery of an Acquisitions Agreement Relating to the City of Beaumont Community Facilities District No. 2019-1 and Approving Certain Documents and Taking Certain Other Actions in Connection Therewith**

Recommended Action:

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. 2019-1, Authorizing the Issuance of Its 2020 Special Tax Bonds in an Aggregate Principal Amount Not to Exceed $4,000,000 and Approving Certain Documents and Taking Certain Other Actions in Connection Therewith;" and

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 Acquisitions Agreement Relating to the City of Beaumont Community Facilities District No. 2019-1 and Approving Certain Documents and Taking Certain Other Actions in Connection Therewith."

10. Authorize Payment to Webb Municipal Finance, LLC in the Amount of $199,095 for CFD Administration and Special Tax Consulting Services

Recommended Action:

Approve the updated work order from Webb Municipal Finance LLC in the amount of $199,095.

11. Authorize the Mayor to Execute the Notice of Completion Documents for the Capital Improvement Street Program and Record the Notice of Completion Documents with the Riverside County Clerk Recorder's Office

Recommended Action:

Authorize the Mayor to Execute the Notice of Completion documents for the Capital Improvement Street Program; and
Record the Notice of Completion Documents with the Riverside County Clerk Recorder's Office.

12. Memorandum of Understanding with the Western Riverside Council of Governments for Monetary Contributions From Developer for the Pennsylvania Widening Project

Recommended Action:

Authorize the Mayor to execute a Memorandum of Understanding with the Western Riverside Council of Governments for Monetary Contributions from Developer for the Pennsylvania Widening Project.

13. Approve the Cooperative Funding Agreement between Riverside County Flood Control and Water Conservation District and City of Beaumont for the Construction of Beaumont Master Drainage Plan (MDP) Line 2, Stage 1 Project

Recommended Action:

Approve the Cooperative Funding Agreement between Riverside County Flood Control and Water Conservation District and City of Beaumont for the Construction of Beaumont Master Drainage Plan (MDP) Line 2, Stage 1 Project.

14. Approve Payment to the Riverside County Sheriff's Department for California Identification System Services for FY 2021

Recommended Action:

Authorize payment to the Riverside County Sheriff's Department for CAL-ID services for FY 2021.

15. Resolution Establishing A Policy that Delegates Tort Liability Claims Handling Responsibilities to Its Staff and/or Its Third-Party Claims Administrator, George Hills Company

Recommended Action:

Waive the full reading and adopt by title only, “A Resolution of the City Council of the City of Beaumont, California, Establishing a Policy that Delegates Tort Liability Claims Handling Responsibilities to Its Staff and/or Its Third-Party Claims Administrator, George Hills Company, As Authorized by Government Code Sections 910 Et Seq.”

16. League of California Cities Annual Conference Resolution Packet

Recommended Action:

Discuss and determine a position on the presented resolution to be considered at the upcoming 2020 League of California Cities Annual Conference.

17. Consideration of Allocation of Bond Proceeds and Community Facilities District (CFD) Funds for Additional Capital Improvement Projects

Recommended Action:

Review staff’s proposed use and provide direction regarding any modifications prior to the submission of a CIP amendment that is currently targeted for the September 15, 2020, City Council meeting.

18. Consider Draft City Council Rules of Procedure for All Meetings of the City Council and Its Appointed Boards and Committees Amending the Current Rules of Procedure Established in Beaumont Municipal Code Section 2.04

Recommended Action:

City staff recommends that the City Council provide input on the rules of procedure and direct the City Attorney to prepare a formal ordinance to adopt the rules of procedure.

LEGISLATIVE UPDATES AND DISCUSSION

Townsend Legislative Update

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 City Council Direction

CITY CLERK REPORT

CITY ATTORNEY REPORT

CITY MANAGER REPORT

FUTURE AGENDA ITEMS

ADJOURNMENT

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, September 15, 2020, 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.

BEAUMONT
CALIFORNIA

WARRANTS TO BE RATIFIED

Thursday, May 21, 2020

Printed Checks	105597-105672	$	301,122.84	FY 19/20
ACH	288-291	$	349,658.14	
	A/P Total	$	301,122.84	
Wires	BA Funds Trn Out	$	2,000,000.00	For Payroll Account
Bank Drafts	MG Trust	$	22,533.33	457 Paydate 05/08/20
		$	4,922.96	401-A Paydate 05/08/20
		$	951.91	FICA Paydate 05/08/20
	CalPERS	$	45,968.65	742 Classic 04/03/20-04/16/20
		$	43,961.87	743 Classic 04/03/20-04/16/20
		$	16,766.04	27308 PEPRA 04/03/20-04/16/20
		$	9,065.53	25763 PEPRA 04/03/20-04/16/20
	Bank Fees	$	181.56	

I DO HEREBY CERTIFY THIS WARRANT LIST HAS BEEN COMPILED AND PREPARED TO MEET THE DAILY OPERATIONS FOR THE FISCAL YEAR JULY 1, 2019 - JUNE 30, 2020

SIGNATURE: _____
TITLE: CITY TREASURER

SIGNATURE: _____
TITLE: FINANCE DIRECTOR

Check Report

By Check Number

City of Beaumont, CA

Date Range: 05/15/2020 - 05/21/2020

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-AP Bank						
1637	HOUSTON & HARRIS PCS, INC	05/21/2020	EFT	0.00	1,324.00	288

Payable #	Payable Type / Account Number	Post Date	Payable Description / Account Name	Item Description	Discount Amount / Distribution Amount	Payable Amount
20-22734	Invoice	05/19/2020	ON CALL SEWER CLEANING, VIDEO & EME		0.00	1,324.00
	700-4050-7068-0000		CONTRACTUAL SERVICES	ON CALL SEWER CLEANING, VID	1,324.00	

3229	ICMA - RC	05/21/2020	EFT	0.00	3,502.77	289

Payable #	Payable Type / Account Number	Post Date	Payable Description / Account Name	Item Description	Discount Amount / Distribution Amount	Payable Amount
PD 05/08/20	Invoice	05/21/2020	EMPLOYEE CONTRIBUTIONS		0.00	3,502.77
	100-0000-2075-0000		DEFERRED COMPENSATI	EMPLOYEE CONTRIBUTIONS	2,490.40	
	100-0000-2075-0000		DEFERRED COMPENSATI	EMPLOYEE CONTRIBUTIONS	112.37	
	100-1200-6026-0000		DEFERRED COMP	EMPLOYEE CONTRIBUTIONS	900.00	

2264	SEIU	05/21/2020	EFT	0.00	1,804.09	290

Payable #	Payable Type / Account Number	Post Date	Payable Description / Account Name	Item Description	Discount Amount / Distribution Amount	Payable Amount
PD 05/08/20	Invoice	05/21/2020	EMPLOYEE DUES		0.00	1,804.09
	100-0000-2061-0000		P.E.R.C. DUES & INS	EMPLOYEE DUES	1,804.09	

3400	T.E. ROBERTS, INC	05/21/2020	EFT	0.00	343,027.28	291

Payable #	Payable Type / Account Number	Post Date	Payable Description / Account Name	Item Description	Discount Amount / Distribution Amount	Payable Amount
3616	Invoice	05/21/2020	EMERGENCY REPAIR ON SEWER PIPES		0.00	343,027.28
	700-4050-8040-0000		EQUIPMENT	EMERGENCY REPAIR ON SEWER	343,027.28	

3896	ADVANCED LANDSCAPE AND HYDROSEEDING	05/21/2020	Regular	0.00	9,190.69	105597

Payable #	Payable Type / Account Number	Post Date	Payable Description / Account Name	Item Description	Discount Amount / Distribution Amount	Payable Amount
2109	Invoice	05/21/2020	Hydroseeding with fertilizer for Palmer Pa		0.00	9,190.69
	100-6050-7068-5200		CONTRACTUAL SVC, PARK	Hydroseeding with fertilizer for	9,190.69	

1023	ADVANCED WORKPLACE STRATEGIES	05/21/2020	Regular	0.00	71.00	105598

Payable #	Payable Type / Account Number	Post Date	Payable Description / Account Name	Item Description	Discount Amount / Distribution Amount	Payable Amount
423958	Invoice	05/21/2020	MEDICAL SERVICES		0.00	71.00
	100-3250-6019-0000		FIRST AID	MEDICAL SERVICES	71.00	

1036	ALBERT A. WEBB ASSOCIATES	05/21/2020	Regular	0.00	24,222.27	105599

Payable #	Payable Type / Account Number	Post Date	Payable Description / Account Name	Item Description	Discount Amount / Distribution Amount	Payable Amount
200977	Invoice	05/21/2020	WQMP		0.00	1,775.50
	710-0000-8030-0000		CAPITAL IMPROVEMENT	WQMP	1,775.50	
201001	Invoice	05/21/2020	Eng. Feasibility Study for Recycle Water St		0.00	7,619.00
	700-4050-7068-0000		CONTRACTUAL SERVICES	Eng. Feasibility Study for Recycl	7,619.00	
201140	Invoice	05/19/2020	Engineering Services During Construction		0.00	7,417.32
	710-0000-7068-0000		CONTRACTUAL SERVICE	Engineering Services During Con	7,417.32	
201140-2	Invoice	05/19/2020	Engineering Services During Const. - BRIN		0.00	6,318.45
	710-0000-7068-0000		CONTRACTUAL SERVICE	Engineering Services During Con	6,318.45	
20190220	Invoice	05/21/2020	PERMITTING ASSISTANCE FOR THE AQMD		0.00	1,092.00
	710-0000-7068-0000		CONTRACTUAL SERVICE	PERMITTING ASSISTANCE FOR T	1,092.00	

Check Report

Date Range: 05/15/2020 - 05/21/2020

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
3925	ALL AC AND HEATING INC	05/21/2020	Regular	0.00	21,000.00	105600

Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount
	Account Number	Account Name	Item Description	Distribution Amount	
450	Invoice	05/21/2020	PD air conditioning	0.00	21,000.00
	100-6000-7068-6040	CONTRACTUAL SVC- POLI	PD air conditioning	21,000.00	

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1033	AL'S KUBOTA TRACTOR	05/21/2020	Regular	0.00	1,365.85	105601

Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount
	Account Number	Account Name	Item Description	Distribution Amount	
1139348	Invoice	05/21/2020	STREETS DEPARTMENT EQUIPMENT	0.00	1,365.85
	100-3250-7070-0000	SPECIAL DEPT SUPPLIES	STREETS DEPARTMENT EQUIPM	924.80	
	100-3250-7070-0000	SPECIAL DEPT SUPPLIES	STREETS DEPT EQUIPMENT	441.05	

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1050	AMAZON CAPITAL SERVICES	05/21/2020	Regular	0.00	4,434.44	105602

Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount
	Account Number	Account Name	Item Description	Distribution Amount	
13PY-33HD-467R	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	172.39
	100-1230-7072-6040	COMPUTER SUPPLIES/MA	COMPUTER SUPPLIES	172.39	
14DT-HNMJ-9VCP	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	19.78
	215-0000-7036-0000	GRANT SPECIFIC COSTS	COMPUTER SUPPLIES	19.78	
14KF-7CXF-M6M	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	70.02
	100-1230-7072-0000	COMPUTER SUPPLIES/MA	COMPUTER SUPPLIES	70.02	
1CLY-VM1K-JKFT	Invoice	05/21/2020	OFFICE SUPPLIES	0.00	161.58
	100-3100-7025-0000	OFFICE SUPPLIES	OFFICE SUPPLIES	161.58	
1DKP-JPXM-FDL	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	344.79
	215-0000-7036-0000	GRANT SPECIFIC COSTS	COMPUTER SUPPLIES	344.79	
1DYL-GKJ3-YRXH	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	140.06
	215-0000-7036-0000	GRANT SPECIFIC COSTS	COMPUTER SUPPLIES	140.06	
1FW9-1VQD-X7	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	75.40
	215-0000-7036-0000	GRANT SPECIFIC COSTS	COMPUTER SUPPLIES	75.40	
1FYX-3NQD-94T9	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	96.96
	215-0000-7036-0000	GRANT SPECIFIC COSTS	COMPUTER SUPPLIES	96.96	
1J33-VXG4-3NJF	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	1,104.44
	215-0000-7036-0000	GRANT SPECIFIC COSTS	COMPUTER SUPPLIES	1,104.44	
1J3X-FNMD-C64Y	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	43.09
	215-0000-7036-0000	GRANT SPECIFIC COSTS	COMPUTER SUPPLIES	43.09	
1JFV-QC9C-DTPX	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	62.36
	100-1230-7072-6040	COMPUTER SUPPLIES/MA	COMPUTER SUPPLIES	62.36	
1KHG-MGLG-VM	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	1,077.47
	215-0000-7036-0000	GRANT SPECIFIC COSTS	COMPUTER SUPPLIES	1,077.47	
1KQW-DPHQ-6JQ	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	231.66
	215-0000-7036-0000	GRANT SPECIFIC COSTS	COMPUTER SUPPLIES	231.66	
1PJ7-Q1VR-33HG	Invoice	05/21/2020	EQUIPMENT MAINTENANCE	0.00	178.63
	100-1230-7090-0000	EQUIPMENT SUPPLIES/M	EQUIPMENT MAINTENANCE	178.63	
1QNF-Y1KJ-R7C1	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	43.09
	100-1230-7072-0000	COMPUTER SUPPLIES/MA	COMPUTER SUPPLIES	43.09	
1R3Y-FCVX-3QV7	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	38.64
	100-1230-7072-0000	COMPUTER SUPPLIES/MA	COMPUTER SUPPLIES	38.64	
1V4K-CDNR-1777	Invoice	05/21/2020	OFFICE SUPPLIES	0.00	32.31
	100-3100-7025-0000	OFFICE SUPPLIES	OFFICE SUPPLIES	32.31	
1WRJ-VQJV-1FD3	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	150.48
	215-0000-7036-0000	GRANT SPECIFIC COSTS	COMPUTER SUPPLIES	150.48	
1XHM-MNQ9-4H	Invoice	05/21/2020	COMPUTER SUPPLIES	0.00	193.96
	215-0000-7036-0000	GRANT SPECIFIC COSTS	COMPUTER SUPPLIES	193.96	

Check Report

Date Range: 05/15/2020 - 05/21/2020

Vendor Number	Vendor Name		Payment Date	Payment Type	Discount Amount	Payment Amount	Number
1XPJ-H6JG-FGCJ	Invoice	05/21/2020	DEPT SUPPLIES		0.00	143.54	
	215-0000-7036-0000	GRANT SPECIFIC COSTS		DEPT SUPPLIES		143.54	
1YYK-MC7R-3PHJ	Invoice	05/21/2020	COMPUTER SUPPLIES		0.00	53.79	
	100-1230-7072-0000	COMPUTER SUPPLIES/MA		COMPUTER SUPPLIES		53.79	
	Void		05/21/2020	Regular	0.00	0.00	105603
1109	BANK OF HEMET		05/21/2020	Regular	0.00	3,726.94	105604
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
1280837350	Invoice	05/21/2020	BATWING LAWNMOWER FY 19/20		0.00	3,726.94	
	100-6050-8040-0000	EQUIPMENT		BATWING LAWNMOWER FY 19/		3,726.94	
3129	BC RENTALS, INC		05/21/2020	Regular	0.00	75.70	105605
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
0048116-IN	Invoice	05/19/2020	STREET MAINTENANCE SUPPLIES		0.00	75.70	
	100-3250-7070-0000	SPECIAL DEPT SUPPLIES		STREET MAINTENANCE SUPPLIE		75.70	
1127	BEAUMONT DO IT BEST HOME CENTER		05/21/2020	Regular	0.00	44.95	105606
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
486732	Invoice	05/19/2020	DEPARTMENT SUPPLIES - STREETS		0.00	14.24	
	100-3250-7070-0000	SPECIAL DEPT SUPPLIES		DEPARTMENT SUPPLIES - STREE		14.24	
486965	Invoice	05/21/2020	DEPT SUPPLIES		0.00	16.19	
	750-7300-7070-0000	SPECIAL DEPT SUPPLIES		DEPT SUPPLIES		16.19	
487020	Invoice	05/21/2020	DEPARTMENT SUPPLIES - STREETS		0.00	14.52	
	100-3250-7070-0000	SPECIAL DEPT SUPPLIES		DEPARTMENT SUPPLIES - STREE		14.52	
1136	BEAUMONT POWER EQUIPMENT		05/21/2020	Regular	0.00	187.39	105607
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
3894	Invoice	05/21/2020	DEPT SUPPLIES		0.00	64.61	
	750-7400-7070-0000	SPECIAL DEPT SUPPLIES		DEPT SUPPLIES		64.61	
3898	Invoice	05/21/2020	EQUIPMENT MAINTENANCE		0.00	122.78	
	100-6050-7090-0000	EQUIPMENT SUPPLIES/M		EQUIPMENT MAINTENANCE		122.78	
1140	BEAUMONT SAFE & LOCK		05/21/2020	Regular	0.00	76.23	105608
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
72910	Invoice	05/21/2020	DEPT SUPPLIES		0.00	73.00	
	100-6050-7070-5300	SPEC DEPT EXP - SENECA		DEPT SUPPLIES		73.00	
73012	Invoice	05/21/2020	DEPT SUPPLIES		0.00	3.23	
	100-6050-7070-5500	SPEC DEPT EXP - STEWAR		DEPT SUPPLIES		3.23	
3575	BEHRENS AND ASSOCIATES, INC		05/21/2020	Regular	0.00	2,457.45	105609
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
108254	Invoice	05/19/2020	8 FEET HIGH STC-25 BLANKET RENTAL		0.00	2,457.45	
	710-0000-8030-0000	CAPITAL IMPROVEMENT		RENTAL FEE FOR SOUND BLANK		2,457.45	
4046	BERENICE GONZALEZ		05/21/2020	Regular	0.00	883.78	105610
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
FINAL CHECK 2	Invoice	05/21/2020	WORK HOURS		0.00	883.78	
	100-0000-2105-0000	PAYROLL SUSPENSE		WORK HOURS		883.78	
4046	BERENICE GONZALEZ		05/21/2020	Regular	0.00	1,071.55	105611

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FINAL CHECK	Invoice	05/21/2020	CASH OUT		0.00	1,071.55	
	100-0000-2105-0000		PAYROLL SUSPENSE	CASH OUT		1,071.55	
4041	BRENDY FLORES		05/21/2020	Regular	0.00	301.45	105612
06-017149-02	Invoice	05/21/2020	REIMBURSE CREDIT ON FINALED UTILITY		0.00	301.45	
	100-0000-1400-0000		A/R - UTILITIES	REIMBURSE CREDIT ON FINALE		301.45	
1238	CDW GOVERNMENT, INC.		05/21/2020	Regular	0.00	14,152.46	105613
XMB0337	Invoice	05/21/2020	COMPUTER SUPPLIES		0.00	702.96	
	710-0000-8030-0000		CAPITAL IMPROVEMENT	COMPUTER SUPPLIES		702.96	
XNJ8267	Invoice	05/21/2020	COMPUTER SUPPLIES		0.00	1,239.69	
	710-0000-8030-0000		CAPITAL IMPROVEMENT	COMPUTER SUPPLIES		1,239.69	
XNS285S	Invoice	05/21/2020	COMPUTER SUPPLIES		0.00	9,876.83	
	710-0000-8030-0000		CAPITAL IMPROVEMENT	COMPUTER SUPPLIES		9,876.83	
XPS3458	Invoice	05/21/2020	COMPUTER SUPPLIES		0.00	1,410.98	
	710-0000-8030-0000		CAPITAL IMPROVEMENT	COMPUTER SUPPLIES		1,410.98	
XQX0070	Invoice	05/21/2020	COMPUTER SUPPLIES		0.00	806.75	
	710-0000-8030-0000		CAPITAL IMPROVEMENT	COMPUTER SUPPLIES		806.75	
XRJ9662	Invoice	05/21/2020	COMPUTER SUPPLIES		0.00	115.25	
	710-0000-8030-0000		CAPITAL IMPROVEMENT	COMPUTER SUPPLIES		115.25	
1242	CED		05/21/2020	Regular	0.00	180.49	105614
0954-477957	Invoice	05/19/2020	DEPARTMENT SUPPLIES - ELECTRICAL		0.00	140.08	
	100-3250-7070-0000		SPECIAL DEPT SUPPLIES	DEPARTMENT SUPPLIES - ELECT		140.08	
0954-478277	Invoice	05/21/2020	DEPARTMENT SUPPLIES - ELECTRICAL		0.00	26.94	
	100-3250-7070-0000		SPECIAL DEPT SUPPLIES	DEPARTMENT SUPPLIES - ELECT		26.94	
0954-478286	Invoice	05/19/2020	DEPARTMENT SUPPLIES - ELECTRICAL		0.00	13.47	
	100-3250-7070-0000		SPECIAL DEPT SUPPLIES	DEPARTMENT SUPPLIES - ELECT		13.47	
1285	CITY OF BANNING		05/21/2020	Regular	0.00	292.05	105615
04292020-01	Invoice	05/19/2020	SHARED TRAFFIC SIGNAL UTILITY @ HS W		0.00	292.05	
	100-3250-7010-0000		UTILITIES	SHARED TRAFFIC SIGNAL UTILIT		292.05	
1302	CLINICAL LABORATORY OF SAN BERNARDINO, I		05/21/2020	Regular	0.00	2,338.00	105616
973579	Invoice	05/21/2020	MAX BENEFIT - SURFACE WATER		0.00	1,002.00	
	700-4050-7068-0000		CONTRACTUAL SERVICES	MAX BENEFIT - SURFACE WATER		1,002.00	
974073	Invoice	05/21/2020	MAX BENEFIT - SURFACE WATER		0.00	1,336.00	
	700-4050-7068-0000		CONTRACTUAL SERVICES	MAX BENEFIT - SURFACE WATER		1,336.00	
3653	CONTRON		05/21/2020	Regular	0.00	848.40	105617
12017	Invoice	05/19/2020	TECHNICAL SERVICES FOR SCADA WW SYS		0.00	848.40	
	700-4050-7068-0000		CONTRACTUAL SERVICES	TECHNICAL SERVICES FOR SCAD		848.40	
3245	CPAC INC. COM		05/21/2020	Regular	0.00	15,745.95	105618

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SI-1289869	Invoice	05/21/2020	COMPUTER SUPPLIES		0.00	7,535.56	
	215-0000-7036-0000		GRANT SPECIFIC COSTS	COMPUTER SUPPLIES		7,535.56	
SI-1289879	Invoice	05/21/2020	COMPUTER SUPPLIES		0.00	8,210.39	
	215-0000-7036-0000		GRANT SPECIFIC COSTS	COMPUTER SUPPLIES		8,210.39	
1399	DEPARTMENT OF FORESTRY & FIRE PROTECTIC		05/21/2020	Regular	0.00	7,906.10	105619
00000012900011	Invoice	05/19/2020	Weed abatement for areas in beaumont b		0.00	2,491.60	
	100-6050-7068-0000		CONTRACTUAL SERVICES	Weed abatement for areas in be		124.58	
	100-6050-7068-001A		CONTRACTUAL SVC IA 1A	Weed abatement for areas in be		1,245.80	
	100-6050-7068-010A		CONTRACT SVC - IA 10A	Weed abatement for areas in be		392.18	
	100-6050-7068-011A		CONTRACT SVC - IA 11A	Weed abatement for areas in be		729.04	
00000012900012	Invoice	05/19/2020	Weed abatement for areas in beaumont b		0.00	249.16	
	100-6050-7068-0000		CONTRACTUAL SERVICES	Weed abatement for areas in be		12.46	
	100-6050-7068-001A		CONTRACTUAL SVC IA 1A	Weed abatement for areas in be		124.58	
	100-6050-7068-010A		CONTRACT SVC - IA 10A	Weed abatement for areas in be		39.22	
	100-6050-7068-011A		CONTRACT SVC - IA 11A	Weed abatement for areas in be		72.90	
00000012900013	Invoice	05/19/2020	Weed abatemen areas Stetson slope & M		0.00	3,144.12	
	100-6050-7068-010A		CONTRACT SVC - IA 10A	WEED ABATEMENT		900.74	
	100-6050-7068-011A		CONTRACT SVC - IA 11A	WEED ABATEMENT		900.73	
	100-6050-7068-018X		CONTRACTUAL SVC IA 18	WEED ABATEMENT		1,342.65	
0000001290010A	Invoice	05/19/2020	Weed abatement for areas in beaumont b		0.00	2,021.22	
	100-6050-7068-0000		CONTRACTUAL SERVICES	Weed abatement for areas in be		101.06	
	100-6050-7068-001A		CONTRACTUAL SVC IA 1A	Weed abatement for areas in be		1,010.61	
	100-6050-7068-010A		CONTRACT SVC - IA 10A	Weed abatement for areas in be		318.14	
	100-6050-7068-011A		CONTRACT SVC - IA 11A	Weed abatement for areas in be		591.41	
3560	DOSSIER SYSTEMS INC		05/21/2020	Regular	0.00	1,710.00	105620
46188	Invoice	05/19/2020	Fleet Maintenance Software & Solutions		0.00	1,710.00	
	750-7300-7071-0000		SOFTWARE	FLEET MAINTENANCE		1,710.00	
1445	DUDEK		05/21/2020	Regular	0.00	3,397.50	105621
202002276	Invoice	05/19/2020	2020 MAXIMUM BENEFIT REPORT		0.00	1,085.00	
	700-4050-7068-0000		CONTRACTUAL SERVICES	2020 MAXIMUM BENEFIT REPO		1,085.00	
202003043	Invoice	05/19/2020	2020 MAXIMUM BENEFIT REPORT		0.00	2,312.50	
	700-4050-7068-0000		CONTRACTUAL SERVICES	2020 MAXIMUM BENEFIT REPO		2,312.50	
4044	EUFROSINA ELBO		05/21/2020	Regular	0.00	46.96	105622
07-070553-06	Invoice	05/21/2020	REIMBURSEMENT ON FINALED UTILITY A		0.00	46.96	
	100-0000-1400-0000		A/R - UTILITIES	REIMBURSEMENT ON FINALED		46.96	
1501	FAIRVIEW FORD		05/21/2020	Regular	0.00	171.17	105623
694190	Invoice	05/21/2020	VEHICLE MAINTENANCE		0.00	171.17	
	750-7600-7037-0000		VEHICLE MAINTENANCE	VEHICLE MAINTENANCE		171.17	
1550	G&G ENVIRONMENTAL COMPLIANCE, INC		05/21/2020	Regular	0.00	4,881.55	105624

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BEAUMONT-0320	Invoice	05/19/2020	Wastewater Regulatory Support Services/		0.00	2,971.42	
	700-4050-7068-0000		CONTRACTUAL SERVICES	Wastewater Regulatory Support		2,971.42	
BEAUMONT-0420	Invoice	05/19/2020	Wastewater Regulatory Support Services/		0.00	1,910.13	
	700-4050-7068-0000		CONTRACTUAL SERVICES	Wastewater Regulatory Support		1,910.13	
3515	HD SUPPLY FACILITIES MAINTENANCE LTD		05/21/2020	Regular	0.00	879.51	105625
215903	Invoice	05/19/2020	DEPARTMENT SUPPLIES - SEWER		0.00	879.51	
	700-4050-7070-0000		SPECIAL DEPT SUPPLIES	DEPARTMENT SUPPLIES - SEWE		879.51	
3572	HECTOR ALVARADO		05/21/2020	Regular	0.00	290.00	105626
1183	Invoice	05/21/2020	VEHICLE MAINTENANCE		0.00	290.00	
	750-7400-7068-0000		CONTRACTUAL EXPENSES	VEHICLE MAINTENANCE		50.00	
	750-8100-7068-0000		CONTRACTUAL SERVICES	VEHICLE MAINTENANCE		160.00	
	750-8200-7068-0000		CONTRACTUAL SERVICES	VEHICLE MAINTENANCE		80.00	
1632	HOME DEPOT/CREDIT SERVICES		05/21/2020	Regular	0.00	7,745.82	105627
1013000	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	87.22	
	500-0000-8030-0000		INFRASTRUCTURE IMPRO	BUILDING MAINTENANCE		87.22	
1021219	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	185.33	
	100-6000-7085-6025		BLDG MAINT - CITY HALL	BUILDING MAINTENANCE		185.33	
13011	Invoice	05/21/2020	DEPT SUPPLIES		0.00	135.94	
	100-6050-7070-0000		SPECIAL DEPT SUPPLIES	DEPT SUPPLIES		43.10	
	100-6050-7090-0000		EQUIPMENT SUPPLIES/M	DEPT SUPPLIES		92.84	
13040	Invoice	05/21/2020	DEPT SUPPLIES		0.00	18.17	
	100-6050-7070-5400		SPEC DEPT EXP - SPORTS	DEPT SUPPLIES		18.17	
1361237	Invoice	05/19/2020	DEPARTMENT SUPPLIES - STREETS		0.00	48.30	
	100-3250-7070-0000		SPECIAL DEPT SUPPLIES	DEPARTMENT SUPPLIES - STREE		48.30	
1373812	Invoice	05/21/2020	DEPT SUPPLIES		0.00	91.23	
	100-6000-7070-6025		SPEC DEPT EXP - CITY HAL	DEPT SUPPLIES		91.23	
1514256	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	46.21	
	750-7300-7085-0000		BUILDING SUPPLIES/MAI	BUILDING MAINTENANCE		46.21	
2013397	Invoice	05/21/2020	DEPT SUPPLIES		0.00	42.60	
	100-6000-7070-6025		SPEC DEPT EXP - CITY HAL	DEPT SUPPLIES		42.60	
2401385	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	1,733.55	
	100-6000-7085-6040		BLDG MAINT - POLICE DE	BUILDING MAINTENANCE		1,733.55	
25214	Invoice	05/19/2020	DEPARTMENT SUPPLIES - STREETS		0.00	24.42	
	100-3250-7070-0000		SPECIAL DEPT SUPPLIES	DEPARTMENT SUPPLIES - STREE		24.42	
25239	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	40.88	
	100-6000-7085-6055		BLDG MAINT- FIRE STATIO	BUILDING MAINTENANCE		40.88	
2612992	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	12.54	
	100-6000-7085-6055		BLDG MAINT- FIRE STATIO	BUILDING MAINTENANCE		12.54	
3013361	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	26.85	
	100-6000-7085-6025		BLDG MAINT - CITY HALL	BUILDING MAINTENANCE		19.33	
	100-6000-7085-6045		BLDG MAINT- COMMUNI	BUILDING MAINTENANCE		7.52	
3514803	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	10.71	
	100-6000-7085-6025		BLDG MAINT - CITY HALL	BUILDING MAINTENANCE		10.71	
3514804	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	56.63	

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	750-7300-7085-0000	BUILDING SUPPLIES/MAI	BUILDING MAINTENANCE		56.63	
3973174	Invoice	05/21/2020	DEPT SUPPLIES	0.00	85.23	
	100-6050-7070-06A1	SPEC DEPT EXP - IA 6A1	DEPT SUPPLIES		85.23	
3973175	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	77.48	
	215-0000-7036-0000	GRANT SPECIFIC COSTS	BUILDING MAINTENANCE		77.48	
3973177	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	239.21	
	100-6000-7085-6025	BLDG MAINT - CITY HALL	BUILDING MAINTENANCE		239.21	
3973197	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	475.90	
	100-6000-7085-6045	BLDG MAINT- COMMUNI	BUILDING MAINTENANCE		475.90	
4514729	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	138.91	
	500-0000-8030-0000	INFRASTRUCTURE IMPRO	BUILDING MAINTENANCE		138.91	
4613668	Invoice	05/21/2020	DEPT SUPPLIES	0.00	132.25	
	100-6000-7070-6025	SPEC DEPT EXP - CITY HAL	DEPT SUPPLIES		132.25	
4613700	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	246.75	
	750-7300-7085-0000	BUILDING SUPPLIES/MAI	BUILDING MAINTENANCE		246.75	
4614548	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	78.59	
	100-6000-7085-6045	BLDG MAINT- COMMUNI	BUILDING MAINTENANCE		78.59	
5035001	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	215.30	
	100-6000-7085-6045	BLDG MAINT- COMMUNI	BUILDING MAINTENANCE		215.30	
5035002	Invoice	05/21/2020	DEPT SUPPLIES	0.00	21.42	
	100-6050-7070-5999	SPEC DEPT EXP - ALL PAR	DEPT SUPPLIES		12.83	
	215-0000-7036-0000	GRANT SPECIFIC COSTS	DEPT SUPPLIES		8.59	
5091520	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	15.59	
	750-7300-7085-0000	BUILDING SUPPLIES/MAI	BUILDING MAINTENANCE		15.59	
514337	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	3.08	
	750-7300-7085-0000	BUILDING SUPPLIES/MAI	BUILDING MAINTENANCE		3.08	
5612645	Invoice	05/21/2020	DEPT SUPPLIES	0.00	56.31	
	100-6050-7070-0000	SPECIAL DEPT SUPPLIES	DEPT SUPPLIES		56.31	
5613566	Invoice	05/21/2020	DEPT SUPPLIES	0.00	182.10	
	215-0000-7036-0000	GRANT SPECIFIC COSTS	DEPT SUPPLIES		182.10	
5623199	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	15.06	
	100-6000-7085-6025	BLDG MAINT - CITY HALL	BUILDING MAINTENANCE		15.06	
5623200	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	173.69	
	100-6000-7085-6025	BLDG MAINT - CITY HALL	BUILDING MAINTENANCE		173.69	
5623201	Invoice	05/21/2020	EQUIPMENT MAINTENANCE	0.00	107.64	
	100-6000-7090-6025	EQUIPMENT SUPPLIES/M	EQUIPMENT MAINTENANCE		107.64	
613154	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	21.10	
	750-7300-7085-0000	BUILDING SUPPLIES/MAI	BUILDING MAINTENANCE		21.10	
614815	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	161.19	
	100-6000-7085-6025	BLDG MAINT - CITY HALL	BUILDING MAINTENANCE		161.19	
614816	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	43.98	
	100-6000-7085-6040	BLDG MAINT - POLICE DE	BUILDING MAINTENANCE		43.98	
614817	Invoice	05/21/2020	DEPT SUPPLIES	0.00	25.73	
	100-6050-7070-5400	SPEC DEPT EXP - SPORTS	DEPT SUPPLIES		25.73	
622867	Invoice	05/19/2020	DEPARTMENT SUPPLIES - SEWER	0.00	78.44	
	700-4050-7070-0000	SPECIAL DEPT SUPPLIES	DEPARTMENT SUPPLIES - SEWE		78.44	
70359	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	503.21	
	100-6000-7085-6045	BLDG MAINT- COMMUNI	BUILDING MAINTENANCE		503.21	
7521512	Invoice	05/21/2020	BUILDING MAINTENANCE	0.00	103.27	
	100-6000-7085-6025	BLDG MAINT - CITY HALL	BUILDING MAINTENANCE		103.27	
7901512	Credit Memo	05/21/2020	RETURNED GOODS	0.00	-69.56	
	100-6050-7070-5200	SPEC DEPT EXP - PALMER	RETURNED GOODS		-69.56	

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8013628	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	6.44	
	100-6000-7085-6045	BLDG MAINT- COMMUNI	BUILDING MAINTENANCE		6.44		
8020026	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	62.73	
	100-6000-7085-6045	BLDG MAINT- COMMUNI	BUILDING MAINTENANCE		62.73		
8101659	Invoice	05/19/2020	DEPARTMENT SUPPLIES - STREETS		0.00	24.80	
	100-3250-7070-0000	SPECIAL DEPT SUPPLIES	DEPARTMENT SUPPLIES - STREE		24.80		
8101984	Invoice	05/21/2020	DEPT SUPPLIES		0.00	148.78	
	100-6050-7070-5400	SPEC DEPT EXP - SPORTS	DEPT SUPPLIES		148.78		
8193415	Credit Memo	05/21/2020	RETURNED GOODS		0.00	-21.27	
	100-6000-7085-6045	BLDG MAINT- COMMUNI	RETURNED GOODS		-21.27		
8510482	Invoice	05/21/2020	DEPT SUPPLIES		0.00	35.43	
	100-6050-7070-5400	SPEC DEPT EXP - SPORTS	DEPT SUPPLIES		35.43		
8623683	Invoice	05/21/2020	DEPT SUPPLIES		0.00	62.86	
	100-6000-7070-6025	SPEC DEPT EXP - CITY HAL	DEPT SUPPLIES		62.86		
8623684	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	32.13	
	100-6000-7085-6025	BLDG MAINT - CITY HALL	BUILDING MAINTENANCE		32.13		
8623685	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	30.74	
	100-6000-7085-6025	BLDG MAINT - CITY HALL	BUILDING MAINTENANCE		30.74		
8624296	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	15.11	
	100-6000-7085-6025	BLDG MAINT - CITY HALL	BUILDING MAINTENANCE		15.11		
8901417	Invoice	05/21/2020	EQUIPMENT RENTAL		0.00	250.00	
	100-6050-7070-5200	SPEC DEPT EXP - PALMER	EQUIPMENT RENTAL		250.00		
9013073	Invoice	05/21/2020	DEPT SUPPLIES		0.00	48.05	
	100-6050-7070-0000	SPECIAL DEPT SUPPLIES	DEPT SUPPLIES		48.05		
9091873	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	114.69	
	100-6000-7085-6045	BLDG MAINT- COMMUNI	BUILDING MAINTENANCE		114.69		
9091874	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	198.17	
	100-6000-7085-6025	BLDG MAINT - CITY HALL	BUILDING MAINTENANCE		198.17		
921868	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	756.25	
	100-6000-7085-6040	BLDG MAINT - POLICE DE	BUILDING MAINTENANCE		756.25		
92950	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	281.01	
	100-6000-7085-6045	BLDG MAINT- COMMUNI	BUILDING MAINTENANCE		281.01		
9622919	Invoice	05/21/2020	BUILDING MAINTENANCE		0.00	7.45	
	100-6000-7085-6025	BLDG MAINT - CITY HALL	BUILDING MAINTENANCE		7.45		
	Void		05/21/2020	Regular	0.00	0.00	105628
	Void		05/21/2020	Regular	0.00	0.00	105629
	Void		05/21/2020	Regular	0.00	0.00	105630
3032	INLAND VALLEY SLADDEN, INC		05/21/2020	Regular	0.00	10,925.00	105631
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description		Distribution Amount		
44796	Invoice	05/19/2020	construction material sampling & testing		0.00	10,925.00	
	500-0000-8990-0000	CAPITAL OUTLAY	construction material sampling		10,925.00		
3852	JAMES ROWELL		05/21/2020	Regular	0.00	390.25	105632
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name	Item Description		Distribution Amount		
05/19/20	Invoice	05/21/2020	CERTIFICATION REIMBURSEMENT		0.00	390.25	
	700-4050-7066-0000	TRAVEL, EDUCATION, TRA	CERTIFICATION REIMBURSEMEN		390.25		
3379	LAW OFFICES BURKE, WILLIAMS & SORENSEN,		05/21/2020	Regular	0.00	832.00	105633

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Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type / Item Description	Discount Amount / Discount Amount	Payment Amount / Payable Amount	Number
	Account Number		Account Name	Item Description	Distribution Amount		
254030	Invoice	05/21/2020	LEGAL SERVICES		0.00	832.00	
	120-9663-7300-0000		CONTRACTUAL SERVICES	LEGAL SERVICES	832.00		
1850	LESLIE'S SWIMMING POOL SUPPLIES		05/21/2020	Regular	0.00	378.16	105634
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number		Account Name	Item Description	Distribution Amount		
01062-01-007248	Invoice	05/21/2020	DEPT SUPPLIES		0.00	195.00	
	100-6150-7070-0000		SPECIAL DEPT SUPPLIES	DEPT SUPPLIES	195.00		
01062-02-004943	Invoice	05/21/2020	DEPT SUPPLIES		0.00	183.16	
	100-6150-7070-0000		SPECIAL DEPT SUPPLIES	DEPT SUPPLIES	183.16		
1895	M BREY ELECTRIC INC		05/21/2020	Regular	0.00	19,104.50	105635
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number		Account Name	Item Description	Distribution Amount		
5748	Invoice	05/19/2020	REPAIRS TO THE AUTOMATIC TRANSFER S		0.00	19,104.50	
	700-4050-7068-0000		CONTRACTUAL SERVICES	REPAIRS TO THE AUTOMATIC TR	19,104.50		
3530	MOBILE HOMES ACCEPTANCE CORP		05/21/2020	Regular	0.00	425.61	105636
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number		Account Name	Item Description	Distribution Amount		
221560	Invoice	05/19/2020	MONTHLY RENTAL FEE FOR WWTP OFFICE		0.00	425.61	
	700-4050-7075-0000		EQUIPMENT LEASING/RE	MONTHLY RENTAL FEE FOR WW	425.61		
3796	MOORE & ASSOCIATES, INC		05/21/2020	Regular	0.00	45,289.64	105637
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number		Account Name	Item Description	Distribution Amount		
204530	Invoice	05/19/2020	Comprehensive Operations Analysis		0.00	45,289.64	
	750-7000-7068-0000		CONTRACTUAL SERVICES	Comprehensive Operations Anal	45,289.64		
1984	NAPA AUTO PARTS		05/21/2020	Regular	0.00	794.00	105638
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number		Account Name	Item Description	Distribution Amount		
120881	Invoice	05/21/2020	VEHICLE MAINTENANCE		0.00	16.13	
	750-7300-7037-0000		VEHICLE MAINTENANCE	VEHICLE MAINTENANCE	16.13		
120922	Invoice	05/21/2020	VEHICLE MAINTENANCE		0.00	5.38	
	750-7600-7037-0000		VEHICLE MAINTENANCE	VEHICLE MAINTENANCE	5.38		
121184	Invoice	05/21/2020	VEHICLE MAINTENANCE		0.00	49.39	
	750-7600-7037-0000		VEHICLE MAINTENANCE	VEHICLE MAINTENANCE	49.39		
121187	Invoice	05/21/2020	VEHICLE MAINTENANCE		0.00	523.06	
	750-7700-7037-0000		VEHICLE MAINTENANCE	VEHICLE MAINTENANCE	523.06		
121273	Invoice	05/21/2020	VEHICLE MAINTENANCE		0.00	10.31	
	750-8100-7037-0000		VEHICLE MAINTENANCE	VEHICLE MAINTENANCE	10.31		
121334	Invoice	05/21/2020	VEHICLE MAINTENANCE		0.00	64.43	
	100-6050-7037-0000		VEHICLE MAINTENANCE	VEHICLE MAINTENANCE	64.43		
121337	Invoice	05/21/2020	VEHICLE MAINTENANCE		0.00	64.43	
	750-7300-7037-0000		VEHICLE MAINTENANCE	VEHICLE MAINTENANCE	64.43		
121442	Invoice	05/21/2020	VEHICLE MAINTENANCE		0.00	60.87	
	750-7600-7037-0000		VEHICLE MAINTENANCE	VEHICLE MAINTENANCE	60.87		
3493	NUTRIEN AG SOLUTIONS		05/21/2020	Regular	0.00	2,265.17	105639
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number		Account Name	Item Description	Distribution Amount		
41791616	Invoice	05/21/2020	DEPT SUPPLIES		0.00	1,993.38	
	100-6050-7070-5200		SPEC DEPT EXP - PALMER	DEPT SUPPLIES	1,993.38		
42013506	Invoice	05/21/2020	DEPT SUPPLIES		0.00	271.79	
	100-6050-7070-5200		SPEC DEPT EXP - PALMER	DEPT SUPPLIES	135.89		

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Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
	100-6050-7070-5600	SPEC DEPT EXP - TREVINO	DEPT SUPPLIES		135.90	
2009	O'REILLY AUTO PARTS	05/21/2020	Regular	0.00	845.51	105640

Payable #	Payable Type / Account Number	Post Date / Account Name	Payable Description / Item Description	Discount Amount / Distribution Amount	Payable Amount
2678-262285	Invoice	05/21/2020	VEHICLE MAINTENANCE	0.00	19.46
	750-7300-7037-0000	VEHICLE MAINTENANCE	VEHICLE MAINTENANCE	19.46	
2678-262697	Credit Memo	05/21/2020	VEHICLE MAINTENANCE	0.00	-26.94
	750-7600-7037-0000	VEHICLE MAINTENANCE	VEHICLE MAINTENANCE	-26.94	
2678-262730	Invoice	05/21/2020	VEHICLE MAINTENANCE	0.00	36.54
	750-7600-7037-0000	VEHICLE MAINTENANCE	VEHICLE MAINTENANCE	36.54	
2678-263133	Invoice	05/21/2020	VEHICLE MAINTENANCE	0.00	816.45
	100-6050-7037-0000	VEHICLE MAINTENANCE	VEHICLE MAINTENANCE	816.45	

2026	PACIFIC ALARM SERVICE	05/21/2020	Regular	0.00	335.40	105641

Payable #	Payable Type / Account Number	Post Date / Account Name	Payable Description / Item Description	Discount Amount / Distribution Amount	Payable Amount
R 155679 CHECK	Invoice	05/21/2020	SECURITY SERVICES	0.00	158.40
	100-6000-7087-6025	SECURITY - CITY HALL	SECURITY SERVICES	158.40	
R 155682 - CHEC	Invoice	05/21/2020	SECURITY SERVICES	0.00	61.50
	750-7300-7087-0000	SECURITY SERVICES	SECURITY SERVICES	61.50	
R 155683 CHECK	Invoice	05/21/2020	SECURITY SERVICES	0.00	55.65
	750-7000-7087-0000	SECURITY SERVICES	SECURITY SERVICES	55.65	
R 155684	Invoice	05/21/2020	SECURITY SERVICES	0.00	59.85
	700-4050-7087-0000	SECURITY SERVICES	SECURITY SERVICES	59.85	

2039	PARKHOUSE TIRE, INC.	05/21/2020	Regular	0.00	2,431.18	105642

Payable #	Payable Type / Account Number	Post Date / Account Name	Payable Description / Item Description	Discount Amount / Distribution Amount	Payable Amount
2030188593	Invoice	05/21/2020	VEHICLE MAINTENANCE	0.00	1,071.57
	750-7600-7037-0000	VEHICLE MAINTENANCE	VEHICLE MAINTENANCE	1,071.57	
2030188801	Invoice	05/21/2020	VEHICLE MAINTENANCE	0.00	1,359.61
	750-7900-7037-0000	VEHICLE MAINTENANCE	VEHICLE MAINTENANCE	1,359.61	

2074	PRE-PAID LEGAL SERVICES INC	05/21/2020	Regular	0.00	741.25	105643

Payable #	Payable Type / Account Number	Post Date / Account Name	Payable Description / Item Description	Discount Amount / Distribution Amount	Payable Amount
PD 04/24/20-05/	Invoice	05/21/2020	OPTIONAL EMPLOYEE INSURANCE	0.00	741.25
	100-0000-2045-0000	PRE PAID LEGAL	OPTIONAL EMPLOYEE INSURAN	741.25	

3652	PRUDENTIAL OVERALL SUPPLY	05/21/2020	Regular	0.00	437.61	105644

Payable #	Payable Type / Account Number	Post Date / Account Name	Payable Description / Item Description	Discount Amount / Distribution Amount	Payable Amount
22982396	Invoice	05/19/2020	Prudential Uniforms	0.00	68.75
	100-3250-7065-0000	UNIFORMS	UNIFORM MAINTENANCE	68.75	
22985780	Invoice	05/19/2020	Prudential Uniforms	0.00	68.75
	100-3250-7065-0000	UNIFORMS	UNIFORM MAINTENANCE	68.75	
22985801	Invoice	05/19/2020	Prudential Uniforms	0.00	50.67
	700-4050-7065-0000	UNIFORMS	UNIFORM MAINTENANCE	50.67	
22988738	Invoice	05/19/2020	Prudential Uniforms	0.00	144.57
	750-7100-7065-0000	UNIFORMS	UNIFORM MAINTENANCE	17.57	
	750-7400-7065-0000	UNIFORMS	UNIFORM MAINTENANCE	34.50	
	750-7600-7065-0000	UNIFORMS	UNIFORM MAINTENANCE	29.13	
	750-7700-7065-0000	UNIFORMS	UNIFORM MAINTENANCE	20.75	
	750-7800-7065-0000	UNIFORMS	UNIFORM MAINTENANCE	20.75	
	750-7900-7065-0000	UNIFORMS	UNIFORM MAINTENANCE	21.87	
22988774	Invoice	05/19/2020	Prudential Uniforms	0.00	54.20

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Vendor Number	Vendor Name		Payment Date	Payment Type	Discount Amount	Payment Amount	Number
	750-7300-7065-0000	UNIFORMS		UNIFORM MAINTENANCE		54.20	
22988782	Invoice	05/19/2020	Prudential Uniforms		0.00	50.67	
	700-4050-7065-0000	UNIFORMS		UNIFORM MAINTENANCE		50.67	
2092	PURCHASE POWER-2540		05/21/2020	Regular	0.00	64.12	105645
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
8000-9000-0098-	Invoice	05/21/2020	POSTAGE		0.00	64.12	
	100-1200-7068-0000	CONTRACTUAL SERVICES		POSTAGE		64.12	
2098	QUILL CORPORATON		05/21/2020	Regular	0.00	231.63	105646
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
6715026	Invoice	05/21/2020	OFFICE SUPPLIES		0.00	231.63	
	750-7000-7025-0000	OFFICE SUPPLIES		OFFICE SUPPLIES		54.32	
	750-7300-7025-0000	OFFICE SUPPLIES		OFFICE SUPPLIES		177.31	
3479	R3 CONSULTING GROUP, INC		05/21/2020	Regular	0.00	320.00	105647
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
9735	Invoice	05/21/2020	LEGAL SERVICES		0.00	320.00	
	120-9663-7300-0000	CONTRACTUAL SERVICES		LEGAL SERVICES		320.00	
3514	RECYCLED AGGREGATE MATERIALS CO, INC		05/21/2020	Regular	0.00	80.00	105648
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
349744	Invoice	05/19/2020	DEPARTMENT SUPPLIES - STREETS		0.00	80.00	
	100-3250-7070-0000	SPECIAL DEPT SUPPLIES		Street Repairs		80.00	
2988	RHONDA KEYSER		05/21/2020	Regular	0.00	1,525.84	105649
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
PD 05/22/20	Invoice	05/21/2020	SPOUSAL SUPPORT		0.00	1,525.84	
	100-0000-2105-0000	PAYROLL SUSPENSE		SPOUSAL SUPPORT		1,525.84	
3681	RIVERSIDE COUNTY DEPARTMENT OF WASTE R		05/21/2020	Regular	0.00	568.26	105650
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
7236345	Invoice	05/21/2020	DEPT SUPPLIES		0.00	49.50	
	100-6050-7070-06A1	SPEC DEPT EXP - IA 6A1		DEPT SUPPLIES		49.50	
7236713	Invoice	05/21/2020	DEPT SUPPLIES		0.00	33.62	
	100-6050-7070-06A1	SPEC DEPT EXP - IA 6A1		DEPT SUPPLIES		33.62	
7252301	Invoice	05/21/2020	DEPT SUPPLIES		0.00	40.91	
	100-6050-7070-0000	SPECIAL DEPT SUPPLIES		DEPT SUPPLIES		40.91	
7254187	Invoice	05/21/2020	DEPT SUPPLIES		0.00	32.33	
	100-6050-7070-003X	SPEC DEPT EXP - IA 3		DEPT SUPPLIES		32.33	
7254231	Invoice	05/21/2020	DEPT SUPPLIES		0.00	33.34	
	100-6050-7070-014B	SPEC DEPT EXP - IA 14B		DEPT SUPPLIES		33.34	
7254762	Invoice	05/21/2020	DEPT SUPPLIES		0.00	41.42	
	100-6050-7070-008A	SPEC DEPT EXP - IA 8A		DEPT SUPPLIES		41.42	
7254816	Invoice	05/21/2020	DEPT SUPPLIES		0.00	45.96	
	100-6050-7070-014B	SPEC DEPT EXP - IA 14B		DEPT SUPPLIES		45.96	
7254898	Invoice	05/21/2020	DEPT SUPPLIES		0.00	35.36	
	100-6050-7070-014B	SPEC DEPT EXP - IA 14B		DEPT SUPPLIES		35.36	
7273583	Invoice	05/21/2020	DEPT SUPPLIES		0.00	43.94	
	100-6050-7070-0000	SPECIAL DEPT SUPPLIES		DEPT SUPPLIES		43.94	
7273599	Invoice	05/21/2020	DEPT SUPPLIES		0.00	14.00	

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Vendor Number	Vendor Name		Payment Date	Payment Type	Discount Amount	Payment Amount	Number
	100-6050-7070-008A	SPEC DEPT EXP - IA 8A		DEPT SUPPLIES		14.00	
7274189	Invoice	05/21/2020	DEPT SUPPLIES		0.00	14.00	
	100-6050-7070-023X	SPEC DEPT EXP - IA 23		DEPT SUPPLIES		14.00	
7274435	Invoice	05/21/2020	DEPT SUPPLIES		0.00	29.57	
	100-6050-7070-0000	SPECIAL DEPT SUPPLIES		DEPT SUPPLIES		29.57	
7274586	Invoice	05/21/2020	DEPT SUPPLIES		0.00	34.85	
	100-6050-7070-008A	SPEC DEPT EXP - IA 8A		DEPT SUPPLIES		34.85	
7275222	Invoice	05/21/2020	DEPT SUPPLIES		0.00	14.00	
	100-6050-7070-0000	SPECIAL DEPT SUPPLIES		DEPT SUPPLIES		14.00	
7275317	Invoice	05/21/2020	DEPT SUPPLIES		0.00	50.00	
	100-6050-7070-008A	SPEC DEPT EXP - IA 8A		DEPT SUPPLIES		50.00	
7304472	Invoice	05/21/2020	DEPT SUPPLIES		0.00	10.00	
	100-6050-7070-0000	SPECIAL DEPT SUPPLIES		DEPT SUPPLIES		10.00	
7305470	Invoice	05/21/2020	DEPT SUPPLIES		0.00	45.46	
	100-6050-7070-5400	SPEC DEPT EXP - SPORTS		DEPT SUPPLIES		45.46	
	Void		05/21/2020	Regular	0.00	0.00	105651
4018	ROMAN ROMAN		05/21/2020	Regular	0.00	500.00	105652
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
RCT 949022 CHE	Invoice	05/21/2020	DEPOSIT REFUND		0.00	500.00	
	100-0000-4590-0000	BUILDING RENTAL		DEPOSIT REFUND	500.00		
4045	SAM SHERWOOD		05/21/2020	Regular	0.00	9.52	105653
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
06-017196-02	Invoice	05/21/2020	REIMBURSEMENT ON FINALED UTILTIY AC		0.00	9.52	
	100-0000-1400-0000	A/R - UTILITIES		REIMBURSEMENT ON FINALED	9.52		
3716	SCCI, INC		05/21/2020	Regular	0.00	250.00	105654
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
182152	Invoice	05/21/2020	EMPLOYEE TRAINING		0.00	250.00	
	700-4050-7066-0000	TRAVEL, EDUCATION, TRA		EMPLOYEE TRAINING	250.00		
3835	SEGURA FAMILY INVESTMENT INC		05/21/2020	Regular	0.00	437.47	105655
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
192	Invoice	05/21/2020	VEHICLE MAINTENANCE		0.00	311.31	
	750-7600-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	311.31		
217	Invoice	05/21/2020	VEHICLE MAINTENANCE		0.00	126.16	
	750-7400-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	126.16		
2281	SHRED-IT		05/21/2020	Regular	0.00	781.36	105656
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
8129670927	Invoice	05/21/2020	PROFESSIONAL SERVICES		0.00	781.36	
	100-1200-7068-0000	CONTRACTUAL SERVICES		PROFESSIONAL SERVICES	781.36		
3498	SKM ENGINERRING LLC		05/21/2020	Regular	0.00	1,655.00	105657
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
18778	Invoice	05/19/2020	SCADA SERVICES		0.00	1,655.00	
	700-4050-7068-0000	CONTRACTUAL SERVICES		SCADA SERVICES	1,655.00		
3031	SMARTHIRE		05/21/2020	Regular	0.00	105.00	105658

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			Payment Date	Payment Type	Discount Amount	Payment Amount	Number
			Payable Description		Discount Amount	Payable Amount	
		Account Name		Item Description	Distribution Amount		
48763	Invoice	05/21/2020	HIRING COSTS		0.00	105.00	
	100-1230-6050-0000	RECRUITMENT AND HIRI		HIRING COSTS	105.00		
2405	THE COUNSELING TEAM		05/21/2020	Regular	0.00	1,900.00	105659
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
76113	Invoice	05/21/2020	HIRING COSTS		0.00	900.00	
	100-1240-6050-0000	RECRUITMENT AND HIRI		HIRING COSTS	900.00		
76182	Invoice	05/21/2020	EMPLOYEE SUPPORT SERVICES		0.00	1,000.00	
	100-1240-7068-0000	CONTRACTUAL SERVICES		EMPLOYEE SUPPORT SERVICES	1,000.00		
2416	THE PRESS-ENTERPRISE		05/21/2020	Regular	0.00	865.20	105660
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
0011382925	Invoice	05/21/2020	ADVERTISING		0.00	541.20	
	100-1150-7020-0000	ADVERTISING		ADVERTISING	541.20		
0011384397	Invoice	05/21/2020	ADVERTISING		0.00	324.00	
	100-1350-7020-0000	ADVERTISING		ADVERTISING	324.00		
2419	THE RECORD GAZETTE		05/21/2020	Regular	0.00	124.10	105661
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
01068832	Invoice	05/21/2020	ADVERTISING		0.00	124.10	
	750-7000-7020-0000	ADVERTISING		ADVERTISING	124.10		
2442	TOP-LINE INDUSTRIAL SUPPLY		05/21/2020	Regular	0.00	29.91	105662
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
423504	Invoice	05/21/2020	VEHICLE MAINTENANCE		0.00	7.67	
	750-7800-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	7.67		
423540	Invoice	05/21/2020	VEHICLE MAINTENANCE		0.00	22.24	
	750-7300-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	22.24		
2455	TURBOSCAPE, INC.		05/21/2020	Regular	0.00	6,160.00	105663
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
10282	Invoice	05/19/2020	80 yds of playground woodchip for Stewa		0.00	3,080.00	
	100-6050-7070-5500	SPEC DEPT EXP - STEWAR		80 yds of playground woodchip	3,080.00		
10283	Invoice	05/19/2020	playground woodchip for Sports Park 80 y		0.00	3,080.00	
	100-6050-7070-5400	SPEC DEPT EXP - SPORTS		playground woodchip for Sports	3,080.00		
2456	TURF STAR, INC.		05/21/2020	Regular	0.00	391.92	105664
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
7109950-00	Invoice	05/21/2020	EQUIPMENT MAINTENANCE		0.00	313.76	
	100-6050-7090-0000	EQUIPMENT SUPPLIES/M		EQUIPMENT MAINTENANCE	313.76		
7114541-00	Invoice	05/21/2020	EQUIPMENT MAINTENANCE		0.00	78.16	
	100-6050-7090-0000	EQUIPMENT SUPPLIES/M		EQUIPMENT MAINTENANCE	78.16		
2457	TYLER WORKS - TECHNOLOGIES		05/21/2020	Regular	0.00	3,300.00	105665
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
025-292962	Invoice	05/21/2020	SOFTWARE		0.00	3,250.00	
	100-1230-7071-0000	SOFTWARE		SOFTWARE	3,250.00		
025-293905	Invoice	05/21/2020	SOFTWARE		0.00	50.00	
	100-1230-7071-0000	SOFTWARE		SOFTWARE	50.00		

Check Report

Date Range: 05/15/2020 - 05/21/2020

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
2461	UNDERGROUND SERVICE ALERT	05/21/2020	Regular	0.00	213.53	105666

Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount
	Account Number	Account Name	Item Description	Distribution Amount	
420200048	Invoice	05/21/2020	PROFESSIONAL SERVICES	0.00	135.40
	700-4050-7068-0000	CONTRACTUAL SERVICES	PROFESSIONAL SERVICES	135.40	
DS820191933	Invoice	05/21/2020	PROFESSIONAL SERVICES	0.00	78.13
	700-4050-7068-0000	CONTRACTUAL SERVICES	PROFESSIONAL SERVICES	78.13	

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
2518	VULCAN MATERIALS	05/21/2020	Regular	0.00	969.84	105667

Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount
	Account Number	Account Name	Item Description	Distribution Amount	
72559794	Invoice	05/19/2020	ASPHALT & SUPPLIES	0.00	371.46
	100-3250-7070-0000	SPECIAL DEPT SUPPLIES	ASPHALT & SUPPLIES	371.46	
72559795	Invoice	05/19/2020	ASPHALT & SUPPLIES	0.00	374.38
	100-3250-7070-0000	SPECIAL DEPT SUPPLIES	ASPHALT & SUPPLIES	374.38	
72561228	Invoice	05/19/2020	ASPHALT & SUPPLIES	0.00	224.00
	100-3250-7070-0000	SPECIAL DEPT SUPPLIES	ASPHALT & SUPPLIES	224.00	

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
3422	WAXIE SANITARY SUPPLY	05/21/2020	Regular	0.00	433.60	105668

Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount
	Account Number	Account Name	Item Description	Distribution Amount	
78949278	Invoice	05/21/2020	OFFICE SUPPLIES	0.00	408.01
	215-0000-7036-0000	GRANT SPECIFIC COSTS	OFFICE SUPPLIES	408.01	
79016059	Invoice	05/21/2020	OFFICE SUPPLIES	0.00	25.59
	215-0000-7036-0000	GRANT SPECIFIC COSTS	OFFICE SUPPLIES	25.59	

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
2536	WELDORS SUPPLY AND STEEL CO	05/21/2020	Regular	0.00	71.68	105669

Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount
	Account Number	Account Name	Item Description	Distribution Amount	
15116	Invoice	05/21/2020	VEHICLE MAINTENANCE	0.00	71.68
	750-7300-7037-0000	VEHICLE MAINTENANCE	VEHICLE MAINTENANCE	71.68	

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
3908	WEST COAST ARBORISTS, INC	05/21/2020	Regular	0.00	52,800.00	105670

Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount
	Account Number	Account Name	Item Description	Distribution Amount	
159876	Invoice	05/19/2020	Oak View Dr prune 951 trees various spe	0.00	52,800.00
	100-6050-7068-014A	CONTRACTUAL SVC IA 14	Oak View Dr prune 951 trees va	52,800.00	

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
3254	WOOD ENVIRONMENT & INFRASTRUCTURE SO	05/21/2020	Regular	0.00	3,255.00	105671

Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount
	Account Number	Account Name	Item Description	Distribution Amount	
S44142345	Invoice	05/19/2020	BIOLOGICAL RESOURCE ASSISTANCE TO P	0.00	3,255.00
	710-0000-7068-0000	CONTRACTUAL SERVICE	BIOLOGICAL RESOURCE ASSISTA	3,255.00	

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
2555	XYLEM DEWATERING SOLUTIONS U.S.A INC	05/21/2020	Regular	0.00	9,188.93	105672

Payable #	Payable Type	Post Date	Payable Description	Discount Amount	Payable Amount
	Account Number	Account Name	Item Description	Distribution Amount	
400998903	Invoice	05/21/2020	EQUIPMENT RENTAL	0.00	4,691.44
	700-4050-7075-0000	EQUIPMENT LEASING/RE	EQUIPMENT RENTAL	4,691.44	
401004913	Invoice	05/19/2020	PUMP RENTAL FOR NOBLE CREEK LIFT STA	0.00	4,497.49

Check Report

Date Range: 05/15/2020 - 05/21/2020

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
700-4050-7075-0000	EQUIPMENT LEASING/RE		PUMP RENTAL FOR NOBLE CREE		4,497.49	

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	218	71	0.00	301,122.84
Manual Checks	0	0	0.00	0.00
Voided Checks	0	5	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	4	4	0.00	349,658.14
	222	80	0.00	650,780.98

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	218	71	0.00	301,122.84
Manual Checks	0	0	0.00	0.00
Voided Checks	0	5	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	4	4	0.00	349,658.14
	222	80	0.00	650,780.98

Fund Summary

Fund	Name	Period	Amount
999	POOLED CASH	5/2020	650,780.98
			650,780.98

AGENDA ITEM NO.

BEAUMONT
CALIFORNIA

WARRANTS TO BE RATIFIED

Thursday, May 28, 2020

Printed Checks	105673-105722	$	154,139.36	FY 19/20
ACH	292-295	$	1,860,880.94	
	A/P Total	$	2,015,020.30	
Bank Drafts	Kaiser Foundation	$	178.00	HSA Plan
Payroll	Paychex	$	465,449.21	Paydate 05/22/20

I DO HEREBY CERTIFY THIS WARRANT LIST HAS BEEN COMPILED AND PREPARED TO MEET THE DAILY OPERATIONS FOR THE FISCAL YEAR JULY 1, 2019 - JUNE 30, 2020

SIGNATURE: _____
TITLE: CITY TREASURER

SIGNATURE: _____
TITLE: FINANCE DIRECTOR

AGENDA ITEM NO.

BEAUMONT
CALIFORNIA

WARRANTS TO BE RATIFIED

Thursday, May 28, 2020

Printed Checks	105673-105722	$	154,139.36	FY 19/20
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I DO HEREBY CERTIFY THIS WARRANT LIST HAS BEEN COMPILED AND PREPARED TO MEET THE DAILY OPERATIONS FOR THE FISCAL YEAR JULY 1, 2019 - JUNE 30, 2020

SIGNATURE: _____
TITLE: CITY TREASURER

SIGNATURE: _____
TITLE: FINANCE DIRECTOR

Check Report

City of Beaumont, CA

By Check Number

Date Range: 05/22/2020 - 05/28/2020

Vendor Number	Vendor Name	Payment Date	Payment Type	Discount Amount	Payment Amount	Number
Bank Code: APBNK-AP Bank						
3503	CITIZENS BUSINESS BANK	05/28/2020	EFT	0.00	52,118.50	292
Payable #	**Payable Type**	**Post Date**	**Payable Description**	**Discount Amount**	**Payable Amount**	
	Account Number	**Account Name**	**Item Description**	**Distribution Amount**		
APPLICATION 17	Invoice	05/28/2020	W LYLES RETENTION ESCROW	0.00	52,118.50	
	710-0000-8030-0000	CAPITAL IMPROVEMENT	W LYLES RETENTION ESCROW	52,118.50		
3400	T.E. ROBERTS, INC	05/28/2020	EFT	0.00	753,711.00	293
Payable #	**Payable Type**	**Post Date**	**Payable Description**	**Discount Amount**	**Payable Amount**	
	Account Number	**Account Name**	**Item Description**	**Distribution Amount**		
APPLICATION 16	Invoice	05/28/2020	Brine Line Reach 2 - Contractor	0.00	753,711.00	
	710-0000-8030-0000	CAPITAL IMPROVEMENT	Brine Line Reach 2 - Contractor	753,711.00		
3396	W.M. LYLES CO.	05/28/2020	EFT	0.00	990,251.49	294
Payable #	**Payable Type**	**Post Date**	**Payable Description**	**Discount Amount**	**Payable Amount**	
	Account Number	**Account Name**	**Item Description**	**Distribution Amount**		
APPLICATION 17	Invoice	05/28/2020	WWTP SALT MITIGATION UPGRADE - CON	0.00	990,251.49	
	710-0000-8030-0000	CAPITAL IMPROVEMENT	WWTP SALT MITIGATION UPGR	990,251.49		
3394	WEKA INC	05/28/2020	EFT	0.00	64,799.95	295
Payable #	**Payable Type**	**Post Date**	**Payable Description**	**Discount Amount**	**Payable Amount**	
	Account Number	**Account Name**	**Item Description**	**Distribution Amount**		
APPLICATION 17	Invoice	05/28/2020	Brine Line Reach 1 - Contractor	0.00	64,799.95	
	710-0000-8030-0000	CAPITAL IMPROVEMENT	Brine Line Reach 1 - Contractor	64,799.95		
1002	A & A FENCE	05/28/2020	Regular	0.00	547.59	105673
Payable #	**Payable Type**	**Post Date**	**Payable Description**	**Discount Amount**	**Payable Amount**	
	Account Number	**Account Name**	**Item Description**	**Distribution Amount**		
23082	Invoice	05/28/2020	DEPT SUPPLIES	0.00	547.59	
	100-6050-7070-5100	SPEC DEPT EXP - FALLEN	DEPT SUPPLIES	547.59		
1023	ADVANCED WORKPLACE STRATEGIES	05/28/2020	Regular	0.00	149.00	105674
Payable #	**Payable Type**	**Post Date**	**Payable Description**	**Discount Amount**	**Payable Amount**	
	Account Number	**Account Name**	**Item Description**	**Distribution Amount**		
424068	Invoice	05/28/2020	EMPLOYEE MEDICAL SERVICES	0.00	149.00	
	750-7000-6019-0000	FIRST AID	EMPLOYEE MEDICAL SERVICES	74.50		
	750-8000-6019-0000	FIRST AID	EMPLOYEE MEDICAL SERVICES	74.50		
1042	ALL PURPOSE RENTALS	05/28/2020	Regular	0.00	106.48	105675
Payable #	**Payable Type**	**Post Date**	**Payable Description**	**Discount Amount**	**Payable Amount**	
	Account Number	**Account Name**	**Item Description**	**Distribution Amount**		
41160	Invoice	05/28/2020	EQUIPMENT RENTAL	0.00	75.68	
	100-6000-7075-6048	EQUIP LEASING - POOL	EQUIPMENT RENTAL	75.68		
41174	Invoice	05/28/2020	EQUIPMENT RENTAL	0.00	30.80	
	100-6000-7075-6048	EQUIP LEASING - POOL	EQUIPMENT RENTAL	30.80		
4049	ALPHONSO HATCHER & SOCIOS, MAYORQUIN	05/28/2020	Regular	0.00	2,817.38	105676
Payable #	**Payable Type**	**Post Date**	**Payable Description**	**Discount Amount**	**Payable Amount**	
	Account Number	**Account Name**	**Item Description**	**Distribution Amount**		
20200 49090 015	Invoice	05/28/2020	ID #*****3823A	0.00	2,817.38	
	120-9663-7500-0000	SETTLEMENTS	ID #*****3823A	2,817.38		
1050	AMAZON CAPITAL SERVICES	05/28/2020	Regular	0.00	286.39	105677

Check Report

Date Range: 05/22/2020 20

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount / Payable Amount	Payment Amount	Number
	Account Number		Account Name	Item Description	Distribution Amount		
1WK7-169Y-VPRK	Invoice	05/28/2020	OFFICE SUPPLIES		0.00	286.39	
	100-2000-7025-0000		OFFICE SUPPLIES	OFFICE SUPPLIES	14.32		
	100-2050-7025-0000		OFFICE SUPPLIES	OFFICE SUPPLIES	272.07		
1053	AMERICAN FORENSIC NURSES		05/28/2020	Regular	0.00	116.48	105678
73358	Invoice	05/28/2020	American Forensic Nurses - Services		0.00	58.24	
	100-2050-7068-0000		CONTRACTUAL SERVICES	American Forensic Nurses - Serv	58.24		
73388	Invoice	05/28/2020	American Forensic Nurses - Services		0.00	58.24	
	100-2050-7068-0000		CONTRACTUAL SERVICES	American Forensic Nurses - Serv	58.24		
1080	ARAMARK		05/28/2020	Regular	0.00	341.19	105679
1661912	Invoice	05/28/2020	OFFICE SUPPLIES		0.00	341.19	
	100-2050-7025-0000		OFFICE SUPPLIES	OFFICE SUPPLIES	341.19		
1086	ARROWHEAD RADIOLOGY MEDICAL		05/28/2020	Regular	0.00	18.00	105680
ID #030520	Invoice	05/28/2020	EMPLOYEE MEDICAL SERVICES		0.00	18.00	
	100-6050-6019-0000		FIRST AID	EMPLOYEE MEDICAL SERVICES	18.00		
1098	AUTOMATED GATE SERVICES, INC		05/28/2020	Regular	0.00	218.50	105681
143861	Invoice	05/28/2020	EQUIPMENT MAINTENANCE		0.00	218.50	
	100-6000-7090-6040		EQUIPMENT SUPPLIES/M	EQUIPMENT MAINTENANCE	218.50		
1121	BDL ALARMS		05/28/2020	Regular	0.00	1,020.00	105682
701205477	Invoice	05/28/2020	SECURITY SERVICES		0.00	420.00	
	100-6000-7087-6060		SECURITY - 713 W 4TH ST	SECURITY SERVICES	420.00		
701205483	Invoice	05/28/2020	SECURITY SERVICES		0.00	600.00	
	100-6000-7087-6060		SECURITY - 713 W 4TH ST	SECURITY SERVICES	600.00		
1161	BIO-TOX LABORATORIES		05/28/2020	Regular	0.00	273.00	105683
39555	Invoice	05/26/2020	Bio Tox Blood Draw Analysis		0.00	180.00	
	100-2050-7068-0000		CONTRACTUAL SERVICES	Bio Tox Blood Draw Analysis	180.00		
39646	Invoice	05/28/2020	Bio Tox Blood Draw Analysis		0.00	93.00	
	100-2050-7068-0000		CONTRACTUAL SERVICES	Bio Tox Blood Draw Analysis	93.00		
1242	CED		05/28/2020	Regular	0.00	238.56	105684
0954-478443	Invoice	05/28/2020	BUILDING MAINTENANCE		0.00	139.00	
	100-6000-7085-6030		BLDG MAINT- CITY HALL B	BUILDING MAINTENANCE	139.00		
0954-478465	Invoice	05/28/2020	BUILDING MAINTENANCE		0.00	99.56	
	100-6000-7085-6030		BLDG MAINT- CITY HALL B	BUILDING MAINTENANCE	99.56		
3075	CENTERS FOR MEDICARE AND MEDICAID SERVI		05/28/2020	Regular	0.00	1,182.62	105685

Check Report **Date Range: 05/22/2020**

Vendor Number / Payable #	Vendor Name / Payable Type / Account Number	Post Date / Account Name	Payment Date / Payable Description / Item Description	Payment Type	Discount Amount / Distribution Amount	Payment Amount / Payable Amount	Number
ALPHONSO HATC	Invoice	05/28/2020	ID #*****3823A		0.00	1,182.62	
	120-9663-7500-0000	SETTLEMENTS	ID #*****3823A		1,182.62		
1250	CHAMBERS GROUP, INC		05/28/2020	Regular	0.00	3,110.00	105686
34164	Invoice	05/28/2020	CONSULTING SERVICES		0.00	3,110.00	
	100-1350-7068-0000	CONTRACTUAL SERVICES	CONSULTING SERVICES		3,110.00		
1402	DEPARTMENT OF JUSTICE		05/28/2020	Regular	0.00	210.00	105687
450799	Invoice	05/28/2020	Department of Justice Blood Alcohol Anal		0.00	35.00	
	100-2050-7068-0000	CONTRACTUAL SERVICES	Department of Justice Blood Alc		35.00		
450848	Invoice	05/28/2020	Department of Justice Blood Alcohol Anal		0.00	175.00	
	100-2050-7068-0000	CONTRACTUAL SERVICES	Department of Justice Blood Alc		175.00		
1408	DEPARTMENT OF TRANSPORTATION		05/28/2020	Regular	0.00	2,259.04	105688
SL200721	Invoice	05/28/2020	SIGNALS & LIGHTING JAN-MAR 2020		0.00	2,259.04	
	100-3250-7010-0000	UTILITIES	SIGNALS & LIGHTING JAN-MAR		2,259.04		
1414	DIAMOND HILLS AUTO GROUP		05/28/2020	Regular	0.00	79.95	105689
26004210/1	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	79.95	
	100-2050-7037-0000	VEHICLE MAINTENANCE	VEHICLE MAINTENANCE		79.95		
1424	DIRECTV		05/28/2020	Regular	0.00	180.99	105690
37443577975	Invoice	05/28/2020	BUILDING UTILITY		0.00	180.99	
	100-6000-7010-6045	UTILITIES - COMMUNITY	BUILDING UTILITY		180.99		
2644	DISTRICT ATTORNEY'S OFFICE		05/28/2020	Regular	0.00	9,253.73	105691
A19-141	Invoice	05/28/2020	ADMINISTRATIVE ORDER		0.00	9,253.73	
	225-0000-2306-0000	DEFD INCOME - CASE 191	ADMINISTRATIVE ORDER		9,148.00		
	225-0000-7055-0000	INTEREST AND/OR PENAL	ADMINISTRATIVE ORDER		105.73		
1479	ENTENMANN-ROVIN CO		05/28/2020	Regular	0.00	273.83	105692
0151613-IN	Invoice	05/28/2020	EMPLOYEE UNIFORM		0.00	273.83	
	100-2050-7065-0000	UNIFORMS	EMPLOYEE UNIFORM		273.83		
1497	EVENT SERVICES		05/28/2020	Regular	0.00	1,124.50	105693
050820CIBE	Invoice	05/28/2020	DEPT SUPPLIES		0.00	1,124.50	
	100-6150-7070-0000	SPECIAL DEPT SUPPLIES	DEPT SUPPLIES		1,124.50		
1501	FAIRVIEW FORD		05/28/2020	Regular	0.00	515.87	105694

Vendor Number / Payable #	Vendor Name / Payable Type / Account Number	Post Date / Account Name	Payment Date / Payable Description / Item Description	Payment Type	Discount Amount / Payable Amount / Distribution Amount	Payment Amount	Number
692533	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	278.62	
	100-2050-7037-0000	VEHICLE MAINTENANCE	VEHICLE MAINTENANCE		278.62		
695099	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	77.30	
	100-2050-7037-0000	VEHICLE MAINTENANCE	VEHICLE MAINTENANCE		77.30		
695549	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	23.77	
	100-2050-7037-0000	VEHICLE MAINTENANCE	VEHICLE MAINTENANCE		23.77		
698027	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	136.18	
	100-2050-7037-0000	VEHICLE MAINTENANCE	VEHICLE MAINTENANCE		136.18		
1533	FRONTIER COMMUNICATIONS		05/28/2020	Regular	0.00	1,074.09	105695
213-180-1992-06	Invoice	05/28/2020	PHONE UTILITY		0.00	175.98	
	100-1230-7015-6045	TELEPHONE (COMM CTR)	PHONE UTILITY		175.98		
951-769-5188-04	Invoice	05/28/2020	PHONE UTILITY		0.00	351.03	
	100-1230-7015-6045	TELEPHONE (COMM CTR)	PHONE UTILITY		351.03		
951-769-6032-08	Invoice	05/28/2020	PHONE UTILITY		0.00	67.88	
	100-1230-7015-5400	TELEPHONE - SPORTS PAR	PHONE UTILITY		67.88		
951-769-8533-09	Invoice	05/28/2020	PHONE UTILITY		0.00	53.33	
	750-7300-7015-0000	TELEPHONE	PHONE UTILITY		53.33		
951-769-8534-04	Invoice	05/28/2020	PHONE UTILITY		0.00	313.89	
	100-1230-7015-6040	TELEPHONE (POLICE DPT)	PHONE UTILITY		313.89		
951-845-9839-09	Invoice	05/28/2020	PHONE UTILITY		0.00	111.98	
	100-1230-7015-6041	TELEPHONE (PD ANNEX)	PHONE UTILITY		111.98		
1624	HIGH TECH IRRIGATION,INC.		05/28/2020	Regular	0.00	1,668.98	105696
629817	Invoice	05/28/2020	DEPT SUPPLIES		0.00	1,668.98	
	100-6050-7070-5999	SPEC DEPT EXP - ALL PAR	DEPT SUPPLIES		1,668.98		
1643	HUNTINGTON COURT REPORTERS & TRANSCRI		05/28/2020	Regular	0.00	360.82	105697
33018	Invoice	05/28/2020	Transcription Services		0.00	360.82	
	100-2050-7068-0000	CONTRACTUAL SERVICES	Transcription Services		360.82		
1662	INFOSEND, INC		05/28/2020	Regular	0.00	1.05	105698
171006	Invoice	05/28/2020	PROFESSIONAL SERVICES		0.00	1.05	
	700-4050-7068-0000	CONTRACTUAL SERVICES	PROFESSIONAL SERVICES		1.05		
4047	KIMBERLY SALYER		05/28/2020	Regular	0.00	706.29	105699
06-009165-04	Invoice	05/28/2020	REIMBURSE CREDIT ON FINALED ACCOUN		0.00	706.29	
	100-0000-1400-0000	A/R - UTILITIES	REIMBURSE CREDIT ON FINALE		706.29		
1805	KONICA MINOLTA BUSINESS SOLUTIONS		05/28/2020	Regular	0.00	123.92	105700
35468793	Invoice	05/28/2020	EQUIPMENT MAINTENANCE		0.00	123.92	
	100-1230-7090-6026	EQUIP SUPPLIES/MAINT (	EQUIPMENT MAINTENANCE		123.92		
1805	KONICA MINOLTA BUSINESS SOLUTIONS		05/28/2020	Regular	0.00	601.84	105701

Vendor Number / Payable #	Vendor Name / Payable Type / Account Number	Post Date / Account Name	Payment Date / Payable Description	Payment Type / Item Description	Discount Amount / Payable Amount / Distribution Amount	Payment Amount	Number
9006738561	Invoice	05/28/2020	PRINTER SERVICES		0.00	551.01	
	100-1230-7090-6025	EQUIP SUPPLIES/MAINT (		EQUIPMENT MAINTENANCE	185.73		
	100-1230-7090-6040	EQUIP SUPPLIES/MAINT (		EQUIPMENT MAINTENANCE	239.93		
	100-1230-7090-6045	EQUIP SUPPLIES/MAINT (		EQUIPMENT MAINTENANCE	23.98		
	750-7000-7090-0000	EQUIPMENT SUPPLIES/M		EQUIPMENT MAINTENANCE	101.37		
9006738752	Invoice	05/28/2020	EQUIPMENT MAINTENANCE		0.00	50.83	
	100-1230-7090-6041	EQUIP SUPPLIES/MAINT (		EQUIPMENT MAINTENANCE	50.83		
1806	KONICA MINOLTA PREMIER FINANCE		05/28/2020	Regular	0.00	1,481.92	105702
414191627	Invoice	05/28/2020	EQUIPMENT RENTAL		0.00	1,481.92	
	100-1230-7075-6025	EQUIPMENT LEASING/RE		EQUIPMENT RENTAL	370.48		
	100-1230-7075-6040	EQUIPMENT LEASING/RE		EQUIPMENT RENTAL	370.48		
	100-1230-7075-6045	EQUIPMENT LEASING/RE		EQUIPMENT RENTAL	370.48		
	750-7000-7075-0000	EQUIPMENT LEASING/RE		EQUIPMENT RENTAL	370.48		
1859	LILIAN AVERETTE		05/28/2020	Regular	0.00	2,762.91	105703
06/05/20	Invoice	05/28/2020	CASH OUT		0.00	2,762.91	
	100-0000-2105-0000	PAYROLL SUSPENSE		CASH OUT	2,762.91		
1984	NAPA AUTO PARTS		05/28/2020	Regular	0.00	162.48	105704
121332	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	64.43	
	100-2050-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	64.43		
121635	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	75.44	
	100-2050-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	75.44		
122400	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	22.61	
	100-2100-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	22.61		
2009	O'REILLY AUTO PARTS		05/28/2020	Regular	0.00	325.34	105705
2678-257862	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	144.19	
	100-2050-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	144.19		
2678-257874	Credit Memo	05/28/2020	VEHICLE MAINTENANCE		0.00	-144.19	
	100-2050-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	-144.19		
2678-260677	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	27.96	
	100-2050-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	27.96		
2678-261104	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	74.07	
	100-2050-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	74.07		
2678-261326	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	36.75	
	100-2050-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	36.75		
2678-262318	Credit Memo	05/28/2020	VEHICLE MAINTENANCE		0.00	-3.98	
	100-2050-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	-3.98		
2678-262757	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	92.23	
	100-2050-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	92.23		
2678-264798	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	43.08	
	100-2050-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	43.08		
2678-264799	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	7.53	
	100-2050-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE	7.53		
2678-264910	Invoice	05/28/2020	VEHICLE MAINTENANCE		0.00	47.70	

Vendor Number	Vendor Name		Payment Date	Payment Type	Discount Amount	Payment Amount	Number
	100-2050-7037-0000	VEHICLE MAINTENANCE		VEHICLE MAINTENANCE		47.70	
2036	PARCEL QUEST		05/28/2020	Regular	0.00	1,199.00	105706
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
8204-6-2020	Invoice	05/28/2020	SOFTWARE		0.00	1,199.00	
	100-1200-7071-0000	SOFTWARE		SOFTWARE	1,199.00		
2038	PARDEE HOMES		05/28/2020	Regular	0.00	1,171.31	105707
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
06-077653-01	Invoice	05/28/2020	REIMBURSE CREDIT ON FINALED ACCOUN		0.00	1,171.31	
	100-0000-1400-0000	A/R - UTILITIES		REIMBURSE CREDIT ON FINALE	1,171.31		
2078	PRO RISE GARAGE DOOR CO		05/28/2020	Regular	0.00	1,650.00	105708
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
00021401	Invoice	05/28/2020	BUILDING MAINTENANCE		0.00	1,650.00	
	100-6000-7085-6055	BLDG MAINT- FIRE STATIO		BUILDING MAINTENANCE	1,650.00		
2218	RYAN BRIEDA		05/28/2020	Regular	0.00	200.00	105709
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
05/09/20-05/12/	Invoice	05/28/2020	K9 KENNELING		0.00	200.00	
	100-2080-7070-0000	SPECIAL DEPT SUPPLIES		K9 KENNELING	200.00		
1113	RYAN M. WESTBROOK INC		05/28/2020	Regular	0.00	99.35	105710
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
706912	Invoice	05/28/2020	ANIMAL CARE SERVICES		0.00	99.35	
	100-2000-7068-0000	CONTRACTUAL SERVICES		ANIMAL CARE SERVICES	99.35		
2234	SAN BERNARDINO COUNTY SHERIFF'S DEPARTI		05/28/2020	Regular	0.00	2,100.00	105711
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
JUNE 2020	Invoice	05/28/2020	San Bernardino Trimester PSP Training		0.00	2,100.00	
	100-2050-7066-0000	TRAVEL, EDUCATION, TRA		San Bernardino Trimester PSP Tr	2,100.00		
2311	SOUTHERN CALIFORNIA EDISON		05/28/2020	Regular	0.00	72,623.35	105712
Payable #	Payable Type	Post Date	Payable Description		Discount Amount	Payable Amount	
	Account Number	Account Name		Item Description	Distribution Amount		
05/28/20	Invoice	05/28/2020	ELECTRIC UTILITY		0.00	72,623.35	
	100-3250-7010-0000	UTILITIES		ELECTRIC UTILITY	239.15		
	100-3250-7010-004X	UTILITIES (IA 4)		ELECTRIC UTILITY	181.15		
	100-3250-7010-006B	UTILITIES (IA 6B)		ELECTRIC UTILITY	194.29		
	100-3250-7010-06A1	UTILITIES (IA 6A1)		ELECTRIC UTILITY	46.66		
	100-6000-7010-6025	UTILITIES - CITY HALL		ELECTRIC UTILITY	1,507.46		
	100-6000-7010-6031	UTILITIES - CITY HALL BLD		ELECTRIC UTILITY	830.59		
	100-6000-7010-6032	UTILITIES - CITY HALL BLD		ELECTRIC UTILITY	830.59		
	100-6000-7010-6040	UTILITIES - POLICE DEPT		ELECTRIC UTILITY	2,705.70		
	100-6000-7010-6041	UTILITIES - POLICE ANNEX		ELECTRIC UTILITY	367.67		
	100-6000-7010-6045	UTILITIES - COMMUNITY		ELECTRIC UTILITY	2,470.06		
	100-6000-7010-6055	UTILITIES - FIRE STATION		ELECTRIC UTILITY	440.30		
	100-6050-7010-0000	UTILITIES		ELECTRIC UTILITY	1,107.68		
	100-6050-7010-020X	UTILITIES IA 20		ELECTRIC UTILITY	11.98		
	100-6050-7010-06A1	UTILITIES IA 6A1		ELECTRIC UTILITY	49.50		
	700-4050-7010-0000	UTILITIES		ELECTRIC UTILITY	61,329.98		
	750-7300-7010-0000	UTILITIES		ELECTRIC UTILITY	310.59		
2407	THE GAS COMPANY		05/28/2020	Regular	0.00	1,017.38	105713

Vendor Number / Payable #	Vendor Name / Payable Type / Account Number	Post Date / Account Name	Payment Date / Payment Type / Payable Description / Item Description	Discount Amount / Payment Amount / Discount Amount / Payable Amount / Distribution Amount	Number
09712228007 05/	Invoice	05/28/2020	GAS UTILITY	0.00 589.23	
	100-6000-7010-6025	UTILITIES - CITY HALL	GAS UTILITY	589.23	
10552227000 05/	Invoice	05/28/2020	GAS UTILITY	0.00 25.06	
	100-6000-7010-6040	UTILITIES - POLICE DEPT	GAS UTILITY	25.06	
10552230004 05/	Invoice	05/28/2020	GAS UTILITY	0.00 169.14	
	750-7300-7010-0000	UTILITIES	GAS UTILITY	169.14	
13912227587 05/	Invoice	05/28/2020	GAS UTILITY	0.00 79.89	
	100-6000-7010-6026	UTILITIES - CITY HALL BLD	GAS UTILITY	79.89	
15382227021 05/	Invoice	05/28/2020	GAS UTILITY	0.00 91.29	
	750-7000-7010-0000	UTILITIES	GAS UTILITY	91.29	
19782338008 05/	Invoice	05/28/2020	GAS UTILITY	0.00 62.77	
	100-6000-7010-6055	UTILITIES - FIRE STATION	GAS UTILITY	62.77	
2457	TYLER WORKS - TECHNOLOGIES	05/28/2020	Regular	0.00 14,977.00	105714
025-292628	Invoice	05/28/2020	Tyler 9 Incode Migration	0.00 14,977.00	
	100-1230-7071-0000	SOFTWARE	Tyler 9 Incode Migration	14,977.00	
2459	UFI URBAN FUTURES	05/28/2020	Regular	0.00 2,124.75	105715
ADT-2020-02	Invoice	05/28/2020	ANNUAL DEBT TRANSPARENCY REPORTS	0.00 600.00	
	710-0000-7068-0000	CONTRACTUAL SERVICE	ANNUAL DEBT TRANSPARENCY	600.00	
CD-2020-11	Invoice	05/28/2020	AGENT SERVICES	0.00 1,524.75	
	710-0000-7068-0000	CONTRACTUAL SERVICE	AGENT SERVICES	1,524.75	
2484	VERIZON	05/28/2020	Regular	0.00 1,378.68	105716
9853212370	Invoice	05/28/2020	PD AIRCARDS	0.00 1,378.68	
	100-1230-7015-0000	TELEPHONE	PD AIRCARDS	1,378.68	
2490	VERIZON BUSINESS SERVICE	05/28/2020	Regular	0.00 1,538.76	105717
71437035	Invoice	05/28/2020	PHONE UTILITY	0.00 1,538.76	
	100-1230-7015-6040	TELEPHONE (POLICE DPT)	PHONE UTILITY	1,538.76	
2516	VOHNE LICHE KENNELS INC	05/28/2020	Regular	0.00 377.15	105718
16471	Invoice	05/28/2020	K9 TRAINING	0.00 125.00	
	100-2080-7066-0000	TRAVEL, EDUCATION, TRA	K9 TRAINING	125.00	
16524	Invoice	05/28/2020	K9 TRAINING	0.00 125.00	
	100-2080-7066-0000	TRAVEL, EDUCATION, TRA	K9 TRAINING	125.00	
16534	Invoice	05/28/2020	DEPT SUPPLIES	0.00 127.15	
	100-2080-7070-0000	SPECIAL DEPT SUPPLIES	DEPT SUPPLIES	127.15	
3422	WAXIE SANITARY SUPPLY	05/28/2020	Regular	0.00 160.85	105719
79179318	Invoice	05/28/2020	DEPT SUPPLIES	0.00 160.85	
	700-4050-7070-0000	SPECIAL DEPT SUPPLIES	DEPT SUPPLIES	160.85	
2546	WILLDAN ENGINEERING	05/28/2020	Regular	0.00 7,968.56	105720

Check Report **Date Range: 05/22/2020 - 20**

Vendor Number / Payable #	Vendor Name / Payable Type	Post Date	Payment Date / Payable Description	Payment Type	Discount Amount / Payable Amount	Payment Amount	Number
	Account Number	**Account Name**	**Item Description**		**Distribution Amount**		
002-22660	Invoice	05/28/2020	FY19-20 Willdan PO for Plan Check Servic		0.00	7,968.56	
	100-2150-7063-0000	PLAN CHECK FEES	FY19-20 Willdan PO for Plan Ch		7,968.56		
3254	WOOD ENVIRONMENT & INFRASTRUCTURE SO		05/28/2020	Regular	0.00	2,289.58	105721
S44142402	Invoice	05/28/2020	PROFESSIONAL SERVICES		0.00	2,289.58	
	710-0000-7068-0000	CONTRACTUAL SERVICE	PROFESSIONAL SERVICES		2,289.58		
2556	XYLEM WATER SOLUTIONS, INC		05/28/2020	Regular	0.00	9,670.90	105722
3556B19624	Invoice	05/28/2020	PUMP REPAIR FOR SENECA SPRINGS LIFT		0.00	9,670.90	
	700-4050-8040-0000	EQUIPMENT	PUMP REPAIR FOR SENECA SPRI		9,670.90		

Bank Code APBNK Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	84	50	0.00	154,139.36
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	4	4	0.00	1,860,880.94
	88	**54**	**0.00**	**2,015,020.30**

All Bank Codes Check Summary

Payment Type	Payable Count	Payment Count	Discount	Payment
Regular Checks	84	50	0.00	154,139.36
Manual Checks	0	0	0.00	0.00
Voided Checks	0	0	0.00	0.00
Bank Drafts	0	0	0.00	0.00
EFT's	4	4	0.00	1,860,880.94
	88	**54**	**0.00**	**2,015,020.30**

Fund Summary

Fund	Name	Period	Amount
999	POOLED CASH	5/2020	2,015,020.30
			2,015,020.30

CITY COUNCIL WORKSHOP

550 E. 6th Street, Beaumont, CA

Tuesday, July 28, 2020
Closed Session: 5:00 PM | Regular Meeting: 5:00 PM

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

MINUTES

REGULAR SESSION - 6:00 PM

CALL TO ORDER at 5:02 p.m.

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

Action of any requests for Excused Absence: **None**
Pledge of Allegiance
Approval / Adjustments to the Agenda: **None**
Conflict of Interest Disclosure: **None**

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 City Council from discussing or taking actions brought up by your comments.

No speakers.

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

1. **National Community Survey Results**

   Motion by Council Member White
   Second by Mayor Pro Tem Lara

To Receive and file.

Ayes: **Council Member White, Council Member Martinez, Council Member Carroll, Mayor Pro Tem Lara, Mayor Santos**

Approved by a unanimous vote

ADJOURNMENT at 6:04 p.m.

CITY COUNCIL CLOSED & REGULAR SESSION

550 E. 6th Street, Beaumont, CA

Tuesday, August 18, 2020
Closed Session: 5:00 PM | Regular Meeting: 6:00 PM

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

MINUTES

CLOSED SESSION - 5:00 PM

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 with be made in the City Council Chambers.

CALL TO ORDER

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

CALL TO ORDER at 5:01 p.m.

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

Public Comments Regarding Closed Session

1. Conference with Labor Negotiators - Pursuant to Government Code Section 54957.6 City Designated Representatives City Manager Todd Parton and Administrative Services Director Kari Mendoza. Employee Organizations: Beaumont Police Officers Association

   No reportable action.

Adjourn to Regular Session

REGULAR SESSION - 6:00 PM

CALL TO ORDER at 6:01 p.m.

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

Report out from Closed Session: *see above*
Action on any Closed Session items: **None**
Action of any requests for Excused Absence: **None**
Pledge of Allegiance
Approval / Adjustments to the Agenda: **None**
Conflict of Interest Disclosure: **None**

ANNOUNCEMENTS/ RECOGNITION / 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 City Council from discussing or taking actions brought up by your comments.

No speakers

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. Approval of Minutes

   Recommended Action:

   Approve Minutes dated August 4, 2020.

2. Acceptance of Dedication of Easement for Drainage, Street and Utility Purposes

   Recommended Action:

   Approve the acceptance of dedication of above-mentioned easements for drainage, street and utilities.

3. Performance Bond Acceptance and Security Agreement for Plot Plan PP2018-0154 Storage Yard for Construction and Maintenance Materials

   Recommended Action:

Accept Performance Bond No. 0207824.

4. Resolution Authorizing the City Manager to Accept Grant Deeds from Pulte Homes for Tract No. 29180 Lots A, B, and C, and Tract No. 29186 Lots I and J

Recommended Action:
Waive the full reading and adopt by title only, "A Resolution of the City Council of the City of Beaumont, California, Authorizing the City Manager to Accept Grant Deeds from Pulte Homes."

Request to pull Item no. 5 for discussion.

Motion by Council Member White
Second by Mayor Pro Tem Lara

To approve Consent Calendar Items 1,2,3 and 4.

Ayes: Council Member White, Council Member Martinez, Council Member Carroll, Mayor Pro Tem Lara, Mayor Santos

Approved by a unanimous vote

5. 2019 General Plan Annual Progress Report

Motion by Council Member White
Second by Council Member Martinez

To approve the 2019 General Plan Annual Progress Report and direct staff to submit the report to the Governor's Office of Planning and Research.

Ayes: Council Member White, Council Member Martinez, Council Member Carroll, Mayor Pro Tem Lara, Mayor Santos

Approved by a unanimous vote

PUBLIC HEARINGS

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

ACTION ITEMS

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

6. First Amendment to Agreement for Independent Contractor between the City of Beaumont and Clinical Laboratory of San Bernardino, INC. and to Increase the Total Contract Fee Amount by $50,000 and Not to Exceed $126,800

Motion by Council Member White
Second by Mayor Santos

To approve first amendment to Agreement for Independent Contractor between the City of Beaumont and Clinical Laboratory of San Bernardino, INC. and to increase the total contract fee amount by $50,000 and not to exceed $126,800.

Ayes: **Council Member White, Council Member Martinez, Council Member Carroll, Mayor Pro Tem Lara, Mayor Santos**

Approved by a unanimous vote

7. Housing Element and Housing Related Planning Activity Update

Motion by Council Member White
Second by Mayor Pro Tem Lara

To receive and file.

Ayes: **Council Member White, Council Member Martinez, Council Member Carroll, Mayor Pro Tem Lara, Mayor Santos**

Approved by a unanimous vote

8. Update to City Council on Status of FEMA Application Related to the COVID-19 Federal Emergency

Motion by Council Member White
Second by Mayor Pro Tem Lara

To receive and file this update regarding the pending application for FEMA reimbursement related to the COVID-19 emergency.

Ayes: **Council Member White, Council Member Martinez, Council Member Carroll, Mayor Pro Tem Lara, Mayor Santos**

Approved by a unanimous vote

9. Adopt Amendments to the FY2021 Budget and Approve the Implementation of the Business Assistance Program and Household Assistance Program

Motion by Council Member White
Second by Mayor Pro Tem Lara

With a finding that this program serves a public purpose to approve the following:

To adopt the budget amendments and approve the implementation of business assistance and household assistance programs as follows:

Adjust the FY 2020-21 budget to include the receipt of CARES Act funds in the amount of $635,569,

Adjust the FY 2020-21 budget to include the proposed expenditures for the COVID-19 Relief Program as highlighted in the report totaling $635,569,

Adjust the FY 2020-21 budget to include the expenditure of up to $75,000 from the AQMD fund to purchase two vehicles,

Adjust the FY 2019-20 budget to cover I.T. expenses related to the COVID-19 emergency using AQMD funds in the amount of $27,000 and adjust the FY 2020-21 budget to cover I.T. expenses related to the COVID-19 emergency with AQMD funds in the amount of $5,667,

Approve the implementation plan for the Business Assistance Program/ Small Business Assistance Grant, and

Approve the implementation of the Household Assistance Grant Program.

With the exception of the $50,000 for the childcare assistance to reallocated as CRC enhancement and household assistance.

The Household Assistance Program will proceed with option no. 2 and revisit the income limit and change the grant award to be $500 for single member households and $1,500 for a multi-member household.

Ayes: **Council Member White, Council Member Martinez, Council Member Carroll, Mayor Pro Tem Lara, Mayor Santos**

Approved by a unanimous vote

10. Authorize One Additional Part Time On-Call Public Safety Dispatcher Position

Motion by Mayor Pro Tem Lara
Second by Council Member White

To authorize one additional part time on-call public safety dispatcher position.

Ayes: **Council Member White, Council Member Martinez, Council Member Carroll, Mayor Pro Tem Lara, Mayor Santos**

Approved by a unanimous vote

11. Approval of Compensation Plan and Salary Table

Motion by Council Member White
Second by Mayor Santos

To approve the Compensation Plan and Salary Table.

Ayes: **Council Member White, Council Member Martinez, Council Member Carroll, Mayor Pro Tem Lara, Mayor Santos**

Approved by a unanimous vote

12. Review City Council Policies and Practices Related to the Rules and Procedures for All Meetings of the City Council as Established in Beaumont Municipal Code Section 2.04 Rules of Procedure

Direction to staff to research policies and bring back to Council for review.

Ayes: **Council Member White, Council Member Martinez, Council Member Carroll, Mayor Pro Tem Lara, Mayor Santos**

Approved by a unanimous vote

13. Approval of City Attorney Invoices for the Month of July 2020

Motion by Council Member White
Second by Mayor Pro Tem Lara

To approve invoices in the amount of $105.469.35.

Ayes: **Council Member White, Council Member Martinez, Council Member Carroll, Mayor Pro Tem Lara, Mayor Santos**

Approved by a unanimous vote

LEGISLATIVE UPDATES AND DISCUSSION

14. Townsend Legislative Update

COUNCIL REPORTS

Carroll - *Thanked the Wastewater Treatment Plant employees, and the Public Works staff for the improved turn pocket on Highland Springs. Thanked the City Manager for his response during the recent fires.*
Lara - *Thanked the WWTP employees and the Public Works staff and also encouraged residents to sign up for the City's reverse 911 feature.*
Martinez - *Thanked the City Manager on his on going communication to Council on current events and topics in the City.*
Santos - *Echoed all of the appreciation to staff. Attended Good Morning Beaumont breakfast.*
White - *Thanked Kristine Day and her staff on the hard work of the WWTP upgrade. Thanked the City Manager and Chief of Police.*

ECONOMIC DEVELOPMENT UPDATE

Economic Development Committee Report Out

ECONOMIC DEVELOPMENT UPDATE

Kyle Warsinski gave a report out of new opened businesses and businesses coming soon.

CITY TREASURER REPORT
Finance and Audit Committee Report Out

CITY TREASURER REPORT
No report, meeting was cancelled due to lack of items.

CITY CLERK REPORT
Gave an update of the current election candidates and gave a report of the Public Record Requests for the month of July.

CITY ATTORNEY REPORT
Gave a report of current litigation.

CITY MANAGER REPORT
Thanked Council for their support and announced the Symetra Golf Tournament this week in Beaumont.

FUTURE AGENDA ITEMS
None.

ADJOURNMENT at 9:36 p.m.

BEAUMONT
CALIFORNIA

Staff Report

TO: City Council

FROM: Sean Thuilliez, Chief of Police

DATE September 1, 2020

SUBJECT: **Authorize City Staff to Apply for the Fiscal Year 2020 Edward Byrne Memorial Justice Assistance Grant Program and Authorize the City Manager to Execute an Interlocal Agency Agreement with the County of Riverside to Seek Justice Assistance Grant Funds**

Background and Analysis:

The U.S. Department of Justice (DOJ), Office of Justice Programs (OJP), Bureau of Justice Assistance (BJA) is seeking applications for the Fiscal Year 2020 Edward Byrne Memorial Justice Assistance Grant (JAG) Program (see Attachment A). This program assists state, local, and tribal law enforcement efforts to prevent or reduce crime and violence.

The JAG Program is the primary provider of federal criminal justice funding to states and units of local government. BJA will award JAG funds to eligible units of local government under the Fiscal Year 2020 JAG Program Local Solicitation.

In general, JAG funds awarded to a unit of local government under this Fiscal Year 2020 solicitation may be used to provide additional personnel, equipment, supplies, contractual support, training, technical assistance, and information systems for criminal justice, including any one or more of the following:

- Law enforcement programs;
- Prosecution and court programs;
- Prevention and education programs;
- Corrections and community corrections programs;
- Drug treatment and enforcement programs;
- Planning, evaluation, and technology improvement programs;
- Crime victim and witness programs (other than compensation); and
- Mental health programs and related law enforcement and corrections programs.

Staff is seeking City Council approval to enter into an interlocal agreement between the County of Riverside and the City of Beaumont to seek JAG funds in the amount of $11,461 (see Attachment B). Under the agreement, the City of Beaumont will purchase two (2) electric public safety bicycles and related safety equipment in the amount of $10,004.

$310 will be allocated toward the National Incident Based Reporting System (NIBRS) training and $1,147 will be allocated to the Riverside City Police Department for providing administrative services for the FY2020 JAG Program (see Attachment C).

The Beaumont Police Department embraces a community oriented policing philosophy. The movement toward community policing has gained momentum in recent years and is critical now more than ever as police and community leaders search for more effective ways to promote public safety and build relationships among citizens and other community stakeholders.

One area that has been identified to meet this goal is revitalizing the City's bicycle patrol team. As one of the fastest growing cities, the visibility, maneuverability and accessibility of uniformed bicycle patrol officers will enhance the Beaumont Police Department's community policing program. This program will be a collateral assignment to existing operations.

Fiscal Impact:

There is not an anticipated fiscal impact to the General Fund.

The grant funds will be deposited into the Grant Fund Account and any costs or fees associated with the purchases will be utilized from the expense account 240-0000-4455-0000.

Recommended Action:

Authorize staff to apply for the Fiscal Year 2020 Edward Byrne Memorial Justice Assistance Grant (JAG) program, and
Authorize the City Manager to execute a interlocal agency agreement between the County of Riverside and the City of Beaumont to seek JAG funds for Fiscal Year 2020.

Attachments:

A. Edward Byrne Memorial Justice Assistance Grant (JAG) Program FY 2020 Solicitation.
B. Interlocal Agreement
C. JAG Grant Budget FY 2020

OMB No. 1121-0329
Approval Expires 11/30/2020

U.S. Department of Justice
Office of Justice Programs
Bureau of Justice Assistance

Edward Byrne Memorial Justice Assistance Grant (JAG) Program Fiscal Year 2020 Local Formula Solicitation

CFDA #16.738

Solicitation Release Date: July 9, 2020

Application Deadline: 11:59 p.m. eastern time on August 19, 2020

The U.S. Department of Justice (DOJ), Office of Justice Programs (OJP), Bureau of Justice Assistance (BJA) is seeking applications for the Edward Byrne Memorial Justice Assistance Grant (JAG) Program. This program furthers the Department's mission by assisting state, local, and tribal law enforcement efforts to prevent or reduce crime and violence.

This solicitation incorporates the OJP Grant Application Resource Guide by reference. The OJP Grant Application Resource Guide provides guidance to applicants on how to prepare and submit applications for funding to OJP. **If this solicitation expressly modifies any provision in the OJP Grant Application Resource Guide, the applicant is to follow the guidelines in this solicitation as to that provision.**

This solicitation expressly modifies the OJP Grant Application Resource Guide by not incorporating the "Limitation on Use of Award Funds for Employee Compensation; Waiver" provision in the "Financial Information" section of the OJP Grant Application Resource Guide.

Eligibility

The following entities are eligible to apply:

- Units of local government

By law, for purposes of the JAG Program, the term "units of local government" includes a town, township, village, parish, city, county, borough, or other general purpose political subdivision of a state; or, it may be a federally recognized Indian tribal government that performs law enforcement functions (as determined by the Secretary of the Interior). A unit of local government also may be any law enforcement district or judicial enforcement district established under applicable state law with authority to independently establish a budget and impose taxes; for example, in Louisiana, a unit of local government means a district attorney or parish sheriff.

Eligible allocations under JAG are posted annually on the JAG web page. See the allocation determination and Units of Local Government requirements section for more information. **Applicants with eligible allocation amounts of less than $25,000 will apply to Category 1,**

and applicants with eligible allocation amounts of $25,000 or more will apply to Category 2.

All recipients and subrecipients (including any for-profit organization) must forgo any profit or management fee.

Contact Information

For technical assistance with submitting an application, contact the Grants Management System (GMS) Support Hotline at 888–549–9901, option 3, or via email at GMS.HelpDesk@usdoj.gov. The GMS Support Hotline operates 24 hours a day, 7 days a week, including on federal holidays.

An applicant that experiences unforeseen GMS technical issues beyond its control that prevent it from submitting its application by the deadline must email the National Criminal Justice Reference Service (NCJRS) Response Center at grants@ncjrs.gov **within 24 hours after the application deadline** in order to request approval to submit its application after the deadline. For information on reporting technical issues, see "Experiencing Unforeseen GMS Technical Issues" under **How to Apply (GMS)** in the OJP Grant Application Resource Guide.

For assistance with any other requirement of this solicitation, applicants may contact the NCJRS Response Center by telephone at 1–800–851–3420; via TTY at 301–240–6310 (hearing impaired only); by email at grants@ncjrs.gov; by fax to 301–240–5830, or by web chat at https://webcontact.ncjrs.gov/ncjchat/chat.jsp. The NCJRS Response Center hours of operation are 10:00 a.m. to 6:00 p.m. eastern time, Monday through Friday, and 10:00 a.m. to 8:00 p.m. eastern time on the solicitation close date. Applicants also may contact the appropriate BJA State Policy Advisor.

Deadline details

Applicants must register in the OJP Grants Management System (GMS) at https://grants.ojp.usdoj.gov/ prior to submitting an application under this solicitation. All applicants must register, even those that previously registered in GMS. Select the "Apply Online" button associated with the solicitation title. All registrations and applications are due by 11:59 p.m. eastern time August 19, 2020.

For additional information, see the "**How to Apply (GMS)**" section in the OJP Grant Application Resource Guide.

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Edward Byrne Memorial
Justice Assistance Grant (JAG) Program
FY 2020 Local Solicitation
CFDA #16.738

A. Program Description

Overview
The Edward Byrne Memorial Justice Assistance Grant (JAG) Program is the primary provider of federal criminal justice funding to states and units of local government. BJA will award JAG Program funds to eligible units of local government as described in this FY 2020 JAG Program Local Solicitation (BJA will issue a separate solicitation for states).

Statutory Authority:
The JAG Program is authorized by Title I of Pub. L. No. 90-351 (generally codified at 34 U.S.C. 10151-10726), including subpart 1 of part E (codified at 34 U.S.C. 10151 - 10158); see also 28 U.S.C. 530C(a).

Program-specific Information

Permissible uses of JAG Funds
In general, JAG funds awarded to a unit of local government under this FY 2020 solicitation may be used to provide additional personnel, equipment, supplies, contractual support, training, technical assistance, and information systems for **criminal justice**, including any one or more of the following:

- Law enforcement programs
- Prosecution and court programs
- Prevention and education programs
- Corrections and community corrections programs
- Drug treatment and enforcement programs
- Planning, evaluation, and technology improvement programs
- Crime victim and witness programs (other than compensation)
- Mental health programs and related law enforcement and corrections programs, including behavioral programs and crisis intervention teams

Additionally, JAG funds awarded to a unit of local government under this FY 2020 solicitation may be used to enforce state and local laws that establish offenses similar to offenses established in 21 U.S.C. § *801 et seq*. and/or to improve the functioning of the **criminal justice** system, with emphasis on violent crime and serious offenders, by providing additional personnel, equipment, training, technical assistance, and information systems for the more widespread apprehension, prosecution, adjudication, detention, and rehabilitation of persons who violate these laws and to assist the victims of such crimes (other than compensation). Additional details can be found on the JAG Resource Page.

Note that the statute defines "criminal justice" as "activities pertaining to crime prevention, control, or reduction, or the enforcement of the criminal law, including, but not limited to, police efforts to prevent, control, or reduce crime or to apprehend criminals, including juveniles, activities of courts having criminal jurisdiction, and related agencies (including but not limited to prosecutorial and defender services, juvenile delinquency agencies and pretrial service or release agencies), activities of corrections, probation, or parole authorities and related agencies assisting in the rehabilitation, supervision, and care of criminal offenders, and programs relating to the prevention, control, or reduction of narcotic addiction and juvenile delinquency."

BJA Areas of Emphasis
BJA recognizes that many state and local criminal justice systems currently face challenging fiscal environments and that an important, cost-effective way to relieve those pressures is to share or leverage resources through cooperation among federal, state, and local law enforcement. BJA intends to focus much of its work on addressing violent crime, enforcing firearms laws, officer safety and wellness, safe policing for safe communities, and fentanyl detection. BJA encourages each recipient of a FY 2020 JAG award to join federal law enforcement agencies across the board in addressing these challenges. Additional details on the BJA areas of emphasis can be found on the JAG Resource Page.

Limitations on the Use of JAG Funds
Prohibited uses of funds – JAG funds may not be used (whether directly or indirectly) for any purpose prohibited by federal statute or regulation, including those purposes specifically prohibited by the JAG Program statute as set out in 34 U.S.C. § 10152.

JAG funds may not be used (directly or indirectly) for security enhancements or equipment for nongovernmental entities not engaged in criminal justice or public safety. Additionally, JAG funds may not be used (directly or indirectly) to pay for any of the following items unless the BJA Director certifies that extraordinary and exigent circumstances exist making them essential to the maintenance of public safety and good order:

- Vehicles, vessels, or aircraft*
- Luxury items
- Real estate
- Construction projects (other than penal or correctional institutions)
- Any similar matters

*Police cruisers, police boats, and police helicopters are allowable vehicles under JAG and do not require BJA certification.

For a list of prohibited expenditures under JAG and information about requesting BJA certification for a prohibited item (including unmanned aircraft, unmanned aerial vehicles, and/or unmanned aerial systems purchases) or for examples of allowable vehicles that do not require BJA certification, refer to the JAG Prohibited Guidance section of the JAG Resource Page or the JAG FAQs.

Cap on use of JAG award funds for administrative costs – Up to 10 percent of a JAG award, including up to 10 percent of any earned interest, may be used for costs associated with administering the award, which can include indirect costs.

Prohibition of supplanting; prohibition on use of JAG funds as match – JAG funds may not be used to supplant state or local funds but must be used to increase the amounts of such funds that would, in the absence of federal funds, be made available. See the JAG FAQs for examples of supplanting.

Although supplanting is prohibited, the leveraging of federal funding is encouraged.

Absent specific federal statutory authority to do so, JAG award funds may not be used as a match for other federal awards.

Other restrictions on use of JAG funds that require compliance, certification, and/or prior approval – If a unit of local government chooses to use its FY 2020 JAG funds for particular, defined types of expenditures, it must satisfy certain preconditions. Examples of items that require compliance, certification, and/or prior approval by BJA before purchase include: body-worn cameras, body armor, interoperable communications, DNA testing of evidentiary materials, uploading DNA profiles to a database, and entry of records into state repositories. Additional information, including the process to obtain prior approval and as well as a body armor and/or body-worn camera certification form, can be found on the JAG Resource Page.

Allocation determination and Units of Local Government requirements regarding use of JAG funds

Eligible allocations under JAG are posted annually on the JAG web page. Award allocations are determined by a four-step statutory formula. Additional information can be found on the JAG Resource Page or the JAG Technical Report.

According to the JAG program statute, a "disparity" may exist between the funding eligibility of a county and its associated municipalities. *See* 34 U.S.C. § 10156(d)(4). Units of local government identified by BJA as disparate must select a fiscal agent that will submit a joint application for the allocation to include all disparate municipalities. A memorandum of understanding (MOU) that identifies which jurisdiction will serve as the applicant or fiscal agent for joint funds must be completed and signed by the authorized representative for each participating jurisdiction. Once an award is made, the fiscal agent will be responsible for distributing award funds to the other jurisdictions in the disparate group through subawards that include all appropriate award conditions. To verify eligibility on the JAG web page, an applicant should click on its respective state and note the following regarding the state's allocation table:

(1) Disparate units of local government are listed in shaded groups, in alphabetic order by county. Units of local government identified as disparate must select one unit of local government to submit an application on behalf of the disparate group.

(2) Counties that have an asterisk (*) under the "Direct Allocation" column did not submit the level of violent crime data to qualify for a direct award from BJA, but are in the disparate grouping indicated by the shaded area. The JAG legislation requires these counties to remain a partner with the local jurisdictions receiving funds and must be a signatory on the required MOU; and

(3) Direct allocations are listed alphabetically below the shaded, disparate groupings.

Please note that disparate jurisdictions do not need to abide by the listed individual allocations, which are provided for information only. Jurisdictions in a funding disparity are

responsible for determining individual amounts within the Eligible Joint Allocation and for documenting individual allocations in the MOU.

A unit of local government that applies for and receives a FY 2020 JAG award **must note the following:**

- Trust Fund – Units of local government may draw down JAG funds either in advance or on a reimbursement basis. To draw down in advance, a trust fund must be established in which to deposit the funds. The trust fund **must** be in an interest-bearing account, unless one of the exceptions in 2 C.F.R. § 200.305(b)(8) apply. If subrecipients draw down JAG funds in advance, they also must establish a trust fund in which to deposit the funds. For additional information, see 2 C.F.R. § 200.305.

- Certifications and Assurances by the Chief Executive of the Applicant Government (which incorporates the 30-day governing body review requirement) – A JAG application is not complete, and a unit of local government may not access award funds, unless the chief executive of the applicant unit of local government (e.g., the mayor) properly executes, and the submits, the "Certifications and Assurances by the Chief Executive of the Applicant Government." The most up-to-date version of this certification can be found at https://bja.ojp.gov/sites/g/files/xyckuh186/files/media/document/fy-20-local-jag-ce-certification.pdf.

  Please note that this certification takes the place of the review narrative attachment and contains assurances that the governing body notification and public comment requirements, which are required under the JAG statute (at 34 U.S.C. § 10153(a)(2)), have been satisfied.

  OJP will not deny an application for a FY 2020 award for failure to submit these "Certifications and Assurances by the Chief Executive of the Applicant Government" by the application deadline, but a unit of local government will not be able to access award funds (and its award will include a condition that withholds funds) until it submits these certifications and assurances, properly executed by the chief executive of the unit of local government (e.g., the mayor).

- National Incident-Based Reporting System (NIBRS) 3 Percent Set-aside – In preparation for the FBI's 2021 NIBRS compliance deadline, BJA requires, through the application of a special condition, JAG award recipients not certified by the FBI as NIBRS compliant to dedicate 3 percent of their JAG award toward achieving full compliance with the FBI's NIBRS data submission requirements under the Uniform Crime Reporting Program. Additional information can be found on the JAG Resource Page.

Required compliance with applicable federal laws
All applicants should understand that OJP awards, including certifications provided in connection with such awards, are subject to review by DOJ, including by OJP and by the DOJ Office of the Inspector General. Applicants also should understand that a materially false, fictitious, or fraudulent statement (or concealment or omission of a material fact) in a certification submitted to OJP in support of an application may be the subject of criminal prosecution, and also may result in civil penalties and administrative remedies for false claims or otherwise. Administrative remedies that may be available to OJP with respect to a FY 2020

award include suspension or termination of the award, placement on the DOJ high-risk grantee list, disallowance of costs, and suspension or debarment of the recipient.

Objectives
In general, the FY 2020 JAG Program is designed to provide additional personnel, equipment, supplies, contractual support, training, technical assistance, and information systems for criminal justice. Although the JAG Program provides assistance directly to states, through pass-through (and similar) requirements, the JAG Program also is designed to assist units of local government with respect to their criminal justice needs.

As discussed in more detail in the General Information about Post-federal Award Reporting Requirements discussion, a unit of local government that receives a FY 2020 JAG award will be required to produce various types of reports and to submit data related to performance measurement and accountability.

The objectives are directly related to the JAG Program performance measures described at https://bjapmt.ojp.gov/help/jagdocs.html and demonstrate the results of the work completed, as discussed under What an Application Should Include.

Evidence-based Programs or Practices
OJP strongly emphasizes the use of data and evidence in policy making and program development for criminal justice, juvenile justice, and crime victim services. For additional information and resources on evidence-based programs or practices, see the OJP Grant Application Resource Guide.

A useful matrix of evidence-based policing programs and strategies is available through the BJA-supported Matrix Demonstration Project. It offers a number of program models designed to effectively implement promising and evidence-based strategies through the BJA Innovation Suite of programs, including Innovations in Policing, Prosecution, Supervision, Reentry, and others (see https://www.bja.gov/Programs/CRPPE/innovationssuite.html). BJA encourages units of local government to use JAG funds to develop and implement these crime innovation strategies, including effective partnerships with universities and research partners and with nontraditional criminal justice partners.

Information Regarding Potential Evaluation of Programs and Activities
Applicants should note OJP may conduct or support an evaluation of the programs and activities funded under the JAG Program. For additional information, see the OJP Grant Application Resource Guide section, entitled, "Information Regarding Potential Evaluation of Programs and Activities."

B. Federal Award Information

Maximum number of awards BJA expects to make	1,058
Period of performance start date	October 1, 2019
Period of performance duration	2 or 4 years

Category 1 – Eligible Allocation Amounts of Less than $25,000 (Competition ID BJA-2020-18275) – Units of local government that are listed on the JAG web page as eligible for an allocation amount of less than $25,000 should apply under Category 1. This includes direct and joint

(disparate) allocations. Category 1 awards of less than $25,000 are 2 years in length, and performance periods will be from October 1, 2019 through September 30, 2021. Extensions of up to two years can be requested for these awards via GMS no fewer than 30 days prior to the grant end date, and will be automatically granted upon request.

Category 2 – Eligible Allocation Amounts $25,000 or More (Competition ID BJA-2020-18276) – Units of local government that are listed on the JAG web page as eligible for an allocation amount of $25,000 or more should apply under Category 2. This includes direct and joint (disparate) allocations. Category 2 awards of at least $25,000 are 4 years in length, and performance periods will be from October 1, 2019 through September 30, 2023. Extensions beyond this period may be made on a case- by-case basis at the discretion of BJA and must be requested via GMS no fewer than 30 days prior to the grant end date.

All awards are subject to the availability of appropriated funds and to any modifications or additional requirements that may be imposed by statute.

Type of Award
BJA expects to make awards under this solicitation as grants. See the "Administrative, National Policy, and Other Legal Requirements" section of the OJP Grant Application Resource Guide for additional information.

Financial Management and System of Internal Controls
Award recipients and subrecipients (including recipients or subrecipients that are pass-through entities) must, as described in the Part 200 Uniform Requirements[1] as set out at 2 C.F.R. 200.303, comply with standards for financial and program management. See OJP Grant Application Resource Guide for additional information.

Budget Information

Cost Sharing or Match Requirement
The JAG Program does not require a match.

Please see the OJP Grant Application Resource Guide for information on the following:

Pre-agreement Costs (also known as Pre-award Costs)

Prior Approval, Planning, and Reporting of Conference/Meeting/Training Costs

Costs Associated with Language Assistance (if applicable)

C. Eligibility Information

For information on eligibility, see the title page.

For information on cost sharing or match requirements, see Section B. Federal Award Information.

[1] The "Part 200 Uniform Requirements" means the DOJ regulation at 2 C.F.R Part 2800, which adopts (with certain modifications) the provisions of 2 C.F.R. Part 200.

D. Application and Submission Information

What an Application Should Include
See the "Application Elements and Formatting Instructions" section of the OJP Grant Application Resource Guide for information on what happens to an application that does not contain all the specified elements. (This solicitation expressly modifies the "Application Elements and Formatting Instructions" section of the OJP Grant Application Resource Guide by **not** incorporating paragraph two of that section (referring to nonresponsive applications or applications missing critical elements not "[proceeding] to peer review").)

1. **Application for Federal Assistance (Standard Form (SF)-424)**
   The SF-424 is a required standard form used as a cover sheet for submission of pre-applications, applications, and related information. See the OJP Grant Application Resource Guide for additional information on completing the SF-424.

   Intergovernmental Review:
   This solicitation ("funding opportunity") **is** subject to Executive Order 12372. An applicant may find the names and addresses of State Single Points of Contact (SPOCs) at the following website: https://www.whitehouse.gov/wp-content/uploads/2020/01/spoc_1_16_2020.pdf. If the applicant's state appears on the SPOC list, the applicant must contact the State SPOC to find out about, and comply with, the state's process under E.O. 12372. In completing the SF-424, an applicant whose state appears on the SPOC list is to make the appropriate selection in response to question 19, once the applicant has complied with its State E.O. 12372 process. (An applicant whose state does not appear on the SPOC list should answer question 19 by selecting the response that the: "Program is subject to E.O. 12372, but has not been selected by the State for review.").

2. **Project Identifiers**
   Applications should identify at least three project identifiers that would be associated with the proposed project activities. The list of identifiers can be found at www.bja.gov/funding/JAGIdentifiers.pdf.

3. **Program Narrative**

   Category 1 – Eligible Allocation Amounts of Less than $25,000
   The program narrative for Category 1 applications should include a description of the project(s), including subawards, if applicable, to be funded with JAG funds over the 2 year grant period.

   Category 2 – Eligible Allocation Amounts of $25,000 or More
   The program narrative for Category 2 applications should include:

   (a) Description of the Issue – Identify the unit of local government's strategy/funding priorities for the FY 2020 JAG funds, the subgrant award process (if applicable, including disparates) and timeline, any progress or challenges, and a description of the programs to be funded over the 2 to 4 year grant period.

   (b) Project Design and Implementation – Describe the unit of local government's strategic planning process, if any, that guides its priorities and funding strategy. This should include a description of how the local community is engaged in the planning process and the data and analysis utilized to support the plan. It should identify the stakeholders

currently participating in the strategic planning process, the gaps in the needed resources for criminal justice purposes, and how JAG funds will be coordinated with state and related justice funds.

(c) Capabilities and Competencies – Describe any additional strategic planning/coordination efforts in which the units of local government participate with other criminal justice juvenile justice agencies in the state.

(d) Plan for Collecting the Data Required for this Solicitation's Performance Measures – OJP will require each successful applicant to submit specific performance data that demonstrate the results of the work carried out under the award. The performance data directly relate to the objectives identified under " Objectives" in Section A. Program Description.

Applicants should visit OJP's performance measurement page at www.ojp.gov/performance for an overview of performance measurement activities at OJP.

The application should demonstrate the applicant's understanding of the performance data reporting requirements for this grant program and detail how the applicant will gather the required data should it receive funding.
Please note that applicants are **not** required to submit performance data with the application. Rather, performance measures information is included as an alert that successful applicants will be required to submit performance data as part of the reporting requirements under an award.

Post award, recipients will be required to submit quarterly performance measures through BJA's PMT, located at https://bjapmt.ojp.gov. The application should describe the applicant's plan for collection of all of the performance measurement data listed in the JAG performance measures at https://bjapmt.ojp.gov/help/jagdocs.html.

Note on Project Evaluations
An applicant that proposes to use award funds through this solicitation to conduct project evaluations should follow the guidance under Note on Project Evaluations in the OJP Grant Application Resource Guide.

Please see the OJP Grant Application Resource Guide for information on the following:

4. Budget Information and Associated Documentation
Please note that the budget narrative should include a full description of all costs, including funds set aside for the NIBRS project(s) and administrative costs (if applicable).

General requirement for federal authorization of any subaward; statutory authorization of subawards under the JAG Program statute.
Generally, a recipient of an OJP award may not make subawards ("subgrants") unless the recipient has specific federal authorization to do so. Unless an applicable statute or DOJ regulation specifically authorizes (or requires) particular subawards, a recipient must have authorization from OJP before it may make a subaward.

However, JAG subawards that are required or specifically authorized by statute (see 34 U.S.C. § 10152(a) and 34 U.S.C. § 10156) do not require prior approval. This includes subawards made by states and unites of local government under the JAG Program. For additional information regarding subawards and authorizations, please refer to the subaward section in the OJP Grant Application Resource Guide.

5. **Indirect Cost Rate Agreement (if applicable)**
   This rule does not eliminate or alter the JAG-specific restriction in federal law that states charges for administrative costs may not exceed 10 percent of the award amount, regardless of the approved indirect cost rate.

6. **Financial Management and System of Internal Controls Questionnaire (including applicant disclosure of high risk status)**

7. **Disclosure of Lobbying Activities**

8. **Applicant Disclosure of Pending Applications**

9. **Applicant Disclosure and Justification – DOJ High Risk Grantees[2] (if applicable)**

10. **Research and Evaluation Independence and Integrity**

11. **Certifications and Assurances by the Chief Executive of the Applicant Government**
    A JAG application is not complete, and a unit of local government may not access award funds, unless the chief executive of the applicant unit of local government (e.g., the mayor) properly executes, and then submits, the "Certifications and Assurances by the Chief Executive of the Applicant Government." The most up-to-date version of this certification can be found at https://bja.ojp.gov/sites/g/files/xyckuh186/files/media/document/fy-20-local-jag-ce-certification.pdf.

12. **Information regarding Communication with the Department of Homeland Security (DHS) and/or Immigration and Customs Enforcement (ICE)**
    Each applicant must provide responses to the following questions as an attachment to the application:
    (1) Does your jurisdiction have any laws, policies, or practices related to whether, when, or how employees may communicate with DHS or ICE?
    (2) Is your jurisdiction subject to any laws from a superior political entity (e.g., a state law that binds a city) that meet the description in question 1?
    (3) If yes to either:
    - Please provide a copy of each law or policy.
    - Please describe each practice.
    - Please explain how the law, policy, or practice complies with 8 U.S.C. § 1373.

    Note: Responses to these questions must be provided by the applicant as part of the application. Further, the requirement to provide this information applies to all tiers of funding

[2] A "DOJ High Risk Grantee" is a recipient that has received a DOJ High Risk designation based on a documented history of unsatisfactory performance, financial instability, management system or other internal control deficiencies, or noncompliance with award terms and conditions on prior awards, or that is otherwise not responsible.

and for all subawards made to state or local government entities, including public institutions of higher education. All subrecipient responses must be collected and maintained by the direct recipient of funding and must be made available to DOJ upon request. Responses to these questions are not required from subrecipients that are either a tribal government/organization, a nonprofit organization, or a private institution of higher education.

OJP will not deny an application for a FY 2020 award for failure to submit these required responses by the application deadline, but a recipient will not receive award funds (and its award will include a condition that withholds funds) until it submits these responses.

How to Apply
An applicant must submit its application through the Grants Management System (GMS), which provides support for the application, award, and management of awards at OJP. Find information, registration and submission steps on how to apply in GMS in response to this solicitation in the OJP Grant Application Resource Guide.

E. Application Review Information

Review Process
BJA reviews the application to make sure that the information presented is reasonable, understandable, measurable, achievable, and consistent with the solicitation. See the OJP Grant Application Resource Guide for information on the application.

Pursuant to the Part 200 Uniform Requirements, before award decisions are made, OJP also reviews information related to the degree of risk posed by the applicant. Among other things to help assess whether an applicant that has one or more prior federal awards has a satisfactory record with respect to performance, integrity, and business ethics, OJP checks whether the applicant is listed in SAM as excluded from receiving a federal award.

In addition, if OJP anticipates that an award will exceed $250,000 in federal funds, OJP also must review and consider any information about the applicant that appears in the nonpublic segment of the integrity and performance system accessible through SAM (currently, the Federal Awardee Performance and Integrity Information System, FAPIIS).

Important note on FAPIIS: An applicant, at its option, may review and comment on any information about itself that currently appears in FAPIIS and was entered by a federal awarding agency. OJP will consider any such comments by the applicant, in addition to the other information in FAPIIS, in its assessment of the risk posed by the applicant.

Absent explicit statutory authorization or written delegation of authority to the contrary, the Assistant Attorney General will make all final award decisions.

F. Federal Award Administration Information

Please see the OJP Grant Application Resource Guide for information on the following:

Federal Award Notices

Administrative, National Policy, and Other Legal Requirements

OJP strongly encourages prospective applicants to review information on post-award legal requirements and common OJP award conditions **prior** to submitting an application. For additional information on these legal requirements, see the "Administrative, National Policy, and Other Legal Requirements" section in OJP Grant Application Resource Guide.

Information Technology (IT) Security Clauses

General Information about Post-Federal Award Reporting Requirements
In addition to addressing the objectives described in Section A. Program Description, any recipient of an award under this solicitation will be required to submit the following reports and data:

Category 1 – Eligible Allocation Amounts of Less than $25,000

Recipients must submit:

- Quarterly financial status reports (and one final financial report after all funds have been obligated and expended) through OJP's Grants Management System (GMS)
- Quarterly performance measures report and final performance measures report through BJA's Performance Measurement Tool (PMT). Please note that as soon as all project activity has concluded, that report may be marked final
- An annual progress report and final progress report through OJP's GMS. If all project activity has concluded at the time the first annual progress report is submitted, that report may be marked final
- If applicable, an annual audit report in accordance with the Part 200 Uniform Requirements or specific award conditions should also be submitted

Category 2 – Eligible Allocation Amounts of $25,000 or More

Recipients must submit:

- Quarterly financial status reports (and one final financial report after all funds have been obligated and expended) through OJP's Grants Management System (GMS)
- Quarterly performance measures reports and a final performance measures report (at any time once all project activity has concluded) through BJA's Performance Measurement Tool (PMT)
- Semi-annual progress reports and a final progress report (at any time once all project activity has concluded) through OJP's GMS
- If applicable, an annual audit report in accordance with the Part 200 Uniform Requirements or specific award conditions

Future awards and/or fund draw-downs may be withheld if a recipient of an OJP award fails to report the required reports in a timely manner.

See the OJP Grant Application Resource Guide for additional information on specific post-award reporting requirements, including performance measurement data.

Performance measurement data must be submitted through BJA's Performance Measurement Tool (PMT). The performance measures are available at: https://bjapmt.ojp.gov/help/jagdocs.html. (Note that if a unit of local government provides funding to a law enforcement agency, the unit of local government must submit quarterly performance measurement data on training that officers have received on use of force, racial and ethnic bias, de-escalation of conflict, and constructive engagement with the public.)

G. Federal Awarding Agency Contact(s)

For OJP contact(s), see page 2 of this solicitation.

For contact information for GMS, see page 2.

H. Other Information

Please see the OJP Grant Application Resource Guide for information on the following:

Freedom of Information and Privacy Act (5 U.S.C. 552 and 5 U.S.C. 552a)

Provide Feedback to OJP

Certain Relevant Federal Laws, as in Effect on February 26, 2020
See the JAG Resource Page for more information.

Application Checklist

Edward Byrne Memorial Justice Assistance Grant (JAG) Program: FY 2020 Local Solicitation

This application checklist has been created as an aid in developing an application.

What an Applicant Should Do:

Prior to Registering in GMS:

- ☐ Acquire a DUNS Number (see OJP Grant Application Resource Guide)
- ☐ Acquire or renew registration with SAM (see OJP Grant Application Resource Guide)

To Register with GMS:

- ☐ For new users, acquire a GMS username and password* (see OJP Grant Application Resource Guide)
- ☐ For existing users, check GMS username and password* to ensure account access (see OJP Grant Application Resource Guide)
- ☐ Verify SAM registration in GMS (see OJP Grant Application Resource Guide)
- ☐ Search for and select correct funding opportunity in GMS (see OJP Grant Application Resource Guide)
- ☐ Register by selecting the "Apply Online" button associated with the funding opportunity title (see OJP Grant Application Resource Guide)
- ☐ Read OJP policy and guidance on conference approval, planning, and reporting available at ojp.gov/financialguide/DOJ/PostawardRequirements/chapter3.10a.htm (see OJP Grant Application Resource Guide)

If experiencing technical difficulties in GMS, contact contact the NCJRS Response Center (see page 2)

*Password Reset Notice – GMS users are reminded that while password reset capabilities exist, this function is only associated with points of contact designated within GMS at the time the account was established. Neither OJP nor the GMS Help Desk will initiate a password reset unless requested by the authorized official or a designated point of contact associated with an award or application.

Overview of Post-Award Legal Requirements:

- ☐ Review the "the "Overview of Legal Requirements Generally Applicable to OJP Grants and Cooperative Agreements - FY 2020 Awards" in the OJP Funding Resource Center.

Scope Requirement:

- ☐ The federal amount requested is within the allowable limit(s) of the FY 2020 JAG Allocations List as listed on BJA's JAG web page.

Eligibility Requirement:

Only units of local government may apply under this solicitation. By law, for purposes of the JAG Program, the term "units of local government" includes a town, township, village, parish, city, county, borough, or other general purpose political subdivision of a state; or, it may be a federally recognized Indian tribal government that performs law enforcement functions (as determined by the Secretary of the Interior). A unit of local government also may be any law enforcement district or judicial enforcement district established under applicable state law with authority to independently establish a budget and impose taxes; for example, in Louisiana, a unit of local government means a district attorney or parish sheriff.

What an Application Should Include:

- ☐ Application for Federal Assistance (SF-424) (see OJP Grant Application Resource Guide)
- ☐ Intergovernmental Review (see page 10)
- ☐ Program Narrative (see page 10)
- ☐ Budget Detail Worksheet (including Budget Narrative (see page 11)
- ☐ Indirect Cost Rate Agreement (if applicable) (see OJP Grant Application Resource Guide)
- ☐ Financial Management and System of Internal Controls Questionnaire (see OJP Grant Application Resource Guide)
- ☐ Disclosure of Lobbying Activities (SF-LLL) (see OJP Grant Application Resource Guide)
- ☐ Applicant Disclosure of Pending Applications (see OJP Grant Application Resource Guide)
- ☐ Applicant Disclosure and Justification – DOJ High Risk Grantees (see OJP Grant Application Resource Guide) (if applicable)
- ☐ Research and Evaluation Independence and Integrity (if applicable) (see OJP Grant Application Resource Guide)
- ☐ Certifications and Assurances by Chief Executive (see page 12)
- ☐ Information regarding Communication with the Department of Homeland Security (DHS) and/or Immigration and Customs Enforcement (ICE) (see page 12)

INTERLOCAL AGREEMENT
BETWEEN THE COUNTY OF RIVERSIDE, THE CITIES OF BEAUMONT, CORONA, DESERT HOT SPRINGS, HEMET, INDIO, JURUPA VALLEY, LAKE ELSINORE, MORENO VALLEY, PALM SPRINGS, PERRIS, AND THE CITY OF RIVERSIDE, CA

CONCERNING DISTRIBUTION OF THE 2020 JUSTICE ASSISTANCE GRANT AWARD

This Agreement is made and entered into this ___ day of _____, 2020, by and between THE CITY OF RIVERSIDE, acting by and through its governing body, the Riverside City Council (hereinafter referred to as "CITY"), and the aforementioned COUNTY (hereinafter referred to as "COUNTY") and named CITIES (hereinafter referred to as "CITIES"), acting by and through their respective governing bodies, the Board of Supervisors and City Councils, all of whom are situated within the County of Riverside, State of California, as follows:

WHEREAS, each governing body, in performing governmental functions or in paying for the performance of governmental functions hereunder, shall make that performance or those payments from current revenues legally available to that party; and

WHEREAS, each governing body finds that the performance of this Agreement is in the best interests of all parties, that the undertaking will benefit the public, and that the division of costs fairly compensates the performing party for the services or functions under this Agreement; and

WHEREAS, the CITY agrees to release to COUNTY and CITIES their respective grant allocation from the JAG Award, less ten percent (10%) re-allocated to CITY, as reflected on Appendix 1 here attached and hereby incorporated by reference as part of this agreement, on a reimbursement basis; and CITY agrees to provide the administration of COUNTY's and CITIES' programs during the entire permissible duration of said programs; and additionally the COUNTY and CITIES each agree that it is their responsibility to ensure these funds are expended in accordance with JAG guidelines; and

WHEREAS, the COUNTY, CITIES and CITY believe it to be in their best interests to reallocate the JAG funds,

NOW THEREFORE, the CITY and COUNTY and CITIES agree as follows:

Section 1.

CITY agrees to release to COUNTY and CITIES up to their respective grant allocation from the JAG Award, less ten percent (10%) re-allocated to CITY, as reflected in Appendix 1 here attached and hereby incorporated by reference as part of this Agreement, on a reimbursement basis, from the JAG Award within (45) days upon receipt of fully documented reimbursement request, and; CITY agrees to provide the administration of COUNTY's and CITIES' programs during the entire permissible duration of said programs.

Section 2.

COUNTY and CITIES each agree that it is their responsibility to ensure these funds are expended in accordance with JAG guidelines.

Section 3.

COUNTY and CITIES agree to provide CITY with sufficient timely information as necessary within five business days after receiving written request from CITY to meet JAG requirements for quarterly financial and performance metrics reports and semi-annual programmatic reports.

Section 4.

Nothing arising from this Agreement shall impose any liability for claims or actions against CITY other than what is authorized by law.

Section 5.

Nothing arising from this Agreement shall impose any liability for claims or actions against COUNTY and/or CITIES other than what is authorized by law.

Section 6.

Each party to this Agreement will be responsible for its own actions in providing services under this Agreement and shall not be liable to any other party to this Agreement for any claim or action arising from the services provided under this Agreement.

Section 7.

The parties to this Agreement do not intend for any third party to obtain a right by virtue of this Agreement.

Section 8.

By entering into this Agreement, the parties do not intend to create any obligations, either express or implied, other than those set out herein; further, this Agreement shall not create any rights in any party not a signatory hereto.

WHEREFORE, all parties freely and voluntarily agree to all of the above terms.

CITY OF RIVERSIDE, CA

_____
Lea Deesing
Assistant City Manager

ATTEST:

_____
City Clerk

APPROVED AS TO FORM:

_____
Gary G. Geuss
City Attorney

WHEREFORE, all parties freely and voluntarily agree to all of the above terms.

COUNTY OF RIVERSIDE, CA

_____

Chair, County Board of Supervisors

ATTEST:

_____

Clerk of the Board of Supervisors

APPROVED AS TO FORM:

_____

County Counsel

WHEREFORE, all parties freely and voluntarily agree to all of the above terms.

CITY OF BEAUMONT, CA

_____

City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

City Attorney

WHEREFORE, all parties freely and voluntarily agree to all of the above terms.

CITY OF CORONA, CA

_____

City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

City Attorney

WHEREFORE, all parties freely and voluntarily agree to all of the above terms.

CITY OF DESERT HOT SPRINGS, CA

_____

City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

City Attorney

WHEREFORE, all parties freely and voluntarily agree to all of the above terms.

CITY OF HEMET, CA

_____

City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

City Attorney

WHEREFORE, all parties freely and voluntarily agree to all of the above terms.

CITY OF INDIO, CA

_____

City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

City Attorney

WHEREFORE, all parties freely and voluntarily agree to all of the above terms.

CITY OF JURUPA VALLEY, CA

_____

City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

City Attorney

WHEREFORE, all parties freely and voluntarily agree to all of the above terms.

CITY OF LAKE ELSINORE, CA

_____

City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

City Attorney

WHEREFORE, all parties freely and voluntarily agree to all of the above terms.

CITY OF MORENO VALLEY, CA

_____

City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

City Attorney

WHEREFORE, all parties freely and voluntarily agree to all of the above terms.

CITY OF PALM SPRINGS, CA

_____

City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

City Attorney

WHEREFORE, all parties freely and voluntarily agree to all of the above terms.

CITY OF PERRIS, CA

_____

City Manager

ATTEST:

_____

City Clerk

APPROVED AS TO FORM:

_____

City Attorney

Appendix 1
Eligible Agencies in FY2020 JAG Disparate Area

Riverside City FA	BJA Formula	To Fiscal Agent	New Allocation	% to FA
Riverside City	109,004	27,677	136,681	
Beaumont City	11,461	-1,147	10,314	10.0%
Corona	14,401	-1,441	12,960	10.0%
Desert Hot Springs	17,727	-1,773	15,954	10.0%
Hemet	32,257	-3,226	29,031	10.0%
Indio	33,716	-3,372	30,344	10.0%
Jurupa Valley	20,260	-2,026	18,234	10.0%
Lake Elsinore	10,581	1,059	9,522	10.0%
Moreno Valley	52,281	-5,229	47,052	10.0%
Palm Springs	18,006	-1,801	16,205	10.0%
Perris	13,542	-1,355	12,187	10.0%
Riverside County	52,474	-5,248	47,226	10.0%
	385,710		385,710	
Less City of Riverside allocation	-136,681			
Remaining allocation	249,029			
% To Fiscal Agent	10%			
$ To FA	27,677			

FY2020 JAG Grant
City of Beaumont
Budget Detail Worksheet

A. Personnel

Name/Position	Agency	Computation	Cost
City of Riverside Police Department Personnel	Riverside PD	10% of Grant Allocation	1147
		Total Personnel	$1,147

B. Fringe Benefits

Name/Position	Agency	Computation	Cost
		Total Fringe Benefits	$0

C. Travel

Description	Agency	Computation	Cost
		Total Travel	$0

D. Equipment

Description	Agency	Computation	Cost
2 Public Safety Electric Bicycles	Beaumont PD	$4199.99x2	$8,400
Serfas TSL Police Lights	Beaumont PD	$374x2	$748
Jandd Law Enforcment Rear Rack Pack	Beaumont PD	$68x2	$136
Bontrager Gloves	Beaumont PD	$38.25X2	$77
Bontrager Solis Helmet	Beaumont PD	$55.25x2	$111
Cat eye endure Computer	Beaumont PD	$29.75x2	$60
Tax/Delivery Estimate	Beaumont PD		$473
		Total Equipment	$10,004

E. Supplies

Description	Agency	Computation	Cost
		Total Supplies	$0

F. Consultants/Contracts

Description	Agency	Computation	Cost
		Total Consultants/Contracts	$0

G. Other

Description	Agency	Computation	Cost
		Total Other	$0

H. NIBRS Software NIBRS Total 310

Budget Summary

A. Personnel	$1,147
B. Fringe Benefits	$0
C. Travel	$0
D. Equipment	$10,004
E. Supplies	$0
F. Consultants/Contracts	$0
G. Other	$0
H. NIBRS Training	$310
Total Project Costs	$11,461
Agency Allocation	$11,461

BEAUMONT
CALIFORNIA

Staff Report

TO: City Council

FROM: Sean Thuilliez, Chief of Police

DATE September 1, 2020

SUBJECT: **Approval of a Five-Year Purchase Contract with Axon Enterprise, Inc. for Taser 7 Systems in an Amount Not to Exceed $38,790**

Background and Analysis:

In 2019, City Council authorized the Beaumont Police Department to begin a replacement program for its tasers. In FY 2020 a total of 20 tasers were upgraded to the Taser 7 model.

The Police Department requests City Council's authorization to upgrade ten additional Taser 7s, with cartridges, batteries, holsters, support and warranty from Axon Enterprises, Inc. The Taser 7 systems from Axon not only provides officers with the most technologically advanced, less-than-lethal ECD, and increases public safety by providing a method that is less likely to cause injury and damage to others. Outfitting front-line officers with high-tech, less-than-lethal force options is congruent with the department's organizational strategy and the legislative intent of California Assembly Bill 392.

Fiscal Impact:

This is an approved budgeted item in the general budget for Fiscal Year 2021.

The fiscal impact to the general budget (Account 220-0000-8040) for the five-year contract is $38,790. Payments will be made to Axon Enterprises, Incorporated in five annual installments as follows:

Year 1	$7,758.00
Year 2	$7,758.00
Year 3	$7,758.00
Year 4	$7,758.00
Year 5	$7,758.00

Total payments $38,790.00

Recommended Action:

Approve a five-year purchase contract with Axon Enterprise, Inc. for Taser 7 Systems in an amount not to exceed $38,790.

Attachments:

A. Quote Q-264542-44053.654TC

Q-264542-44053.654TC

Issued: 08/10/2020

Quote Expiration: 08/31/2020

Account Number: 151907

Payment Terms: Net 30

Delivery Method: Fedex - Ground

Axon Enterprise, Inc.
17800 N 85th St.
Scottsdale, Arizona 85255
United States
Phone: (800) 978-2737

SHIP TO
Greg Fagan
Beaumont Police Dept. - CA
660 Orange Avenue
Beaumont, CA 92223
US

BILL TO
Beaumont Police Dept. - CA
660 Orange Avenue
Beaumont, CA 92223
US

SALES REPRESENTATIVE
Travis Cole
Phone: 480-463-2200
Email: tcole@taser.com
Fax: 480-463-2200

PRIMARY CONTACT
Greg Fagan
Phone: (951) 769-8500
Email: gfagan@beaumontpd.org

Year 1

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Axon Plans & Packages						
20248	TASER 7 EVIDENCE.COM ACCESS LICENSE	60	1	0.00	0.00	0.00
20248	TASER 7 EVIDENCE.COM ACCESS LICENSE	60	10	0.00	0.00	0.00
20246	TASER 7 DUTY CARTRIDGE REPLACEMENT ACCESS LICENSE	60	10	0.00	0.00	0.00
Hardware						
20160	TASER 7 HOLSTER - SAFARILAND, RH+CART CARRIER		10	0.00	0.00	0.00
22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS		20	0.00	0.00	0.00
22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS		20	0.00	0.00	0.00
22177	TASER 7 HOOK-AND-LOOP TRN (HALT) CARTRIDGE, STANDOFF NS		20	0.00	0.00	0.00
22178	TASER 7 HOOK-AND-LOOP TRN (HALT) CARTRIDGE, CLOSE QUART NS		20	0.00	0.00	0.00
20008	TASER 7 HANDLE, YLW, HIGH VISIBILITY (GREEN LASER), CLASS 3R		10	0.00	0.00	0.00
20040	TASER 7 HANDLE WARRANTY, 4-YEAR		10	0.00	0.00	0.00
20018	TASER 7 BATTERY PACK, TACTICAL		12	0.00	0.00	0.00
20041	TASER 7 BATTERY PACK WARRANTY, 4-YEAR		12	0.00	0.00	0.00

Year 1 (Continued)

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Hardware (Continued)						
80090	TARGET FRAME, PROFESSIONAL, 27.5 IN. X 75 IN., TASER 7		1	0.00	0.00	0.00
20042	TASER 7 DOCK & CORE WARRANTY, 4-YEAR		1	0.00	0.00	0.00
70033	WALL MOUNT BRACKET, ASSY, EVIDENCE.COM DOCK		1	0.00	0.00	0.00
74200	TASER 7 6-BAY DOCK AND CORE		1	0.00	0.00	0.00
22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS		30	0.00	0.00	0.00
22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS		30	0.00	0.00	0.00
22179	TASER 7 INERT CARTRIDGE, STANDOFF (3.5-DEGREE) NS		20	0.00	0.00	0.00
22181	TASER 7 INERT CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS		20	0.00	0.00	0.00
Other						
20237	TASER 7 CERTIFICATION BUNDLE PAYMENT	12	10	720.00	720.00	7,200.00
Not Eligible TASER 7 INSTRUCTOR COURSE VOUCHER	Not Eligible TASER 7 INSTRUCTOR COURSE VOUCHER		1	0.00	0.00	0.00
Not Eligible TASER 7 MASTER INSTRUCTOR SCHOOL VOUC	Not Eligible TASER 7 MASTER INSTRUCTOR SCHOOL VOUCHER		1	0.00	0.00	0.00
Not Eligible Halt Suit	Not Eligible Halt Suit		1	0.00	0.00	0.00
20135	OCULUS GO STANDALONE VIRTUAL REALITY HEADSET		1	0.00	0.00	0.00
20247	TASER 7 ONLINE TRAINING CONTENT ACCESS LICENSE	60	10	0.00	0.00	0.00
20249	VR EMPATHY DEVELOPMENT STARTER CONTENT ACCESS	60	10	0.00	0.00	0.00

Year 1 (Continued)

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Other (Continued)						
80087	TASER 7 TARGET, CONDUCTIVE, PROFESSIONAL (RUGGEDIZED)		1	0.00	0.00	0.00
					Subtotal	7,200.00
					Estimated Shipping	0.00
					Estimated Tax	558.00
					Total	7,758.00

Year 2

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Hardware						
22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS		20	0.00	0.00	0.00
22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS		20	0.00	0.00	0.00
Other						
20237	TASER 7 CERTIFICATION BUNDLE PAYMENT	12	10	720.00	720.00	7,200.00
					Subtotal	7,200.00
					Estimated Tax	558.00
					Total	7,758.00

Year 3

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Hardware						
22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS		20	0.00	0.00	0.00
22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS		20	0.00	0.00	0.00
22177	TASER 7 HOOK-AND-LOOP TRN (HALT) CARTRIDGE, STANDOFF NS		20	0.00	0.00	0.00
22178	TASER 7 HOOK-AND-LOOP TRN (HALT) CARTRIDGE, CLOSE QUART NS		20	0.00	0.00	0.00
Other						
20237	TASER 7 CERTIFICATION BUNDLE PAYMENT	12	10	720.00	720.00	7,200.00
					Subtotal	7,200.00
					Estimated Tax	558.00
					Total	7,758.00

Year 4

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Hardware						
22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS		20	0.00	0.00	0.00
22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS		20	0.00	0.00	0.00
Other						
20237	TASER 7 CERTIFICATION BUNDLE PAYMENT	12	10	720.00	720.00	7,200.00
					Subtotal	7,200.00
					Estimated Tax	558.00
					Total	7,758.00

Year 5

Item	Description	Term (Months)	Quantity	List Unit Price	Net Unit Price	Total (USD)
Hardware						
22175	TASER 7 LIVE CARTRIDGE, STANDOFF (3.5-DEGREE) NS		20	0.00	0.00	0.00
22176	TASER 7 LIVE CARTRIDGE, CLOSE QUARTERS (12-DEGREE) NS		20	0.00	0.00	0.00
Other						
20237	TASER 7 CERTIFICATION BUNDLE PAYMENT	12	10	720.00	720.00	7,200.00
					Subtotal	7,200.00
					Estimated Tax	558.00
					Total	7,758.00

Grand Total	**38,790.00**

Tax is subject to change at order processing with valid exemption.

Axon's Sales Terms and Conditions

This Quote is limited to and conditional upon your acceptance of the provisions set forth herein and Axon's Master Services and Purchasing Agreement (posted at www.axon.com/legal/sales-terms-and-conditions), as well as the attached Statement of Work (SOW) for Axon Fleet and/or Axon Interview Room purchase, if applicable. Any purchase order issued in response to this Quote is subject solely to the above referenced terms and conditions. By signing below, you represent that you are lawfully able to enter into contracts. If you are signing on behalf of an entity (including but not limited to the company, municipality, or government agency for whom you work), you represent to Axon that you have legal authority to bind that entity. If you do not have this authority, please do not sign this Quote.

Signature: _____ **Date:** _____

Name (Print): _____ **Title:** _____

PO# (Or write N/A): _____

Please sign and email to Travis Cole at tcole@taser.com or fax to 480-463-2200

Thank you for being a valued Axon customer. For your convenience on your next order, please check out our online store buy.axon.com

The trademarks referenced above are the property of their respective owners.

Axon Internal Use Only		
		SFDC Contract#:
		Order Type: RMA#: Address Used: SO#:
Review 1	Review 2	
Comments:		

AXON

Summary of Payments

Payment	Amount (USD)
Year 1	7,758.00
Year 2	7,758.00
Year 3	7,758.00
Year 4	7,758.00
Year 5	7,758.00
Grand Total	**38,790.00**

BEAUMONT
CALIFORNIA

Staff Report

TO: City Council

FROM: Edgar Trenado, IT Manager

DATE September 1, 2020

SUBJECT: **Authorize the City Manager to Execute a 36-Month Services Agreement with Frontier Communications to Provide Internet Services to the Beaumont Police Department**

Background and Analysis:

Staff recently conducted a review of the Beaumont Police Department internet/data network including Criminal Justice Information Services policies (CJIS) as part of the Computer Aided Dispatch/Records Management System (CAD/RMS) upgrade. The upgrade requires compliance with current Department of Justice (DOJ) network security policies. Currently City Hall and the Police Department share an internet and phone line circuit. The recommendation by DOJ is to separate City Hall and Police Department data services, requiring the addition of a new line. Adding an additional internet circuit will provide added value and redundancy to the existing, web-based CAD/RMS service.

City staff received competitive pricing from Spectrum and Frontier. Monthly cost quoted by Spectrum was $1,679 compared to $1,280 by Frontier. City staff proposes to utilize Frontier since the pricing was less and the services offered provide significant growth capacity. A 36-month term for 1 gigabyte of internet service is specified.

Fiscal Impact:

The fiscal impact to the General Fund account 1230-7015-6040 with a 36-month services agreement is $14,280 per year. The proposed services agreement has been accounted for in the Fiscal Year 2021 budget.

Recommended Action:

Authorize the City Manager to execute a 36-month services agreement with Frontier Communications for a new 1GB internet line and 60 direct inbound dial number for the Police Department in the amount of $14,280 per year.

Attachments:

A. Frontier Communications Services Agreement
B. Pricing Comparison

frontier Communications

BUSINESS LOCAL & LD SERVICES SCHEDULE

Frontier Confidential

This is Schedule Number S-0000244305 to the Frontier Services Agreement dated 04/15/2019 **("FSA")** by and between CITY OF BEAUMONT ("Customer") and **Frontier Communications of America, Inc.** on behalf of itself and its affiliates ("Frontier"). Customer orders and Frontier agrees to provide the Services and Equipment identified in the Schedule below.

Service Location:

Street Address:	660 Orange Ave.	**Schedule Date:**	07/30/2020
City, State, Zip:	Beaumont, California, 92223	**Service Term:**	36

Local Service	**Quantity**	**NRC**	**MRC**
Business Lines		$	$
Centrex		$	$
DIDs	60	$	$
ISDN PRI	1	$0.00	$90.00
ISDN BRI		$	$
Digital Channel Service (DCS)		$	$
Local Measured Service (LMS) Plan		$	$
Foreign Exchange Service (FXS)		$	$
PBX Trunks – Analog		$	$
Features:		$	$
Other Local Service:		$	$
Long Distance Service	**Quantity**	**Rate**	**MRC**
One Plus - Intrastate		$	$
One Plus - Interstate		$	$
Toll Free - Intrastate		$	$
Toll Free - Interstate		$	$
IntraLATA		$	$
International		$	$
Dedicated - OnePlus		$	$
Dedicated – Toll Free		$	$
EAS/EMS		$	$
Audio Conferencing		$	$
Web Conferencing		$	$
Other LD Service:		$	$

Domestic Block Of Time Plans:	**Minutes / MRC / Overage Rate**
1+ outbound for T1 / PRI / Centrex / B1s	Select
Toll Free for T1 / PRI / Centrex / B1s	Select

This Schedule is not effective and pricing, dates and terms are subject to change until signed by both parties, and may not be effective until approved by the FCC and/or applicable State Commission. This Schedule and any of the provisions hereof may not be modified in any manner except by mutual written agreement. The above rates do not include any taxes, fees or surcharges applicable to the Service. This Schedule, and all terms and conditions of the FSA, is the entire agreement between the parties with respect to the Services described herein, and supersedes any and all prior or contemporaneous agreements, representations, statements, negotiations, and undertakings written or oral with respect to the subject matter hereof.

Frontier Communications of America, Inc.	CITY OF BEAUMONT
Frontier's Signature:	***Customer's Signature:***
Printed Name:	**Printed Name:**
Title:	**Title:**
Date:	**Date:**

Frontier COMMUNICATIONS

ETHERNET VIRTUAL PRIVATE LINE
ETHERNET INTERNET ACCESS (EIA)

Frontier Confidential

This is Schedule Number S-5555003378 to the Frontier Services Agreement dated **04/15/2019** **("FSA")** by and between **CITY OF BEAUMONT** ("Customer") and **Frontier Communications of America, Inc.** on behalf of itself and its affiliates ("Frontier"). Customer orders and Frontier agrees to provide the Services and Equipment identified in the Schedule below.

Schedule Type/Purpose: **Order for New Services**

Schedule Date: **07/30/2020**
Service Term: **36 Months**

Service Location: 660 Orange Ave, Beaumont, CA 922232200

Ethernet Service Description	Quantity	MRC	NRC
EIA (Ethernet Internet Access)	1	$1,190.00	$0.00
Silver 1 Gbps			
IP	1	$0.00	$0.00
/29 = 5 IPs			
Total:		**$1,190.00**	**$0.00**

1. Service Description:

b. **Ethernet Internet Access** is a data transport configuration comprised of a physical User Network Interface (UNI). EIA can be used to support delivery of eligible Frontier services to a designated Customer Location (e.g. Frontier Connect – Cloud). Frontier provides EIA on a standard best efforts' basis and subject to unspecified variable bit rate, latency, and packet loss with dependencies on current traffic load(s) within Frontier's Shared Infrastructure. This is also commonly referred to as a Silver Ethernet Virtual Connection (EVC) to the Internet through the use of Virtual Local Area Networks (VLANs), for traffic separation, privacy, security and fault management. Physical termination shall conform to applicable rules and regulations with respect to Minimum point of entry (MPOE) and demarcation point. If Customer requests extensions beyond the MPOE, such extension (s) shall be subject to Frontier's cabling service policies and Frontier's charges related thereto per separate Frontier Cabling Service and Fee Schedule. Customer is responsible to ensure appropriate processes and protocols are in place for rate shaping to the amount of throughput ordered. Customer acknowledges that failure to comply with this responsibility may negatively impact Service performance.

2. Special Construction: All Services are subject to availability and Frontier Network limitations. The rates identified in this Schedule are estimated based on standard installation costs and Services may not be available at all service locations at the rates identified. If Frontier determines, in its reasonable discretion, that the costs of provisioning Service to any service location are materially higher than normal, Frontier will notify Customer of the additional costs associated with provision of the Services and request Customer's acceptance of such costs as a condition to proceeding ("Special Construction"). Upon notification that Special Construction is required, Customer will have ten (10) business days to notify Frontier of its acceptance. If the Customer does not agree to the Special Construction within ten (10) business days, the Customer shall be deemed to have cancelled the Service Schedule without further liability. If the Customer agrees to the Special Construction, Frontier and Customer will execute a replacement Schedule.

3. Obligations of Customer. Customer shall properly use any equipment or software, and all pass codes, personal identification numbers (**"PINs"**) or other access capability obtained from Frontier or an affiliate or vendor of Frontier and shall surrender the equipment and software in good working order to Frontier at a place specified by Frontier and terminate all use of any access capability upon termination or expiration of this Schedule. Customer shall be responsible for all uses of PINs, pass codes or other access capability during or after the term hereof. Customer agrees that the Equipment and Service provided by Frontier hereunder are subject to the terms, conditions and restrictions contained in any applicable agreements (including software or other intellectual property license agreements) between Frontier and Frontier's vendors. Customer is responsible to ensure appropriate processes and protocols are in place for rate shaping to the amount of throughput ordered. Customer acknowledges that failure to comply with this responsibility may negatively impact Service performance, and the ability to collect service credits as defined in Exhibit 1.

4. **After Hours/Holiday Labor Hours**. If Customer desires coordinated turn up services ("After Hours") during non-business hours, defined below, then the After Hours services shall be provided at the rate of $175.00 per hour. Non-business hours include: (1) weeknights between the hours of 5:00 p.m. and 7:59 a.m. local time; (2) weekends, including Saturday and/or Sunday and (3) the Frontier designated holidays (New Year's Day, Martin Luther King Day, President's Day, Memorial Day, Independence Day, Labor Day, Veteran's Day, Thanksgiving Day and Christmas Day).

Such After Hours services may be subject to change, based upon Frontier's reasonable determination of increases in actual costs to provide such After Hours services, determined in accordance with generally accepted commercial accounting practices, and consistent with After Hours service charges for projects comparable to the project outlined in this Schedule.

5. **Internet Acceptable Use Policy and Security.** Customer shall comply, and shall cause all Service users to comply, with Frontier's Acceptable Use Policy (**"AUP"**), which Frontier may modify at any time. The current AUP is available for review at the following address, subject to change: http://www.frontier.com/policies/commercial_aup/. Customer is responsible for maintaining awareness of the current AUP and adhering to the AUP as it may be amended from time to time. Failure to comply with the AUP is grounds for immediate suspension or termination of Frontier Internet Service, notwithstanding any notice requirement provisions of the FSA. Customer is responsible for the security of its own networks, equipment, hardware, software and software applications. Abuse that occurs as a result of Customer's systems or account being compromised or as a result of activities of third parties permitted by Customer may result in suspension of Customer's accounts or Internet access by Frontier. Customer will defend and indemnify Frontier and its affiliates with respect to claims arising from Customer's or third parties' usage of Frontier Internet access through Customer's hardware or software.

CE 2.0 MEF CERTIFIED

6. Service Level Agreement.

The Ethernet Service Level Agreement for the described Ethernet Services is attached hereto and incorporated herein as Exhibit 1.

This Schedule is not effective and pricing, dates and terms are subject to change until signed by both parties, and may not be effective until approved by the FCC and/or applicable State Commission. This Schedule and any of the provisions hereof may not be modified in any manner except by mutual written agreement. The above rates do not include any taxes, fees or surcharges applicable to the Service. This Schedule, and all terms and conditions of the FSA, is the entire agreement between the parties with respect to the Services described herein, and supersedes any and all prior or contemporaneous agreements, representations, statements, negotiations, and undertakings written or oral with respect to the subject matter hereof.

Frontier Communications of America, Inc.		**CITY OF BEAUMONT**	
Signature:		Signature:	
Printed Name:	Paul Krueger	Printed Name:	
Title:	DIR, ENTRPRISE BUS ACQUISITION	Title:	
Date:		Date:	

EXHIBIT 1

EVPL AND EIA SERVICE LEVEL AGREEMENT

This Ethernet Service Level Agreement ("SLA") applies to Ethernet Services ordered pursuant to an EVPL Ethernet Virtual Private Line (EVPL) Ethernet Internet Access (EIA) executed by and between **CITY OF BEAUMONT** ("Customer") and **Frontier Communications of America, Inc.** ("Frontier"). The terms of this SLA apply exclusively to the Ethernet network elements directly within Frontier's management responsibility and control ("EVPL/EIA Service," or where specifically designated "EVPL Service").

1. Operational Objectives

Table 1A: Ethernet Internet Access		
Circuit Availability (CA)		**MRC Service Credit**
Availability	**99.95%**	Below 99.95% Service Credit 30% MRC
		Below 95.0% Service Credit 50% MRC

A. **Availability**: Circuit Availability is the ability to exchange data packets with the nearest Frontier Internet Point of Presence ("POP") or EIA Customer egress port (Z location) via the ingress port (A location). "Service Outage" occurs when packet transport is unavailable or when the output signal is outside the limits of this service guarantee. Availability is measured by the number of minutes during a calendar month that the On-Net Service is operational, divided by the total minutes in that calendar month. Calculation is based on the stop-clock method beginning at the date and time of the Customer-initiated trouble ticket and ends when Frontier restores SLA-compliant circuit operation. Frontier's On-Net Service Availability commitment and applicable Service credit are outlined in **Table 1A**, subject to Sections 3 and 4 below.

Table 1B: Ethernet Internet Access		
Mean Time To Repair		**MRC Service Credit**
MTTR	**4 Hours**	25 % MRC above 4 hrs
		50% MRC above 6 hrs.

B. **Mean Time to Repair (MTTR)**: MTTR is a monthly calculation of the average duration of time between Trouble Ticket initiation (in accordance with Section 2B) and Frontier's reinstatement of the EIA Service to meet the Availability performance objective. The MTTR objectives, and credits applicable to a failure to meet such objectives, are outlined in **Table 1B**, subject to Sections 3 and 4 below.

3. Service Outage Reporting Procedure.

A. Frontier will maintain a point-of-contact for Customer to report a Service Outage, twenty-four (24) hours a day, seven (7) days a week.

B. When EVPL/EIA Service is suffering from a Service Outage, Customer must contact Frontier's commercial customer support center (also known as the "NOC")at 1-(888) 637-9620 to identify the Service Outage and initiate an investigation of the cause ("Trouble Ticket"). Responsibility for Trouble Ticket initiation rests solely with Customer. Once the Trouble Ticket has been opened, the appropriate Frontier departments will initiate diagnostic testing and isolation activities to determine the source. In the event of a Service Outage, Frontier and Customer will cooperate to restore the Service. If the cause of a Service Outage is a failure of Frontier's equipment or facilities, Frontier will be responsible for the repair. If the degradation is caused by a factor outside the control of Frontier, Frontier will cooperate with Customer to conduct testing and repair activities at Customer's cost and at Frontier's standard technician rates.

C. A Service Outage begins when a Trouble Ticket is initiated and ends when the affected EVPL/EIA Service is Available; provided that if the Customer reports a problem with a Service but declines to allow Frontier access for testing and repair, the Service will be considered to be impaired, but will not be deemed a Service Outage subject to these terms.

D. If Frontier dispatches a field technician to perform diagnostic troubleshooting and the failure was caused by the acts or omissions of Customer or its employees, affiliates, contractors, agents, representatives or invitees; then Customer will pay Frontier for all related time and material costs at Frontier's standard rates.

4. Credit Request and Eligibility.

A. In the event of a Service Outage, Customer may be entitled to a credit against the applicable On-Net Service MRC if (i) Customer initiated a Trouble Ticket; (ii) the Service Outage was caused by a failure of Frontier's equipment, facilities or personnel; (iii) the Service Outage warrants a credit based on the terms of Section 1; and (iv) Customer requests the credit within thirty (30) days of last day of the calendar month in which the Service Outage occurred.

B. Credits do not apply to Service Outages caused, in whole or in part, by one or more of the following: (i) the acts or omissions of Customer or its employees, affiliates, contractors, agents, representatives or invitees; (ii) failure of power; (iii) the failure or malfunction of non-Frontier equipment or systems; (iv) circumstances or causes beyond the control of Frontier or its representatives; (v) a Planned Service Interruption; (vi) Emergency Maintenance or (vii) interruptions resulting form Force Majeure events as defined in Customer's FSA. In addition, Customer will not be issued credits for a Service Outage during any period in which Frontier is not provided with access to the Service location or any Frontier network element, or while Customer is testing and/or verifying that the problem has been resolved. "Planned Service Interruption" means any Service Outage caused by scheduled maintenance, planned enhancements or upgrades to the Frontier network; provided that Frontier will endeavor to provide at least five (5) business days' notice prior to any such activity if it will impact the Services provided to Customer. "Emergency Maintenance" means maintenance which, if not performed promptly, could result in a serious degradation or loss of service over the Frontier network.

C. Notwithstanding anything to the contrary, all credit allowances will be limited to maximum of 50% of the MRC for the impacted EVPL/EIA Service, per month. For cascading failures, only the primary or causal failure is used in determining Service Outage and associated consequences. Only one service level component metric can be used for determining Service credits. In the event of the failure of the Service to meet multiple metrics in a one-month period, the highest Service credit will apply, not the sum of multiple Service credits.

D. This SLA guarantees service performance of Frontier's Ethernet data services only. This SLA does not cover TDM services [DS1, NxDS1, or DS3 services] or other voice or data services provided by Frontier. This SLA does not apply to services provided over third party non-partner facilities, through a carrier hotel, or over Frontier facilities which terminate through a meet point circuit with a third party non-partner carrier.

E. The final determination of whether Frontier has or has not met SLA metrics will be based on Frontier's methodology for assessment of compliant performance. Service Outage credits are calculated based on the duration of the Service Outage, regardless of whether such Service Outage is the result of failure of the Service to meet one or more performance metric.

F. Credit allowances, if any, will be deducted from the charges payable by Customer hereunder and will be expressly indicated on a subsequent bill to Customer. Credits provided pursuant to this SLA shall be Customer's sole remedy with regard to Service Outages.

5. **Chronic Outage:** An individual EVPL/EIA Service qualifies for "Chronic Outage" status if such service fails to meet the Availability objectives, and one or more of the following: (a) a single Trouble Ticket extends for longer than 24 hours, (b) more than 3 Trouble Tickets extend for more than 8 hours, during a rolling 6 month period, or (c) 15 separate Trouble Tickets of any duration within a calendar month. If an EVPL/EIA Service reaches Chronic Outage status, then Customer may terminate the affected EVPL/EIA Service without penalty; provided that Customer must exercise such right within ten (10) days of the EVPL/EIA Service reaching Chronic Outage status and provide a minimum of 15 days prior written notice to Frontier of the intent to exercise such termination right.

PROPOSED FRONTIER	QTY	Channels/Call Paths	MONTHLY COST
PRI	1	24	$90.00
INTERNET	1		$1,190.00
TOTAL			$1,280.00

PROPOSED SPECTRUM	QTY	Channels/Call Paths	MONTHLY COST
PRI	1	12	$180.00
INTERNET	1		$1,499.00
TOTAL			$1,679.00

Frontier provides 24 channel PRI and provides redundancy at the Internet level for PD.

ta

Staff Report

TO: City Council

FROM: Jeff Hart, Public Works Director

DATE September 1, 2020

SUBJECT: **Performance Bond Acceptance and Security Agreement for MPLD II Inland Empire LLC, Parcel Map 36426 Fourth Street Sewer Improvements**

Background and Analysis:

The City requires developers to provide security for public improvements consisting of, but not limited to, sewer improvements, street improvements, storm drain improvements, utility improvements, and monument improvements. The bonded improvements listed in Table 1 will be constructed by MPLD II Inland Empire LLC.

MPLD II Inland Empire LLC:

The Developer, MPLD II Inland Empire LLC, is providing a bond for the Fourth Street sewer improvements west of Potrero Boulevard. The extension of sewer will provide service to the Crossroads II Development, approximately two hundred acres located south of SR-60, east of Jack Rabbit Trail, and west of the Potrero interchange. The Fourth Street sewer improvements are associated with Parcel Map 36426 which is part of the McDonald Property Group development. These public sewer improvements will consist of manholes, gravity mains, and force mains.

The following table includes the development name, bond number, type of improvement, and the developer submitting the security agreement:

Table 1

Bond #	Bond Type	Type of Improvement	Development/Tract #	Developer
107174939	Performance	Sewer Improvements	36426	MPLD II Inland Empire LLC

Fiscal Impact:

The cost of preparing the staff report is estimated to be $350.

Recommended Action:

Accept the following bond and security agreement:
Performance Bond No. 107174939 for sewer improvements.

Attachments:

A. Bond No. 107174939 and security agreement for sewer improvements Parcel Map 36426 and associated improvement plan

Basic Gov (Sales Force) #
File #

AGREEMENT TO PROVIDE SECURITY FOR IMPROVEMENTS FOR TRACT MAP OR PARCEL MAP OR PLOT PLAN

(Tract Map/Parcel Map 36426/Plot Plan No.PP2018-0134)
for Sewer Main Improvements

THIS AGREEMENT TO PROVIDE SECURITY FOR IMPROVEMENTS ("Security Agreement") is made by and between CITY OF BEAUMONT ("CITY") and MPLD II INLAND EMPIRE, LLC, a Delaware limited liability company ("DEVELOPER").

RECITALS

A. DEVELOPER has applied to the CITY for permission to develop certain real property, pursuant to Tract Map/Parcel Map/Plot Plan # 36426, ("Map"). DEVELOPER has also asked the CITY to accept the dedication of the street or streets and other proposed public rights-of-way, parks and recreation facilities, and easements as depicted on the Map and to otherwise approve the Map so that it may be recorded as required by law; and

B. The CITY requires, as a condition precedent to the acceptance and approval of the Map and the dedication of the public rights-of-way and easements depicted thereon, that such rights-of-way be improved with (for example) grading, paving, curbs, gutters, sidewalks, street lights, storm drains, sanitary sewers and appurtenances thereto, street name signs, survey monuments, electrical and telecommunications, water pipes, water mains, fire hydrants and appurtenances thereto, and landscaping, including any warranty work for all such improvements (collectively, "Improvements"); and

C. The Improvements have not yet been constructed and completed and it is the purpose of this Security Agreement to set forth the terms and conditions by which the DEVELOPER shall guarantee that such Improvements shall be constructed and completed within the time set forth herein.

AGREEMENT

NOW, THEREFORE, in consideration of the acceptance of the DEVELOPER's offer of dedication and the approval of the Map for filing and recording as provided and required by law, the CITY and the DEVELOPER hereby agree as follows:

1. Provision of Improvements. DEVELOPER shall provide, at the DEVELOPER's sole cost and expense, all necessary labor and materials to complete the construction of the Improvements depicted on the Map and described in the conditions of approval of the Map within one (1) year of the date of this Security Agreement.

2. Inspection by the CITY. The CITY shall inspect, at the DEVELOPER's sole cost and expense, all of the work, labor and materials performed and provided by the DEVELOPER in connection with the Improvements.

3. Compliance with Plans and Specifications. The Improvements shall be constructed and installed in strict accordance with the CITY-approved plans and specifications.

4. Security for Performance. Concurrently with the execution of this Security Agreement by DEVELOPER, DEVELOPER shall deliver to the CITY a performance bond issued by a corporate surety in substantially the form required by California Government Code 66499.1 and attached hereto as **Exhibit "A"**, in an amount that is not less than 100% of the total estimated cost of the Improvements and any warranty therefor. The performance bond shall be issued by an "admitted" corporate surety insurer authorized to do business in the State of California and the surety insurer shall have an A.M. Best rating of at least "A, XV". The surety insurer shall have assets exceeding its liabilities in the amount equal to or in excess of the amount of the bond, and the bond shall not be in excess of 10% of the surety insurer's assets. The security or bond shall also insure against any and all defects in the Improvements for a period of not less than one full year after the date of acceptance thereof by the CITY. The bond shall be duly executed and shall meet all the requirements of Section 995.660 of the California Code of Civil Procedure.

5. Security for Contractors, Subcontractors, Laborers and Materialmen. The DEVELOPER shall also provide a payment bond issued by a corporate surety for the security of laborers and materialmen, which bond or bonds shall be in substantially the form required by California Government Code Section 66499.2 attached hereto as **Exhibit "B"** and made a part hereof. The amount of the bond(s) shall be no less than 100% of the total estimated amount needed to secure payment to the contractor, to the subcontractors, and to the persons furnishing labor, materials, or equipment to them for the Improvements. The laborers and materialmen bond shall be provided by an "admitted" corporate surety insurer authorized to transact surety insurance in the State of California with an A.M. Best rating of "A, XV", and with assets exceeding its liabilities in the amount equal to or in excess of the amount of the bond, and the bond shall not be in excess of 10% of the surety insurer's assets. The bond shall be duly executed and shall meet all the requirements of Section 995.660 of the California Code of Civil Procedure.

6. General Liability and Worker's Compensation Insurance. The DEVELOPER shall, before commencing any work, obtain commercial general liability insurance (primary) of not less than $2,000,000.00 per occurrence for all coverages and $2,000,000.00 general aggregate. The CITY and its employees and agents shall be added as additional insureds. Coverage shall apply on a primary non-contributing basis in relation to any other insurance or self-insurance, primary or excess, available to the CITY or any employee or agent of the CITY. Coverage shall not be limited to the vicarious liability or supervisory role of any additional insured. Coverage shall contain no contractors' limitation endorsement. There shall be no endorsement or modification limiting the scope of coverage for liability arising from pollution, explosion, collapse, underground property damage or employment-related practices. Such insurance shall not prohibit the DEVELOPER, and its employees or agents, from waiving the right of subrogation prior to a loss. The DEVELOPER waives its right of subrogation against the CITY. Unless otherwise approved by the CITY, the DEVELOPER's insurance shall be written by insurers authorized to do business in the State of California and with a minimum A.M. Best rating of "A, XV." Self-insurance shall not be considered to comply with these insurance specifications. The DEVELOPER agrees to require all contractors, subcontractors and other parties hired for the Improvements to purchase and maintain insurance of the types specified herein, naming as additional insureds all of the parties to this Security Agreement. The DEVELOPER shall, before commencing any work, obtain Worker's

Compensation Insurance in an amount required by law and, failing to do so, the CITY may procure such insurance at the cost of the DEVELOPER.

7. Comprehensive Commercial General and Automobile Liability Insurance. The DEVELOPER, before commencing any work shall, at its own expense, maintain comprehensive commercial general and automobile liability insurance issued by a California-admitted surety company with an A.M. Best rating of no less than "A, XV" for $2,000,000 per occurrence. Coverage shall be for the entire duration of the permitted activities. Such liability insurance policy shall name, by endorsement, the City as an additional insured.

8. Indemnification. Notwithstanding the provisions of Government Code, Section 66474.9 or any other statutes of similar import, and to the full extent permitted by law, the DEVELOPER shall defend, indemnify and hold harmless the CITY, its employees, agents, officials and attorneys, from and against any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses or costs of any kind or nature, whether actual, alleged or threatened, reasonable attorneys' fees, court costs, interest, 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 Map, the Improvements, this Agreement, or any matter related to the same; provided, however, that the indemnification to be provided by DEVELOPER to the CITY pursuant to the terms of this paragraph shall not be applicable where the aforementioned liability, claim, suit or action is the result of the sole negligence or sole willful misconduct of the CITY.

9. Procedure for Release of Performance Bond Security. The security furnished by the DEVELOPER shall be released in whole or in part in the following manner:

a. Security shall be released upon final completion and acceptance of the Improvements. If the security furnished by the DEVELOPER is a documentary evidence of security, such as a surety bond, the CITY shall release the documentary evidence and return the original to the Surety upon final completion and acceptance of the Improvements. In the event the CITY is unable to return the original documentary evidence to the Surety, the security shall be released by written notice sent by certified mail to the DEVELOPER and to the Surety within 30 days of the City's acceptance of the Improvements. The written notice shall contain a statement that the work for which security was furnished has been completed and accepted, a description of the Improvements, and the notarized signature of an authorized CITY official.

At such time as the DEVELOPER believes that the work for which the security was required is complete and makes payment of a partial exoneration fee of $350 to the CITY, the DEVELOPER shall notify the CITY in writing of the completed work, including a list of work completed. Upon receipt of the written notice, the CITY shall have 45 days to review and comment or approve the completion of the Improvements. If the CITY does not agree that all work has been completed in accordance with the plans and specifications for the Improvements, it shall supply a list of all remaining work to be completed.

c. Within 45 days of receipt of the CITY's list of remaining work, the DEVELOPER may then provide cost estimates for all remaining work for review and approval by the CITY.

d. Upon receipt of the cost estimates, the CITY shall then have 45 days to review, comment, and approve, modify or disapprove those cost estimates. The CITY shall not be required to engage in this process of partial release more than once between the start of work and the completion and acceptance of all work.

e. The DEVELOPER shall complete the works of Improvement until all remaining items are accepted by the CITY. Upon completion of the Improvements, the DEVELOPER shall be notified in writing by the CITY within 45 days and, within 45 days of the date of the CITY's notice, the release of any remaining performance security shall be made within 60 days of the recording of the Notice of Completion.

10. Procedure for Release of Payment Bond Security. Security securing the payment to the contractor, his or her subcontractors and persons furnishing labor, materials or equipment may, after passage of the time within which mechanic's liens and stop notices are required to be recorded and after acceptance of the Improvements, be reduced by Surety to an amount equal to the total claimed by all claimants for whom mechanic's liens and stop notices have been recorded and notice thereof given in writing to the CITY, and if no claims have been recorded, the security may be released in full.

11. Security for One-Year Warranty Period. DEVELOPER shall guarantee or warranty the work done pursuant to this Agreement for a period of one year after final formal acceptance of the SUBDIVISION by the City Council against any defective work or labor done or defective materials furnished. If within the warranty period any work or improvement or part of any work or improvement done, furnished, installed, or constructed by DEVELOPER fails to fulfill any of the requirements of this Agreement or the improvement plans and specifications referred to herein, DEVELOPER shall without delay and without any cost to CITY, repair or replace or reconstruct any defective or otherwise unsatisfactory part or parts of the work or structure. Should DEVELOPER fail to act promptly or in accordance with this requirement, DEVELOPER hereby authorizes CITY, at CITY's option, to perform the work twenty (20) days after mailing written notice of default to DEVELOPER and to DEVELOPER's surety, and agrees to pay the cost of such work by CITY. Should CITY determine that an urgency requires repairs or replacements to be made before DEVELOPER can be notified, CITY may, in its sole discretion, make the necessary repairs or replacement or perform the necessary work and DEVELOPER shall pay to CITY the cost of such repairs. If no claims have been made under the warranty bond during the warranty period, City shall release the warranty bond. The release procedures described in paragraphs 9 and 10 above shall not apply to any required guarantee and warranty period nor to the amount of the performance bond security deemed necessary by the CITY for the guarantee and warranty period nor to costs and reasonable expenses and fees, including reasonable attorneys' fees.

12. Binding Effect. This Security Agreement shall be binding upon and shall inure to the benefit of the parties hereto, their legal representatives and their successors and assigns.

13. Authority to Execute. The DEVELOPER hereby warrants and represents to the CITY that the individual signing this Security Agreement on behalf of the DEVELOPER is vested with the unconditional authority to do so pursuant to, and in accordance with, all applicable legal requirements, and has the authority bind the DEVELOPER hereto.

14. No Assignment. The DEVELOPER may not assign this Security Agreement, or any part thereof, to another without the prior written consent of the CITY.

15. Attorneys' Fees. In the event of legal action to enforce or interpret this Agreement or any of its provisions, the prevailing party shall be entitled, in addition to any other form of relief, to recover its reasonable attorneys' fees and costs of suit.

16. Execution in Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but which together shall constitute a single agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed on the dates listed below.

CITY OF BEAUMONT

_____

By: _____
Mayor

Date: _____

DEVELOPER:

MPLD II INLAND EMPIRE, LLC,
a Delaware limited liability company

By: MPLD II REIT A,
a Texas real estate investment trust,
its sole member

By: _____
Name: DAVID BUCK
Title: Executive Managing Director

Date: 8-20-20

Address: 9330 Colonnade Boulevard, Suite 600, San Antonio, TX 78230-2239

DocuSign Envelope ID: 96D2FF2E-3040-44F2-8713-495A36A4033C

Bond No. 107174939

EXHIBIT "A"

PERFORMANCE BOND

WHEREAS, the City Council of the City of Beaumont, State of California, and MPLD II INLAND EMPIRE, LLC, a Delaware limited liability company(hereinafter designated as "Principal") have entered into Agreement To Provide Security For Improvements For Tract Map Or Parcel Map Or Plot Plan, dated August 18, 20 20, whereby Principal agrees to install and complete certain designated public improvements itemized and described on Tract Map, Parcel Map or Plot Plan No. 36426 (Sewer Improvements), which is hereby incorporated herein and made a part hereof; and

WHEREAS, Principal is required under the terms of the said agreement to furnish a bond for the faithful performance of said agreement.

NOW, THEREFORE, we, the Principal and Travelers Casualty and Surety Company of America, as Surety, are held and firmly bound unto the City of Beaumont (hereinafter called "City"), in the penal sum of **Nine Hundred Eighty Six Thousand One Hundred Seventy Seven and 00/100 dollars ($986,177.00)** lawful money of the United States, for the payment of which sum well and truly to be made, we bind ourselves, our heirs, successors, executors and administrators, jointly and severally, firmly by these presents.

The condition of this obligation is such that if the above bounded Principal, his or its heirs, executors, administrators, successors or assigns, shall in all things stand to and abide by, and well and truly keep and perform the covenants, conditions and provisions in the said agreement and any alteration thereof made as therein provided, on his or their part to be kept and performed at the time and in the manner therein specified, and in all respects according to their true intent and meaning, and shall indemnify and save harmless the City, its officers, agents and employees as therein stipulated, then this obligation shall become null and void; otherwise it shall be and remain in full force and effect.

As part of the obligation secured hereby and in addition to the face amount specified therefor, there shall be included costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City in successfully enforcing such obligation, all to be taxed as costs and included in any judgment therein rendered.

The Surety hereby stipulates and agrees that no change, extension of time, alteration or addition to the terms of the agreement or to the work to be performed thereunder or the specifications accompanying the same shall in any way affect its obligations on this bond, and it does hereby waive notice of any such change, extension of time, alteration or addition to the terms of the agreement or to the work or to the specifications.

[signatures on following page]

DocuSign Envelope ID: 96D2FF2E-3040-44F2-8713-495A36A4033C

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named, on August 3rd, 2020.

PRINCIPAL:

MPLD II INLAND EMPIRE, LLC,
a Delaware limited liability company

By: MPLD II REIT A,
a Texas real estate investment trust,
its sole member

By: DocuSigned by: David J. Buck 182E97F1832E40A...
Name: David J. Buck
Title: Executive Managing Director

Date: 8/18/2020

Address: 9330 Colonnade Boulevard, Suite 600, San Antonio, TX 78230-2239

SURETY:

Travelers Casualty and Surety Company of America, a Connecticut corporation

By: _____

Name: Jeremy Polk

Title: Attorney-in-Fact

Address: 655 N Central Ave, Suite 1100, Glendale, CA 91203

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC

DocuSign Envelope ID: 96D2FF2E-3040-44F2-8713-495A36A4033C

Acknowledgement Form

State of _____)

)ss.:

County of _____)

On the _____day of _____ in the year_____, before me, the undersigned notary public, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____ Notary Public

DocuSign Envelope ID: 96D2FF2E-3040-44F2-8713-495A36A4033C

ACKNOWLEDGEMENT

State of Arizona

County of Maricopa

On 8/3/2020 *before me personally appeared* ***Jeremy Polk*** *whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the attached document.*

(Seal)

Notary Public State of Arizona
Maricopa County
Matthew Stanton Erra
My Commission Expires 03/09/2022
Commission Number 203332566

Notary Signature

Matthew Stanton Erra
Commission Expires March 9th, 2022

DocuSign Envelope ID: 96D2FF2E-3040-44F2-8713-495A36A4033C

TRAVELERS

Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **Jeremy Polk** of **PHOENIX** **Arizona**, their true and lawful Attorney-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **3rd** day of **February**, **2017.**

State of Connecticut

City of Hartford ss.

By: _____
Robert L. Raney, Senior Vice President

On this the **3rd** day of **February**, **2017**, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June**, **2021**

Marie C Tetreault
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this **3rd** day of **August**, **2020**

Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney-in-Fact and the details of the bond to which the power is attached.

DocuSign Envelope ID: 96D2FF2E-3040-44F2-8713-495A36A4033C

Bond No. 107174939

EXHIBIT "B"

PAYMENT BOND

WHEREAS, the City Council of the City of Beaumont, State of California, and MPLD II INLAND EMPIRE, LLC, a Delaware limited liability company (hereafter designated as "the Principal") have entered into Agreement To Provide Security For Improvements For Tract Map Or Parcel Map Or Plot Plan, dated Aug. 18, 20 20, whereby Principal agrees to install and complete certain designated sewer public improvements which is hereby incorporated herein and made a part hereof; and

WHEREAS, under the terms of the said agreement, the Principal is required before entering upon the performance of the work, to file a good and sufficient payment bond with the City of Beaumont to secure the claims to which reference is made in Title 3 (commencing with Section 9000, et seq.) of Part 6 of Division 4 of the Civil Code of the State of California.

NOW, THEREFORE, the Principal and the undersigned as corporate surety, are held firmly bound unto the City of Beaumont and all contractors, subcontractors, laborers, materialmen, and other persons employed in the performance of the said agreement and referred to at Title 3 (commencing with Section 9000, et seq.) of Part 6 of Division 4 of the Civil Code in the sum of **Nine Hundred Eighty Six Thousand One Hundred Seventy Seven and 00/100 dollars ($986,177.00) dollars**, for materials furnished or labor thereon of any kind, or for amounts due under the Unemployment Insurance Act with respect to this work or labor, that the Surety will pay the same in an amount not exceeding the amount hereinabove set forth, and also in case suit is brought upon this bond, will pay, in addition to the face amount thereof, costs and reasonable expenses and fees, including reasonable attorney's fees, incurred by the City in successfully enforcing this obligation, to be awarded and fixed by the court, and to be taxed as costs and to be included in the judgment therein rendered.

It is hereby expressly stipulated and agreed that this bond shall inure to the benefit of any and all persons, companies, and corporations entitled to file claims under Title 3 (commencing with Section 9000, et seq.) of Part 6 of Division 4 of the Civil Code, so as to give a right of action to them or their assigns in any suit brought upon this bond.

Should the condition of this bond be fully performed, then this obligation shall become null and void, otherwise it shall be and remain in full force and effect.

The Surety hereby stipulates and agrees that no change, extension of time, alteration, or addition to the terms of the agreement or the specifications accompanying the same shall in any manner affect its obligations on this bond, and it does hereby waive notice of any such change, extension, alteration, or addition.

[signatures on following page]

DocuSign Envelope ID: 96D2FF2E-3040-44F2-8713-495A36A4033C

IN WITNESS WHEREOF, this instrument has been duly executed by the Principal and Surety above named, on August 3rd, 2020.

PRINCIPAL:

MPLD II INLAND EMPIRE, LLC,
a Delaware limited liability company

By: MPLD II REIT A,
a Texas real estate investment trust,
its sole member

DS MAS

DS JH

By: DocuSigned by: David J. Buck 182E97F1832E40A...
Name: David J. Buck
Title: Executive Managing Director

Date: 8/18/2020

Address: 9330 Colonnade Boulevard, Suite 600, San Antonio, TX 78230-2239

SURETY:

Travelers Casualty and Surety Company of America, a Connecticut corporation

By: _____

Name: Jeremy Polk

Title: Attorney-in-Fact

Address: 655 N Central Ave, Suite 1100, Glendale, CA 91203

ALL SIGNATURES MUST BE ACKNOWLEDGED BEFORE A NOTARY PUBLIC

DocuSign Envelope ID: 96D2FF2E-3040-44F2-8713-495A36A4033C

Acknowledgement Form

State of _____)

)ss.:

County of _____)

On the _____day of _____ in the year_____, before me, the undersigned notary public, personally appeared _____, personally known to me or proved to me on the basis of satisfactory evidence to be the individual(s) whose name(s) is (are) subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their capacity(ies), and that by his/her/their signature(s) on the instrument, the individual(s), or the person upon behalf of which the individual(s) acted, executed the instrument.

_____ Notary Public

DocuSign Envelope ID: 96D2FF2E-3040-44F2-8713-495A36A4033C

ACKNOWLEDGEMENT

State of Arizona

County of Maricopa

On 8/3/2020 *before me personally appeared* ***Jeremy Polk*** *whose identity was proven to me on the basis of satisfactory evidence to be the person who he or she claims to be, and acknowledged that he or she signed the attached document.*

(Seal)

Notary Public State of Arizona
Maricopa County
Matthew Stanton Erra
My Commission Expires 03/09/2022
Commission Number 203332566

Notary Signature

Matthew Stanton Erra
Commission Expires March 9th, 2022

DocuSign Envelope ID: 96D2FF2E-3040-44F2-8713-495A36A4033C

TRAVELERS

Travelers Casualty and Surety Company of America
Travelers Casualty and Surety Company
St. Paul Fire and Marine Insurance Company

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS: That Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company are corporations duly organized under the laws of the State of Connecticut (herein collectively called the "Companies"), and that the Companies do hereby make, constitute and appoint **Jeremy Polk** of **PHOENIX** **Arizona**, their true and lawful Attorney-in-Fact to sign, execute, seal and acknowledge any and all bonds, recognizances, conditional undertakings and other writings obligatory in the nature thereof on behalf of the Companies in their business of guaranteeing the fidelity of persons, guaranteeing the performance of contracts and executing or guaranteeing bonds and undertakings required or permitted in any actions or proceedings allowed by law.

IN WITNESS WHEREOF, the Companies have caused this instrument to be signed, and their corporate seals to be hereto affixed, this **3rd** day of **February**, **2017.**

State of Connecticut

City of Hartford ss.

By: _____
Robert L. Raney, Senior Vice President

On this the **3rd** day of **February**, **2017**, before me personally appeared **Robert L. Raney**, who acknowledged himself to be the Senior Vice President of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, and that he, as such, being authorized so to do, executed the foregoing instrument for the purposes therein contained by signing on behalf of the corporations by himself as a duly authorized officer.

In Witness Whereof, I hereunto set my hand and official seal.

My Commission expires the **30th** day of **June**, **2021**

Marie C Tetreault
Marie C. Tetreault, Notary Public

This Power of Attorney is granted under and by the authority of the following resolutions adopted by the Boards of Directors of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, which resolutions are now in full force and effect, reading as follows:

RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President, any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary may appoint Attorneys-in-Fact and Agents to act for and on behalf of the Company and may give such appointee such authority as his or her certificate of authority may prescribe to sign with the Company's name and seal with the Company's seal bonds, recognizances, contracts of indemnity, and other writings obligatory in the nature of a bond, recognizance, or conditional undertaking, and any of said officers or the Board of Directors at any time may remove any such appointee and revoke the power given him or her; and it is

FURTHER RESOLVED, that the Chairman, the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President may delegate all or any part of the foregoing authority to one or more officers or employees of this Company, provided that each such delegation is in writing and a copy thereof is filed in the office of the Secretary; and it is

FURTHER RESOLVED, that any bond, recognizance, contract of indemnity, or writing obligatory in the nature of a bond, recognizance, or conditional undertaking shall be valid and binding upon the Company when (a) signed by the President, any Vice Chairman, any Executive Vice President, any Senior Vice President or any Vice President, any Second Vice President, the Treasurer, any Assistant Treasurer, the Corporate Secretary or any Assistant Secretary and duly attested and sealed with the Company's seal by a Secretary or Assistant Secretary; or (b) duly executed (under seal, if required) by one or more Attorneys-in-Fact and Agents pursuant to the power prescribed in his or her certificate or their certificates of authority or by one or more Company officers pursuant to a written delegation of authority; and it is

FURTHER RESOLVED, that the signature of each of the following officers: President, any Executive Vice President, any Senior Vice President, any Vice President, any Assistant Vice President, any Secretary, any Assistant Secretary, and the seal of the Company may be affixed by facsimile to any Power of Attorney or to any certificate relating thereto appointing Resident Vice Presidents, Resident Assistant Secretaries or Attorneys-in-Fact for purposes only of executing and attesting bonds and undertakings and other writings obligatory in the nature thereof, and any such Power of Attorney or certificate bearing such facsimile signature or facsimile seal shall be valid and binding upon the Company and any such power so executed and certified by such facsimile signature and facsimile seal shall be valid and binding on the Company in the future with respect to any bond or understanding to which it is attached.

I, **Kevin E. Hughes**, the undersigned, Assistant Secretary of Travelers Casualty and Surety Company of America, Travelers Casualty and Surety Company, and St. Paul Fire and Marine Insurance Company, do hereby certify that the above and foregoing is a true and correct copy of the Power of Attorney executed by said Companies, which remains in full force and effect.

Dated this **3rd** day of **August**, **2020**

Kevin E. Hughes, Assistant Secretary

To verify the authenticity of this Power of Attorney, please call us at 1-800-421-3880.
Please refer to the above-named Attorney-in-Fact and the details of the bond to which the power is attached.

CITY OF BEAUMONT, CA
PUBLIC SEWER IMPROVEMENT PLAN
4TH STREET - WEST OF POTRERO BLVD.

GENERAL NOTES

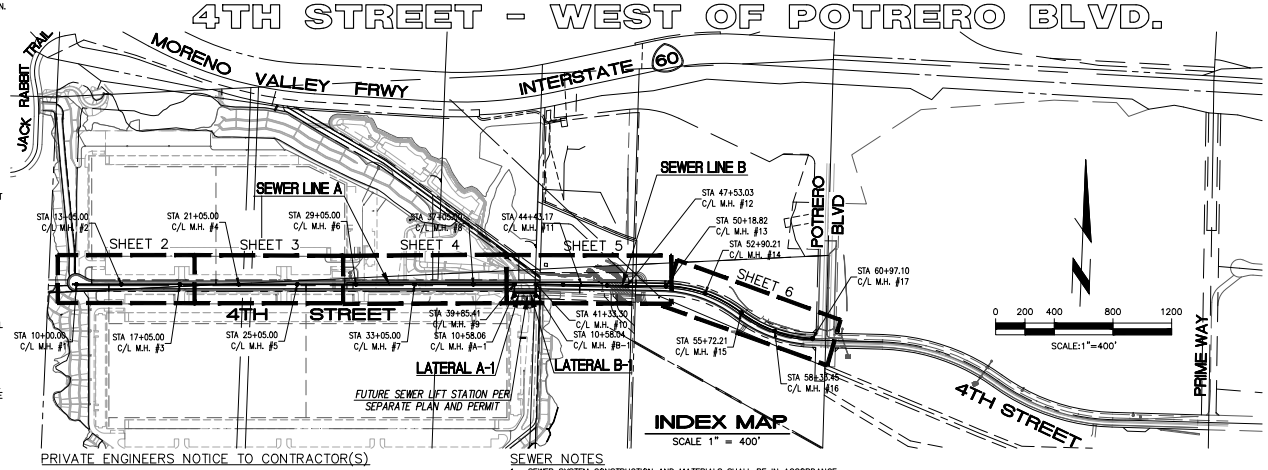
1. THIS PLAN SUPERSEDES ALL OTHER PLANS PREVIOUSLY APPROVED BY THE CITY OF BEAUMONT REGARDING IMPROVEMENTS SHOWN ON THIS SET OF PLANS.
2. APPROVAL OF THIS PLAN DOES NOT LESSEN OR WAIVE ANY PORTION OF THE BEAUMONT MUNICIPAL CODE, RESOLUTION OF CONDITIONAL APPROVAL, CITY STANDARDS OR OTHER ADDITIONAL DOCUMENTS LISTED HEREIN AS THEY MAY PERTAIN TO THIS PROJECT. THE ENGINEER IN RESPONSIBLE CHARGE SHALL REVISE THESE PLANS WHEN NON-CONFORMANCE IS DISCOVERED.
3. CITY APPROVAL OF PLANS DOES NOT RELIEVE THE DEVELOPER OR ENGINEER- OF-WORK FROM RESPONSIBILITY FOR THE CORRECTION OF ERRORS AND OMISSIONS DISCOVERED DURING CONSTRUCTION. ALL PLAN REVISIONS SHALL BE PROMPTLY SUBMITTED TO THE CITY ENGINEER FOR APPROVAL.
4. A RIGHT-OF-WAY PERMIT FROM THE BUILDING & SAFETY DEPARTMENT WILL BE REQUIRED FOR ANY WORK IN THE PUBLIC RIGHT OF WAY. PRIOR TO PERMIT ISSUANCE, A CERTIFICATE OF INSURANCE MUST BE FILED NAMING THE CITY OF BEAUMONT AS AN ADDITIONAL INSURED ON THE PERMITTEE'S POLICY IN THE MINIMUM AMOUNT OF $1,000,000.00 FOR EACH OCCURRENCE OF LIABILITY. THE INSURANCE COMPANY WRITING THE POLICY MUST HAVE A RATING OF "A-" OR BETTER AND A SIZE CATEGORY OF CLASS VI OR BETTER AS ESTABLISHED BY "BEST'S KEY RATING GUIDE".
5. NO WORK SHALL BE COMMENCED UNTIL ALL PERMITS HAVE BEEN OBTAINED FROM THE CITY AND OTHER APPROPRIATE AGENCIES.
6. REVISION OF THESE PLANS MAY BE REQUIRED IF THE PROPOSED IMPROVEMENTS ARE NOT CONSTRUCTED PRIOR TO THE DEADLINE DATE OF THE IMPROVEMENT AGREEMENT.
7. NO REVISIONS WILL BE MADE TO THESE PLANS WITHOUT THE WRITTEN APPROVAL OF THE CITY ENGINEER, NOTED WITHIN THE REVISION BLOCK, ON THE APPROPRIATE SHEET OF THE PLANS AND TITLE SHEET.
8. ORIGINAL DRAWINGS SHALL BECOME THE PROPERTY OF THE CITY UPON BEING SIGNED BY THE CITY ENGINEER.
9. THE ORIGINAL DRAWING SHALL BE REVISED TO REFLECT AS-BUILT CONDITIONS BY THE ENGINEER-OF-WORK PRIOR TO FINAL ACCEPTANCE OF THE WORK BY THE CITY.
10. ACCESS FOR FIRE AND OTHER EMERGENCY VEHICLES SHALL BE MAINTAINED TO THE PROJECT SITE AT ALL TIMES DURING CONSTRUCTION.
11. WHERE TRENCHES ARE WITHIN CITY EASEMENTS, A SOILS REPORT COMPRISED OF:
    A. SUMMARY SHEET
    B. LABORATORY WORK SHEETS
    C. COMPACTION CURVES, SHALL BE SUBMITTED BY A PROFESSIONAL ENGINEER OF THE STATE OF CALIFORNIA, PRINCIPALLY DOING BUSINESS IN THE FIELD OF APPLIED SOILS MECHANICS. THE SOILS REPORT WILL BE SUBMITTED TO THE CITY ENGINEERING INSPECTOR WITHIN TWO WORKING DAYS OF COMPLETION OF FIELD TESTS. THE WRITTEN FIELD COMPACTION REPORT(S) SHALL BE IMMEDIATELY SUBMITTED TO THE CITY ENGINEERING INSPECTOR UPON COMPLETION OF THE FIELD TESTS.
12. A PRECONSTRUCTION MEETING SHALL BE HELD AT THE SITE PRIOR TO THE BEGINNING OF WORK AND SHALL BE ATTENDED BY ALL REPRESENTATIVES RESPONSIBLE FOR CONSTRUCTION, INSPECTION, SUPERVISION, TESTING AND ALL OTHER ASPECTS OF THE WORK. THE CONTRACTOR SHALL SCHEDULE THE MEETING BY CALLING THE INSPECTION LINE AT (951) 572-3224 AT LEAST FIVE (5) WORKING DAYS PRIOR TO STARTING CONSTRUCTION. APPROVED DRAWINGS MUST BE AVAILABLE PRIOR TO SCHEDULING.
13. ALL INSPECTION REQUESTS OTHER THAN FOR THE PRECONSTRUCTION MEETING WILL BE MADE BY CALLING THE BUILDING AND SAFETY INSPECTION REQUEST LINE AT (951) 572-3224. INSPECTION REQUESTS MUST BE RECEIVED PRIOR TO 2:00 P.M. ON THE DAY BEFORE THE INSPECTION IS NEEDED. INSPECTIONS WILL BE MADE THE NEXT WORK DAY UNLESS YOU REQUEST OTHERWISE. REQUESTS MADE AFTER 2:00 P.M. WILL BE SCHEDULED FOR TWO FULL WORK DAYS LATER.
14. THE OWNER AND/OR APPLICANT THROUGH THE DEVELOPER AND/OR CONTRACTOR SHALL DESIGN, CONSTRUCT AND MAINTAIN ALL SAFETY DEVICES, INCLUDING SHORING, AND SHALL BE SOLELY RESPONSIBLE FOR CONFORMING TO ALL LOCAL, STATE AND FEDERAL SAFETY AND HEALTH STANDARDS, LAWS AND REGULATIONS.
15. THE CONTRACTOR SHALL CONFORM TO LABOR CODE SECTION 6705 BY SUBMITTING A DETAIL PLAN TO THE CITY ENGINEER AND/OR CONCERNED AGENCY SHOWING THE DESIGN OF SHORING, BRACING SLOPE OR OTHER PROVISIONS TO BE MADE OF WORKER PROTECTION FROM THE HAZARD OF CAVING GROUND DURING THE EXCAVATION OF SUCH TRENCH OR TRENCHES OR DURING THE PIPE INSTALLATION THEREIN. THIS PLAN MUST BE PREPARED FOR ALL TRENCHES FIVE FEET (5') OR MORE IN DEPTH AND APPROVED BY THE CITY ENGINEER AND/OR CONCERNED AGENCY PRIOR TO EXCAVATION. IF THE PLAN VARIES FROM THE SHORING SYSTEM STANDARDS ESTABLISHED BY THE CONSTRUCTION SAFETY ORDERS, TITLE 8 CALIFORNIA ADMINISTRATIVE CODE, THE PLAN SHALL BE PREPARED BY A REGISTERED ENGINEER AT THE CONTRACTORS EXPENSE. A COPY OF THE OSHA EXCAVATION PERMIT MUST BE SUBMITTED TO THE INSPECTOR PRIOR TO EXCAVATION.
16. IF ANY ARCHAEOLOGICAL RESOURCES ARE DISCOVERED WITHIN ANY WORK ZONE DURING CONSTRUCTION, OPERATIONS WILL CEASE IMMEDIATELY, AND THE PERMITTEE WILL NOTIFY THE CITY ENGINEER. OPERATIONS WILL NOT RESTART UNTIL THE PERMITTEE HAS RECEIVED WRITTEN AUTHORITY FROM THE CITY ENGINEER TO DO SO.
17. ALL OPERATIONS CONDUCTED ON THE SITE OR ADJACENT THERETO SHALL ADHERE TO THE NOISE ORDINANCE SET FORTH BY THE CITY MUNICIPAL CODE. ALL OPERATIONS SHALL BE LIMITED BY THE NOISE ORDINANCE TO THE LEVEL OF DECIBELS SPECIFIED FOR THE AREA AND TIME PERIOD. CONSTRUCTION ACTIVITIES WILL BE LIMITED TO THE PERIOD BETWEEN 7:00 A.M. AND 6:00 P.M. EACH DAY MONDAY THROUGH FRIDAY, UNLESS OTHERWISE PERMITTED.
18. ALL OFF-SITE HAUL ROUTES SHALL BE SUBMITTED BY THE CONTRACTOR TO THE CITY ENGINEER FOR APPROVAL TWO FULL WORKING DAYS PRIOR TO BEGINNING OF WORK. THE CONTRACTOR SHALL BE RESPONSIBLE FOR ANY DEBRIS OR DAMAGE OCCURRING ALONG THE HAUL ROUTE OR ADJACENT STREETS AS A RESULT OF THE GRADING OPERATION.
19. NO BLASTING SHALL BE COMMENCED WITHOUT A CITY ENGINEER APPROVED BLASTING PROGRAM AND BLASTING PERMIT.
20. THE EXISTENCE AND LOCATION OF UTILITY STRUCTURES AND FACILITIES SHOWN ON THE CONSTRUCTION PLANS WERE OBTAINED BY A SEARCH OF THE AVAILABLE RECORDS. ATTENTION IS CALLED TO THE POSSIBLE EXISTENCE OF OTHER UTILITY FACILITIES OR STRUCTURES NOT SHOWN OR IN A LOCATION DIFFERENT FROM THAT SHOWN ON THE PLANS. THE CONTRACTOR IS REQUIRED TO TAKE DUE PRECAUTIONARY MEASURES TO PROTECT THE UTILITIES SHOWN ON THE PLANS AND ANY OTHER EXISTING FACILITIES OR STRUCTURES NOT SHOWN.
21. THE CONTRACTOR SHALL VERIFY THE LOCATION OF ALL EXISTING FACILITIES (ABOVEGROUND AND UNDERGROUND) WITHIN THE PROJECT SITE SUFFICIENTLY AHEAD OF THE CONSTRUCTION TO PERMIT THE REVISIONS OF THE CONSTRUCTION PLANS IF IT IS FOUND THAT THE ACTUAL LOCATIONS ARE IN CONFLICT WITH THE PROPOSED WORK.
22. THE CONTRACTOR SHALL NOTIFY AFFECTED UTILITY COMPANIES (SEE BELOW) AT LEAST TWO FULL WORKING DAYS PRIOR TO STARTING CONSTRUCTION NEAR THEIR FACILITIES AND SHALL COORDINATE WORK WITH A COMPANY REPRESENTATIVE.

UNDERGROUND SERVICE ALERT	(800) 422-4133
SOUTHERN CALIFORNIA EDISON	(800) 409-2365
AT&T	(800) 892-0123
TIME WARNER CABLE	(760) 340-2225
COX COMMUNICATIONS	(888) 423-3913

23. IN ACCORDANCE THE CITY STORM WATER STANDARDS ALL STORM DRAIN INLETS CONSTRUCTED BY THIS PLAN SHALL INCLUDE "STENCILS" BE ADDED TO PROHIBIT WASTE DISCHARGE DOWNSTREAM. STENCILS SHALL BE ADDED TO THE SATISFACTION OF THE CITY ENGINEER.

NOTE

1. APPROVAL OF THESE PLANS APPLIES ONLY WITHIN THE JURISDICTION OF THE CITY OF BEAUMONT.
2. TRENCHING FOR UTILITIES AND STRUCTURES IS NOT ALLOWED UNTIL SOIL COMPACTION REPORT IS SUBMITTED AND APPROVED BY THE PUBLIC WORKS DEPARTMENT.
3. THE CITY RESERVES THE RIGHT TO REQUIRE REVISION OF THE APPROVED PLANS TO CONFORM WITH CURRENT STANDARDS AND TO POST A NEW BOND IF CONSTRUCTION HAS NOT COMMENCED WITHIN TWO YEARS AFTER PLANS WERE APPROVED.
4. SIDEWALK AND DRIVEWAY APPROACHES WILL BE POURED/CONSTRUCTED ONLY AFTER DRIVEWAY LOCATIONS ARE DETERMINED.



PRIVATE ENGINEERS NOTICE TO CONTRACTOR(S)

1. THE EXISTENCE AND LOCATION OF ANY UNDERGROUND UTILITIES OR STRUCTURES SHOWN ON THESE PLANS ARE OBTAINED BY A SEARCH OF AVAILABLE RECORDS. TO THE BEST OF OUR KNOWLEDGE, THERE ARE NO EXISTING UTILITIES EXCEPT THOSE SHOWN ON THESE PLANS. THE CONTRACTOR IS REQUIRED TO TAKE ALL PRECAUTIONARY MEASURES TO PROTECT THE UTILITIES SHOWN, AND ANY OTHER LINES OR STRUCTURES NOT SHOWN ON THESE PLANS AND IS RESPONSIBLE FOR THE PROTECTION OF, AND ANY DAMAGE TO THESE LINES OR STRUCTURES
2. IT SHALL BE THE CONTRACTORS RESPONSIBILITY TO NOTIFY THE OWNER OF ALL UTILITIES OR STRUCTURES CONCERNED BEFORE STARTING WORK.
3. QUANTITIES SHOWN HEREON ARE PROVIDED FOR BIDDING PURPOSES ONLY. CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING ALL QUANTITIES PRIOR TO BIDDING FOR CONSTRUCTION.
4. THE PRIVATE ENGINEER SIGNING THESE PLANS IS RESPONSIBLE FOR ASSURING THE ACCURACY AND ACCEPTABILITY OF THE DESIGN HEREON. IN THE EVENT OF DISCREPANCIES ARISING AFTER CITY APPROVAL OR DURING CONSTRUCTION, THE PRIVATE ENGINEER SHALL BE RESPONSIBLE FOR DETERMINING AN ACCEPTABLE SOLUTION AND REVISING THE PLANS FOR APPROVAL BY THE CITY.

WORK TO BE DONE

THE IMPROVEMENT WORK SHALL BE PERFORMED IN ACCORDANCE WITH THE FOLLOWING DOCUMENTS, CURRENT AT THE TIME OF CONSTRUCTION, AS DIRECTED BY THE CITY ENGINEER.

1. BEAUMONT MUNICIPAL CODE.
2. FOR STREETS: RIVERSIDE COUNTY ORDINANCE NO. 461.
   FLOOD CONTROL FACILITIES: THE RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT'S STANDARDS FOR FLOOD CONTROL FACILITIES.
   SANITARY SEWER FACILITIES: THE EASTERN MUNICIPAL WATER DISTRICT'S STANDARDS FOR SANITARY SEWER FACILITIES.
   ALL OTHER PUBLIC WORKS: THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION (GREEN BOOK).
3. THIS SET OF PLANS.
4. RESOLUTION NO 16-PP-02, DATED 9/16/2016
5. SOILS REPORT AND RECOMMENDATIONS BY KLINO CONSULTING GROUP, DATED 5/1/2017,

ALL STANDARD DRAWINGS ARE COUNTY OF RIVERSIDE ROAD IMPROVEMENT STANDARDS & SPECIFICATIONS UNLESS NOTED OTHERWISE:
* RCFC&WCD STANDARD MANUAL
** EMWD SEWER STANDARD DRAWINGS
*** STANDARD PLANS FOR PUBLIC WORKS CONSTRUCTION

SEWER NOTES

1. SEWER SYSTEM CONSTRUCTION AND MATERIALS SHALL BE IN ACCORDANCE WITH EASTERN MUNICIPAL WATER DISTRICT (EMWD'S) STANDARDS AND SPECIFICATIONS.
2. GRAVITY SEWER PROFILE ELEVATIONS ARE TO FLOW LINE (CONDUIT INVERT). FORCE MAIN PROFILE ELEVATIONS ARE TO TOP OF PIPE (TOP).
3. CONTRACTOR HAS THE OPTION TO INSTALL PLASTIC OR VCP SEWERS EXCEPT WHERE SPECIFICALLY DESIGNATED ON PLANS PER EMWD STANDARDS AND SPECIFICATIONS.
4. MANHOLES SHALL BE CONSTRUCTED IN ACCORDANCE WITH STANDARD DRAWINGS SB-53, SB-58, AND SB-61, AS APPLICABLE. SEWER MAINS MAY BE LAID THROUGH THE MANHOLES AND USED AS A FORM FOR THE INVERT.
5. MANHOLES OF DEPTHS LESS THAN FIVE FEET FROM FINISH STREET GRADE TO SEWER PIPE SHELF ARE TO BE CONSTRUCTED IN ACCORDANCE WITH STANDARD DRAWING SB-30.
6. ALL LATERALS SHALL HAVE AN ON-SITE CLEANOUT IN ACCORDANCE WITH STANDARD DRAWING SB-52. IN ADDITION, FOR LATERALS SERVING INDUSTRIAL AND/OR COMMERCIAL DEVELOPMENTS, THE REQUIREMENTS FOR SAMPLING AND/OR PRETREATMENT FACILITIES SHALL BE DETERMINED BY CONTRACTING THE BUILDING AND SAFETY DEPARTMENT.
7. MAINLINE CLEANOUTS, WHERE CALLED FOR ON THE PLANS, SHALL BE CONSTRUCTED IN ACCORDANCE WITH STANDARD DRAWING SB-52.
8. PRIOR TO CONSTRUCTION OF SEWER, CONTRACTOR SHALL EXPOSE EXISTING SEWER AND VERIFY ITS EXISTING ELEVATION AND LOCATION. WHEN CONNECTING TO EXISTING MANHOLES AND INLET STUB OF PROPER SIZE EXISTS, NO ALTERATIONS SHALL BE MADE TO EXISTING MANHOLE BASE OR STUB EXCEPT AS SPECIFICALLY AUTHORIZED BY THE CITY INSPECTOR.
9. ALL SEWER INLETS AT THE MANHOLE SHALL BE SUCH THAT ITS CROWN SHALL BE LEVEL WITH THE CROWN OF THE OUTLET PIPE, AT THEIR PROJECTIONS TO THE MANHOLE CENTERLINE.
10. RECONSTRUCTION OF EXISTING MANHOLES SHALL BE SCHEDULED AT THE CONVENIENCE OF THE CITY AND SHALL BE COMPLETED WITHIN FIVE WORKING DAYS FOLLOWING ITS COMMENCEMENT.
11. SEWER LATERALS SHALL BE CONSTRUCTED IN ACCORDANCE WITH SB-177. LOCATIONS OF WYES AND LATERALS, WHERE NOT SHOWN ON THE PLANS, ARE TO BE DETERMINED IN THE FIELD PRIOR TO CONSTRUCTION TO MISS DRIVEWAYS. ALL LATERALS ARE TO BE 4" IN DIAMETER UNLESS OTHERWISE SHOWN ON PLANS. CONNECTIONS OF NEW LATERALS TO EXISTING SEWER ARE TO BE PER STANDARD DRAWING SB-176.
12. THE CONTRACTOR IS ADVISED THAT THE WORK ON THIS PROJECT MAY INVOLVE WORKING IN A CONFINED AIR SPACE. CONTRACTOR SHALL BE RESPONSIBLE FOR "CONFINED AIR SPACE" ARTICLE 108, TITLE 8, CALIFORNIA ADMINISTRATIVE CODE.
13. WHERE GROUNDWATER IS ENCOUNTERED, ALL VCP PIPE SHALL BE TREATED FOR ABSORPTION RESISTANCE PER EMWD'S SPECIFICATIONS.
14. BACKWATER VALVES SHALL BE INSTALLED PER SECTION 710.1 OF THE UNIFORM PLUMBING CODE.
15. ALL PIPE ZONE BEDDING AND TRENCH BACKFILL ARE TO BE PER STANDARD DRAWING SB-157, SB-158, AND SB-159.
16. ALL MANHOLE AND CLEANOUT COVERS WITHIN PAVED AREAS SHALL BE ADJUSTED TO FINISHED GRADES AFTER PAVING IS COMPLETED; AND SUCH ADJUSTMENTS SHALL BE DONE IN A MANNER AS TO PREVENT ENTRY OF SILT AND/OR DEBRIS INTO THE SEWER SYSTEM. A CONCRETE COLLAR AROUND SEWER MANHOLES 12" THICK AND 12" WIDE MUST BE PROVIDED.

LINE TYPE LEGEND:

PROPOSED GRAVITY SEWER MAIN	
PROPOSED SEWER FORCE MAIN	SF SF SF
PROPOSED DOMESTIC WATER MAIN	DW DW DW
PROPOSED RECLAIM WATER MAIN	RW RW RW
EXISTING GRAVITY SEWER MAIN	(SS) (SS) (SS)
EXISTING DOMESTIC WATER MAIN	(DW) (DW) (DW)
EXISTING RECLAIM WATER MAIN	(RW) (RW) (RW)
EXISTING SEWER FORCE MAIN	(SF) (SF) (SF)

NOTICE TO CONTRACTOR:
ALL WORK TO BE CONSTRUCTED PER THIS PLAN BY PREVAILING WAGES.

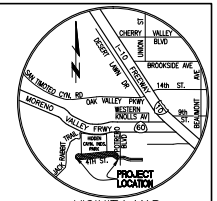
THIS PLAN DOES NOT INCLUDE PROPOSED SIDEWALKS, FIRE HYDRANTS, WATER MAINS, GAS LINES, ELECTRICAL LINES OR TELEPHONE LINES.

NOTE TO CONTRACTOR:
PRIOR TO CONSTRUCTION OF SEWER THE CONTRACTOR SHALL VERIFY INVERT AND LOCATION OF EXISTING UTILITIES AT POINT OF CONNECTION AND NOTIFY CIVIL ENGINEER IN CASE OF CONFLICT.

"DECLARATION OF RESPONSIBLE CHARGE"

I HEREBY DECLARE THAT I AM THE ENGINEER OF WORK FOR THIS PROJECT, THAT I HAVE EXERCISED RESPONSIBLE CHARGE OVER THE DESIGN OF THE PROJECT AS DEFINED IN SECTION 6703 OF THE BUSINESS AND PROFESSIONS CODE, AND THAT THE DESIGN IS CONSISTENT WITH CURRENT STANDARDS. I UNDERSTAND THAT THE CHECK OF PROJECT DRAWINGS AND SPECIFICATIONS BY THE CITY OF BEAUMONT DOES NOT RELIEVE ME AS ENGINEER OF WORK OF MY RESPONSIBILITIES FOR PROJECT DESIGN.

FIRM: THIENES ENGINEERING INC.
ADDRESS: 14349 FIRESTONE BLVD
CITY, ZIP: LA MIRADA, CA 90638
TELEPHONE: (714) 521-4811
BY: REINHARD STENZEL RCE 56155 DATE: 6/23/2020



VICINITY MAP

SHEET INDEX

1	TITLE SHEET
2	SEWER LINE 'A' PLAN & PROFILE STA 9+74.00 TO STA 19+00.00
3	SEWER LINE 'A' PLAN & PROFILE STA 19+00.00 TO STA 28+00.00
4	SEWER LINE 'A' PLAN & PROFILE STA 28+00.00 TO STA 39+00.00
5	SEWER LINE 'A' PLAN & PROFILE STA 39+00.00 TO STA 39+85.41 SEWER LINE 'B' PLAN & PROFILE STA 41+33.30 TO STA 50+00.00
6	SEWER LINE 'B' PLAN & PROFILE STA 50+00.00 TO STA 60+99.10
7	SEWER LATERAL 'A-1' PLAN & PROFILE STA 10+00.00 TO 11+34.96 SEWER LATERAL 'B-1' PLAN & PROFILE STA 10+00.00 TO 11+39.69

SEWER CONSTRUCTION NOTES:

		QTY:
1	INSTALL 6" SDR26 PVC SEWER LATERAL	364 LF
2	INSTALL 15" SDR26 PVC SEWER MAIN	2,062 LF
3	INSTALL 12" SDR26 PVC SEWER MAIN	3,093 LF
4	INSTALL 48" SEWER MANHOLE PER E.M.W.D. SB-53	20 EA
5	INSTALL PLUG AT END OF PIPE	12 EA
6	REMOVE EXISTING PLUG AND JOIN EXISTING 15" SEWER MAIN	1 EA
7	INSTALL CLEAN OUT PER E.M.W.D. SB-52	10 EA

AGENCIES — TELEPHONE

BEAUMONT-CHERRY VALLEY WATER	(951) 845-9581
CITY OF BEAUMONT	(951) 769-8520
KINDER MORGAN	(951) 712-8842
MCI WORLDCOM	(972) 729-6016
QUESTAR PIPELINE COMPANY	(307) 352-7115
SOUTHERN CALIFORNIA EDISON	(909) 307-6710
SOUTHERN CALIFORNIA GAS COMPANY	(909) 335-7755
FRONTIER COMMUNICATIONS	(909) 217-0116

ABBREVIATIONS:

A.B.	—AGGREGATE BASE	L.P.	—LOW POINT
ARCH.	—ARCHITECTURAL	M.H.	—MANHOLE
A.C.	—ASPHALT CONCRETE	N.G.	—NATURAL GRADE
B.W.	—BACK OF WALK	PKWY DRAIN	—PARKWAY DRAIN
B.C.R.	—BEGINNING OF CURVE	P.P.	—POWER POLE
B.O.P.	—BOTTOM OF PIPE	⊕	—PROPERTY LINE
B.O.W.	—BOTTOM OF WALL	P.V.C.	—POLYVINYLCHLORIDE
BLDG	—BUILDING	R	—RATE OF GRADE
C.I.P.	—CAST IRON PIPE	R.C.P.	—REINFORCED CONCRETE PIPE
C.B.	—CATCH BASIN	R.D.	—ROOF DRAIN
℄	—CENTERLINE	R/W	—RIGHT OF WAY
C.L.F.	—CHAIN LINK FENCE	S	—SLOPE
CONC.	—CONCRETE	S.F.	—SQUARE FEET
C.M.B.	—CRUSHED MISC. BASE	S.D.	—STORM DRAIN
C.F.	—CURB FACE	ST.LT.	—STREET LIGHT
E.P.	—EDGE OF PAVEMENT	S.W.	—STEM WALL
E.C.R.	—END OF CURVE	T.B	—TOP OF BERM
EXIST.	—EXISTING	T.C.	—TOP OF CURB
(0.00)	—EXISTING ELEVATION	T.S.	—TOP OF CONCRETE SLAB
F.F.	—FINISH FLOOR	T.E.	—TRASH ENCLOSURE
F.O.	—FIBER OPTIC	TRANS PAD	—TRANSFORMER PAD
F.G.	—FINISH GRADE	T.F.	—TOP OF FOOTING
F.S.	—FINISH SURFACE	T.G.	—TOP OF GRATE
F.H.	—FIRE HYDRANT	TOE	—TOE OF SLOPE
F.L.	—FLOW LINE	TOP	—TOP OF SLOPE
G.B.	—GRADE BREAK	T.O.P.	—TOP OF PIPE
H.C.	—HANDICAP	T.R.	—TOP OF RAIL
H	—HEIGHT OF RETAINING	T.W.	—TOP OF WALL
H.P.	—HIGH POINT	X+XX	—SEWER STATION
INV.	—INVERT	X+XX	—STREET STATION
L.S.	—LANDSCAPING		

OWNER INFORMATION:

MCDONALD PROPERTY GROUP
1140 N. COAST HIGHWAY
LAGUNA BEACH, CA 92651
PHONE: (949) 999-2800
FAX: (949) 999-2839

Last Update:6/4/20
O:\3000-3099\3080\SEWER\3080SEW-01.dwg

LEGAL DESCTIPTION:

DAVID RICKER (WEST OF POTRERO):
A STRIP OF LAND, 100.00 FEET IN WIDTH, SITUATED IN A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING ALSO A PORTION OF THE LAND DESCRIBED IN THAT CERTAIN DEED RECORDED OCTOBER 1, 2008 AS DOCUMENT NO. 2008-0533024, OF OFFICIAL RECORDS OF SAID COUNTY.

LASSEN DEVELOPMENT PARTNERS (EAST OF PM NO. 36426):
THAT CERTAIN LAND DESCRIBED IN IRREVOCABLE RIGHT OF WAY OFFER OF DEDICATION TO THE CITY OF BEAUMONT, BEING A PORTION OF THE EAST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED JUNE 2, 2016 AS DOCUMENT NO. 2016-0227312, OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL MAP NO. 36426
BEING A SUBDIVISION OF A PORTION OF THE NORTH HALF OF SECTION 7 AND THE SOUTHWEST QUARTER OF SECTION 6, BOTH OF TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERARDINO MERIDIAN, AS RECORDED MARCH 16, 2017, AS DOCUMENT NO. 2017-0108002, OF OFFICIAL RECORDS OF SAID COUNTY.

DIGALERT — Call 2 Working Days Before You Dig! 811

BENCHMARK:
NATIONAL GEODETIC SURVEY BENCHMARK NO. "D 1311"
1.4 MILES WEST OF BEAUMONT ON INTERSTATE 10 TO SAN TIMOTEO CANYON ROAD NEAR FRONTAGE ROAD ON SOUTH(WEST) SIDE OF INTERSTATE 10, 0.1 MILES SOUTHEAST ALONG FRONTAGE ROAD, SOUTH AND ACROSS THE ROAD FROM A GUY POLE 25.8 FEET EAST SOUTH OF THE CENTERLINE OF FRONTAGE ROAD, 1.8 FEET WEST OF POWERPOLE AND 1.5 FEET EAST OF A WITNESS POST, INSIDE A 4 INCH PVC PIPE WITH SCREW PLUG 1 INCH ABOVE GROUND (ELEVATION = 2468.07). ALSO SHOWN ON "HIGHWAY 60 / POTRERO BLVD. INTERCHANGE STATIC GPS PROJECT CONTROL DIAGRAM" AND IDENTIFIED THEREON AS 3908 BM DK347A WHEREIN THE PUBLISHED ELEVATION = 2468.07 IS CORRECTED WITH A MEASURED ELEVATION = 2468.061', USED HEREON.
ELEVATION = 2468.061' (NAVD 88), (STAMPED D 1311 1978)

BASIS OF BEARINGS:
THE BEARINGS SHOWN HEREON ARE BASED ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE 6, NORTH AMERICAN DATUM 1983, AS DETERMINED LOCALLY BY THE LINE BETWEEN CSRC CO CORS STATIONS "CWPP" AND "MOJC", BOTH PUBLISHED ON CSRC DATA SHEETS, BEING N 86°04'01.17143" E (2007.0 EPOCH).

BY	MARK	DESCRIPTION	APPR.	DATE
ENGINEER		REVISIONS	CITY	

COMPANY NAME
Thienes Engineering, Inc.
CIVIL ENGINEERING ■ LAND SURVEYING
14349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH.(714)521-4811 FAX(714)521-4173
6/23/2020
REINHARD STENZEL DATE
R.C.E. 56155 EXPIRE 12-31-20

SEAL: REGISTERED PROFESSIONAL ENGINEER — REINHARD STENZEL — R.C.E. NO. 56155 — Exp. 12-31-20 — CIVIL — STATE OF CALIFORNIA

DESIGN BY: J.P.
DRAWN BY: J.P.
CHECKED BY: R.S.
SCALE:
DATE:
TOB NUMBER:

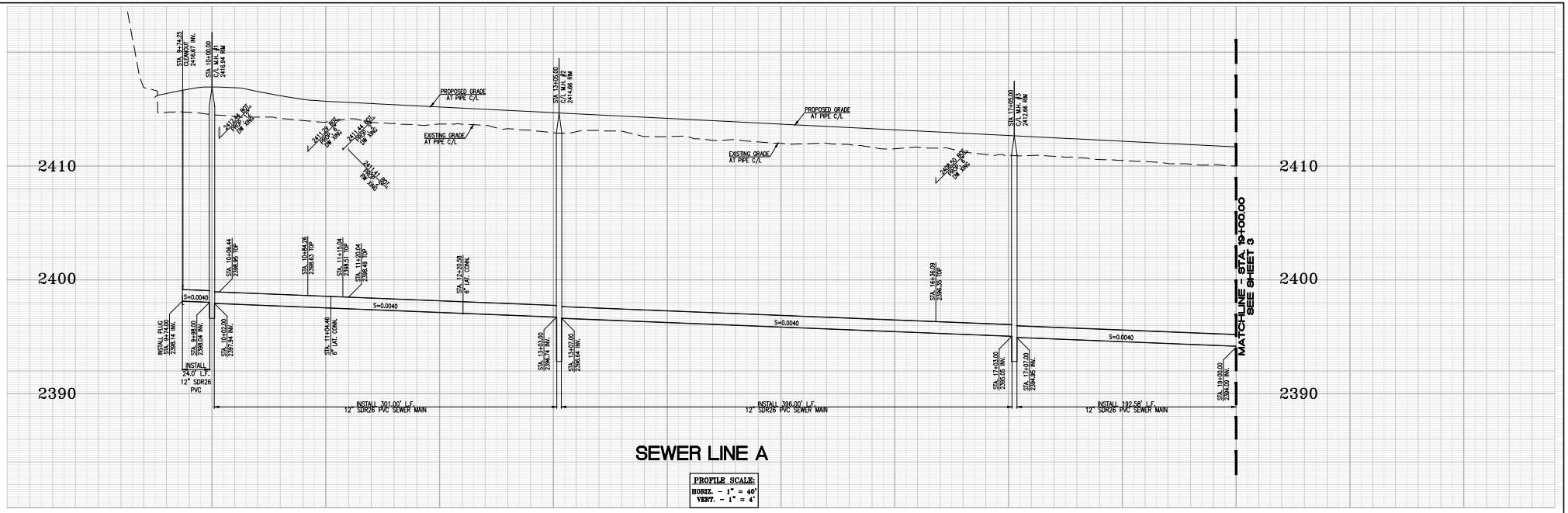
CITY OF BEAUMONT — CALIFORNIA — INC. NOV 18, 1912

Reviewed By: Staff Engineer — Date: 7/23/2020
Recommended for Approval By: Administrative Engineer — Date: 7/23/2020
Approved By: City Engineer/Director of Public Works — Date: 08/24/20

CITY OF BEAUMONT, PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION
550E. 6th St. Beaumont, CA 92223
TEL: (951) 769-8520 FAX: (951) 769-8526

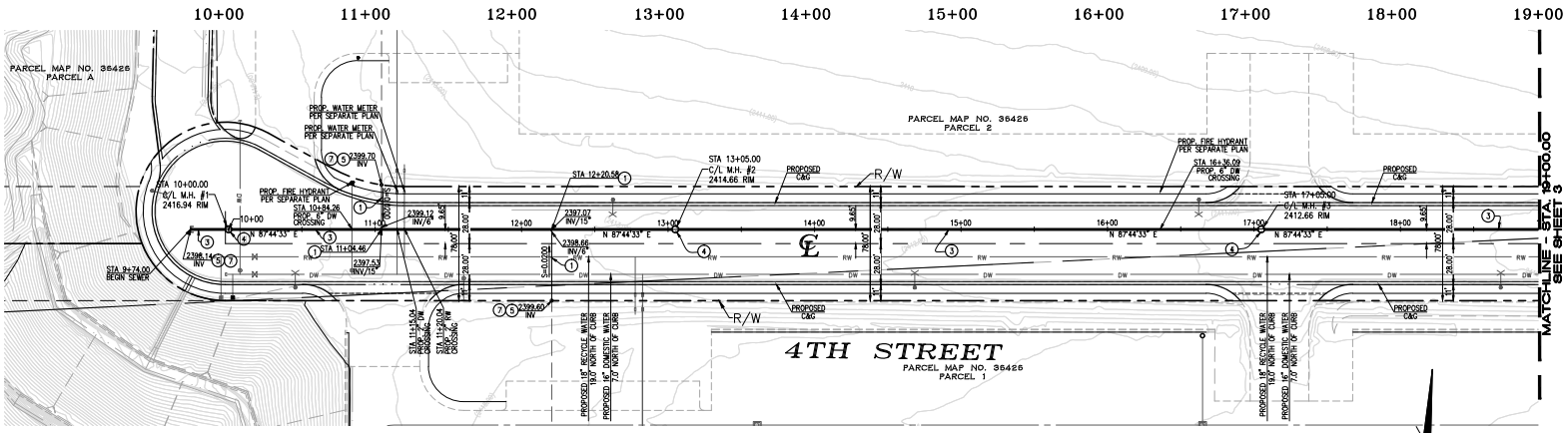
CITY OF BEAUMONT, CALIFORNIA
PUBLIC SEWER IMPROVEMENT PLAN
FOR
4TH STREET
WEST OF POTRERO BLVD.
TITLE SHEET

SHEET 1 OF 7 SHEETS
FILE NO: 3316
PW2020-0430



SEWER LINE A

PROFILE SCALE:
HORIZ. – 1" = 40'
VERT. – 1" = 4'



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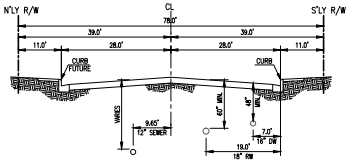

4TH ST – SEWER LINE 'A'
STA. 10+00.00 TO STA. 28+44.03
N.T.S.

0 20 40 80 120
SCALE:1"=40'

Last Updated 6/4/20
O:\3000-3099\3080\SEWER\3080SEW-02.dwg

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BY	MARK	DESCRIPTION	APPR.	DATE
ENGINEER		REVISIONS	CITY	

COMPANY NAME
Thienes Engineering, Inc.
CIVIL ENGINEERING ■ LAND SURVEYING
1-A,349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH.(714)521-4811 FAX(714)521-4173

6/23/2020
REINHARD STENZEL DATE
R.C.E. 56155 EXPIRE 12-31-20

SEAL: REGISTERED PROFESSIONAL ENGINEER REINHARD STENZEL C 56155 CIVIL STATE OF CALIFORNIA

DESIGN BY: J.P.
DRAWN BY: J.P.
CHECKED BY: R.S.
SCALE:
DATE:
TOB NUMBER:

CITY of BEAUMONT CALIFORNIA INC. NOV 16, 1912

Reviewed By: Staff Engineer Date: 7/23/2020
Recommended for Approval By: Administrative Engineer Date: 7/23/2020
Approved By: City Engineer/Director of Public Works Date: 08/24/20

CITY OF BEAUMONT, PUBLIC WORKS DEPARTMENT
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FOR
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PLAN & PROFILE

SHEET 2 OF 7 SHEETS
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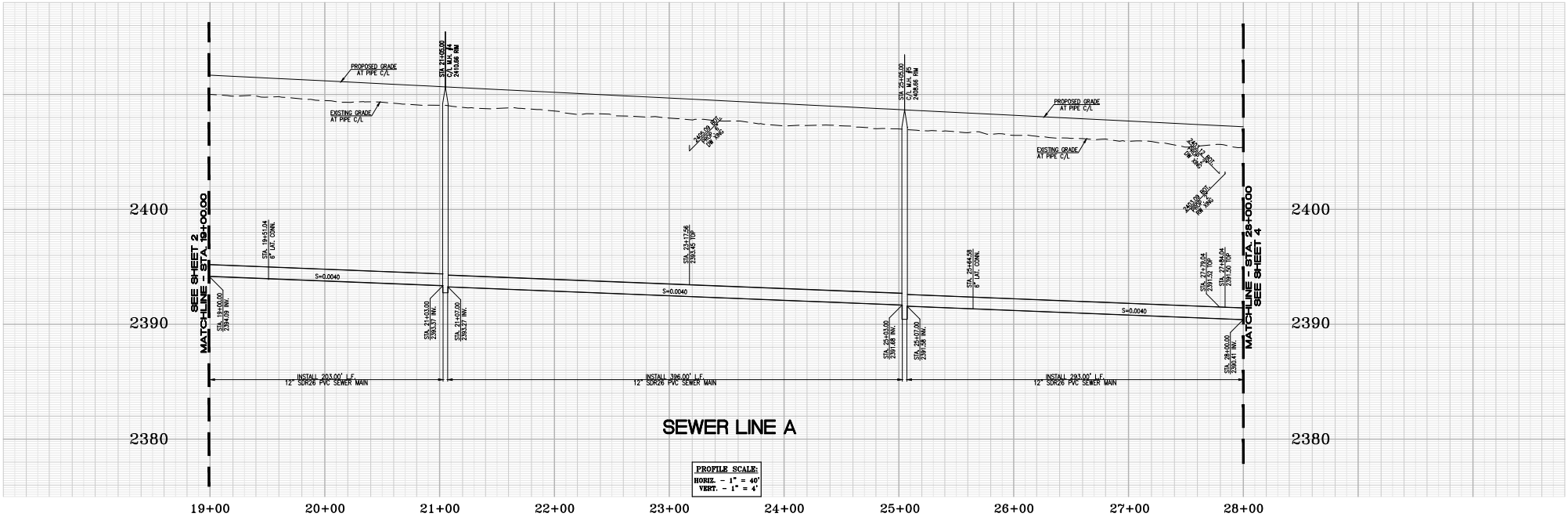

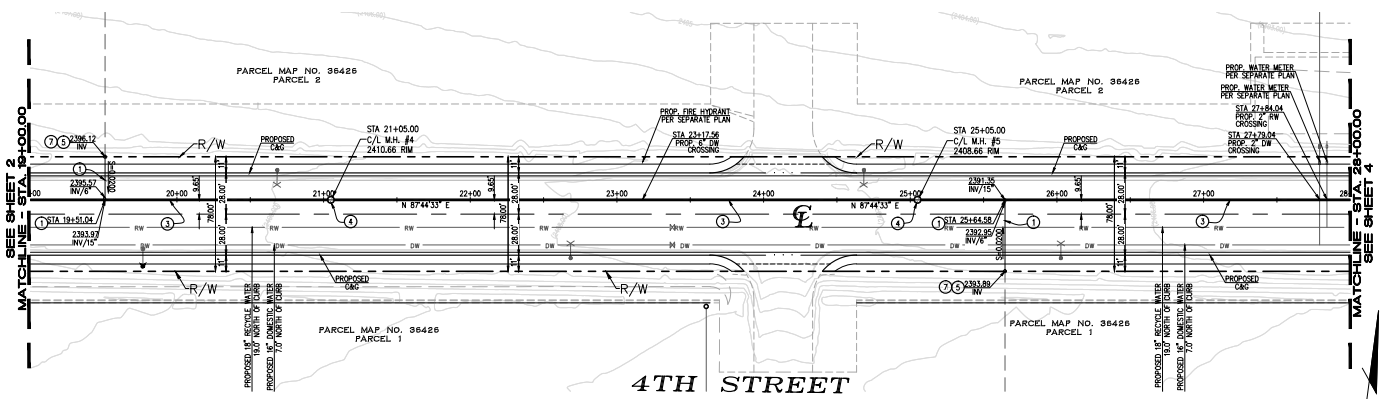

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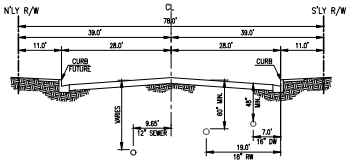

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PH:(714)521-4811 FAX(714)521-4173

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DRAWN BY: J.P.
CHECKED BY: R.S.
SCALE:
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TOB NUMBER:

CITY of BEAUMONT CALIFORNIA INCORPORATED NOV 16, 1912

Reviewed By: Staff Engineer — Date: 7/23/2020
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CITY OF BEAUMONT, PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION
550E. 6th St.
Beaumont, CA 92223
TEL: (951) 769-8520 FAX: (951) 769-8526

CITY OF BEAUMONT, CALIFORNIA
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STA. 19+00.00 TO STA. 28+00.00
FOR
4TH STREET
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PLAN & PROFILE

SHEET 3 OF 7 SHEETS
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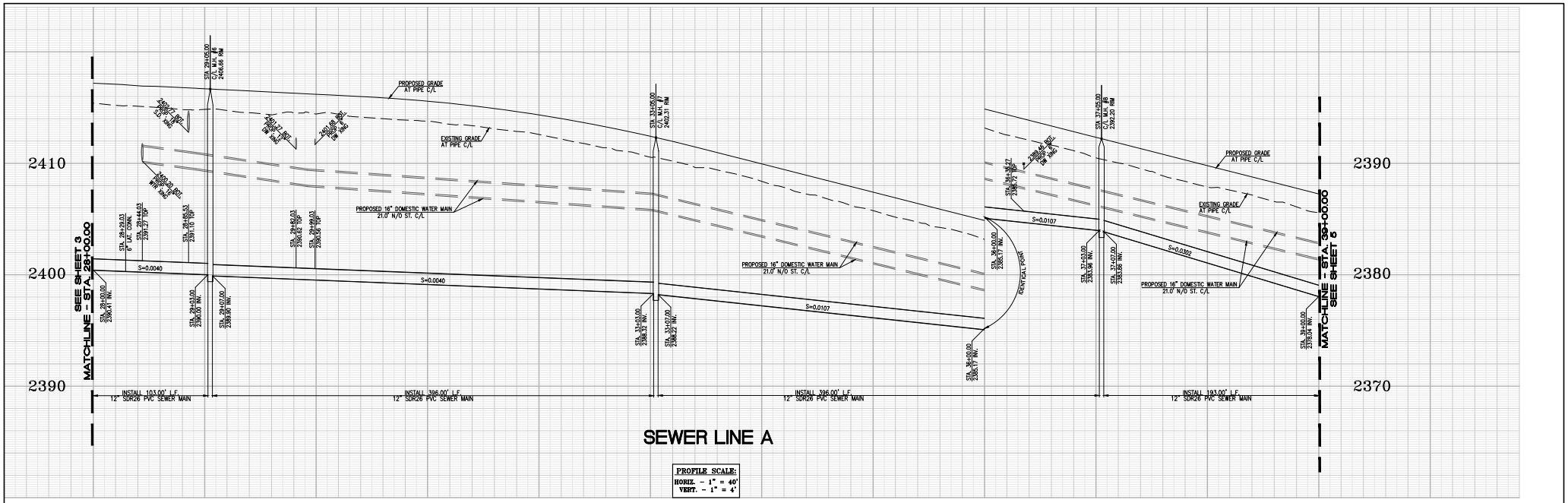
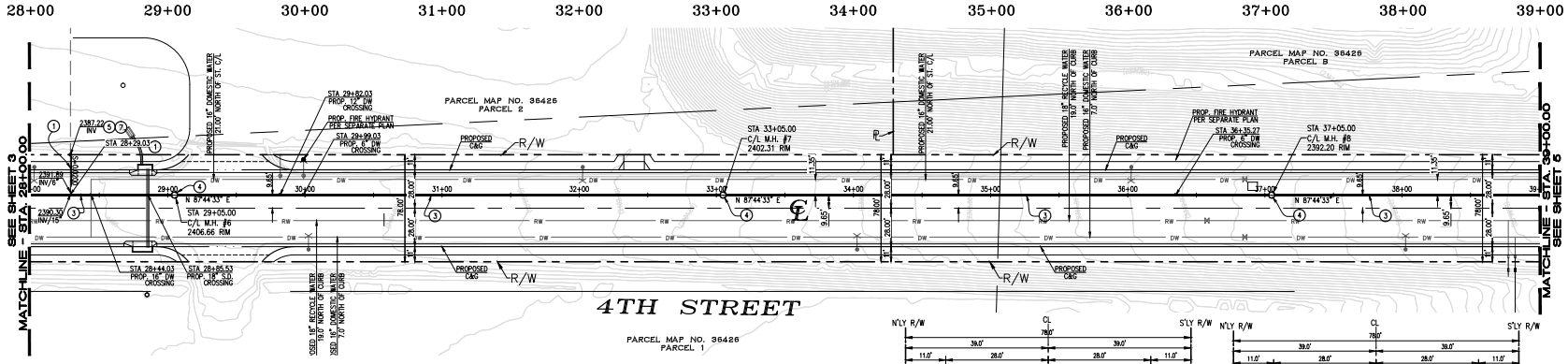
PW2020-0430





SEWER CONSTRUCTION NOTES:

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2. INSTALL 15" SDR26 PVC SEWER MAIN
3. INSTALL 12" SDR26 PVC SEWER MAIN
4. INSTALL 48" SEWER MANHOLE PER E.M.W.D. SB-53
5. INSTALL PLUG AT END OF PIPE
6. REMOVE EXISTING PLUG AND JOIN EXISTING 15" SEWER MAIN
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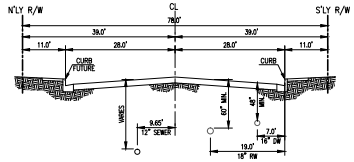
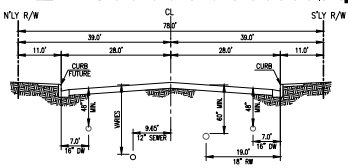
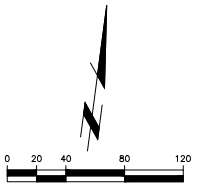


4TH ST - SEWER LINE 'A'
STA. 10+00.00 TO STA. 28+44.03
N.T.S.



4TH ST - SEWER LINE 'A'
STA. 28+44.03 TO STA. 39+85.41
N.T.S.



Last Update:6/4/20
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DIGALERT
Call 2 Working Days Before You Dig!
811

BENCHMARK:
NATIONAL GEODETIC SURVEY BENCHMARK NO. "D 1311"
1.4 MILES WEST OF BEAUMONT ON INTERSTATE 10 TO SAN TIMOTEO CANYON ROAD NEAR FRONTAGE ROAD ON SOUTH(WEST) SIDE OF INTERSTATE 10, 0.1 MILES SOUTHEAST ALONG FRONTAGE ROAD, SOUTH AND ACROSS THE ROAD FROM A GUY POLE 25.9 FEET SOUTH OF THE CENTERLINE OF FRONTAGE ROAD, 1.8 FEET WEST OF POWERPOLE AND 1.5 FEET EAST OF A WITNESS POST, INSIDE A 4 INCH PVC PIPE WITH SCREW PLUG 1 INCH ABOVE GROUND (ELEVATION = 2468.07). ALSO SHOWN ON "HIGHWAY 60 / POTRERO BLVD. INTERCHANGE STATIC GPS PROJECT CONTROL DIAGRAM" AND IDENTIFIED THEREON AS 3108 BM DK3474 WHEREIN THE PUBLISHED ELEVATION = 2468.07 IS CORRECTED WITH A MEASURED ELEVATION = 2468.061', USED HEREON.
ELEVATION = 2468.061' (NAVD 88), (STAMPED 0 1311 1978)

BASIS OF BEARINGS:
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BY	MARK	DESCRIPTION	APPR.	DATE
ENGINEER		REVISIONS	CITY	

COMPANY NAME
Thienes Engineering, Inc.
CIVIL ENGINEERING • LAND SURVEYING
14349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH.(714)521-4811 FAX(714)521-4173

6/23/2020
REINHARD STENZEL DATE
R.C.E. 56155 EXPIRE 12-31-20

SEAL: REGISTERED PROFESSIONAL ENGINEER REINHARD STENZEL R.C.E. NO. 56155 Exp. 12-31-20 CIVIL STATE OF CALIFORNIA

DESIGN BY: J.P.
DRAWN BY: J.P.
CHECKED BY: R.S.
SCALE:
DATE:
TOB NUMBER:

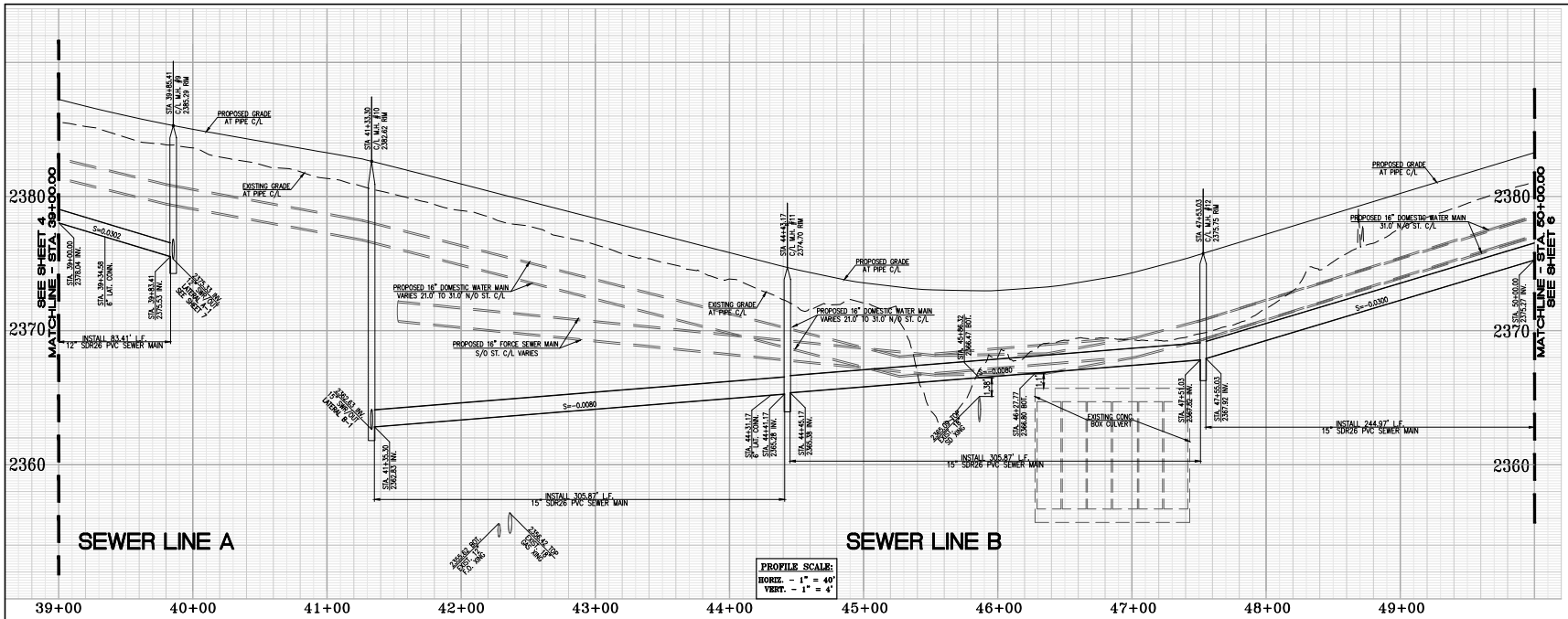
CITY OF BEAUMONT CALIFORNIA INC. NOV 18, 1912

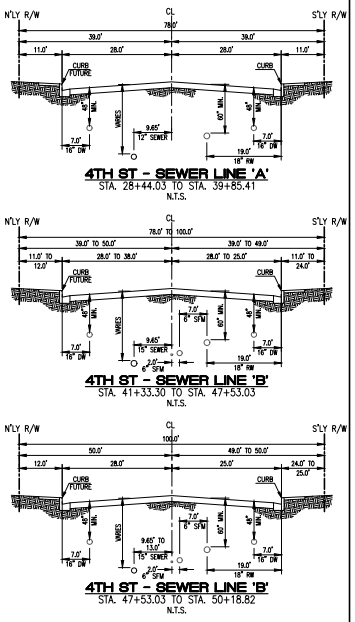
Reviewed By: Staff Engineer — Date: 7/23/2020
Recommended for Approval By: Administrative Engineer — Date: 7/23/2020
Approved By: City Engineer/Director of Public Works — Date: 08/24/20

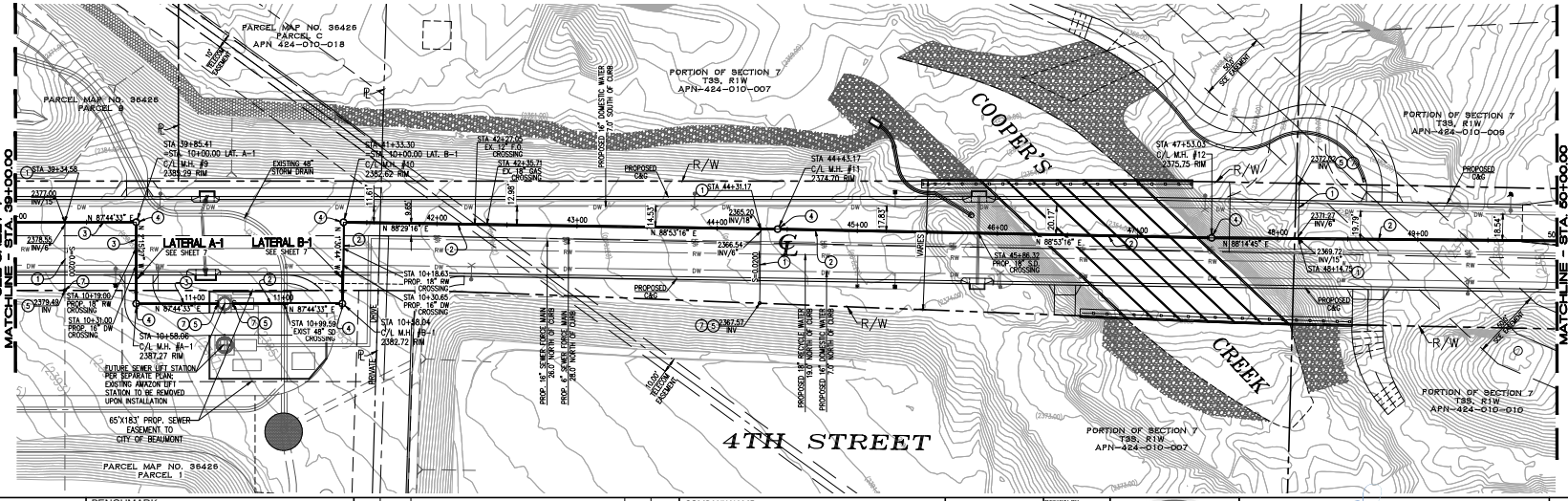
CITY OF BEAUMONT, PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION
550E. 6th St
Beaumont, CA 92223
TEL: (951) 769-8520 FAX: (951) 769-8526

CITY OF BEAUMONT, CALIFORNIA
PUBLIC SEWER IMPROVEMENTS
STA. 28+00.00 TO STA. 39+00.00
FOR
4TH STREET WEST OF POTRERO BLVD.
PLAN & PROFILE

SHEET 4 OF 7 SHEETS
FILE NO: 3316
PW2020-0430







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Last Updated: 6/4/20
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DIGALERT
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811

BENCHMARK:
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BY	MARK	DESCRIPTION	APPR.	DATE
ENGINEER		REVISIONS	CITY	

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14349 FIRESTONE BOULEVARD
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PH:(714)521-4811 FAX(714)521-4173
6/23/2020
REINHARD STENZEL DATE
R.C.E. 56155 EXPIRE 12-31-20

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SCALE:
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CITY OF BEAUMONT CALIFORNIA INC. NOV 18, 1912

Reviewed By: Staff Engineer Date: 7/23/2020
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Approved By: City Engineer/Director of Public Works Date: 08/24/20

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ENGINEERING DIVISION
550E. 6th St.
Beaumont, CA 92223
TEL: (951) 769-8520 FAX: (951) 769-8526

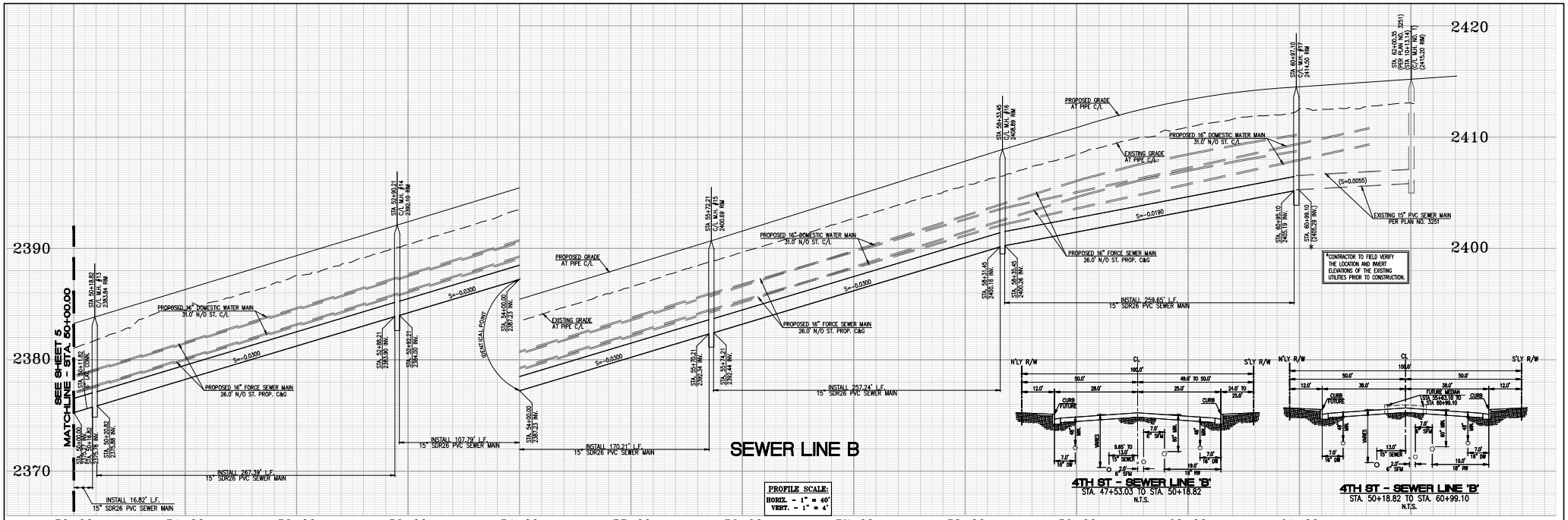
CITY OF BEAUMONT, CALIFORNIA

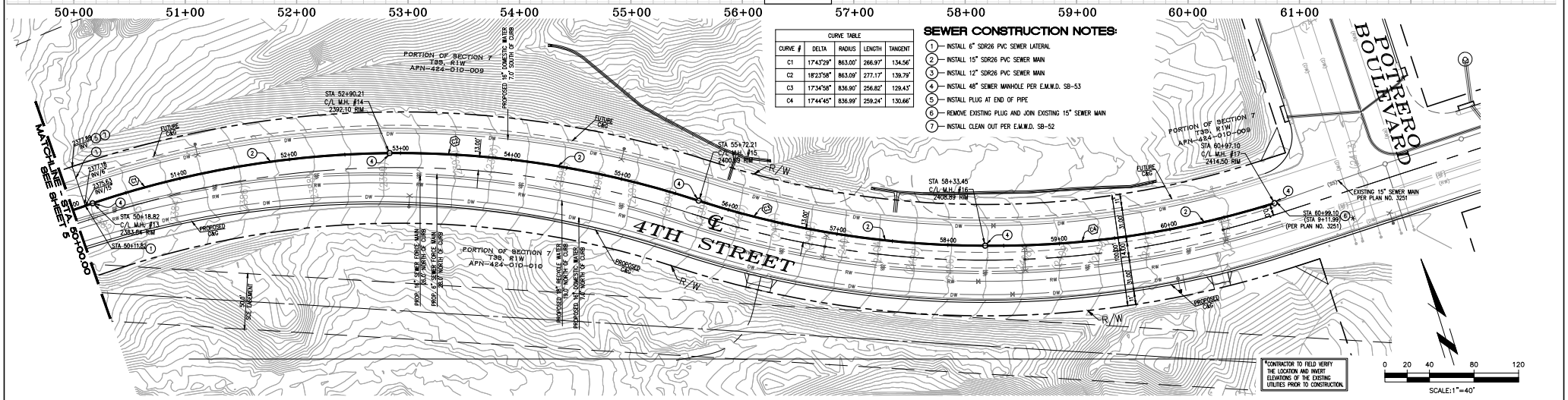
PUBLIC SEWER IMPROVEMENTS

STA. 39+00.00 TO STA. 50+00.00
FOR
4TH STREET
WEST OF POTRERO BLVD.

PLAN & PROFILE

SHEET 5 OF 7 SHEETS
FILE NO: 3316
PW2020-0430





CURVE TABLE				
CURVE #	DELTA	RADIUS	LENGTH	TANGENT
C1	17°43'29"	863.00'	266.97'	134.56'
C2	18°23'58"	863.09'	277.17'	139.79'
C3	17°34'58"	836.90'	256.82'	129.43'
C4	17°44'45"	836.99'	259.24'	130.66'

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DIGALERT — Call 2 Working Days Before You Dig! 811

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6/23/2020
REINHARD STENZEL
R.C.E. 56155 EXPIRE 12-31-20 DATE

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FOR
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PLAN & PROFILE

SHEET 6 OF 7 SHEETS
FILE NO: 3316
PW2020-0430

Last Update:6/4/20
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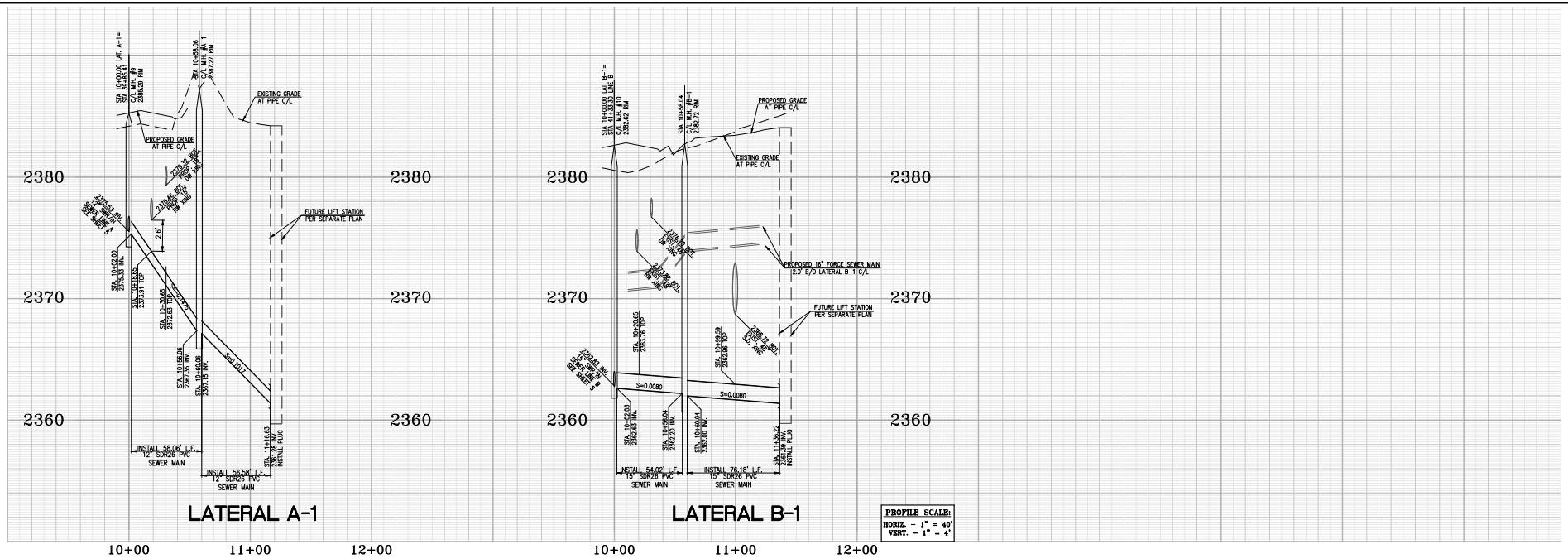

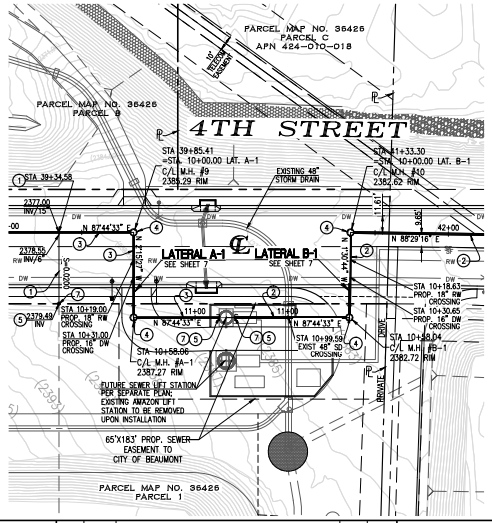

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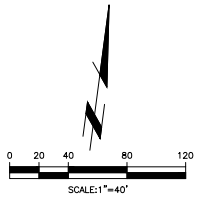

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PUBLIC SEWER IMPROVEMENTS
STA. 39+00.00 TO STA. 50+00.00
FOR
4TH STREET
WEST OF POTRERO BLVD.
PLAN & PROFILE

SHEET 7 OF 7 SHEETS
FILE NO: 3316
PW2020-0430

CITY OF BEAUMONT, CA
PUBLIC SEWER FORCE MAIN IMPROVEMENT PLAN
4TH STREET - WEST OF POTRERO BLVD.

GENERAL NOTES

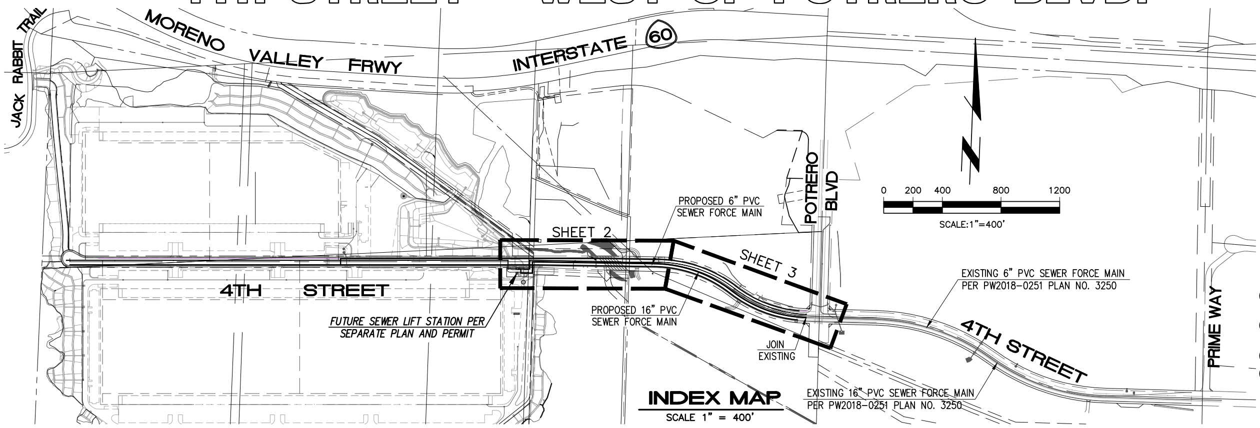
1. THIS PLAN SUPERSEDES ALL OTHER PLANS PREVIOUSLY APPROVED BY THE CITY OF BEAUMONT REGARDING IMPROVEMENTS SHOWN ON THIS SET OF PLANS.
2. APPROVAL OF THIS PLAN DOES NOT LESSEN OR WAIVE ANY PORTION OF THE BEAUMONT MUNICIPAL CODE, RESOLUTION OF CONDITIONAL APPROVAL, CITY STANDARDS OR OTHER ADDITIONAL DOCUMENTS LISTED HEREIN AS THEY MAY PERTAIN TO THIS PROJECT. THE ENGINEER IN RESPONSIBLE CHARGE SHALL REVISE THESE PLANS WHEN NON-CONFORMANCE IS DISCOVERED.
3. CITY APPROVAL OF PLANS DOES NOT RELIEVE THE DEVELOPER OR ENGINEER-OF-WORK FROM RESPONSIBILITY FOR THE CORRECTION OF ERRORS AND OMISSIONS DISCOVERED DURING CONSTRUCTION. ALL PLAN REVISIONS SHALL BE PROMPTLY SUBMITTED TO THE CITY ENGINEER FOR APPROVAL.
4. A RIGHT-OF-WAY PERMIT FROM THE BUILDING & SAFETY DEPARTMENT WILL BE REQUIRED FOR ANY WORK IN THE PUBLIC RIGHT OF WAY. PRIOR TO PERMIT ISSUANCE, A CERTIFICATE OF INSURANCE MUST BE FILED NAMING THE CITY OF BEAUMONT AS AN ADDITIONAL INSURED ON THE PERMITTEE'S POLICY IN THE MINIMUM AMOUNT OF $1,000,000.00 FOR EACH OCCURRENCE OF LIABILITY. THE INSURANCE COMPANY WRITING THE POLICY MUST HAVE A RATING OF "A-" OR BETTER AND A SIZE CATEGORY OF CLASS VII OR BETTER AS ESTABLISHED BY "BESTS" KEY RATING GUIDE.
5. NO WORK SHALL BE COMMENCED UNTIL ALL PERMITS HAVE BEEN OBTAINED FROM THE CITY AND OTHER APPROPRIATE AGENCIES.
6. REVISION OF THESE PLANS MAY BE REQUIRED IF THE PROPOSED IMPROVEMENTS ARE NOT CONSTRUCTED PRIOR TO THE DEADLINE DATE OF THE IMPROVEMENT AGREEMENT.
7. NO REVISIONS WILL BE MADE TO THESE PLANS WITHOUT THE WRITTEN APPROVAL OF THE CITY ENGINEER, NOTED WITHIN THE REVISION BLOCK, ON THE APPROPRIATE SHEET OF THE PLANS AND TITLE SHEET.
8. ORIGINAL DRAWINGS SHALL BECOME THE PROPERTY OF THE CITY UPON BEING SIGNED BY THE CITY ENGINEER.
9. THE ORIGINAL DRAWING SHALL BE REVISED TO REFLECT AS-BUILT CONDITIONS BY THE ENGINEER-OF-WORK PRIOR TO FINAL ACCEPTANCE OF THE WORK BY THE CITY.
10. ACCESS FOR FIRE AND OTHER EMERGENCY VEHICLES SHALL BE MAINTAINED TO THE PROJECT SITE AT ALL TIMES DURING CONSTRUCTION.
11. WHERE TRENCHES ARE WITHIN CITY EASEMENTS, A SOILS REPORT COMPRISED OF:
    A. SUMMARY SHEET
    B. LABORATORY WORK SHEETS
    C. COMPACTION CURVES, SHALL BE SUBMITTED BY A PROFESSIONAL ENGINEER OF THE STATE OF CALIFORNIA, PRINCIPALLY DOING BUSINESS IN THE FIELD OF APPLIED SOILS MECHANICS. THE SOILS REPORT WILL BE SUBMITTED TO THE CITY ENGINEERING INSPECTOR WITHIN TWO WORKING DAYS OF COMPLETION OF FIELD TESTS. THE WRITTEN FIELD COMPACTION REPORT(S) SHALL BE IMMEDIATELY SUBMITTED TO THE CITY ENGINEERING INSPECTOR UPON COMPLETION OF THE FIELD TESTS.
12. A PRECONSTRUCTION MEETING SHALL BE HELD AT THE SITE PRIOR TO THE BEGINNING OF WORK AND SHALL BE ATTENDED BY ALL REPRESENTATIVES RESPONSIBLE FOR CONSTRUCTION, INSPECTION, SUPERVISION, TESTING AND ALL OTHER ASPECTS OF THE WORK. THE CONTRACTOR SHALL SCHEDULE THE MEETING BY CALLING THE INSPECTION LINE AT (951) 572-3224 AT LEAST FIVE (5) WORKING DAYS PRIOR TO STARTING CONSTRUCTION. APPROVED DRAWINGS MUST BE AVAILABLE PRIOR TO SCHEDULING.
13. ALL INSPECTION REQUESTS OTHER THAN FOR THE PRECONSTRUCTION MEETING WILL BE MADE BY CALLING THE BUILDING AND SAFETY INSPECTION REQUEST LINE AT (951) 572-3224. INSPECTION REQUESTS MUST BE RECEIVED PRIOR TO 2:00 P.M. ON THE DAY BEFORE THE INSPECTION IS NEEDED. INSPECTIONS WILL BE MADE THE NEXT WORK DAY UNLESS YOU REQUEST OTHERWISE. REQUESTS MADE AFTER 2:00 P.M. WILL BE SCHEDULED FOR TWO FULL WORK DAYS LATER.
14. THE OWNER AND/OR APPLICANT THROUGH THE DEVELOPER AND/OR CONTRACTOR SHALL DESIGN, CONSTRUCT AND MAINTAIN ALL SAFETY DEVICES, INCLUDING SHORING, AND SHALL BE SOLELY RESPONSIBLE FOR CONFORMING TO ALL LOCAL, STATE AND FEDERAL SAFETY AND HEALTH STANDARDS, LAWS AND REGULATIONS.
15. THE CONTRACTOR SHALL CONFORM TO LABOR CODE SECTION 6705 BY SUBMITTING A DETAIL PLAN TO THE CITY ENGINEER AND/OR CONCERNED AGENCY SHOWING THE DESIGN OF SHORING, BRACING SLOPE OR OTHER PROVISIONS TO BE MADE OF WORKER PROTECTION FROM THE HAZARD OF CAVING GROUND DURING THE EXCAVATION OF SUCH TRENCH OR TRENCHES OR DURING THE PIPE INSTALLATION THEREIN. THIS PLAN MUST BE PREPARED FOR ALL TRENCHES FIVE FEET (5') OR MORE IN DEPTH AND APPROVED BY THE CITY ENGINEER AND/OR CONCERNED AGENCY PRIOR TO EXCAVATION. IF THE PLAN VARIES FROM THE SHORING SYSTEM STANDARDS ESTABLISHED BY THE CONSTRUCTION SAFETY ORDERS, TITLE 8 CALIFORNIA ADMINISTRATIVE CODE, THE PLAN SHALL BE PREPARED BY A REGISTERED ENGINEER AT THE CONTRACTORS EXPENSE. A COPY OF THE OSHA EXCAVATION PERMIT MUST BE SUBMITTED TO THE INSPECTOR PRIOR TO EXCAVATION.
16. IF ANY ARCHAEOLOGICAL RESOURCES ARE DISCOVERED WITHIN ANY WORK ZONE DURING CONSTRUCTION, OPERATIONS WILL CEASE IMMEDIATELY, AND THE PERMITTEE WILL NOTIFY THE CITY ENGINEER. OPERATIONS WILL NOT RESTART UNTIL THE PERMITTEE HAS RECEIVED WRITTEN AUTHORITY FROM THE CITY ENGINEER TO DO SO.
17. ALL OPERATIONS CONDUCTED ON THE SITE OR ADJACENT THERETO SHALL ADHERE TO THE NOISE ORDINANCE SET FORTH BY THE CITY MUNICIPAL CODE. ALL OPERATIONS SHALL BE LIMITED BY THE NOISE ORDINANCE TO THE LEVEL OF DECIBELS SPECIFIED FOR THE AREA AND TIME PERIOD. CONSTRUCTION ACTIVITIES WILL BE LIMITED TO THE PERIOD BETWEEN 7:00 A.M. AND 6:00 P.M. EACH DAY MONDAY THROUGH FRIDAY, UNLESS OTHERWISE PERMITTED.
18. ALL OFF-SITE HAUL ROUTES SHALL BE SUBMITTED BY THE CONTRACTOR TO THE CITY ENGINEER FOR APPROVAL TWO FULL WORKING DAYS PRIOR TO BEGINNING OF WORK. THE CONTRACTOR SHALL BE RESPONSIBLE FOR ANY DEBRIS OR DAMAGE OCCURRING ALONG THE HAUL ROUTE OR ADJACENT STREETS AS A RESULT OF THE GRADING OPERATION.
19. NO BLASTING SHALL BE COMMENCED WITHOUT A CITY ENGINEER APPROVED BLASTING PROGRAM AND BLASTING PERMIT.
20. THE EXISTENCE AND LOCATION OF UTILITY STRUCTURES AND FACILITIES SHOWN ON THE CONSTRUCTION PLANS WERE OBTAINED BY A SEARCH OF THE AVAILABLE RECORDS. ATTENTION IS CALLED TO THE POSSIBLE EXISTENCE OF OTHER UTILITY FACILITIES OR STRUCTURES NOT SHOWN OR IN A LOCATION DIFFERENT FROM THAT SHOWN ON THE PLANS. THE CONTRACTOR IS REQUIRED TO TAKE DUE PRECAUTIONARY MEASURES TO PROTECT THE UTILITIES SHOWN ON THE PLANS AND ANY OTHER EXISTING FACILITIES OR STRUCTURES NOT SHOWN.
21. THE CONTRACTOR SHALL VERIFY THE LOCATION OF ALL EXISTING FACILITIES (ABOVEGROUND AND UNDERGROUND) WITHIN THE PROJECT SITE SUFFICIENTLY AHEAD OF THE CONSTRUCTION TO PERMIT THE REVISIONS OF THE CONSTRUCTION PLANS IF IT IS FOUND THAT THE ACTUAL LOCATIONS ARE IN CONFLICT WITH THE PROPOSED WORK.
22. THE CONTRACTOR SHALL NOTIFY AFFECTED UTILITY COMPANIES (SEE BELOW) AT LEAST TWO FULL WORKING DAYS PRIOR TO STARTING CONSTRUCTION NEAR THEIR FACILITIES AND SHALL COORDINATE WORK WITH A COMPANY REPRESENTATIVE.

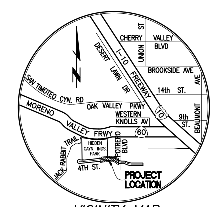
AGENCIES	TELEPHONE
BEAUMONT-CHERRY VALLEY WATER	(951) 845-9581
CITY OF BEAUMONT	(951) 769-8520
KINDER MORGAN	(951) 712-8842
MCI WORLDCOM	(972) 729-6016
QUESTAR PIPELINE COMPANY	(307) 352-7115
SOUTHERN CALIFORNIA EDISON	(909) 307-6710
SOUTHERN CALIFORNIA GAS COMPANY	(909) 335-7755
FRONTIER COMMUNICATIONS	(909) 217-0116

23. IN ACCORDANCE THE CITY STORM WATER STANDARDS ALL STORM DRAIN INLETS CONSTRUCTED BY THIS PLAN SHALL INCLUDE "STENCILS" BE ADDED TO PROHIBIT WASTE DISCHARGE DOWNSTREAM. STENCILS SHALL BE ADDED TO THE SATISFACTION OF THE CITY ENGINEER.

NOTE

1. APPROVAL OF THESE PLANS APPLIES ONLY WITHIN THE JURISDICTION OF THE CITY OF BEAUMONT.
2. TRENCHING FOR UTILITIES AND STRUCTURES IS NOT ALLOWED UNTIL SOIL COMPACTION REPORT IS SUBMITTED AND APPROVED BY THE PUBLIC WORKS DEPARTMENT.
3. THE CITY RESERVES THE RIGHT TO REQUIRE REVISION OF THE APPROVED PLANS TO CONFORM WITH CURRENT STANDARDS AND TO POST A NEW BOND IF CONSTRUCTION HAS NOT COMMENCED WITHIN TWO YEARS AFTER PLANS WERE APPROVED.
4. SIDEWALK AND DRIVEWAY APPROACHES WILL BE POURED/CONSTRUCTED ONLY AFTER DRIVEWAY LOCATIONS ARE DETERMINED.





VICINITY MAP

SHEET INDEX	
1	TITLE SHEET
2	SEWER IMPROVEMENT PLANS STA 8+39.77 TO 20+00.00
3	SEWER IMPROVEMENT PLANS STA 20+00.00 TO 29+47.04

CONSTRUCTION NOTES:

	CONSTRUCTION NOTES	QTY
1	INSTALL 6" C900, CLASS 235, DR 18 PVC PIPE (INSTALL EBBA IRON JOINT RESTRAINT, OR APPROVED EQUAL, IF REQUIRED PER PIPE MANUFACTURER RECOMMENDATIONS).	2,135 LF
2	INSTALL 16" C905, CLASS 165, DR 25 PVC PIPE (INSTALL EBBA IRON JOINT RESTRAINT, OR APPROVED EQUAL, IF REQUIRED PER PIPE MANUFACTURER RECOMMENDATIONS).	2,105 LF
3	CAP END OF PIPE	2 EA
4	REMOVE EXISTING CAP AT END OF PIPE	2 EA

PRIVATE ENGINEERS NOTICE TO CONTRACTOR(S)

1. THE EXISTENCE AND LOCATION OF ANY UNDERGROUND UTILITIES OR STRUCTURES SHOWN ON THESE PLANS ARE OBTAINED BY A SEARCH OF AVAILABLE RECORDS. TO THE BEST OF OUR KNOWLEDGE, THERE ARE NO EXISTING UTILITIES EXCEPT THOSE SHOWN ON THESE PLANS. THE CONTRACTOR IS REQUIRED TO TAKE ALL PRECAUTIONARY MEASURES TO PROTECT THE UTILITIES SHOWN, AND ANY OTHER LINES OR STRUCTURES NOT SHOWN ON THESE PLANS AND IS RESPONSIBLE FOR THE PROTECTION OF, AND ANY DAMAGE TO THESE LINES OR STRUCTURES
2. IT SHALL BE THE CONTRACTORS RESPONSIBILITY TO NOTIFY THE OWNER OF ALL UTILITIES OR STRUCTURES CONCERNED BEFORE STARTING WORK.
3. QUANTITIES SHOWN HEREON ARE PROVIDED FOR BIDDING PURPOSES ONLY. CONTRACTOR SHALL BE RESPONSIBLE FOR VERIFYING ALL QUANTITIES PRIOR TO BIDDING FOR CONSTRUCTION.
4. THE PRIVATE ENGINEER SIGNING THESE PLANS IS RESPONSIBLE FOR ASSURING THE ACCURACY AND ACCEPTABILITY OF THE DESIGN HEREON. IN THE EVENT OF DISCREPANCIES ARISING AFTER CITY APPROVAL OR DURING CONSTRUCTION, THE PRIVATE ENGINEER SHALL BE RESPONSIBLE FOR DETERMINING AN ACCEPTABLE SOLUTION AND REVISING THE PLANS FOR APPROVAL BY THE CITY.

WORK TO BE DONE

THE IMPROVEMENT WORK SHALL BE PERFORMED IN ACCORDANCE WITH THE FOLLOWING DOCUMENTS, CURRENT AT THE TIME OF CONSTRUCTION, AS DIRECTED BY THE CITY ENGINEER.

1. BEAUMONT MUNICIPAL CODE.
2. FOR STREETS: RIVERSIDE COUNTY ORDINANCE NO. 461.
   FLOOD CONTROL FACILITIES: THE RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT'S STANDARDS FOR FLOOD CONTROL FACILITIES.
   SANITARY SEWER FACILITIES: THE EASTERN MUNICIPAL WATER DISTRICT'S STANDARDS FOR SANITARY SEWER FACILITIES.
   ALL OTHER PUBLIC WORKS: THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION (GREEN BOOK).
3. THIS SET OF PLANS.
4. PLOT PLAN NO 16-PP-02, DATED 9/16/2016.
5. SOILS REPORT AND RECOMMENDATIONS BY KLING CONSULTING GROUP, DATED 5/1/2017.

ALL STANDARD DRAWINGS ARE COUNTY OF RIVERSIDE ROAD IMPROVEMENT STANDARDS & SPECIFICATIONS UNLESS NOTED OTHERWISE:
* RCFC&WCD STANDARD MANUAL
** EMWD SEWER STANDARD DRAWINGS
*** STANDARD PLANS FOR PUBLIC WORKS CONSTRUCTION

SEWER NOTES

1. SEWER SYSTEM CONSTRUCTION AND MATERIALS SHALL BE IN ACCORDANCE WITH EASTERN MUNICIPAL WATER DISTRICT (EMWD'S) STANDARDS AND SPECIFICATIONS.
2. GRAVITY SEWER PROFILE ELEVATIONS ARE TO FLOW LINE (CONDUIT INVERT). FORCE MAIN PROFILE ELEVATIONS ARE TO TOP OF PIPE (TOP).
3. CONTRACTOR HAS THE OPTION TO INSTALL PLASTIC OR VCP SEWERS EXCEPT WHERE SPECIFICALLY DESIGNATED ON PLANS PER EMWD STANDARDS AND SPECIFICATIONS.
4. MANHOLES SHALL BE CONSTRUCTED IN ACCORDANCE WITH STANDARD DRAWINGS SB-53, SB-58, AND SB-61, AS APPLICABLE. SEWER MAINS MAY BE LAID THROUGH THE MANHOLES AND USED AS A FORM FOR THE INVERT.
5. MANHOLES OF DEPTHS LESS THAN FIVE FEET FROM FINISH STREET GRADE TO SEWER PIPE SHELF ARE TO BE CONSTRUCTED IN ACCORDANCE WITH STANDARD DRAWING SB-30.
6. ALL LATERALS SHALL HAVE AN ON-SITE CLEANOUT IN ACCORDANCE WITH STANDARD DRAWING SB-52. IN ADDITION, FOR LATERALS SERVING INDUSTRIAL AND/OR COMMERCIAL DEVELOPMENTS, THE REQUIREMENTS FOR SAMPLING AND/OR PRETREATMENT FACILITIES SHALL BE DETERMINED BY CONTRACTING THE BUILDING AND SAFETY DEPARTMENT.
7. MAINLINE CLEANOUTS, WHERE CALLED FOR ON THE PLANS, SHALL BE CONSTRUCTED IN ACCORDANCE WITH STANDARD DRAWING SB-52.
8. PRIOR TO CONSTRUCTION OF SEWER, CONTRACTOR SHALL EXPOSE EXISTING SEWER AND VERIFY ITS EXISTING ELEVATION AND LOCATION. WHEN CONNECTING TO EXISTING MANHOLES AND INLET STUB OF PROPER SIZE EXISTS, NO ALTERATIONS SHALL BE MADE TO EXISTING MANHOLE BASE OR STUB EXCEPT AS SPECIFICALLY AUTHORIZED BY THE CITY INSPECTOR.
9. ALL SEWER INLETS AT THE MANHOLE SHALL BE SUCH THAT ITS CROWN SHALL BE LEVEL WITH THE CROWN OF THE OUTLET PIPE, AT THEIR PROJECTIONS TO THE MANHOLE CENTERLINE.
10. RECONSTRUCTION OF EXISTING MANHOLES SHALL BE SCHEDULED AT THE CONVENIENCE OF THE CITY AND SHALL BE COMPLETED WITHIN FIVE WORKING DAYS FOLLOWING ITS COMMENCEMENT.
11. SEWER LATERALS SHALL BE CONSTRUCTED IN ACCORDANCE WITH SB-177. LOCATIONS OF WYES AND LATERALS, WHERE NOT SHOWN ON THE PLANS, ARE TO BE DETERMINED IN THE FIELD PRIOR TO CONSTRUCTION TO MISS DRIVEWAYS. ALL LATERALS ARE TO BE 4" IN DIAMETER UNLESS OTHERWISE SHOWN ON PLANS. CONNECTIONS OF NEW LATERALS TO EXISTING SEWER ARE TO BE PER STANDARD DRAWING SB-176.
12. THE CONTRACTOR IS ADVISED THAT THE WORK ON THIS PROJECT MAY INVOLVE WORKING IN A CONFINED AIR SPACE. CONTRACTOR SHALL BE RESPONSIBLE FOR "CONFINED AIR SPACE" ARTICLE 108, TITLE 8, CALIFORNIA ADMINISTRATIVE CODE.
13. WHERE GROUNDWATER IS ENCOUNTERED, ALL VCP PIPE SHALL BE TREATED FOR ABSORPTION RESISTANCE PER EMWD'S SPECIFICATIONS.
14. BACKWATER VALVES SHALL BE INSTALLED PER SECTION 710.1 OF THE UNIFORM PLUMBING CODE.
15. ALL PIPE ZONE BEDDING AND TRENCH BACKFILL ARE TO BE PER STANDARD DRAWING SB-157, SB-158, AND SB-159.

NOTICE TO CONTRACTOR:
ALL WORK TO BE CONSTRUCTED PER THIS PLAN BY PREVAILING WAGES.

THIS PLAN DOES NOT INCLUDE PROPOSED SIDEWALKS, FIRE HYDRANTS, WATER MAINS, GAS LINES, ELECTRICAL LINES OR TELEPHONE LINES.

"DECLARATION OF RESPONSIBLE CHARGE"

I HEREBY DECLARE THAT I AM THE ENGINEER OF WORK FOR THIS PROJECT, THAT I HAVE EXERCISED RESPONSIBLE CHARGE OVER THE DESIGN OF THE PROJECT AS DEFINED IN SECTION 6703 OF THE BUSINESS AND PROFESSIONS CODE, AND THAT THE DESIGN IS CONSISTENT WITH CURRENT STANDARDS. I UNDERSTAND THAT THE CHECK OF PROJECT DRAWINGS AND SPECIFICATIONS BY THE CITY OF BEAUMONT DOES NOT RELIEVE ME AS ENGINEER OF WORK OF MY RESPONSIBILITIES FOR PROJECT DESIGN.

FIRM: THIENES ENGINEERING INC.
ADDRESS: 14349 FIRESTONE BLVD
CITY, ST.: LA MIRADA, CA 90638
TELEPHONE: (714) 521-4811
BY: [signature] REINHARD STENZEL RCE 56155 DATE: 7/21/2020

LINE TYPE LEGEND:

PROPOSED 6" SEWER FORCE MAIN	(solid line)
PROPOSED 16" SEWER FORCE MAIN	(double line)
PROPOSED GRAVITY SEWER MAIN	SS SS SS
PROPOSED DOMESTIC WATER MAIN	DW DW DW
PROPOSED RECLAIM WATER MAIN	RW RW RW
EXISTING GRAVITY SEWER MAIN	(SS) (SS) (SS)
EXISTING DOMESTIC WATER MAIN	(DW) (DW) (DW)
EXISTING RECLAIM WATER MAIN	(RW) (RW) (RW)

ABBREVIATIONS:

A.B.	AGGREGATE BASE	L.P.	LOW POINT
ARCH.	ARCHITECTURAL	M.H.	MANHOLE
A.C.	ASPHALT CONCRETE	N.G.	NATURAL GRADE
B.W.	BACK OF WALK	PKWY DRAIN	PARKWAY DRAIN
B.C.R.	BEGINNING OF CURVE	P.P.	POWER POLE
B.O.P.	BOTTOM OF PIPE	ℙ	PROPERTY LINE
B.O.W.	BOTTOM OF WALL	P.V.C.	POLYVINYLCHLORIDE
BLDG	BUILDING	R	RATE OF GRADE
C.I.P.	CAST IRON PIPE	R.C.P.	REINFORCED CONCRETE PIPE
C.B.	CATCH BASIN	R.D.	ROOF DRAIN
℄	CENTERLINE	R/W	RIGHT OF WAY
C.L.F.	CHAIN LINK FENCE	S	SLOPE
CONC.	CONCRETE	S.F.	SQUARE FEET
C.M.B.	CRUSHED MISC. BASE	S.D.	STORM DRAIN
C.F.	CURB FACE	ST.LT.	STREET LIGHT
E.P.	EDGE OF PAVEMENT	S.W.	STEM WALL
E.C.R.	END OF CURVE	T.B.	TOP OF BERM
EXIST.	EXISTING	T.C.	TOP OF CURB
(0.00)	EXISTING ELEVATION	T.S.	TOP OF CONCRETE SLAB
F.F.	FINISH FLOOR	T.E.	TRASH ENCLOSURE
F.O.	FIBER OPTIC	TRANS PAD	TRANSFORMER PAD
F.G.	FINISH GRADE	T.F.	TOP OF FOOTING
F.S.	FINISH SURFACE	T.G.	TOP OF GRATE
F.H.	FIRE HYDRANT	TOE	TOE OF SLOPE
F.L.	FLOW LINE	TOP	TOP OF SLOPE
G.B.	GRADE BREAK	T.O.P.	TOP OF PIPE
H.C.	HANDICAP	T.R.	TOP OF RAIL
H	HEIGHT OF RETAINING	T.W.	TOP OF WALL
H.P.	HIGH POINT	X+XX	SEWER STATION
INV.	INVERT	[X+XX]	STREET STATION
L.S.	LANDSCAPING		

OWNER INFORMATION:

MCDONALD PROPERTY GROUP
1140 N. COAST HIGHWAY
LAGUNA BEACH, CA 92651
PHONE: (949) 999-2800
FAX: (949) 999-2839

NOTE TO CONTRACTOR:
PRIOR TO CONSTRUCTION OF SEWER THE CONTRACTOR SHALL VERIFY INVERT AND LOCATION OF EXISTING UTILITIES AT POINT OF CONNECTION AND NOTIFY CIVIL ENGINEER IN CASE OF CONFLICT.

LEGAL DESCTIPTION:

DAVID RICKER (WEST OF PORTRERO):
A STRIP OF LAND, 100.00 FEET IN WIDTH, SITUATED IN A PORTION OF THE SOUTHEAST QUARTER OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, BEING ALSO A PORTION OF THE LAND DESCRIBED IN THAT CERTAIN DEED RECORDED OCTOBER 1, 2008 AS DOCUMENT NO. 2008-0533024, OF OFFICIAL RECORDS OF SAID COUNTY.

LASSEN DEVELOPMENT PARTNERS (EAST OF PM NO. 36426):
THAT CERTAIN LAND DESCRIBED IN IRREVOCABLE RIGHT OF WAY OFFER OF DEDICATION TO THE CITY OF BEAUMONT, BEING A PORTION OF THE EAST HALF OF THE WEST HALF OF THE NORTHEAST QUARTER OF SECTION 7, TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERNARDINO BASE AND MERIDIAN, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, RECORDED JUNE 2, 2016 AS DOCUMENT NO. 2016-0227312, OF OFFICIAL RECORDS OF SAID COUNTY.

PARCEL MAP NO. 36426
BEING A SUBDIVISION OF A PORTION OF THE NORTH HALF OF SECTION 7 AND THE SOUTHWEST QUARTER OF SECTION 6, BOTH OF TOWNSHIP 3 SOUTH, RANGE 1 WEST, SAN BERARDINO MERIDIAN, AS RECORDED MARCH 16, 2017, AS DOCUMENT NO. 2017-0108002, OF OFFICIAL RECORDS OF SAID COUNTY.

Last Update: 6/11/20
O:\3000-3099\3080\SEWER FORCE MAIN\3080SEW-FORCE-01.dwg

DIGALERT
Call 2 Working Days Before You Dig! 811

BENCHMARK:
NATIONAL GEODETIC SURVEY BENCHMARK NO. "Q 1311"
1.4 MILES WEST OF BEAUMONT ON INTERSTATE 10 TO SAN TIMEOTEO CANYON ROAD NEAR FRONTAGE ROAD ON SOUTH[WEST] SIDE OF INTERSTATE 10, 0.1 MILES SOUTHEAST ALONG FRONTAGE ROAD, SOUTH AND ACROSS THE ROAD FROM A GUY POLE 25.9 FEET SOUTH OF THE CENTERLINE OF FRONTAGE ROAD, 1.8 FEET WEST OF POWERPOLE AND 1.5 FEET EAST OF A WITNESS POST, INSIDE A 4 INCH PVC PIPE WITH SCREW PLUG I INCH ABOVE GROUND (ELEVATION = 2468.07). ALSO SHOWN ON "HIGHWAY 60 / POTRERO BLVD. INTERCHANGE STATIC GPS PROJECT CONTROL DIAGRAM" AND IDENTIFIED THEREON AS 3508 BM DX3474 WHEREIN THE PUBLISHED ELEVATION = 2468.07 IS CORRECTED WITH A MEASURED ELEVATION = 2468.061', USED HEREON.
ELEVATION = 2468.061' (NAVD '88), (STAMPED Q 1311 1978)

BASIS OF BEARINGS:
THE BEARINGS SHOWN HEREON ARE BASED ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE 6, NORTH AMERICAN DATUM 1983, AS DETERMINED LOCALLY BY THE LINE BETWEEN CSRC CO CORS STATIONS "CNPP" AND "WIDC", BOTH PUBLISHED ON CSRC DATA SHEETS, BEING N 86°04'01.17163" E (2007.0 EPOCH).

BY	MARK	DESCRIPTION	APPR.	DATE
ENGINEER		REVISIONS		CITY

COMPANY NAME
Thienes Engineering, Inc.
CIVIL ENGINEERING • LAND SURVEYING
14349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH.(714)521-4811 FAX(714)521-4173
[signature] 7/21/2020
REINHARD STENZEL DATE
R.C.E. 56155 EXPIRE 12-31-20

SEAL: REGISTERED PROFESSIONAL ENGINEER REINHARD STENZEL R.C.E. NO. 56155 Exp. 12-31-20 CIVIL STATE OF CALIFORNIA

DESIGN BY:	J.P.
DRAWN BY:	J.P.
CHECKED BY:	R.S.
SCALE:	PER PLAN
DATE:	4/15/2020
JOB NUMBER:	3080i

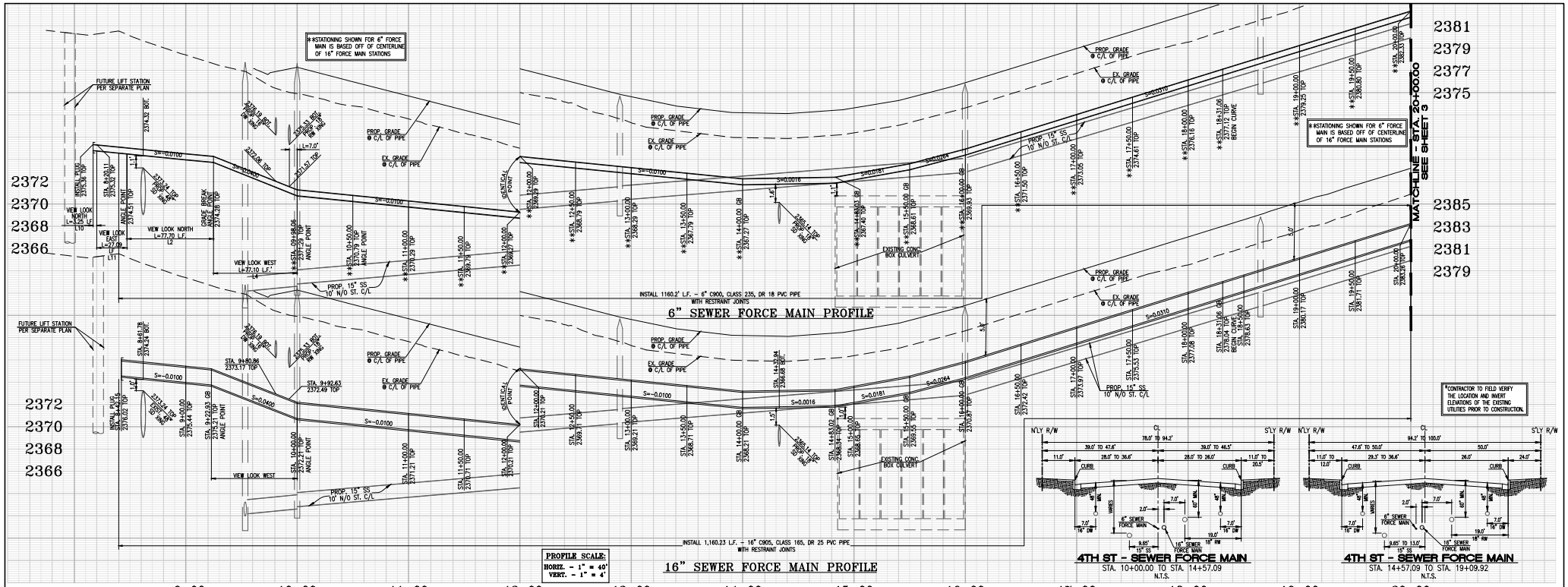
CITY of BEAUMONT CALIFORNIA INC.NOV.18,1912

Reviewed By: [signature] Staff Engineer Date: 7/23/2020
Recommended for Approval By: [signature] Administrative Engineer Date: 7/23/2020
Approved By: [signature] City Engineer/Director of Public Works Date: 08/24/20

CITY OF BEAUMONT, PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION
550E. 6th St Beaumont, CA 92223
TEL: (951) 769-8520 FAX: (951) 769-8526

CITY OF BEAUMONT, CALIFORNIA
PUBLIC SEWER FORCE MAIN IMPROVEMENT PLAN
FOR
4TH STREET
WEST OF POTRERO BLVD.
TITLE SHEET

SHEET 1 OF 3 SHEETS
FILE NO:
PW2020-0432



16" SEWER FORCE MAIN LINE TABLE		
LINE #	LENGTH	BEARING
L1	83.16'	N 87°43'38" E
L3	77.07'	N 1°30'44" W
L5	831.06'	N 88°34'22" E

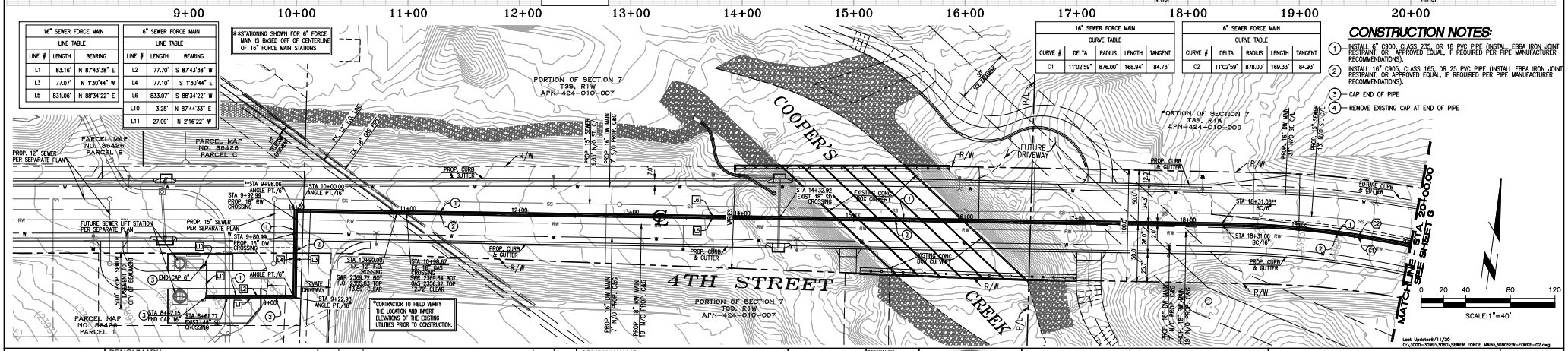
6" SEWER FORCE MAIN LINE TABLE		
LINE #	LENGTH	BEARING
L2	77.70'	S 87°43'38" W
L4	77.10'	S 1°30'44" E
L6	833.07'	S 88°34'22" W
L10	3.25'	N 87°44'33" E
L11	27.09'	N 2°16'22" W

16" SEWER FORCE MAIN CURVE TABLE				
CURVE #	DELTA	RADIUS	LENGTH	TANGENT
C1	11°02'59"	876.00'	168.94'	84.73'

6" SEWER FORCE MAIN CURVE TABLE				
CURVE #	DELTA	RADIUS	LENGTH	TANGENT
C2	11°02'59"	878.00'	169.33'	84.93'

CONSTRUCTION NOTES:

1. INSTALL 6" C900, CLASS 235, DR 18 PVC PIPE (INSTALL EBBA IRON JOINT RESTRAINT, OR APPROVED EQUAL, IF REQUIRED PER PIPE MANUFACTURER RECOMMENDATIONS).
2. INSTALL 16" C905, CLASS 165, DR 25 PVC PIPE (INSTALL EBBA IRON JOINT RESTRAINT, OR APPROVED EQUAL, IF REQUIRED PER PIPE MANUFACTURER RECOMMENDATIONS).
3. CAP END OF PIPE
4. REMOVE EXISTING CAP AT END OF PIPE



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BENCHMARK:
NATIONAL GEODETIC SURVEY BENCHMARK NO. "D 1311"
1.4 MILES WEST OF BEAUMONT ON INTERSTATE 10 TO SAN TIMOTEO CANYON ROAD NEAR FRONTAGE ROAD ON SOUTH(WEST) SIDE OF INTERSTATE 10, 0.1 MILES SOUTHEAST ALONG FRONTAGE ROAD, SOUTH AND ACROSS THE ROAD FROM A GUY POLE 25.8 FEET SOUTH OF THE CENTERLINE OF FRONTAGE ROAD, 1.8 FEET WEST OF POWERPOLE AND 1.5 FEET EAST OF A WITNESS POST, INSIDE A 4 INCH PVC PIPE WITH SCREW PLUG 1 INCH ABOVE GROUND ELEVATION = 2468.07). ALSO SHOWN ON "HIGHWAY 60 / POTRERO BLVD. INTERCHANGE STATIC GPS PROJECT CONTROL DIAGRAM" AND IDENTIFIED THEREON AS 3108 BM DK3474 WHEREIN THE PUBLISHED ELEVATION = 2468.07 IS CORRECTED WITH A MEASURED ELEVATION = 2466.061', USED HEREON.
ELEVATION = 2466.061' (NAVD 88), (STAMPED D 1311 1978)

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BY	MARK	DESCRIPTION	APPR.	DATE
ENGINEER		REVISIONS	CITY	

COMPANY NAME
Thienes Engineering, Inc.
CIVIL ENGINEERING • LAND SURVEYING
14349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH.(714)521-4811 FAX(714)521-4173

7/21/2020
REINHARD STENZEL DATE
R.C.E. 56155 EXPIRE 12-31-20

SEAL: REGISTERED PROFESSIONAL ENGINEER REINHARD STENZEL CIVIL STATE OF CALIFORNIA R.C.E. NO. 56155 Exp. 12-31-20

DESIGN BY: J.P.
DRAWN BY: J.P.
CHECKED BY: R.S.
SCALE: PER PLAN
DATE: 4/15/2020
TOB NUMBER: 3080i

CITY OF BEAUMONT CALIFORNIA INC. NOV 18, 1912

Reviewed By: Staff Engineer Date: 7/23/2020
Recommended for Approval By: Administrative Engineer Date: 7/23/2020
Approved By: City Engineer/Director of Public Works Date: 08/24/20

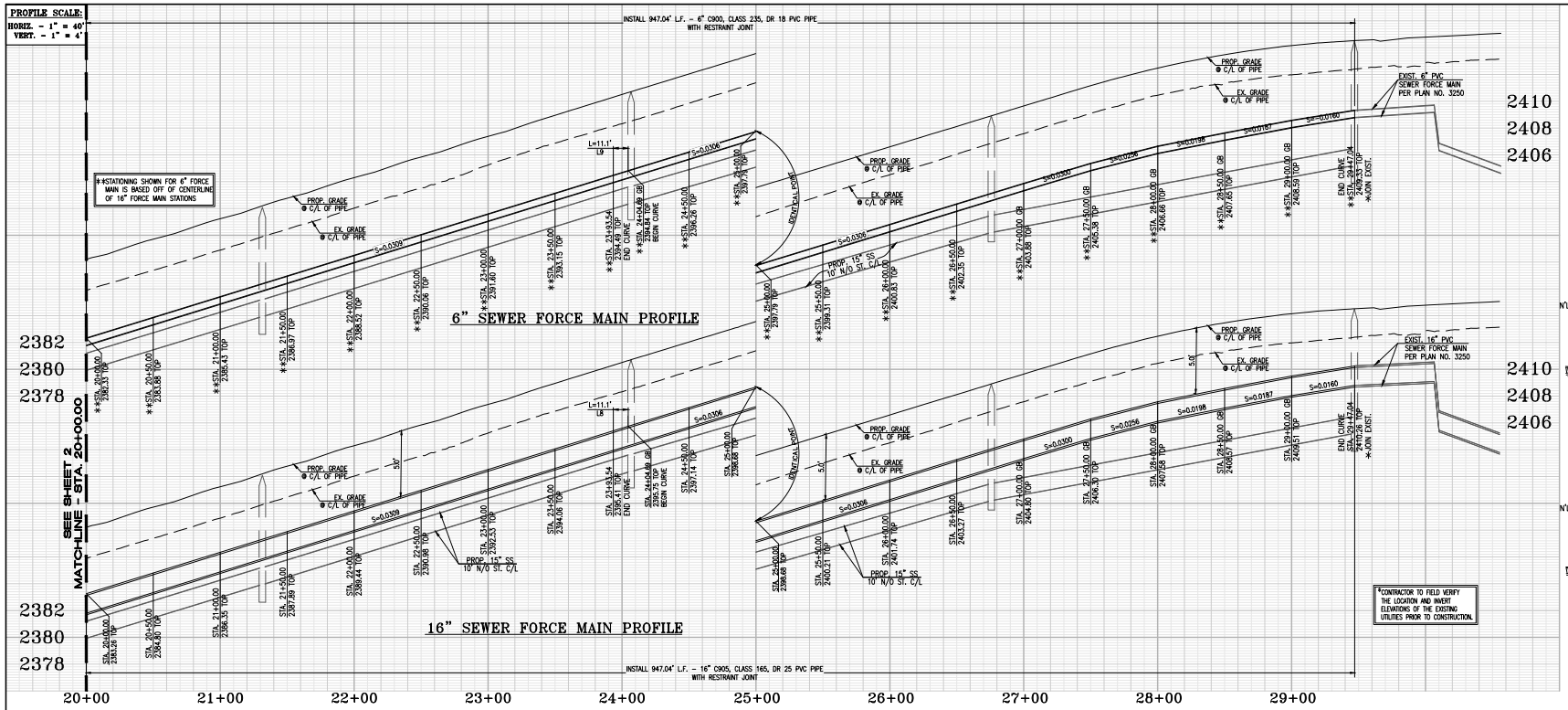
CITY OF BEAUMONT, PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION
550E. 6th St. Beaumont, CA 92223
TEL: (951) 769-8520 FAX: (951) 769-8526

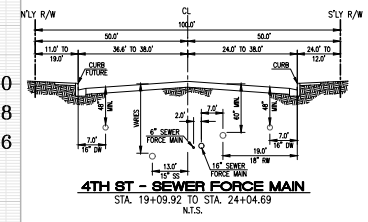
CITY OF BEAUMONT, CALIFORNIA

PUBLIC SEWER FORCE MAIN IMPROVEMENT PLAN
FOR
4TH STREET
STA. 8+39.77 TO STA. 20+00.00

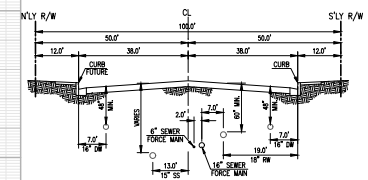
PLAN & PROFILE

SHEET 2 OF 3 SHEETS
FILE NO: PW2020-0432

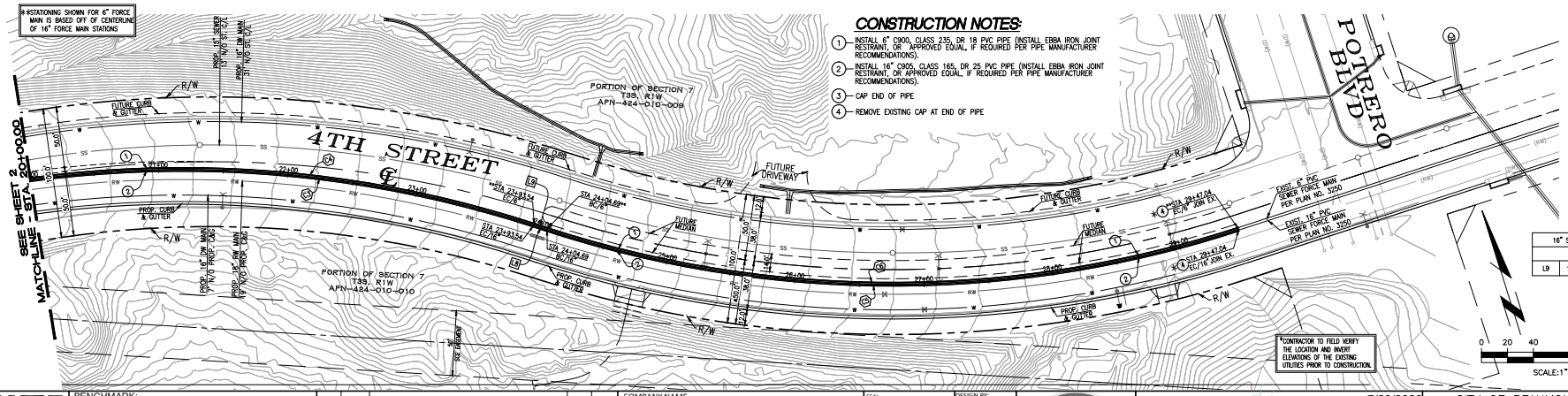




4TH ST - SEWER FORCE MAIN
STA. 19+09.92 TO STA. 24+04.69
N.T.S.



4TH ST - SEWER FORCE MAIN
STA. 24+04.69 TO STA. 29+47.04
N.T.S.



CONSTRUCTION NOTES:

1. INSTALL 6" C900, CLASS 235, DR 18 PVC PIPE (INSTALL EBBA IRON JOINT RESTRAINT, OR APPROVED EQUAL, IF REQUIRED PER PIPE MANUFACTURER RECOMMENDATIONS).
2. INSTALL 16" C905, CLASS 165, DR 25 PVC PIPE (INSTALL EBBA IRON JOINT RESTRAINT, OR APPROVED EQUAL, IF REQUIRED PER PIPE MANUFACTURER RECOMMENDATIONS).
3. CAP END OF PIPE
4. REMOVE EXISTING CAP AT END OF PIPE

16" SEWER FORCE MAIN				
CURVE TABLE				
CURVE #	DELTA	RADIUS	LENGTH	TANGENT
C3	25°44'24"	876.00'	393.54'	200.15'
C5	36°02'57"	862.00'	542.35'	280.49'

6" SEWER FORCE MAIN				
CURVE TABLE				
CURVE #	DELTA	RADIUS	LENGTH	TANGENT
C4	25°44'24"	878.00'	394.44'	200.60'
C6	36°02'57"	860.00'	541.09'	279.84'

16" SEWER FORCE MAIN		
LINE TABLE		
L9	11.15'	N 54°38'15" W

6" SEWER FORCE MAIN		
LINE TABLE		
L8	11.15'	S 54°38'15" E

DIGALERT
Call 2 Working Days Before You Dig!
811

BENCHMARK:
NATIONAL GEODETIC SURVEY BENCHMARK NO. "D 1311"
1.4 MILES WEST OF BEAUMONT ON INTERSTATE 10 TO SAN TIMOTEO CANYON ROAD NEAR FRONTAGE ROAD ON SOUTH(WEST) SIDE OF INTERSTATE 10, 0.1 MILES SOUTHEAST ALONG FRONTAGE ROAD, SOUTH AND ACROSS THE ROAD FROM A GUY POLE 25.8 FEET SOUTH OF THE CENTERLINE OF FRONTAGE ROAD, 1.8 FEET WEST OF POWERPOLE AND 1.5 FEET EAST OF A WITNESS POST, INSIDE A 4 INCH PVC PIPE WITH SCREW PLUG 1 INCH ABOVE GROUND (ELEVATION = 2468.07). ALSO SHOWN ON "HIGHWAY 60 / POTRERO BLVD. INTERCHANGE STATIC GPS PROJECT CONTROL DIAGRAM" AND IDENTIFIED THEREON AS 3108 BM DG3474 WHEREIN THE PUBLISHED ELEVATION = 2468.07 IS CORRECTED WITH A MEASURED ELEVATION = 2468.061', USED HEREON.
ELEVATION = 2468.061' (NAVD 88), (STAMPED D 1311 1978)

BASIS OF BEARINGS:
THE BEARINGS SHOWN HEREON ARE BASED ON THE CALIFORNIA STATE PLANE COORDINATE SYSTEM, ZONE 6, NORTH AMERICAN DATUM 1983, AS DETERMINED LOCALLY BY THE LINE BETWEEN CSRC CO-ORD STATIONS "CWPP" AND "MOC", BOTH PUBLISHED ON CSRC DATA SHEETS, BEING N 86°04'01.17163" E (2007.0 EPOCH).

BY	MARK	DESCRIPTION	APPR.	DATE
ENGINEER		REVISIONS	CITY	

COMPANY NAME
Thienes Engineering, Inc.
CIVIL ENGINEERING ■ LAND SURVEYING
1-7349 FIRESTONE BOULEVARD
LA MIRADA, CALIFORNIA 90638
PH.(714)521-4811 FAX(714)521-4173

REINHARD STENZEL 7/21/2020
R.C.E. 56155 EXPIRE 12-31-20 DATE

SEAL: REGISTERED PROFESSIONAL ENGINEER REINHARD STENZEL C 56155 CIVIL STATE OF CALIFORNIA
R.C.E. NO. 56155 Exp. 12-31-20

DESIGN BY: J.P.
DRAWN BY: J.P.
CHECKED BY: R.S.
SCALE: PER PLAN
DATE: 4/15/2020
TOB NUMBER: 30861

CITY of BEAUMONT CALIFORNIA INC. NOV 16, 1912

Reviewed By: Staff Engineer Date: 7/23/2020
Recommended for Approval By: Administrative Engineer Date: 7/23/2020
Approved By: City Engineer/Director of Public Works Date: 08/24/20

CITY OF BEAUMONT, PUBLIC WORKS DEPARTMENT
ENGINEERING DIVISION
550E. 6th St
Beaumont, CA 92223
TEL: (951) 769-8520 FAX: (951) 769-8526

CITY OF BEAUMONT, CALIFORNIA

PUBLIC SEWER FORCE MAIN IMPROVEMENT PLAN
FOR
4TH STREET
STA. 20+00.00 TO STA. 29+47.04

PLAN & PROFILE

SHEET 3 OF 3 SHEETS
FILE NO: PW2020-0432

Staff Report

TO: City Council

FROM: Jeff Hart, Public Works Director

DATE September 1, 2020

SUBJECT: **A Resolution of The City of Beaumont Authorizing City Council to Summarily Vacate Street Right-of-Way from Luis Estrada Road Fronting Maya Plaza and Being Generally Located at the Southwest Corner of the Intersection with SR-79**

Background and Analysis:

The applicant, Lizmarto, LP, a California Limited Partnership, is requesting a summary street vacation of existing excess right-of-way on Luis Estrada Road near the intersection of Beaumont Avenue (see Attachment B) and fronting the Maya Plaza.

In conjunction with the street vacation, the applicant will reserve public utility easements over the street vacation area which consists of approximately 8,746 square feet. By reserving easements, utility purveyors will have the ability to maintain their respective utilities within the vacated portion of Luis Estrada Road. The applicant is not proposing any alterations to the existing ground, nor constructing any building infrastructure within the proposed vacation area. Therefore, if any utilities are located within the street vacation area which were not identified by the applicant's land surveyor, or any of the utility purveyors, they will remain undisturbed.

This street vacation will not impact the existing improvements or alignment of Luis Estrada Road.

The City sent a utility notice to all pertinent utility purveyors within the City of Beaumont of the proposed street vacation. The City has received responses from the following utility purveyors:

- Beaumont Cherry Valley Water District,
- Frontier Communications,
- Charter (Spectrum) Communications,
- Kinder Morgan,

- Questar,
- Southern California Gas Company, and
- Southern California Edison.

All of the preceding utility purveyors indicated that the proposed street vacation and reservation of public utility easement would not affect their respective utility.

The California Streets and Highway Code (SHC) allows a legislative body to process a summary street vacation in accordance with the regulations set forth in Sections 8330, 8333, 8334, and 8341. The regulations entail the following:

- Require that the street vacation shall not affect in place public utilities,
- Give the local agency the ability to vacate excess street right-of-way not required for street or highway purposes,
- Require that the legislative body adopt a resolution to vacate street right-of-way, and
- Require the legislative body to document the reservation of existing public utility easements.

Staff has reviewed the California Streets and Highway Code and determined that the vacation area will not affect the City's traffic circulation element. Therefore, staff recommends that the City Council summarily vacate the 8,746 square feet of street right-of-way from Luis Estrada Road by adopting the attached resolution.

Subsequent to the street vacation, the City will retain fee interest in approximately 5,872 square feet of property. The recordation of a quitclaim deed is necessary to convey the City's interest in said property to Lizmarto, LP.

Fiscal Impact:

The cost to prepare the staff report and have the city attorney review the street vacation documents is approximately $1,000. The applicant has paid all fees associated with plan checking the street vacation documents.

Recommended Action:

Waive the full reading and adopt by title only, "A Resolution of The City of Beaumont Authorizing City Council to Summarily Vacate Street Right-of-Way from Luis Estrada Road Fronting Maya Plaza";
Approve the Quitclaim Deed and Authorize the Mayor to Execute; and

Record the street vacation and Quitclaim Deed documents with the Riverside County Clerk Recorder's Office.

Attachments:

A. Street Vacation Resolution
B. Legal Description and Plat for Street Vacation
C. Quitclaim Deed

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF BEAUMONT AUTHORIZING CITY COUNCIL TO SUMMARILY VACATE STREET RIGHT-OF-WAY FROM LUIS ESTRADA ROAD FRONTING MAYA PLAZA

WHEREAS, Lizmarto, LP, a California Limited Partnership, requested that the City vacate approximately 8,746 square feet of street right-of-way from Luis Estrada Road fronting Maya plaza; and

WHEREAS, City agreed to vacate the street right-of-way only if the street vacation conforms to the regulations of the California Streets and Highway Code (SHC); and

WHEREAS, SHC Section 8341 requires that the legislative body determine if reservation of existing utility easements are required in the right of way that is to be vacated and in this case reservation of such existing utility easement is required; and

WHEREAS, SHC Section 8334 allows the legislative body to summarily vacate excess street right-of-way not required for street and highway purposes; and

WHEREAS, SHC Section 8336 requires the legislative body to record the resolution of vacation in the Riverside County Clerk Recorder's Office; and

WHEREAS, Staff has determined that the street vacation will not affect the City's traffic circulation element; and

NOW, THEREFORE, BE IT RESOLVED, that the City of Beaumont does authorize the street vacation per the following provisions:

Provision 1. Easements for public utilities shall be reserved in the street vacation area.

Provision 2. This resolution along with the legal description and plat for the street vacation shall be recorded with the Riverside County Clerk Recorder's Office.

PASSED, APPROVED AND ADOPTED at a regular meeting of the City Council of the City of Beaumont, California, held on the _____ day of _____, 2020.

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Ray Santos, Mayor

Attest: _____
Steven Mehlman, City Clerk

Approved as to form:

_____
John O. Pinkney, City Attorney

Recording Requested By:
City of Beaumont

When Recorded Mail To:
City of Beaumont Engineering Dept.
550 E. Sixth Street
Beaumont, CA 92223

NOTICE OF STREET VACATION NO. 2018-SV-002

RECORDED OWNER(S)	AFFECTED ASSESSOR PARCEL NUMBER(S)
City of Beaumont	418-201-12

LEGAL DESCRIPTION

SEE ATTACHED EXHIBIT "A" AND EXHIBIT "B" ATTACHED HERETO AND MADE A PART THEREOF.

SIGNATURE OF RECORD OWNER(S) (MUST BE NOTARIZED)

Signature _____
Mayor, City of Beaumont

Date _____

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }SS.
COUNTY OF }

ON _____ before me,

_____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under **Penalty of Perjury** under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Of Notary Public

See additional sheets for additional notaries needed

MAIL TAX STATEMENTS TO:

DEPARTMENT USE ONLY

This Notice of Street Vacation No. 2018-SV-002 is approved

By: Robert C. Ollerton
Title: CITY SURVEYOR
Date: 8-21-2018

SURVEY DEPARTMENT APPROVAL

PROFESSIONAL LAND SURVEYOR
ROBERT C. OLLERTON
No. 7731
STATE OF CALIFORNIA

EXHIBIT "A" – LEGAL DESCRIPTION
NOTICE OF STREET VACATION

ALL THAT PORTION OF LAND LYING WITHIN LUIS ESTRADA ROAD, FORMERLY FOURTH STREET AS SHOWN ON THE STATE OF CALIFORNIA RIGHT OF WAY MAP, RECORDED AS COUNTY SURVEYOR MAP NO. 204-91, RECORDS OF RIVERSIDE COUNTY, DATED SEPTEMBER 4, 1962, AND PORTION OF PUBLIC PARK AS SHOWN ON AMENDED MAP OF THE TOWN OF BEAUMONT, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGES 16 AND 17 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHEAST CORNER OF LOT 1, BLOCK 131, OF SAID AMENDED MAP OF THE TOWN OF BEAUMONT, SAID CORNER ALSO BEING THE INTERSECTION OF THE WEST LINE OF EUCLID AVENUE (80 FEET WIDE) WITH THE SOUTH LINE OF FOURTH STREET (80 FEET WIDE), AS SHOWN ON SAID MAP, **THENCE** NORTH 89° 36' 40" WEST ALONG SAID SOUTH LINE OF FOURTH STREET, A DISTANCE OF 263.45 FEET TO A POINT ON THE EAST LINE OF THE SOUTHERN PACIFIC RAILROAD COMPANY'S RIGHT OF WAY AT THE TRANSITION FROM 300 FOOT TO 200 FOOT WIDTH, SAID EAST LINE BEING RADIAL TO SAID RIGHT OF WAY WITH A BEARING OF SOUTH 28° 59' 15" WEST AND SAID POINT BEING A DISTANCE OF 29.45 FEET NORTHEASTERLY FROM THE NORTHERLY 200 FOOT WIDTH RIGHT OF WAY LINE;

THENCE NORTH 28° 59' 15" EAST ALONG SAID EAST LINE, A DISTANCE OF 10.12 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE NORTHERLY, HAVING A RADIUS OF 433.00 FEET, AND A RADIAL LINE THROUGH SAID POINT BEARS SOUTH 05°33'11" WEST, SAID CURVE ALSO BEING 33.00 FEET SOUTHERLY AND PARALLEL TO CENTERLINE OF FOURTH STREET AS SHOWN ON SAID COUNTY SURVEYOR MAP;

THENCE EASTERLY ALONG THE ARC OF SAID PARALLEL CURVE THROUGH A CENTRAL ANGLE OF 5° 19' 41", AN ARC LENGTH OF 40.27 FEET;

THENCE SOUTH 89° 46' 40" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 258.40 FEET;

THENCE SOUTH 89° 46' 21" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 27.93 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE SOUTHERLY AND HAVING A RADIUS OF 967.00 FEET;

THENCE EASTERLY ALONG THE ARC OF SAID PARALLEL CURVE THROUGH A CENTRAL ANGLE OF 18° 29' 06", AN ARC LENGTH OF 311.98 FEET;

THENCE SOUTH 71° 17' 15" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 3.56 FEET TO A POINT WHICH LIES 92.00 FEET WESTERLY MEASURED AT RIGHT ANGLES TO THE CENTERLINE OF BEAUMONT AVENUE;

THENCE SOUTH 00° 15' 08" WEST PARALLEL TO SAID CENTERLINE OF BEAUMONT AVENUE, A DISTANCE OF 19.48 FEET TO A POINT ON THE SOUTHERLY LINE OF THAT PORTION OF LAND CONVEYED TO THE STATE OF CALIFORNIA RECORDED SEPTEMBER 11, 1959 AS INSTRUMENT NO. 77992 BOOK 2542 PAGE 433, OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE NORTH 77° 44' 25" WEST ALONG SAID SOUTHERLY LINE, A DISTANCE OF 304.62 FEET TO THE NORTHWEST CORNER OF THE PUBLIC PARK AND THE SOUTH RIGHT OF WAY LINE OF FOURTH STREET AS SHOWN ON SAID AMENDED MAP;

THENCE NORTH 89° 46' 21" WEST PARALLEL WITH THE CENTERLINE OF SAID FOURTH STREET, A DISTANCE OF 39.97 FEET;

THENCE NORTH 89° 46' 40" WEST CONTINUING ALONG SAID PARALLEL LINE, A DISTANCE OF 40.03 FEET TO THE **POINT OF BEGINNING**.

ALSO, **RESERVING** THEREFROM AN EASEMENT FOR EXISTING PUBLIC UTILITIES AND DRAINAGE FACILITIES.

ALSO SHOWN ON EXHIBIT "B" ATTACHED HERETO AND HEREBY MADE A PART HEREOF.

AREA OF VACATION: 8,746 S.F.

REGISTERED LAND SURVEYOR
STEVEN H. RITCHEY
Exp. 12/31/18
NO. 7288
STATE OF CALIFORNIA

Steve Ritchey 6/19/18

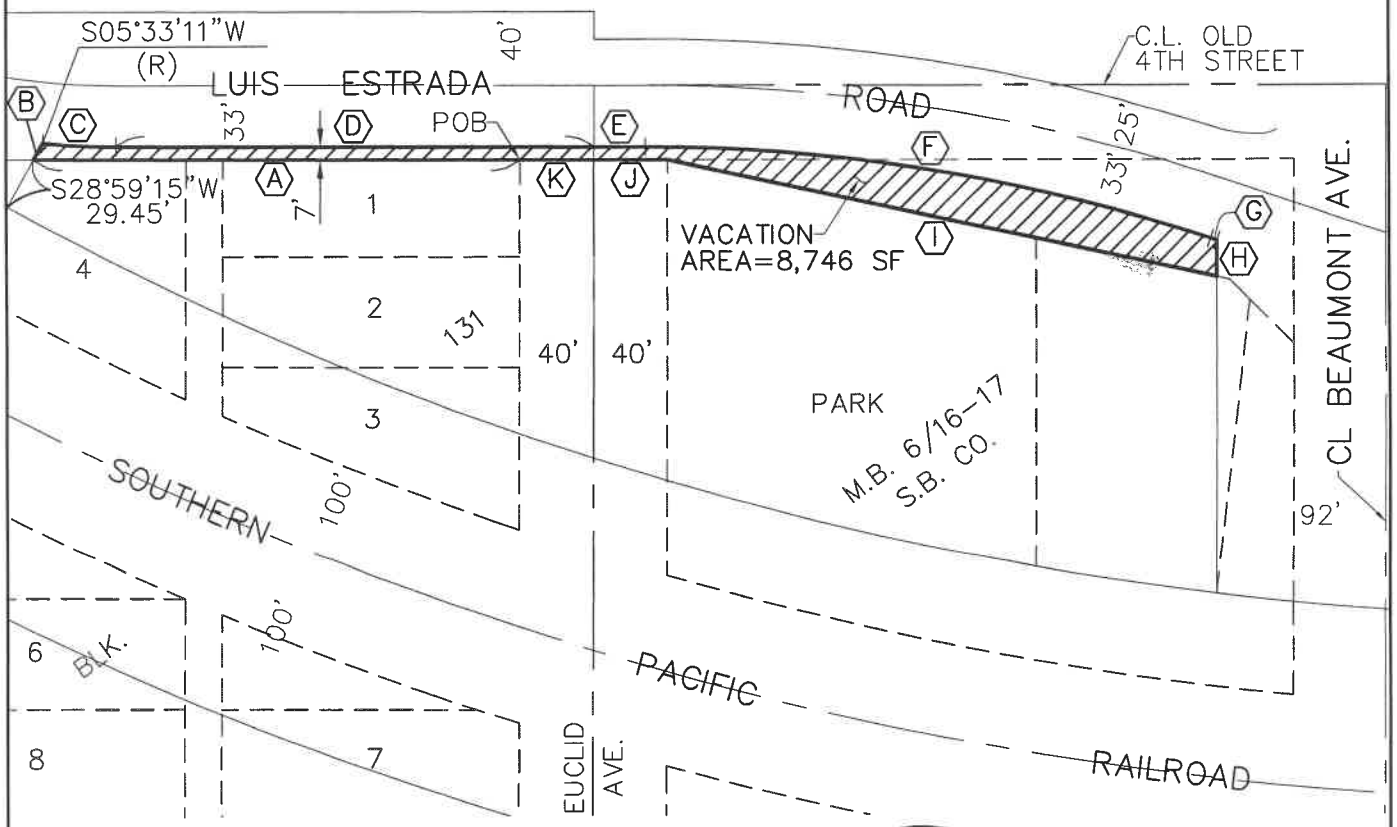
STEVEN H. RITCHEY DATE

EXHIBIT "B" - PLAT MAP

NOTICE OF STREET VACATION

SECTION 10, TOWNSHIP 3S, RANGE 1W

SCALE 1"=100'



PROFESSIONAL LAND SURVEYOR
STEVEN H. RITCHEY
Exp. 12-31-18
NO. 7288
STATE OF CALIFORNIA

Steve Ritchey 6/19/18

STEVEN H. RITCHEY DATE

LEGEND:
AREA TO BE VACATED FOR PUBLIC ROADS, BUT RESERVED FOR EXISTING PUBLIC UTILITIES AND DRAINAGE FACILITIES.

LINE & CURVE DATA

⬡	DELTA/BEARING	RADIUS	LENGTH	TANGENT
A	N89°46'40"W	---	263.45'	---
B	N28°59'15"E	---	10.12'	---
C	5°19'41"	433.00'	40.27'	20.15'
D	S89°46'40"E	---	258.40'	---
E	S89°46'21"E	---	27.93'	---
F	18°29'06"	967.00'	311.98'	157.36'
G	S71°17'15"E	---	3.56'	---
H	S00°15'08"W	---	19.48'	---
I	N77°44'25"W	---	304.62'	---
J	N89°46'21"W	---	39.97'	---
K	N89°46'40"W	---	40.03'	---

SHEET 1 OF 1

LEC
LAND ENGINEERING CONSULTANTS, INC.
P.O. BOX 541, 650 AVENUE K, CALIMESA, CALIFORNIA 92320
PH: (909) 795-8882

RECORDING REQUESTED BY:

CITY OF BEAUMONT

WHEN RECORDED RETURN TO AND
MAIL TAX STATEMENTS TO:

Lizmarto, LP
764 W. Ramona Expressway, Suite C
Perris, CA 92571

APN: AFFECTS 418-201-12 SPACE ABOVE THIS LINE RECORDER'S USE ONLY

QUITCLAIM DEED

FOR VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, The City of Beaumont, a general law city ("Grantor"), hereby quitclaims to Lizmarto, L.P., a California limited partnership ("Grantee"), in an as-is, where is basis, all of its right title and interest, if any without any representation regarding the nature of such right title and interest, in the following described real property in the City of Beaumont, County of Riverside, State of California:

The real property described in Exhibit "A" and depicted in Exhibit "B" attached hereto and made a part hereof by this reference.

It is understood and agreed that the City of Beaumont shall not incur any liability with respect to this quitclaim deed, and the grantee shall indemnify and defend the City from and against any costs of liabilities associated with the same.

EXPRESSLY RESERVING AND EXCEPTING THEREFROM an easement or easements for all existing public or quasi-public utilities of any kind and drainage facilities whether of record or not of record.

GRANTOR:
The City of Beaumont, a general law city

By: _____
Mayor, City of Beaumont

Dated: _____, 2020

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)
County of _____)

On _____, 2020, before me, _____, notary public, personally appeared _____ who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

Signature: _____ (Seal)

EXHIBIT "A" – LEGAL DESCRIPTION

ALL THAT PORTION OF THE PUBLIC PARK OF BLOCK 130 AS SHOWN ON AMENDED MAP OF THE TOWN OF BEAUMONT, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGES 16 AND 17 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA, BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE NORTHWEST CORNER OF SAID PUBLIC PARK, SAID CORNER ALSO BEING THE INTERSECTION OF THE EAST LINE OF EUCLID AVENUE (80 FEET WIDE) WITH THE SOUTH LINE OF FOURTH STREET (80 FEET WIDE), AS SHOWN ON SAID MAP, **THENCE** SOUTH 89° 46' 21" EAST ALONG SAID SOUTH LINE OF FOURTH STREET, A DISTANCE OF 104.10 FEET TO A POINT ON A NON-TANGENT CURVE CONCAVE SOUTHERLY, HAVING A RADIUS OF 967.00 FEET, AND A RADIAL LINE THROUGH SAID POINT BEARS NORTH 07°07'33" EAST, SAID CURVE ALSO BEING 33.00 FEET SOUTHERLY AND PARALLEL TO CENTERLINE OF FOURTH STREET AS SHOWN ON STATE OF CALIFORNIA RIGHT OF WAY MAP, RECORDED AS COUNTY SURVEYOR MAP NO. 204-91, RECORDS OF RIVERSIDE COUNTY, DATED SEPTEMBER 4, 1962;

THENCE EASTERLY ALONG THE ARC OF SAID PARALLEL CURVE THROUGH A CENTRAL ANGLE OF 11° 35' 12", AN ARC LENGTH OF 195.55 FEET;

THENCE SOUTH 71° 17' 15" EAST ALONG SAID PARALLEL LINE, A DISTANCE OF 3.56 FEET TO A POINT WHICH LIES 92.00 FEET WESTERLY MEASURED AT RIGHT ANGLES TO THE CENTERLINE OF BEAUMONT AVENUE;

THENCE SOUTH 00° 15' 08" WEST PARALLEL TO SAID CENTERLINE OF BEAUMONT AVENUE, A DISTANCE OF 19.48 FEET TO A POINT ON THE SOUTHERLY LINE OF THAT PORTION OF LAND CONVEYED TO THE STATE OF CALIFORNIA RECORDED SEPTEMBER 11, 1959 AS INSTRUMENT NO. 77992 BOOK 2542 PAGE 433, OF OFFICIAL RECORDS OF RIVERSIDE COUNTY, CALIFORNIA;

THENCE NORTH 77° 44' 25" WEST ALONG SAID SOUTHERLY LINE, A DISTANCE OF 304.62 FEET TO THE **POINT OF BEGINNING**.

ALSO SHOWN ON EXHIBIT "B" ATTACHED HERETO AND HEREBY MADE A PART HEREOF.

AREA: 5,872 S.F.

REGISTERED LAND SURVEYOR
STEVEN H. RITCHEY
Exp. 12/31/20
NO. 7288
STATE OF CALIFORNIA

Steve Ritchey 8/4/2020

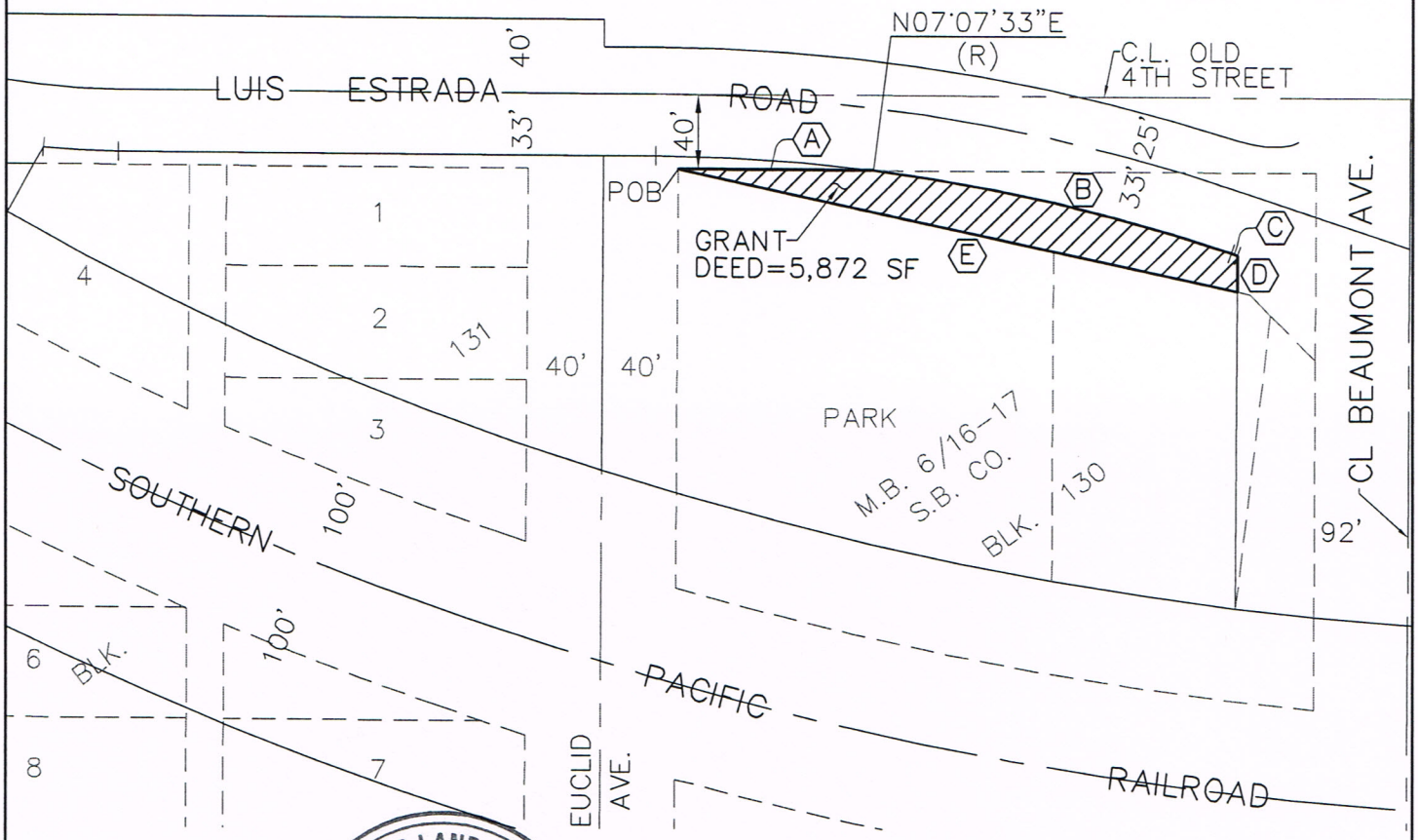
STEVEN H. RITCHEY DATE

1 OF 1

EXHIBIT "B" - PLAT MAP

SECTION 10, TOWNSHIP 3S, RANGE 1W

SCALE 1"=100'



LEGEND:
AREA TO BE DEEDED OVER AFTER VACATION IS COMPLETE.

REGISTERED LAND SURVEYOR
STEVEN H. RITCHEY
Exp. 12/31/20
NO. 7288
STATE OF CALIFORNIA

Steve Ritchey 8/4/2020
STEVEN H. RITCHEY DATE

LINE & CURVE DATA

⬡	DELTA/BEARING	RADIUS	LENGTH	TANGENT
A	S89°46'21"E	---	104.10'	---
B	11°35'12"	967.00'	195.55'	98.11'
C	N71°17'15"W	---	3.56'	---
D	N00°15'08"E	---	19.48'	---
E	S77°44'25"E	---	304.62'	---

SHEET 1 OF 1

LEC
LAND ENGINEERING CONSULTANTS, INC.
P.O. BOX 541, 650 AVENUE K, CALIMESA, CALIFORNIA 92320
PH: (909) 795-8882

Staff Report

TO: City Council

FROM: Jeff Hart, Public Works Director

DATE September 1, 2020

SUBJECT: **A Resolution of The City of Beaumont Authorizing the Mayor to Accept the Offer of Dedication for Drainage Maintenance Within Luis Estrada Road and Euclid Road (Now Vacated); Approve the Certificate of Acceptance for Drainage Maintenance Easement; and Record the Offer of Dedication Documents with the Riverside County Clerk Recorder's Office**

Background and Analysis:

The owner of Maya Plaza, a commercial development located at the southwest corner of SR79/Beaumont Avenue and Luis Estrada Road, is granting a drainage maintenance easement to the City of Beaumont. The development consists of three buildings containing approximately 11,000 square feet of retail, service, and restaurant uses.

As part of the development, the applicant constructed a public storm drain system in accordance with their conditions of approval which conveys stormwater runoff from Luis Estrada Road, through the site, and to the Southern Pacific Railroad right-of-way. The storm drain system bifurcates the development and requires an easement to allow City access to the facilities. The offered easement is approximately 1,693 square feet in area (see Attachment C).

Fiscal Impact:

The cost to prepare the staff report and have city attorney review the offer of dedication documents equates to approximately $1,000. The applicant has paid the plan checking fees associated with plan checking the offer of dedication documents.

Recommended Action:

Waive the full reading and adopt by title only, "A Resolution of The City of Beaumont Authorizing the Mayor to Accept the Offer of Dedication for Drainage Maintenance Within Luis Estrada Road and Euclid Road (Now Vacated)";

Approve the Certificate of Acceptance for Drainage Maintenance Easement; and Record the Offer of Dedication documents with the Riverside County Clerk Recorder's Office.

Attachments:

A. Offer of Dedication Resolution
B. Certificate of Acceptance
C. Offer of Dedication Legal Description and plat map

RESOLUTION NO. _____

A RESOLUTION OF THE CITY OF BEAUMONT AUTHORIZING THE MAYOR TO ACCEPT THE OFFERS OF DEDICATION FOR DRAINAGE MAINTENANCE WITHIN LUIS ESTRADA ROAD AND EUCLID ROAD (NOW VACATED)

WHEREAS, LIZMARTO, LP, a California Limited Partnership has executed a Formal Offer of Dedication to the City of Beaumont for drainage maintenances purposes; and

WHEREAS, all of the storm drain improvements were completed by developer; and

WHEREAS, City staff has determined that storm drain improvements have been completed and are ready to accept; and

WHEREAS, Government Code Section 27281 provides that instruments conveying an interest in real property to the City may not be recorded without a Certificate of Acceptance from the City Council; and

WHEREAS, Government Code Section 27281 also provides that the City Council may, by a resolution, authorize one or more officers to accept instruments conveying an interest in real property by executing a Certificate of Acceptance; and

WHEREAS, the City Council desires to delegate to the Mayor the authority to accept the within described real property interests on behalf of the City.

WHEREAS, a certificate of acceptance for accepting the aforementioned Lots will be recorded with the Riverside County Clerk Recorder's Office once the resolution is adopted by City Council; and

NOW, THEREFORE, BE IT RESOLVED, that the City of Beaumont does authorize accepting easements for storm drain maintenance purposes within Luis Estrada Road and Euclid Road (Now vacated) identified in **Exhibit "A"** attached hereto and made a part hereof by this reference:

Provision 1. Recordation of the aforementioned certificate of acceptance shall be executed by the Mayor and recorded with the Riverside County Clerk Recorder's Office

MOVED, PASSED AND ADOPTED this ___day of September 1, 2020.

AYES:

NOES:

ABSTAIN:

ABSENT:

By:_____
Ray Santos, Mayor, City of Beaumont

ATTEST:

Steven Mehlman
CITY CLERK

By:_____

CERTIFICATE OF ACCEPTANCE

This is to certify that the interest in real property conveyed by the Offer of Dedication dated _____, 20__ from Lizmarto, LP, a California Limited Partnership, to the City of Beaumont, a municipal corporation, was accepted by the City Council of the City of Beaumont pursuant to resolution #_____ and the City of Beaumont consents to the recordation thereof by its duly authorized officer.

Dated: _____

By:
_____

ATTEST:

_____
, City Clerk

APPROVED AS TO FORM:

_____
, City Attorney

Recording Requested By:
City of Beaumont

When Recorded Mail To:
City of Beaumont Engineering Dept.
550 E. Sixth Street
Beaumont, CA 92223

GRANT OF EASEMENT

RECORDED OWNER(S)	AFFECTED ASSESSOR PARCEL NUMBER(S)
Lizmarto, LP	418-201-22

Lizmarto, LP, a California Limited Partnership
Property Owner(s)

hereby make an irrevocable offer of dedication to the City of Beaumont for drainage maintenance purposes within the real property situated in the City of Beaumont, County of Riverside, State of California. Herein described as attached Exhibit "A" (legal description) and shown on Exhibit "B" (plat map) attached hereto and made a part thereof.

SIGNATURE OF RECORD OWNER(S) (MUST BE NOTARIZED)

Name Marwan Alabbasi

Title/Company President of Lizmarto Inc, General Partner of Lizmarto LP

Signature

Date 8/24/18

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA }SS.
COUNTY OF }

ON _____ before me,

_____,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s) or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under **Penalty of Perjury** under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____
Of Notary Public

See additional sheets for additional notaries needed

MAIL TAX STATEMENTS TO:

DEPARTMENT USE ONLY

This Grant of Easement is approved

By: Robert C. Ollerton

Title: CITY SURVEYOR

Date: 8-21-2018

SURVEY DEPARTMENT APPROVAL

PROFESSIONAL LAND SURVEYOR
ROBERT C. OLLERTON
No. 7731
STATE OF CALIFORNIA

CALIFORNIA CERTIFICATE OF ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California)

County of Riverside)

On August 24, 2018 before me, Kim A. DeRosia, Notary Public,
(here insert name and title of the officer)

personally appeared Marwan Alabbasi

,

who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

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

WITNESS my hand and official seal.

KIM A. DEROSIA
COMM. #2246784
Notary Public - California
Riverside County
My Comm. Expires June 18, 2022

NRO1 NRO1

Signature

(Seal)

Optional Information

Although the information in this section is not required by law, it could prevent fraudulent removal and reattachment of this acknowledgment to an unauthorized document and may prove useful to persons relying on the attached document.

Description of Attached Document

The preceding Certificate of Acknowledgment is attached to a document titled/for the purpose of _____,

containing _____ pages, and dated _____.

The signer(s) capacity or authority is/are as:

- ☐ Individual(s)
- ☐ Attorney-in-Fact
- ☐ Corporate Officer(s) _____ Title(s)
- ☐ Guardian/Conservator
- ☐ Partner - Limited/General
- ☐ Trustee(s)
- ☐ Other: _____

representing: _____ Name(s) of Person(s) or Entity(ies) Signer is Representing

Additional Information

Method of Signer Identification

Proved to me on the basis of satisfactory evidence:
○ form(s) of identification ○ credible witness(es)

Notarial event is detailed in notary journal on:
Page # _____ Entry # _____

Notary contact: _____

Other

☐ Additional Signer(s) ☐ Signer(s) Thumbprint(s)

☐ _____

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EXHIBIT "A" – LEGAL DESCRIPTION
DRAINAGE EASEMENT

ALL THAT PORTION OF LAND LYING WITHIN LUIS ESTRADA ROAD, FORMERLY FOURTH STREET AS SHOWN ON THE STATE OF CALIFORNIA RIGHT OF WAY MAP, RECORDED AS COUNTY SURVEYOR MAP NO. 204-91, RECORDS OF RIVERSIDE COUNTY, DATED SEPTEMBER 4, 1962, AND PORTION OF EUCLID AVENUE (NOW VACATED) AS SHOWN ON AMENDED MAP OF THE TOWN OF BEAUMONT, IN THE CITY OF BEAUMONT, COUNTY OF RIVERSIDE, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 6, PAGES 16 AND 17 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAN BERNARDINO COUNTY, CALIFORNIA, BEING A 10.00 FOOT WIDE STRIP OF LAND THE CENTERLINE OF WHICH IS MORE PARTICULARLY DESCRIBED AS FOLLOWS:

COMMENCING AT THE INTERSECTION OF THE CENTERLINE OF SAID EUCLID AVENUE WITH A LINE MEASURING 33.00 FEET SOUTH AT RIGHT ANGLES FROM THE CENTERLINE OF SAID LUIS ESTRADA ROAD, **THENCE** NORTH 89° 36' 40" WEST ALONG SAID SOUTH LINE, A DISTANCE OF 30.55 FEET TO THE **POINT OF BEGINNING**, SAID POINT BEING THE BEGINNING OF A NON-TANGENT CURVE, CONCAVE SOUTHWESTERLY, HAVING A RADIUS OF 45.00 FEET, AND A RADIAL LINE TO SAID POINT BEARS NORTH 41°08'54" EAST;

THENCE SOUTHEASTERLY ALONG THE ARC OF SAID CURVE THROUGH A CENTRAL ANGLE OF 49° 07' 24", AN ARC LENGTH OF 38.58 FEET TO A POINT WHICH LIES 15.00 FEET WEST AND MEASURED AT RIGHT ANGLES TO SAID CENTERLINE OF EUCLID AVENUE;

THENCE SOUTH 00° 16' 18" WEST AND PARALLEL TO SAID CENTERLINE, A DISTANCE OF 130.53 FEET TO AN **ENDING POINT** ON THE NORTHERLY LINE OF THE SOUTHERN PACIFIC RAILROAD RIGHT-OF-WAY, 200.00 FEET WIDE, SAID POINT BEING ON A NON-TANGENT CURVE CONCAVE NORTHERLY AND HAVING A RADIUS OF 1809.91 FEET AND A RADIAL LINE TO SAID POINT BEARS SOUTH 18° 31' 43" WEST.

THE SIDELINES SHALL BE LENGTHENED OR SHORTENED TO TERMINATE AT THE SOUTH RIGHT-OF-WAY LINE OF SAID LUIS ESTRADA ROAD AND AT THE NORTHERLY LINE OF SAID SOUTHERN PACIFIC RAILROAD RIGHT-OF-WAY.

ALSO SHOWN ON EXHIBIT "B" ATTACHED HERETO AND HEREBY MADE A PART HEREOF.

AREA OF EASEMENT: 1,693 S.F.

REGISTERED LAND SURVEYOR
STEVEN H. RITCHEY
Exp. 12/31/18
NO. 7288
STATE OF CALIFORNIA

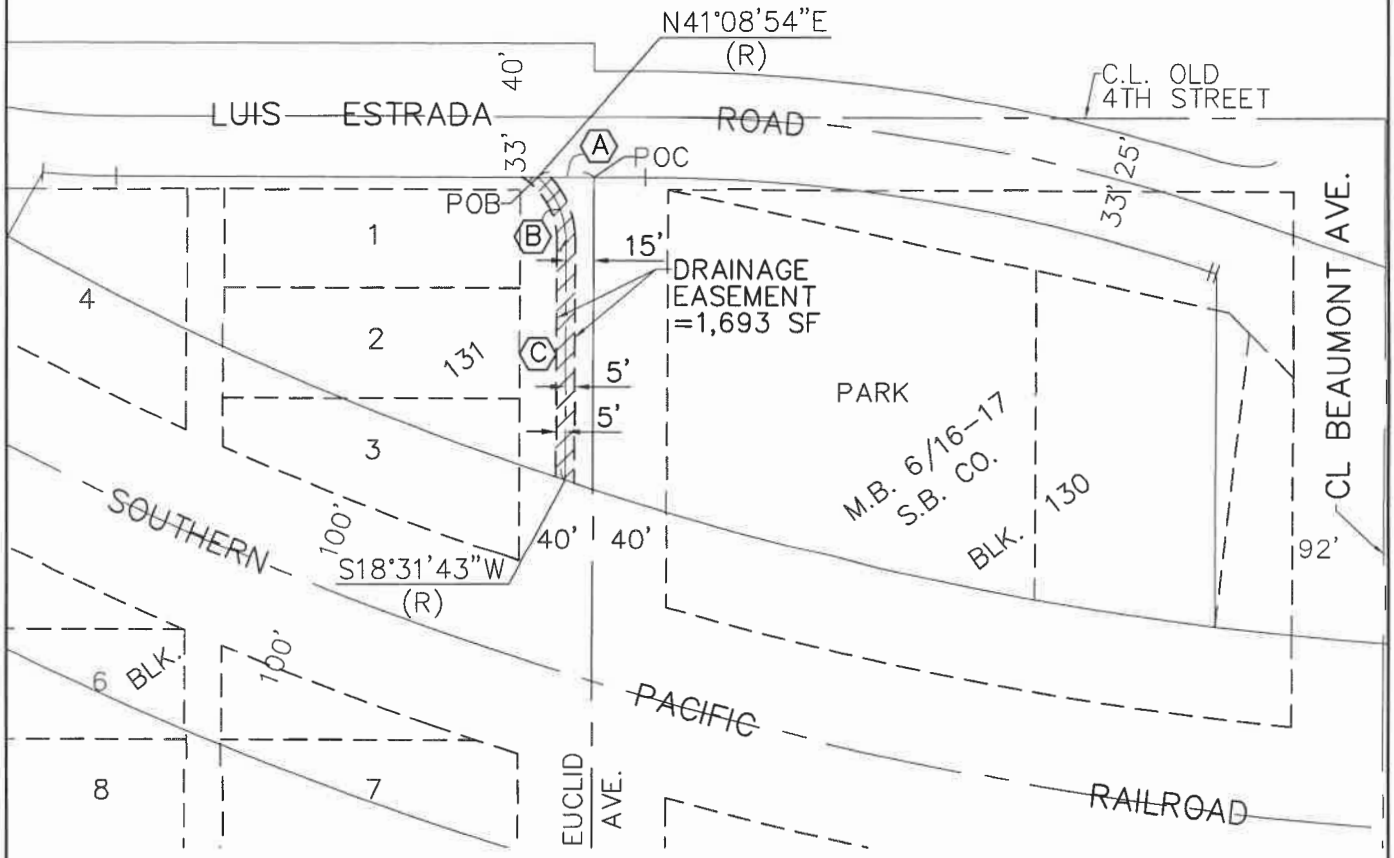
Steve Ritchey 6/19/18
STEVEN H. RITCHEY DATE

EXHIBIT "B" - PLAT MAP

DRAINAGE EASEMENT

SECTION 10, TOWNSHIP 3S, RANGE 1W

SCALE 1"=100'



LEGEND:
DRAINAGE EASEMENT TO THE CITY OF BEAUMONT.

PROFESSIONAL LAND SURVEYOR
STEVEN H. RITCHEY
Exp. 12-31-18
NO. 7288
STATE OF CALIFORNIA

Steve Ritchey 6/19/18
STEVEN H. RITCHEY DATE

SHEET 1 OF 1

LINE & CURVE DATA

⬡	DELTA/BEARING	RADIUS	LENGTH	TANGENT
A	N89°46'40"W	---	30.55'	---
B	49°07'24"	45.00'	38.58'	20.57'
C	S00°16'18"W	---	130.53'	---

LEC
LAND ENGINEERING CONSULTANTS, INC.
P.O. BOX 541, 650 AVENUE K, CALIMESA, CALIFORNIA 92320
PH: (909) 795-8882

BEAUMONT
CALIFORNIA

Staff Report

TO: City Council

FROM: Jeff Mohlenkamp, Finance Director

DATE September 1, 2020

SUBJECT: **A Resolution Authorizing the Issuance of Its 2020 Special Tax Bonds in an Aggregate Principal Amount Not to Exceed $4,000,000 and Approving Certain Documents and Taking Certain Other Actions in Connection Therewith," and Authorizing the Execution and Delivery of an Acquisitions Agreement Relating to the City of Beaumont Community Facilities District No. 2019-1 and Approving Certain Documents and Taking Certain Other Actions in Connection Therewith**

Background and Analysis:

The City of Beaumont ("City") established Community Facilities District No. 2019-1 ("District") on March 5, 2019, for the purpose of financing various public improvements and services required in connection with the proposed development within the District. At the same time, an election was held within the District at which the landowners eligible to vote approved the issuance of bonds in an amount not-to-exceed $4,000,000, secured by special taxes levied on property within the District.

The District, comprised of approximately 19 acres of land, is located in the northeastern portion of the City, bounded by Carnation Way to the north and Xenia Avenue to the east.

Pardee Homes ("Developer") is developing the land within the District into a residential development of 118 planned single-family detached homes within the master planned community known as "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 expects the market rate portions of the Sundance community will be completed by June 2021, however, there is an age-restricted development within Sundance that will not be completed until 2025.

As of July 30, 2020, the date of value of the Appraisal Report, of the 118 homes planned within the District, 95 had been completed and conveyed to individual homeowners, 7 had been completed and were owned by the Developer, and the remaining 16 were in various stages of construction. Since July 30, 2020, and as of August 17, 2020, 97 completed homes had been conveyed to individual homeowners and 20 homes were under contract to be sold. Home sales within the District began in 2019 and the Developer anticipates that all remaining units will be transferred to individual homeowners by December 2020.

In early March, the World Health Organization declared COVID-19 a global pandemic. A state of emergency was declared in the United States, in the State of California ("State"), and in the County of Riverside. As a result, the State issued a shelter-in-place order or similar mandates for individuals not engaged in essential activities to remain at home. In the County of Riverside, residential homebuilding has been considered an essential activity, which has allowed the Developer to continue operations in the City.

While development progress in the District is subject to delays caused by COVID-19, the Developer has not experienced any material increases in costs, delays in home construction resulting from decisions to reduce financing for the project, work stoppages, reduced attendance of workers, lack of or delays in the delivery of building materials or the ability to obtain necessary inspections and approvals attributable to the COVID-19 pandemic. The Developer's sales offices and model home tours were open by appointment only for several weeks in March 2020; however, beginning in May 2020, the Developer's sales offices and model homes were open to both walk-in visitors and visitors with sales appointments during normal business hours. In each case, visiting groups are limited to one per model home.

There are two resolutions for consideration by the City Council this evening:

- Acting as the legislative body of the District, Resolution Authorizing the Issuance of the 2020 Bonds and Approving Certain Documents and Taking Other Actions in Connection Therewith, and
- Acting as the City Council, Resolution Authorizing the Execution and Delivery of the Acquisition Agreement for the District.

Discussion of the Proposed Bond Issuance

Based on market conditions as of August 21, 2020, the proposed Special Tax Bonds, Series 2020 ("2020 Bonds") are expected to be issued in a par amount of approximately $2,170,000. The final maturity will be 2050. Proceeds from the 2020 Bonds will be primarily used to reimburse the Developer for the cost of facilities completed within the

District. A description of such facilities, which include but are not limited to street and road improvements and storm and sewer drain improvements, is provided in the Preliminary Official Statement ("POS").

Assuming City Council approve both resolutions this evening, the 2020 Bonds are expected to price the second or third week of September and close shortly thereafter. Provided in the table below are a few estimated financing statistics related to the 2020 Bonds, as well as the projected special tax levy on homes within the District.

Select Financing and Levy Statistics	
Par Amount	$2,170,000
True Interest Rate	3.57%
Average Annual Payments	$125,457
Total Payments	$3,753,608
Average Projected Levy Per Parcel FYs 2021-50*	$1,317

Based on Market Conditions as of August 21, 2020

**Projected Special Tax Levy Divided by Number of Developed Parcels (118)*

As illustrated above, the average projected levy per parcel for Fiscal Years 2021-50 is $1,317. Such special taxes will not escalate.

As previously mentioned, the resolution authorizes the issuance of the 2020 Bonds and approves forms of the POS, the Indenture, the Bond Purchase Agreement, the Continuing Disclosure Agreement and the Acquisition Agreement and approves the preparation of the appraisal.

As required under Section 5852.1 of the California Government Code, good faith estimates have been provided to the City by Urban Futures, Inc., the Municipal Advisor in consultation with Stifel, Nicolaus & Company, Incorporated, as underwriter of the 2020 Bonds as Attachment A.

Approval of an Acquisition Agreement related to CFD 2019-1 and the issuance of 2020 Special Tax Bonds

In anticipation of the District's issuance of its 2020 Special Tax Bonds (the "Bonds"), the City, the District and Pardee Homes ("Pardee"), the developer within the District, desire to enter into an Acquisition Agreement pursuant to which Pardee will be reimbursed for

the costs relating to the design and construction of certain capital improvements from the special tax proceeds and the bonds. As part of this agenda item, the City Council is being asked to consider the approval of the acquisition agreement with Pardee.

Fiscal Impact:

The 2020 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.

As previously mentioned, the average projected levy per parcel for Fiscal Years 2021-50 is $1,317. Such special taxes will not escalate.

These figures are preliminary and subject to prevailing market conditions at the time of sale.

Further, the acquisition agreement, if approved, would allow the reimbursement to Pardee for projects it has completed in the City. There is no impact on the finances of the City from this contemplated agreement.

Recommended Action:

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. 2019-1, Authorizing the Issuance of Its 2020 Special Tax Bonds in an Aggregate Principal Amount Not to Exceed $4,000,000 and Approving Certain Documents and Taking Certain Other Actions in Connection Therewith," and

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 Acquisitions Agreement Relating to the City of Beaumont Community Facilities District No. 2019-1 and Approving Certain Documents and Taking Certain Other Actions in Connection Therewith."

Attachments:

A. Good Faith Estimates
B. Resolution Authorizing the Issuance of 2020 Bonds
C. Resolution by the City Council approving the Acquisition Agreement in connection with CFD 2019-1
D. Bond Indenture

E. Bond Purchase Agreement (including Continuing Disclosure)
F. Preliminary Official Statement
G. Acquisition Agreement
H. Appraisal

GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the 2020 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 Stifel Nicolaus (the "Original Purchaser").

Principal Amount. The Municipal Advisor has informed the District that, based on the District's financing plan, its good faith estimate of the aggregate principal amount of the 2020 Bonds to be sold is $2,170,000 (the "Estimated Principal Amount").

True Interest Cost of the Bonds. The Municipal Advisor has informed the District that, assuming that the respective Estimated Principal Amount of the 2020 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 2020 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 2020 Bonds, is 3.57%.

Finance Charge of the Bonds. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amount of the 2020 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 2020 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the 2020 Bonds), is $178,815. Additionally, there will be an annual Trustee fee of $3,000 for as long as the 2020 Bonds are outstanding.

Amount of Proceeds to be Received. The Municipal Advisor has informed the District that, assuming the Estimated Principal Amounts of the 2020 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 2020 Bonds, less the finance charge of the 2020 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the 2020 Bonds, is $2,025,305.

Total Payment Amount. The Municipal Advisor has informed the District that, assuming that the Estimated Principal Amounts of the 2020 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 2020 Bonds, plus the finance charge for the 2020 Bonds, as described above, not paid with the respective proceeds of the 2020 Bonds, calculated to the final maturity of the 2020 Bonds, is $3,753,608. Additionally, there will be an annual Trustee fee of $3,000 for as long as the 2020 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 2020 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 2020 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of 2020 Bonds sold being different from the respective Estimated Principal Amounts, (c) the actual amortization of the 2020 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 2020 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 2020 Bonds and the actual principal amount of 2020 Bonds sold will be determined by the District based on various factors. The actual interest rates borne by the 2020 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the 2020 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, ACTING AS THE LEGISLATIVE BODY OF THE CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2019-1, AUTHORIZING THE ISSUANCE OF ITS 2020 SPECIAL TAX BONDS IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $4,000,000 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. 2019-1 (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 March 5, 2019 and the Act, the City formed the District; and

WHEREAS, pursuant to a resolution adopted by the City Council on March 5, 2019, 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 $4,000,000; and

WHEREAS, in order to effect the issuance of bonds in an aggregate principal amount not to exceed $4,000,000 to be designated as the "City of Beaumont Community Facilities District No. 2019-1 2020 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 Stifel, Nicolaus & Company, Incorporated (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 competitive 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, in accordance with Government Code Section 5852.1, there has been presented to this City Council and disclosed to the public certain good faith estimates provided to the District by its municipal advisor (the "Municipal Advisor") with respect to the Bonds, and the requirements of Section 5852.1 have been satisfied; 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, a California corporation (the "Acquisition Agreement").

NOW, THEREFORE, the City Council of the City of Beaumont acting as the legislative body of the City of Beaumont Community Facilities District No. 2019-1 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 $4,000,000 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, 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 to be selected by the City (the "Trustee") to act as Trustee for the Bonds.

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 1.95% 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 his 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 shall be 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 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. In accordance with Government Code section 5852.1, good faith estimates of the following have been obtained from the Municipal Advisor and presented in the staff report for the meeting at which this resolution is adopted: (a) the true interest cost of the Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Bonds, including an estimate of the costs of issuance, (c) the amount of proceeds of the Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Bonds, and (d) the sum total of all debt service payments on the Bonds calculated to the final maturity of the Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Bonds. On the basis of this information, the City Council finds and

determines that the provisions of Government Code section 5852.1 have been satisfied with respect to the authorization of the Bonds.

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 1st day of September, 2020, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

_____
MAYOR OF THE CITY OF BEAUMONT

ATTEST:

_____
CITY CLERK

Stradling Yocca Carlson & Rauth
Draft of 8/18/20

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. 2019-1 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. 2019-1 (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 March 5, 2019 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, a California corporation (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. 2019-1 2020 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 1st day of September, 2020, by the following vote:

AYES:

NAYS:

ABSENT:

ABSTAIN:

_____
MAYOR OF THE CITY OF BEAUMONT

ATTEST:

_____
CITY CLERK

Stradling Yocca Carlson & Rauth
Draft of 8/3/2020

BOND INDENTURE

By and Between

CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2019-1

and

WILMINGTON TRUST, NATIONAL ASSOCIATION,
as Trustee

$_____
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2019-1
2020 SPECIAL TAX BONDS

Dated as of _____ 1, 2020

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BOND INDENTURE

THIS BOND INDENTURE (the "Indenture") dated as of _____ 1, 2020, by and between the CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2019-1 (the "District") and WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee (the "Trustee"), governs the terms of the City of Beaumont Community Facilities District No. 2019-1 2020 Special Tax Bonds issued in accordance herewith.

R E C I T A L S :

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 March 5, 2019, and held elections within the District on March 5, 2019 to authorize the levy of a special tax and the issuance of bonds by the District, in an aggregate principal amount not to exceed $4,000,000; 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. 2019-1 2020 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 _____, 2020, 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 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 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 $20,000.

"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 2020 Special Tax Bonds issued on _____, 2020 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, 2021.

"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 _____, 2020, 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. 2019-1 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 March 1, 2021; 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-l" 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 one 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 March 5, 2019 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 March 5, 2019 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, _____ and on September 1, _____, 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 Stifel Nicolaus & Company, Incorporated, 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. 2019-1 2020 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, 2021 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. 2019-1 Proceeds Fund (the "Proceeds Fund").

(2) The City of Beaumont Community Facilities District No. 2019-1 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. 2019-1 Rebate Fund (the "Rebate Fund").

(4) The City of Beaumont Community Facilities District No. 2019-1 Acquisition and Construction Fund (the "Acquisition and Construction Fund").

(5) The City of Beaumont Community Facilities District No. 2019-1 Costs of Issuance Fund (the "Costs of Issuance Fund").

(6) The City of Beaumont Community Facilities District No. 2019-1 Surplus Fund (the "Surplus Fund").

(7) The City of Beaumont Community Facilities District No. 2019-1 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, 2021, 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, _____, 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 redeemed):

Redemption Dates	***Redemption Price***
September 1, _____ through August 31, _____	103%
September 1, _____ through August 31, _____	102
September 1, _____ through August 31, _____	101
September 1, _____ 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, ___ shall be called before maturity and redeemed, from the Sinking Fund Payments that have been 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 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, ___

Redemption Date (September 1)	***Principal Amount***
(maturity)	

The Term Bonds maturing on September 1, ___ shall be called before maturity and redeemed, from the Sinking Fund Payments that have been 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 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, ___

Redemption Date (September 1)	***Principal Amount***
(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:

Redemption Dates	***Redemption Price***
Interest Payment Dates to and including March 1, 2028	103%
September 1, 2028 and March 1, 2029	102
September 1, 2029 and March 1, 2030	101
September 1, 2030 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 2020-21 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(e) 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 irrepealable, 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. 2019-1 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. 2019-1

By: _____
City Manager of the City of Beaumont, acting on behalf of City of Beaumont Community Facilities District No. 2019-1

ATTEST:

_____
City Clerk of the City of Beaumont, acting on behalf of City of Beaumont Community Facilities District No. 2019-1

WILMINGTON TRUST, NATIONAL ASSOCIATION, as Trustee

By: _____
Authorized Officer

EXHIBIT A

FORM OF 2020 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. 2019-1
2020 SPECIAL TAX BOND

INTEREST RATE:	MATURITY DATE:	DATED DATE:	CUSIP:
____%	September 1, ____	_____, 2020	074434___

REGISTERED OWNER: CEDE & CO.

PRINCIPAL AMOUNT: _____ AND NO/100 DOLLARS

CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2019-1 (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 March 1, 2021, 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. 2019-1 2020 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 _____, 2020 and a Bond Indenture (the "Indenture") dated as of _____ 1, 2020, 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, 2027, 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 redeemed):

Redemption Dates	***Redemption Price***
September 1, _____ through August 31, _____	103%
September 1, _____ through August 31, _____	102
September 1, _____ through August 31, _____	101
September 1, _____ and any date thereafter	100

The Term Bonds maturing on September 1, ___ 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, ___ 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.

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 redeemed 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 redeemed, together with accrued interest to the redemption date:

Redemption Date	***Redemption Price***
Interest Payment Dates to and including March 1, 2028	103%
September 1, 2028 and March 1, 2029	102
September 1, 2029 and March 1, 2030	101
September 1, 2030 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 Trustee.

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. 2019-1 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. 2019-1

ATTEST:

_____
City Clerk of the City of Beaumont, acting in its capacity as the legislative body of City of Beaumont Community Facilities District No. 2019-1

[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. 2019-1

[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. 2019-1 (the "District"), hereby requests Wilmington Trust, National Association, as Trustee, to pay from the City of Beaumont Community Facilities District No. 2019-1 Costs of Issuance Fund, established by the Bond Indenture between the Trustee and the District dated as of _____ 1, 2020, 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. 2019-1

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. 2019-1 (the "District"), hereby requests Wilmington Trust, National Association, as Trustee, to pay from the City of Beaumont Community Facilities District No. 2019-1 Acquisition and Construction Fund, established by the Bond Indenture between the Trustee and the District dated as of _____ 1, 2020, 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 Project Costs 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. 2019-1

Signature:

By: _____
Name:
Title:

Dated:
Requisition No.:

$_____
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2019-1
2020 SPECIAL TAX BONDS

BOND PURCHASE AGREEMENT

_____, 2020

City of Beaumont
Community Facilities District No. 2019-1
550 East 6th Street
Beaumont, California 92223

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated, as underwriter (the "**Underwriter**"), acting not as a fiduciary or agent for you, but on behalf of itself, offers to enter into this Bond Purchase Agreement (this "**Purchase Agreement**") with the City of Beaumont Community Facilities District No. 2019-1 (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 September 1, 2020 (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. 2019-1 2020 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 an 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 _____, 2020.

The proceeds of the Bonds will be used to: (a) pay the cost and expense of the acquisition and construction of certain public facilities in connection with the development of the Community Facilities District; (b) fund a reserve account securing the Bonds; and (c) 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 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 _____, 2020, 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 _____, 2020 (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 or (2) any other calamity or crisis in the financial markets of the United States or elsewhere or the escalation of such calamity or crisis; 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. Any proceeding shall have been commenced or be threatened in writing by the SEC against the City or the Community Facilities District; or

15. 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;

(ii) 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 Preliminary Official Statement as of its date and 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 Letter of Representations of Pardee Homes (the "**Developer**") in connection with the printing of the Preliminary Official Statement dated the date of the Preliminary Official Statement, substantially in the form attached as part of Exhibit D hereto or as such Letter of Representations may be modified with the approval of the Underwriter and Bond Counsel, and a Closing Certificate of the Developer dated the Closing Date, substantially in the form attached as part of Exhibit D hereto;

16. An opinion or opinions of counsel to the Developer, dated the date of the Closing addressed to the Community Facilities and the Underwriter, in form and substance acceptable to the Underwriter and Bond Counsel.

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; and

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.

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.

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 Satisfied" 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, except as otherwise set forth therein. Exhibit A also sets forth, identified under the column "Hold the Offering Price Rule Used," as of the date of this Purchase Agreement, the maturities, if any, of the Bonds for which the 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 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 Stifel, Nicolaus & Company, Incorporated, 515 South Figueroa Street, Suite 1800, Los Angeles, California 90071, Attention: Public Finance.

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,

STIFEL, NICOLAUS & COMPANY, INCORPORATED, as Underwriter

By: _____
Director

The foregoing is hereby agreed to and accepted as of the date first above written:

CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2019-1

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. 2019-1
2020 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 *(marked if used)*
2021							
2022							
2023							
2024							
2025							
2026							
2027							
2028							
2029							
2030							
2031							
2032							
2033							
2034							
2035							
2036							
20__(T)							
20__(T)							

(T) Term Bond.
(C) Priced to optional call at [par] 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. 2019-1
2020 SPECIAL TAX BONDS

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

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

2. ***Defined Terms***.

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

(b) *Issuer* means the City of Beaumont Community Facilities District No. 2019-1.

(c) *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.

(d) *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.

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

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

Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

STIFEL, NICOLAUS & COMPANY, INCORPORATED

By:_____

Name:_____

By:_____

Name:_____

Dated: [Closing Date]

SCHEDULE A

SALE PRICES OF THE GENERAL RULE MATURITIES

(To be attached)

EXHIBIT C

CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2019-1
2020 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 _____, 2020, with an appraisal date of value of July 30, 2020 (the "Appraisal Report"), for the City of Beaumont Community Facilities District No. 2019-1 (the "Community Facilities District") and in connection with the Official Statement dated _____, 2020 ("Official Statement"), concerning the City of Beaumont Community Facilities District No. 2019-1 2020 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 Stifel, Nicolaus & Company, Incorporated, as underwriter, are entitled to rely on the Certificate.

Dated: [Closing Date]

INTEGRA REALTY RESOURCES

By:_____

EXHIBIT D

CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2019-1
2020 SPECIAL TAX BONDS

FORM OF DEVELOPER LETTER OF REPRESENTATIONS AND CLOSING CERTIFICATE

LETTER OF REPRESENTATIONS OF PARDEE HOMES

[POS Date]

City of Beaumont Community Facilities District No. 2019-1
Beaumont, California

Stifel, Nicolaus & Company, Incorporated
Los Angeles, California

Ladies and Gentlemen:

Reference is made to the City of Beaumont Community Facilities District No. 2019-1 2020 Special Tax Bonds (the "**2020 Bonds**") and to the Bond Purchase Agreement to be entered into by and between the City of Beaumont Community Facilities District No. 2019-1 (the "**Community Facilities District**"), and Stifel, Nicolaus & Company, Incorporated, as Underwriter (the "**Purchase Agreement**"). This Letter of Representations of Pardee Homes (the "**Letter of Representations**") is delivered pursuant to and in satisfaction of the Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Purchase Agreement.

The undersigned certifies that he is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of Pardee Homes (the "**Developer**"), and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer is duly organized and validly existing under the laws of the State of California, is in good standing under the laws of the State of California, and has all requisite corporate right, power and authority to execute and deliver this Letter of Representations and to undertake all of the transactions on its part described in the Preliminary Official Statement.

2. As set forth in the Preliminary Official Statement, title to a certain portion of the property within the Community Facilities District is held in the name of the Developer. The undersigned, on behalf of the Developer, makes the representations herein with respect to all such property to which it holds title in the Community Facilities District as of the date hereof (the "**Property**"). Except as otherwise described in the Preliminary Official Statement, the Developer is, and the Developer's current expectations are that the Developer shall remain, the party responsible for the development of the Property. The Developer has not entered into an agreement for development or management of the Property by any other

entity, except such subcontracts, consultant agreements, and similar agreements for land development activities associated with the Developer's development plan as are entered into in the ordinary course of business.

3. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned,[1] the Developer and its Relevant Entities[2] have not violated any applicable law or administrative regulation of the State of California or the United States of America, or any agency or instrumentality of either, which violation could reasonably be expected to materially and adversely affect the Developer's ability to pay Special Taxes due at any time with respect to the portion of the Property then owned by the Developer (to the extent the responsibility of the Developer) prior to delinquency.

4. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, (a) the Developer and its Relevant Entities are not in breach of or in default under any applicable judgment or decree or any loan agreement, line of credit, option agreement, development agreement (including mitigation agreements or joint community facilities agreements), indenture, fiscal agent agreement, bond, or note (collectively, the "**Material Agreements**") to which the Developer or its Relevant Entities are a party or otherwise subject, which breach or default could reasonably be expected to materially and adversely affect the ability of the Developer to develop the Property as described in the Preliminary Official Statement or to pay the Special Taxes due at any time with respect to the portion of the Property then owned by the Developer (to the extent the responsibility of the Developer) prior to delinquency and (b) no event has occurred and is continuing that with the passage of time or giving of notice, or both, would constitute such a breach or default under any Material Agreement which could reasonably be expected to materially and adversely affect the ability of the Developer to develop the Property as described in the Preliminary Official Statement, or to pay the Special Taxes due at any time with respect to the portion of the Property then owned by the Developer (to the extent the responsibility of the Developer) prior to delinquency.

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[1] "**Actual Knowledge of the Undersigned**" means the knowledge that the individual signing on behalf of the Developer currently has as of the date of this Letter of Representations or has obtained through (i) interviews with such current officers and responsible employees of the Developer and its Relevant Entities as the undersigned has determined are reasonably likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations, and/or (ii) review of documents that were reasonably available to the undersigned and which the undersigned has reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Developer's current business and operations. Individuals who are no longer employees of the Developer or its Relevant Entities have not been contacted.

[2] "**Relevant Entity**" means, with respect to the Developer, any other Person: (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Developer, and (ii) for whom information, including financial information or operating data, concerning such Person is material to an evaluation of the Community Facilities District and the 2020 Bonds (i.e., such Person's assets or funds would materially affect the Developer's ability to develop the Property as described in the Preliminary Official Statement or to pay the Special Taxes due at any time with respect to the portion of the Property then owned by the Developer (to the extent the responsibility of the Developer) prior to delinquency. "**Person**" means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof. For purposes hereof, the term "**control**" (including the terms "**controlling**," "**controlled by**" or "**under common control with**") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.

5. Except as described in the Preliminary Official Statement, there are no material loans outstanding and unpaid and no material lines of credit of the Developer or its Relevant Entities that are secured by an interest in the Property.

6. Except as set forth in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public board or body is pending against the Developer (with proper service of process to the Developer having been accomplished) or, to the Actual Knowledge of the Undersigned, is pending against any current Relevant Entity (with proper service of process to such Relevant Entity having been accomplished) or, to the Actual Knowledge of the Undersigned, is threatened in writing against the Developer or any such Relevant Entity (a) to restrain or enjoin the collection of Special Taxes or other sums pledged or to be pledged to pay the principal of and interest on the 2020 Bonds (e.g., the Reserve Fund established under the Indenture), (b) to restrain or enjoin the development of the Property as described in the Preliminary Official Statement, (c) in any way contesting or affecting the validity of the Special Taxes, or (d) which if successful, is reasonably likely to materially and adversely affect the Developer's ability to complete the development and sale of the Property as described in the Preliminary Official Statement or to pay Special Taxes due at any time with respect to the portion of the Property then owned by the Developer (to the extent the responsibility of the Developer) prior to delinquency.

7. As of the date of the Preliminary Official Statement, the information contained therein solely with respect to the Developer, its Relevant Entities, the proposed development of the Property, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders (if any), and contractual arrangements of the Developer or any Relevant Entities (including, if material to the Developer's development plan or the Developer's financing plan, other loans of the Developer or such Relevant Entities) as set forth under the sections of the Preliminary Official Statement captioned "PROPERTY OWNERSHIP AND THE DEVELOPMENT" (excluding therefrom in all cases information regarding the Appraisal, market value ratio and annual special tax ratio, and information which is identified as having been provided by a source other than the Developer), is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

8. The Developer covenants that, while the 2020 Bonds or any refunding obligations related thereto are outstanding, the Developer and its Relevant Entities which it controls will not bring any action, suit, proceeding, inquiry, or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way seeks to challenge or overturn the formation of the Community Facilities District, to challenge the adoption of the ordinance related to the Community Facilities District, levying Special Taxes within the Community Facilities District, to invalidate the Community Facilities District, or any of the 2020 Bonds or any refunding bonds, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the notices of special tax lien relating thereto. The foregoing covenant shall not prevent the Developer or any Relevant Entity in any way from bringing any other action, suit, proceeding, inquiry, or investigation at law or in equity, before any court, regulatory agency, public board or body including, without limitation, (a) an action or suit contending that the Special Tax has not

been levied in accordance with the methodologies contained in the Rate and Method of Apportionment of Special Taxes for the Community Facilities District pursuant to which the Special Taxes are levied, (b) an action or suit with respect to the application or use of the Special Taxes levied and collected, or (c) an action or suit to enforce the obligations of the City of Beaumont and/or the Community Facilities District under resolutions which established the Community Facilities District, authorized the levy of a special tax within the Community Facilities District, determined the necessity to incur bonded indebtedness within the Community Facilities District, and called an election within the Community Facilities District on the proposition of incurring bonded indebtedness, levying a special tax and setting an appropriations limit within the Community Facilities District, the Resolution, the Indenture, or any other agreements among the Developer, a Relevant Entity, the City, and/or the Community Facilities District or to which the Developer or a Relevant Entity is a party or beneficiary.

9. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the Developer is not aware that any other public debt secured by a tax or assessment on the Property exists or is in the process of being authorized or any assessment districts or community facilities districts have been or are in the process of being formed that include any portion of the Property.

10. The Developer has been developing or has been involved in the development of numerous projects over an extended period of time. It is likely that the Developer and some of its Relevant Entities have been delinquent at one time or another in the payment of *ad valorem* property taxes, special assessments or special taxes. However, to the Actual Knowledge of the Undersigned, neither the Developer nor any Relevant Entity has been delinquent in any material extent in the last five years in the payment of special assessments or special taxes on property in California owned by the Developer or by any such Relevant Entity during the period of its ownership included within the boundaries of a community facilities district or an assessment district within California that (a) caused a draw on a reserve fund relating to such assessment district or community facilities district financing or (b) resulted in a foreclosure action being filed against the delinquent Developer or Relevant Entity in a court of law.

11. The Developer consents to the issuance of the 2020 Bonds. The Developer acknowledges and agrees that the proceeds of the 2020 Bonds will be used as described in the Preliminary Official Statement.

12. The Developer is aware of the requirement to comply with the provision of the Mello-Roos Community Facilities Act of 1982, as amended relating to the Notice of Special Tax described in Government Code Section 53341.5 in connection with the sale of the Property, or portions thereof.

13. To the Actual Knowledge of the Undersigned, the Developer is able to pay its bills as they become due and no legal proceedings are pending against the Developer (with proper service of process to the Developer having been accomplished) or, to the Actual Knowledge of the Undersigned, threatened in writing in which the Developer may be adjudicated as bankrupt or discharged from any and all of its debts or obligations, or granted an extension of time to pay its debts or obligations, or be allowed to reorganize or readjust its

debts or obligations, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

14. To the Actual Knowledge of the Undersigned, Relevant Entities of the Developer are able to pay their bills as they become due and no legal proceedings are pending against any Relevant Entity of the Developer (with proper service of process to the applicable Relevant Entity having been accomplished) or, to the Actual Knowledge of the Undersigned, threatened in writing in which the Relevant Entities of the Developer may be adjudicated as bankrupt or discharged from any or all of their debts or obligations, or granted an extension of time to pay their debts or obligations, or be allowed to reorganize or readjust their debts or obligations, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

15. The Developer has not filed for, nor is the Developer aware of, current proceedings for the reassessment of the assessed value of portions of the Property, other than in connection with the sale of homes to individual homebuyers.

16. Based upon its current development plans, including, without limitation, its current budget and subject to economic conditions and risks generally inherent in the development of real property, including, but not limited to, the risks described in the Preliminary Official Statement under the sections "SPECIAL RISK FACTORS" and "PROPERTY OWNERSHIP AND THE DEVELOPMENT," the Developer anticipates that it will have sufficient funds to complete the development of the Property as described in the Preliminary Official Statement, and to pay Special Taxes due at any time with respect to the portion of the Property then owned by the Developer (to the extent the responsibility of the Developer) prior to delinquency, and the Developer does not anticipate that the City or the Community Facilities District will be required to resort to a draw on the Reserve Fund for payment of principal of or interest on the 2020 Bonds due to the Developer's nonpayment of Special Taxes. However, neither the Developer nor its Relevant Entities are obligated to make any additional capital contribution or loan to the Developer at any time, and the Developer reserves the right to change its development plan and financing plan for the Property at any time without notice, and there is no recourse against the Developer for failure to pay Special Taxes other than the filing of a foreclosure action against the delinquent Property.

17. To the Actual Knowledge of the Undersigned, there are no claims, disputes, suits, actions, or contingent liabilities by and among the Developer, its Relevant Entities, or any contractors working on the development of the Property which are reasonably likely to materially and adversely affect the development of the Property as described in the Preliminary Official Statement or the payment of the Special Taxes due at any time with respect to the portion of the Property then owned by the Developer (to the extent the responsibility of the Developer) prior to delinquency.

18. An appraisal of the taxable properties within the Community Facilities District, dated _____, 2020 (the "**Appraisal Report**"), was prepared by Integra Realty Resources (the "**Appraiser**"). The Appraisal Report estimates the market value of the taxable properties within the Community Facilities District as of July 30, 2020 (the "**Date of Value**"). To Actual Knowledge of the Undersigned, all information submitted by, or on behalf of and authorized by, the Developer to the Appraiser and contained in the sections of

the Appraisal Report highlighted in yellow or circled in Exhibit B attached hereto, was true and correct in all material respects as of the Date of Value.

19. Solely as to the limited information described in the sections of the Preliminary Official Statement indicated in Paragraph 7 above, the Developer agrees to indemnify and hold harmless, to the extent permitted by law, the City, the Community Facilities District, and their officials and employees, and each Person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or of Section 20 of the Securities Exchange Act of 1934, as amended, against any and all losses, claims, damages or liabilities, joint or several, to which such indemnified party may become subject under any statute or at law or in equity or otherwise and shall reimburse any such indemnified party for any reasonable legal or other expense incurred by it in connection with investigating any such claim against it and defending any such action, insofar and to the extent such losses, claims, damages, liabilities or actions arise out of or are based upon any untrue statement by the Developer of a material fact or the omission or alleged omission of a material fact in the above-referenced information in the Preliminary Official Statement as of its date, necessary to make the statements made by the Developer contained therein, in light of the circumstances under which they were made not misleading. This indemnity provision shall not be construed as a limitation on any other liability which the Developer may otherwise have to any indemnified party, provided that in no event shall the Developer be obligated for double indemnification, or for the negligence or willful misconduct of an indemnified party.

20. If between the date hereof and the Closing Date any event relating to or affecting the Developer, its Relevant Entities, the proposed development of the Property, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Relevant Entities (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Relevant Entities) shall occur of which the undersigned has actual knowledge and which the undersigned believes would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 7 hereof, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Developer shall notify the City, the Community Facilities District and the Underwriter and if in the opinion of counsel to the City, the Community Facilities District or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Developer shall reasonably cooperate with the City and the Community Facilities District in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance satisfactory to counsel to the City and to the Underwriter.

21. The Developer agrees to deliver a Closing Certificate dated the date of issuance of the 2020 Bonds at the time of issuance of the 2020 Bonds in substantially the form attached as Exhibit A. If any event related to or affecting the Developer, its Relevant Entities, or the ownership, development, or sale of the Property occurs, as a result of which it is necessary to modify the Closing Certificate, the Developer agrees to deliver a new Closing Certificate revised to reflect such event.

22. The Developer acknowledges and agrees that: (i) in connection with the purchase and sale of the 2020 Bonds under the Purchase Agreement, and with the discussions, undertakings and procedures leading up to the consummation of the purchase and sale of the 2020 Bonds under the Purchase Agreement, the Underwriter is and has been acting solely as principal and is not acting as the agent or fiduciary of the Developer; (ii) the Underwriter has not assumed a fiduciary responsibility in favor of the Developer with respect to (a) the offering of the 2020 Bonds or the process leading thereto (whether or not the Underwriter, or any affiliate of the Underwriter, has advised or is currently advising the Developer on other matters), or (b) any other obligation to the Developer with respect to the offering contemplated by the Purchase Agreement; and (iii) the Developer has consulted its own legal, financial and other advisors to the extent it has deemed appropriate in connection with the offering contemplated by the Purchase Agreement.

23. On behalf of the Developer, the undersigned has reviewed the contents of this Letter of Representations and has met with counsel to the Developer for the purpose of discussing the meaning of its contents. The undersigned acknowledges and understands that a variety of state and federal securities laws, including but not limited to the Securities Act of 1933 and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, may apply to the Developer and that under some circumstances certification as to the matters set forth in this Letter of Representations, without additional disclosures or other action, may not fully discharge all duties and obligations of the Developer under such securities laws.

[Signature Page Follows]

The undersigned has executed this Letter of Representations solely in his or her capacity as an authorized representative of Developer and he or she will have no personal liability arising from or relating to this Letter of Representations. Any liability arising from or relating to this Letter of Representations may only be asserted against the Developer.

PARDEE HOMES

By:_____

EXHIBIT A

CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2019-1
2020 SPECIAL TAX BONDS

FORM OF CLOSING CERTIFICATE OF PARDEE HOMES

[Closing Date]

City of Beaumont Community Facilities District No. 2019-1
Beaumont, California

Stifel, Nicolaus & Company, Incorporated
Los Angeles, California

Ladies and Gentlemen:

Reference is made to the City of Beaumont Community Facilities District No. 2019-1 (the "**Community Facilities District**") and the City of Beaumont Community Facilities District No. 2019-1 2020 Special Tax Bonds (the "**2020 Bonds**") and to the Bond Purchase Agreement, dated _____, 2020 (the "**Purchase Agreement**"), entered into in connection therewith. This Closing Certificate of Pardee Homes (the "**Closing Certificate**") is delivered by Pardee Homes (the "**Developer**") pursuant to the Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Letter of Representations of Pardee Homes (the "**Letter of Representations**"), dated _____, 2020 delivered by the Developer, a copy of which is attached hereto as Exhibit A.

The undersigned certifies that he is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer has received the final Official Statement relating to the 2020 Bonds (the "**Official Statement**"). Each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the final Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 7 of the Letter of Representations relating to the Developer, and its Relevant Entities, the proposed development of the Property, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Relevant Entities (including, if material to the Developer's development plan or the Developer's financing plan other loans of such Relevant Entities) which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the "End of the Underwriting Period" as defined in the Purchase Agreement (provided the Developer may assume the End of the Underwriting Period is the Closing Date (as defined in the Purchase Agreement), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if any event relating to or affecting the Developer, its Relevant Entities or the development of the Property shall occur as a result of which the information referred to in Paragraph 7 of the Letter of Representations contains an untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Developer shall notify the City, the Community Facilities District and the Underwriter, and if, in the opinion of counsel to the City, the Community Facilities District or the Underwriter, such event requires the preparation and publication of a supplement or amendment to the information described in the sections of the Official Statement referenced in Paragraph 7 of the Letter of Representations, the Developer shall reasonably cooperate with the City, the Community Facilities District and the Underwriter in the preparation of an amendment or supplement by the Community Facilities District to the Official Statement in form and substance satisfactory to counsel to the City, the Community Facilities District and the Underwriter which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in light of the circumstances existing as of the date of the amendment or supplement to the Official Statement, not misleading.

[Signature Page Follows]

The undersigned has executed this Closing Certificate solely in his or her capacity as an authorized representative of Developer and he or she will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Developer.

PARDEE HOMES

By:_____

Name:_____

Title:_____

EXHIBIT B

CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2019-1
2020 SPECIAL TAX BONDS

DEVELOPER PROVIDED INFORMATION IN APPRAISAL REPORT

See attached.

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.

PRELIMINARY OFFICIAL STATEMENT DATED _____, 2020

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 taxes. See "TAX MATTERS" herein.

$1,975,000*
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2019-1
2020 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. 2019-1 (the "District"). The City of Beaumont Community Facilities District No. 2019-1 2020 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 September 1, 2020 (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 March 1, 2021. 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 September ___, 2020.

[STIFEL LOGO]

Dated: September ___, 2020

* *Preliminary, subject to change.*

$_____
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2019-1
2020 SPECIAL TAX BONDS

MATURITY SCHEDULE

Base *CUSIP* No.†: 074433

Serial Bonds

Maturity Date (September 1)	*Principal Amount*	*Interest Rate*	*Yield*	*Price*	*CUSIP No.†*

Term Bonds

$_____ _____% Term Bonds due September 1, _____, Yield: _____% Price: _____ CUSIP No.† HA4

† *CUSIP® Copyright 2020, 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. 2019-1

Rey Santos, Mayor
Mike Lara, Mayor Pro Tem
Nancy Carroll
Julio Martinez
Lloyd White

CITY OFFICIALS

Todd Parton, City Manager
Kristine Day, Assistant City Manager
Jeff Mohlenkamp, 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]

$1,975,000*
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2019-1
2020 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. 2019-1 (the "District") of its 2020 Special Tax Bonds (the "Bonds") in the aggregate principal amount of $1,975,000*. 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 September 1, 2020 and a Bond Indenture dated as of September 1, 2020 (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 and the District. For more complete information, see "THE BONDS—General Provisions" 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 northeastern portion of the City of Beaumont (the "City"), bounded by Carnation Way to the north and Xenia Avenue to the east. The District consists of two non-contiguous parcels of land divided into two zones: Zone 1 and Zone 2. As of July 30, 2020, the date of value set forth in the Appraisal Report (as hereinafter defined), 95 homes within the District had been built and sold to individual homeowners, 7 completed homes were owned by Pardee Homes, a California corporation (the "Developer"), the entity developing the land within the District, and 16 homes were owned by the Developer and under construction. As of July 30, 2020, 22 units were under contract to be sold to individual homeowners. As of August 17, 2020, an additional 2 completed homes had been conveyed to individual homeowners and 20 homes were under contract to be sold. No parcel within the District has fully prepaid its

* *Preliminary, subject to change.*

Special Tax obligation to date; accordingly, all parcels will be subject to the Special Tax levy going forward, subject to future Special Tax prepayments, if any.

As of July 30, 2020, the date of value set forth in the Appraisal Report, building permits had been pulled on all parcels within the District; accordingly, all lots will be classified and levied against as Developed Property going forward.

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.

Subsequent to a noticed public hearing on March 5, 2019, the City Council adopted resolutions which established the District, authorized the levy of special taxes therein, determined the necessity to incur bonded indebtedness therein, and called an election within the District on the proposition of incurring bonded indebtedness, levying special taxes and setting an appropriations limit therein.

On March 5, 2019, 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 $4,000,000 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 specifically located in the northeastern portion of the City, bounded by Carnation Way to the north and Xenia Avenue to the east. The District consists of two non-contiguous parcels of land divided into two zones: Zone 1 and Zone 2. The development within the District is planned for 118 proposed single family homes. The balance of the property within the District is anticipated to be used for recreational facilities, parks and open space.

All property planned for residential development in the District is being developed by the Developer. 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 July 30, 2020, the date of value set forth in the Appraisal Report, 95 fully completed homes had been conveyed to individual homeowners and 23 homes were owned by the Developer, of which 7 homes were substantially complete and 16 homes were under construction. As of July 30, 2020, 22 units were under contract to be sold to individual homeowners. As of August 17, 2020, an additional 2 completed homes had been conveyed to individual homeowners and 20 homes were under contract to be sold. 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 "THE COMMUNITY FACILITIES DISTRICT" and "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 2020-21.

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 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 is 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 5 for a description of the direct and overlapping debt applicable to the parcels within the District.

Appraisal Report

An MAI appraisal of the 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 August 19, 2020. 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. As currently planned, development in the District will consist of 118 residential units. As of July 30, 2020, the date of value set forth in the Appraisal Report, the Appraiser

estimates that the value of all of the Taxable Parcels (based on market value) within the District subject to the Special Tax was $33,982,000.

The Appraisal Report is based upon a variety of assumptions and limiting conditions that are described in Appendix H. The City and the District 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," "—COVID-19 (Coronavirus) Pandemic" 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. Stifel, Nicolaus & Company, Incorporated, 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 previously entered into various continuing disclosure obligations. The City will assist the District in preparing the District Reports. Within the last five years, the City and certain related entities have failed to comply in certain respects with prior continuing disclosure undertakings. See "CONTINUING DISCLOSURE."

See "CONTINUING DISCLOSURE" herein and Appendix E—"FORM OF DISTRICT 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 undertakings 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 and Special Taxes on hand.

Sources of Funds:	
Principal Amount of Bonds	$
Plus 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 March 1, 2021 (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, in which event interest will be payable from the date of the Bonds; 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.

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."

Date (September 1)	***Principal***	***Interest***	***Total***
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			
2050			
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 Interest Payment Date on or after September 1, ___, 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 redeemed):

Redemption Dates	***Redemption Price***
September 1, ___ and March 1, ___	103%
September 1, ___ and March 1, ___	102
September 1, ___ and March 1, ___	101
September 1, ___ and any Interest Payment 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:

Redemption Dates	***Redemption Price***
Interest Payment Dates to and including March 1, ___	103%
September 1, ___ and March 1, ___	102
September 1, ___ and March 1, ___	101
September 1, ___ 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.

* *Preliminary, subject to change.*

Mandatory Sinking Fund Redemption. The Term Bonds maturing on September 1, ___ (the "___ 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, ___, 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:

Sinking Fund Redemption Date (September 1)	***Sinking Fund Payments***
(maturity)	

In the event of a partial optional redemption or extraordinary 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 integral multiples of $5,000.

Selection of Bonds and Parity Bonds for Redemption. If less than all of the Bonds Outstanding is 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 NET TAXES—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 March 5, 2019 for the purpose of financing the various public improvements and services required in connection with the proposed development within the District. On March 5, 2019, 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 $4,000,000, secured by special taxes levied on property within the District to finance 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 for the benefit of the District, including the Bonds. There are three types of special taxes levied by the District: a special tax for facilities, a special tax for maintenance services and a special tax for public services. Throughout this Official Statement, all references to the Special Tax shall refer to the special tax for facilities. **The special tax for maintenance services and the special tax for public services are 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 $20,000 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 2020-21. 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 three types of special taxes levied by the District: a special tax for facilities, a special tax for maintenance services and a special tax for public services. See "—Special Taxes—*Authorization and Pledge*."

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 as APPENDIX A—"RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX." The meanings 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 Parcels of Taxable Property that are included in a Final Map that was recorded prior to January 1st preceding the Fiscal Year in which the Special Tax is being levied and for which a Building Permit for new construction has been issued on or prior to March 1st preceding the Fiscal Year in which the Special Tax is being levied, as determined by the CFD Administrator.

"*Exempt Property*" means all Assessor's Parcels designated as being exempt from Special Tax as more fully set forth below.

"Final Map Property" means all Assessor's Parcels: (i) that are included in a Final Map that was recorded prior to the January 1st 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 1st preceding the Fiscal Year in which the Special Tax is being levied.

"Minimum Acreage" means the smallest allowable amount of taxable acreage. For the District, it shall not be less than 12.97 acres. The minimum acreage per Zone is as follows: (i) Zone 1 – 7.10 acres and (ii) Zone 2 – 5.87 acres

"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.

"Special Tax for Facilities" means any of the special taxes authorized to be levied by 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, and (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.

"Undeveloped Property" means all Assessor's Parcels of Taxable Property which are not Developed Property or Final Map Property.

Exempt Property. 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 homeowner'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 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 Undeveloped Property, and will continue to be subject to Special Taxes accordingly.

Tax-exempt status will be assigned 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.

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 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 Zone in which the Assessor's Parcel is located.

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 based upon the Zone in which the Assessor's Parcel is located. The Assigned Annual Special Tax applicable to an Assessor's Parcel of Developed Property for any Fiscal Year shall range from $1,270 to $1,450 for Residential Property in Zone 1 and $1,310 to $1,505 for Residential Property in Zone 2.

Backup Special Tax. When a Final Map is recorded, the CFD Administrator shall determine which Zone the Final Map area lies within and the Backup Special Tax for a Parcel classified or to be classified as Residential Property within such Final Map shall be determined by multiplying the Undeveloped Property Maximum Special Tax rate per Acre for the applicable Zone by the total Acreage of Taxable Property within such Final Map, excluding the Acreage associated with Non-Residential Property, Public Property and/or Property Owners' Association Property that is not Exempt Property and dividing such amount by the number of Parcels within such Final Map classified as either (i) Developed Property or (ii) Final Map Property for which a Building Permit is expected to be issued for Residential Property (i.e., the number of residential lots).

Notwithstanding the forgoing, if Parcels 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 shall be recalculated for the area that has been changed or modified using the methodology described in the preceding paragraph.

The Backup Special Tax shall not apply to Non-Residential Property, Public Property, or Property Owners' Association Property.

Method of Apportionment of Special Tax. Commencing in Fiscal Year 2019-20 and for each subsequent Fiscal Year until terminated, the City Council shall levy Special Taxes on all Taxable Property until the total 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 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 be exempt, 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 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 Costs plus the Defeasance Amount plus the Administrative Fees and Expenses, 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."

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 $20,000. As of July 30, 2020, all 118 lots had building permits pulled and will be classified and levied against as Developed Property beginning in Fiscal Year 2020-21.

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 an occupancy permit for private residential use 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, in no event shall the Maximum Special Tax for Facilities 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 Tax is being levied for the first time in Fiscal Year 2020-21 and in the amount of $160,920. 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 6 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 for the benefit of the Owners of the Bonds and the landowners of property in 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 REVENUES AND NET TAXES—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 March 5, 2019. The District is located in the northeastern portion of the City, bounded by Carnation Way to the North and Xenia Avenue to the east. The District consists of two non-contiguous parcels of land divided into two zones: Zone 1 and Zone 2. The District is comprised of approximately 19.3 acres of land, of which approximately 16.9 acres is developable.

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 expects the market rate portions of the Sundance community will be completed by June 2021; however, there is an age-restricted development within Sundance that will not be completed until 2025.

Status of Development in the District

The property within the District contains 118 parcels. As of July 30, 2020, which is the date of value set forth in the Appraisal Report, individual homeowners owned 95 completed homes, while the Developer owned the remaining 7 completed homes and 16 homes under construction. As of July 30, 2020, building permits had been issued for all of the parcels within the District; accordingly, all lots will be classified as Developed Property, and Special Taxes will be levied against such properties, beginning in Fiscal Year 2020-21. As of August 17, 2020, an additional 2 completed homes had been conveyed to individual homeowners and 20 homes were under contract for sale.

Annual Debt Service for the Bonds has been structured so that Assigned Special Taxes levied on all taxable parcels of Developed Property, 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, the Fiscal Year 2020-21 projected Special Tax levy and the percent of such levy based on land use class and Zone.

TABLE 1
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2019-1
ASSIGNED SPECIAL TAXES

Zone/Land Use Class	Land Use	No. of Parcels	FY 2021-22 Assigned Special Tax per Dwelling Unit	FY 2021-22 Projected Special Tax Per Parcel*	Total Projected FY 2021-22 Special Tax Levy (1) *	Percent of Total
Zone 1						
1	Residential Less than 1,800 sq. ft.	30	$1,270	$1,153	$ 34,579	23.68%
2	Residential 1,800 sq. ft. to 2,000 sq. ft.	28	1,360	1,234	34,561	23.66
3	Residential Greater than 2,000 sq. ft.	29	1,450	1,316	38,164	26.13
Zone 2						
1	Residential Less than 2,000 sq. ft.	15	1,310	1,189	17,834	12.21
2	Residential 2,000 sq. ft. to 2,249 sq. ft.	8	1,375	1,248	9,984	6.84
3	Residential 2,250 sq. ft. to 2,500 sq. ft.	0	1,440	0	0	0.00
4	Residential Greater than 2,500 sq. ft.	8	1,505	1,366	10,927	7.48
Total		**118**			**$ 146,050**	**100.00%**

* Preliminary, subject to change.
(1) Levied in an amount sufficient to cover debt service on the Bonds and pay Administrative Expenses of $20,000.
Source: WEBB Municipal Finance, LLC.

Description of Authorized Facilities

Certain facilities are authorized to be constructed and acquired (the "Facilities") by the District. These Facilities include, but are not limited to the following:

- Design and construction of Highland Springs Avenue and related street improvements
- Design and construction of Cherry Avenue and related street improvements
- Design and construction of storm drain improvements along Cherry Avenue
- Design and construction of sewer improvements along Cherry Avenue

Appraisal Report

The estimated assessed value of the property within the District, as shown on the County's assessment roll for Fiscal Year 2019-20, is approximately $1,412,388. However, as a result of the requirements of Article XIIIA 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 the property within the District subject to the Special Taxes because such property did not have an improved value on the Fiscal Year 2020-21 County Assessor's roll. 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 July 30, 2020 the value of the Taxable Parcels (based on market values) within the District was $33,982,000.

In estimating the market value, the Appraiser utilized a direct comparison approach and static residual analysis for all of the property owned by the merchant builders 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. See, for example, "SPECIAL RISK FACTORS—COVID-19 (Coronavirus) Pandemic."

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 and the estimated assessed/appraised value-to-lien ratios for various categories of parcels based upon land values as of July 30, 2020 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 appraised District-wide value-to-lien ratio including all Taxable Property as of July 30, 2020 is 17.21-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 16.90-to-1[*].

[*] *Preliminary, subject to change.*

TABLE 2
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2019-1
APPRAISED VALUE-TO-LIEN RATIOS
ALLOCATED BY PROPERTY OWNER

Property Owner[1]	*Parcels*	*Projected Fiscal Year 2020-21 Maximum Special Tax* *	*Projected Percent of Fiscal Year Maximum 2020-21* *	*Projected Fiscal Year 2020-21 Special Tax Levy*[2] *	*Projected Percent of Fiscal Year 2020-21 Special Tax Levy**	*Assessed/ Appraised Value*	*Allocation of Bonds*[3] *	*Aggregate Value-to-Lien Ratio*[4] *
Developed - Pardee Homes	23	$ 36,050	19.85%	$ 28,190	19.30%	$ 4,508,000	$ 381,205	11.83:1
Developed - Individual Owned	95	145,590	80.15	117,860	80.70	29,474,000	1,593,795	18.49:1
Subtotal Developed	**118**	**$ 181,641**	**100.00%**	**$ 146,050**	**100.00%**	**$ 33,982,000**	**$ 1,975,000**	**17.21:1**

* Preliminary, subject to change.
(1) Ownership status is based on information from Appraisal and from the Developer as of July 30, 2020.
(2) Based on par amount of the Bonds plus Administrative Expenses in the amount of $20,000.
(3) Based on projected Fiscal Year 2021-22 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, LLC.

Table 3 below summarizes the assessed/appraised value-to-lien of the individual parcels within the District by value-to-lien range based on total market value as of July 30, 2020.

TABLE 3
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2019-1
APPRAISED VALUE-TO-LIEN STRATIFICATION*

Assessed/Appraised Value-to-Lien[1]	*No. of Parcels*	*Percent of Total Parcels*	*Projected Fiscal Year 2020-21 Special Tax Levy*[4]	*Projected Percent of Fiscal Year 2020-21 Levy*	*Projected Fiscal Year 2020-21 Assigned Special Tax*	*Projected Percent of Assigned Special Tax*	*Assessed/ Appraised Value*	*Percent of Assessed/ Appraised Value*	*Allocation of 2020 Bonds*[5]	*Aggregate Value-to-Lien*
Less than 10.00:1[2]	10	8.47%	$ 12,026	8.23%	$ 13,250	8.23%	$ 1,183,000	3.48%	$ 162,620	7.27:1
10.00:1 to 14.99:1	6	5.08	7,488	5.13	8,250	5.13	1,176,000	3.46	101,254	11.61:1
15.00:1 to 19.99:1	91	77.12	113,163	77.48	124,685	77.48	27,652,000	81.37	1,530,281	18.07:1
Greater than 19.99:1[3]	11	9.32	13,373	9.16	14,735	9.16	3,971,000	11.69	180,845	21.96:1
Total	**188**	**100.00%**	**$ 146,050**	**100.00%**	**$ 160,920**	**100.00%**	**$ 33,982,000**	**100.00%**	**$ 1,975,000**	**17.21:1**

* 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.
(2) Minimum estimated Value-to-Lien is 5.51:1.*
(3) Highest estimated Value-to-Lien is 22.45:1.*
(4) Based on debt service requirement of the Bonds plus Administrative Expenses in the amount of $20,000.
(5) Based on projected Fiscal Year 2021-22 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. 2019-1
DIRECT AND OVERLAPPING DEBT

I. ASSESSED/APPRAISED VALUE

Assessed/Appraised Valuation[1]	$ 33,982,000

II. LAND SECURED BOND INDEBTEDNESS

Outstanding Direct and Overlapping Bonded Debt	*Type*	*No. of Parcels*	*Issued*	*Outstanding*	*% Applicable*	*Amount Applicable*
BEAUMONT CFD 2019-1	CFD	118	$1,975,000*	$1,975,000[2]*	100.00%	$ 1,975,000*
TOTAL OUTSTANDING LAND SECURED BONDED DEBT[3]						**$ 1,975,000***

Authorized and Unissued Direct and Overlapping Bonded Debt	*Type*	*No. of Parcels*	*Authorized*	*Unissued[4]*	*% Applicable*	*Amount Applicable*
BEAUMONT CFD 2019-1	CFD	118	$ 4,000,000	$ 0[4]	100.00%	$ 0
TOTAL UNISSUED LAND SECURED INDEBTEDNESS						**$ 0**

TOTAL OUTSTANDING AND UNISSUED LAND SECURED INDEBTEDNESS	**$ 1,975,000***

III. GENERAL OBLIGATION BOND INDEBTEDNESS

Outstanding Direct and Overlapping Bonded Debt	*Type*	*No. of Parcels*	*Issued*	*Outstanding*	*% Applicable[4]*	*Amount Applicable*
Beaumont Unified School B & I (0.07438%)	GO	118	$ 91,658,583	$ 82,562,937	0.02170%	$ 17,916
MT San Jacinto Comm (0.01320%)	GO	118	190,000,000	164,385,000	0.00147	2,412
San Gorgonio Memorial Healthcare District (0.06990%)	GO	118	108,000,000	106,565,000	0.01490	15,873
San Gorgonio Pass Water Agency (0.17750%)	GO	118	0	0	0.01387	0
TOTAL OUTSTANDING GENERAL OBLIGATION BONDED DEBT[3]						**$ 36,201**

Authorized and Unissued Direct and Overlapping Indebtedness	*Type*	*No. of Parcels*	*Authorized*	*Unissued*	*% Applicable[4]*	*Amount Applicable*
Beaumont Unified School B & I (0.07438%)	GO	118	$141,000,000	$ 49,341,417	0.02170%	$ 10,707
MT San Jacinto Comm (0.01320%)	GO	118	295,000,000	105,000,000	0.00147	1,540
San Gorgonio Memorial Healthcare District (0.06990%)	GO	118	108,000,000	0	0.01490	0
San Gorgonio Pass Water Agency (0.17750%)	GO	118	0	0	0.01387	0
TOTAL UNISSUED GENERAL OBLIGATION INDEBTEDNESS[3]						**$ 12,247**

TOTAL OUTSTANDING AND UNISSUED GENERAL OBLIGATION INDEBTEDNESS	**$ 48,448**
TOTAL OF ALL OUTSTANDING DIRECT AND OVERLAPPING BONDED DEBT[5]	**$ 2,011,201***
TOTAL OF ALL OUTSTANDING AND UNISSUED DIRECT AND OVERLAPPING INDEBTEDNESS	**$ 2,023,448***

IV. Ratios to Appraised Valuation

Outstanding Land Secured Bonded Debt	17.21:1*
Total Outstanding Bonded Debt	16.90:1*

* Preliminary, subject to change.
(1) Assessed/appraised value is per the Appraisal Report and as of July 30, 2020.
(2) Amount outstanding is equal to the initial principal amount of the Bonds.
(3) Additional bonded debt or available bond authorization may exist but is not shown because a tax was not levied for Fiscal Year 2019-20.
(4) Additional bonds may be issued for refunding purposes only.
(5) Percentage applicable determined by Fiscal Year 2019-20 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, 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 the Administrative Expenses Cap, 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, Administrative Expenses being levied at the Administrative Expenses Cap, and Fiscal Year 2020-21 tax rates for all other taxing jurisdictions within the District, the total projected Fiscal Year 2021-22 average effective tax rate for Developed Property in the District is approximately 2.02%* in Zone 1 and 1.98%* in Zone 2 of the average value for parcels with improvement value. 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 value in the District, as set forth in the Appraisal Report.

* *Preliminary, subject to change.*

TABLE 5
CITY OF BEAUMONT
COMMUNITY FACILITIES DISTRICT NO. 2019-1
ESTIMATED AVERAGE FISCAL YEAR 2021-22 TAX OBLIGATION[(1)]

	Zone 1	*Zone 2*
Average Home Value[(2)]	$ 299,192	$ 361,000
Ad Valorem Property Taxes:		
Ad-Valorem Tax Rate (1.00%)	$ 2,991.92	$ 3,610.51
Beaumont Unified School (0.07438%)	222.54	268.51
San Gorgonio Pass Memorial Hospital (0.06990%)	209.14	252.34
San Gorgonio Pass Water District (0.17750%)	531.07	640.78
Mt. San Jacinto Community College District (0.01320%)	39.49	47.65
Total General Property Taxes	**$ 3,994.16**	**$ 4,819.28**
Assessment, Special Taxes & Parcel Charges:		
CFD 2019-1[(3)*]	$ 1,232.23	$ 1,279.17
CFD 2019-1 Public Serv[(4)]	509.36	509.36
CFD 2019-1 Maint Serv[(5)]	241.71	466.61
FLD CNTL STORMWATER /CLEANWATER	3.27	3.27
San Gorgonio Hospital Measure D	55.10	55.10
Total Assessment Charges*	**$ 2,041.66**	**$ 2,313.51**
Average Total Property Tax*	**$ 6,035.82**	**$ 7,132.79**
Average Effective Tax Rate*	**2.02%**	**1.98%**

* Preliminary, subject to change.
(1) Average Fiscal Year 2021-22 tax rates based upon Fiscal Year 2019-20 overlapping taxes and assessment rates.
(2) Average Home Value is based upon average Appraised Values for Developed parcels sold to individuals as indicated in the Appraisal Report.
(3) Reflects District's Average Fiscal Year 2021-22 Special Tax levy for Facilities.
(4) Reflects the District's Fiscal Year 2020-21 projected Special Tax Levy for Developed Property. Per the Rate and Method, 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 positive annual percent change in the Consumer Price Index for the Calendar Year ending in December of the prior fiscal year or (ii) five percent. As CPI data for December 2020 is not available, the percentage calculated pursuant to (i) cannot be precisely estimated. Instead, the most current data was used to estimate this amount, which rendered 5.00%.
(5) Reflects the District's Fiscal Year 2020-21 projected Special Tax Levy for Developed Property. Per the Rate and Method, 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 positive annual percent change in the Consumer Price Index for the Calendar Year ending in December of the prior fiscal year or (ii) two percent. As CPI data for December 2020 is not available, the percentage calculated pursuant to (i) cannot be precisely estimated. Instead, the most current data was used to estimate this amount, which rendered 2.00%.
Source: WEBB Municipal Finance, LLC, based on assessed value information provided by the County.

Special Tax History

Fiscal Year 2020-21 is the first fiscal year in which Special Taxes are being levied within the District. Unpaid amounts of the Special Taxes become delinquent after December 10 and April 10 of each Fiscal Year.

Top Taxpayers

As of July 30, 2020, individual homeowners owned 95 of the 118 parcels in the District. Based on ownership status and development status as of July 30, 2020, individual homeowners are projected to be responsible for 80.70% of the Special Taxes projected to be levied in Fiscal Year 2021-22, with the Developer being responsible for the other 19.30%. 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 two non-contiguous parcels of land divided into two zones: Zone 1 and Zone 2. The District consists of approximately 19.3 gross acres and approximately 16.9 net acres. All of the property within the District is located within Tract Map Nos. 37426 and 37427. The property within the District is being developed into a residential development of 118 single family detached homes 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 listed 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, Pardee Homes in California and Nevada, Quadrant Homes in Washington, Trendmaker Homes in Texas, TRI Pointe Homes in California, Colorado and the Carolinas, 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, 2019, as filed with the SEC on February 19, 2020, its Quarterly Report on Form 10-Q for the quarter ended March 31, 2020 as filed with the SEC on April 23, 2020, and its Quarterly Report on Form 10-Q for the quarter ended June 30, 2020 as filed with the SEC on July 24, 2020, 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 well as potential risks associated with and discussions regarding the projected impact of the COVID-19 pandemic on its operations and finances 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 118 lots within the District, as of July 30, 2020, the date of value set forth in the Appraisal Report, 95 had been completed and conveyed to individual homeowners, 7 had completed homes and were owned by the Developer and 16 had homes that were actively under construction and were owned by the Developer. As of July 30, 2020, 22 units were under contract to be sold to individual homeowners. Building permits have been pulled for all of the parcels within the District; accordingly, all lots will be classified as Developed Property, and Special Taxes will be levied against such properties, beginning in Fiscal

Year 2020-21, the first year in which all parcels within the District will be classified as Developed Property. As of August 17, 2020, an additional 2 homes had been conveyed to individual homeowners, with 20 under contract to be sold to individual homeowners. Home sales and closings within the District began in 2019. The Developer anticipates that the last units in the District will be transferred to individual homeowners by December 2020. 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 $34,050,000. As of July 30, 2020, the Developer expects its remaining home construction costs and other development, marketing and sales costs within the District to be approximately $925,000.

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.

COVID-19

Overview with Respect to TRI Pointe Group. The World Health Organization ("WHO") has declared the outbreak of COVID-19 to be a global pandemic and states of emergency have been declared in the United States, State of California and County of Riverside. As a result of the pandemic, the State of California has issued shelter-in-place orders or similar mandates for individuals not engaged in essential activities to remain at home other than for essential needs. Currently, in the County of Riverside, residential homebuilding is considered an essential business activity, which has allowed the Developer to continue operations in the City.

In response to the WHO declaration and governmental shelter-in-place orders, TRI Pointe Group has implemented new operating measures relating to its sales, construction and other operations, including protocols relating to social distancing, enhanced sanitation, monitoring of symptoms related to COVID-19 and other processes. Under these measures, it encouraged employees at its corporate and division offices whose duties could be performed from home to work remotely; its new home galleries and design studios transitioned to virtual appointments or appointment-only with pre-screened individuals in certain jurisdictions, as permitted by law; and it has instituted mandatory social distancing and hygiene/sanitation guidelines in accordance with recommended protocols throughout the organization (including in its new home sales galleries and design studios, and with respect to trade partners and employees on its jobsites). As of the date of this Official Statement, as permitted by applicable government orders or guidelines, TRI Pointe Group has transitioned substantially all of its employees back to its corporate and division offices (in many cases using staggered or flexible schedules to limit the number of individuals in its offices on a given day) and is no longer appointment-only in many of its new home galleries. TRI Pointe Group's field-based team members continue to report to their assigned communities in all jurisdictions where homebuilding has been deemed an essential activity or is otherwise permitted by applicable government authorities. It has also encouraged its employees to use virtual working and communications platforms in lieu of holding in-person meetings whenever possible.

The COVID-19 outbreak and the measures taken by governmental authorities to contain its spread have resulted in substantial adverse effects on the United States economy and could result in a severe and/or prolonged economic recession. The ongoing impact of COVID-19 on the United States economy and TRI Pointe Group's business and operations is unknown, as the velocity of the economic slowdown and the subsequent job losses are unprecedented. While demand for new homes has rebounded substantially over the

last several months, given the dynamic nature of the situation, recent increases in new COVID-19 cases in many states and the re-imposition by local and state governments through the United States of restrictive measures, TRI Pointe Group cannot estimate the duration and severity of the impact of COVID-19 on the homebuilding industry or whether the current demand environment will persist. To the extent TRI Pointe Group (including the Developer) experiences further negative impacts, however, it anticipates that such impacts may include reduced consumer confidence, difficulties in obtaining financing for potential homebuyers, shortages of or increased costs associated with obtaining building materials, increased unemployment levels, declining wage growth and fluctuating interest rates. The uncertainty surrounding the containment of the virus, in the form of testing, vaccination and/or treatments, is a key unknown, and the ultimate strategy adopted to address the pandemic, if any, will substantially impact the form of any resulting economic recovery. Similarly, the extent of the impact of COVID-19 on TRI Pointe Group's liquidity and operational and financial performance will depend on, among other things, existing and future federal, State and local restrictions regarding virus containment, as TRI Pointe Group these factors are highly correlated with consumer strength as it relates to employment and economic well-being.

As of the date of this Official Statement, TRI Pointe Group continues to build and sell homes in all of its markets, and net new orders and traffic in its sales offices have increased significantly as compared to the beginning of the second quarter of 2020. Notwithstanding, the new protocols that TRI Pointe Group implemented in response to the COVID-19 outbreak and the measures taken by governmental authorities to contain its spread continue to affect its business and operations as of the date of this Official Statement, in many regards, including by requiring a substantial investment of time and resources by its management and organization and causing other material disruptions to its normal operations.

Impact on Development of the District. The Developer's completion of development in the District is subject to delays caused by the COVID-19 pandemic. Although, as of August 17, 2020, the Developer had not experienced any material increases in costs, delays in home construction resulting from decisions to reduce financing for the project, work stoppages, reduced attendance of workers, lack of or delays in the delivery of building materials or the ability to obtain necessary inspections and approvals attributable to the COVID-19 pandemic. As of August 17, 2020, the Developer had continued to receive funding to complete its home construction and sales activities in the District as described in the Official Statement.

While the Developer's sales offices and model home tours were open by appointment only for several weeks in March 2020, beginning May 9, 2020, the Developer's sales offices and model homes were open to both walk-in visitors and visitors with sales appointments during normal business hours. In each case, visiting groups were limited to one per model home. The Developer has not offered price reductions on any of its units within the District.

For the reasons set forth above and in SPECIAL RISK FACTORS—COVID-19 (Coronavirus) Pandemic), the Developer cannot predict the ultimate effects of the COVID-19 outbreak or whether any such effects will have a material adverse effect on its ability to complete home construction and sales activities in the District as currently planned. As the impacts caused by the outbreak evolve, there could be a material adverse impact on the timing and costs of such activities in the District.

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 and development status as of July 30, 2020, approximately 19.30% of the Special Taxes projected to be levied in Fiscal Year 2021-22 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 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. 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 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 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. Should the Special Taxes not be paid on time, 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 of 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 July 30, 2020, the value of the Taxable Parcels within the District was $33,982,000. 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 Report, 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 City 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.

COVID-19 (Coronavirus) Pandemic. In response to the coronavirus pandemic, on May 6, 2020, Governor Newsom issued Executive Order N-61-20 (the "Executive Order"), waiving penalties and interest on taxes on property on the secured or unsecured roll through May 6, 2021 under certain conditions, including: (i) the property is a residential property occupied by the taxpayer or the property is used for a small business, (ii) the taxes owed were not delinquent as of March 4, 2020, (iii) the taxpayer files for relief in a form prescribed by the tax collector, and (iv) the taxpayer demonstrates economic hardship to the satisfaction of the tax collector. The Executive Order may have an effect on the collection of penalties and interest on delinquent Special Taxes and may otherwise affect a property owner's willingness to pay Special Taxes when due. The District can provide no assurance that additional actions will not be taken by the County, the State, or individual property taxpayers that may have a material adverse impact on the timing of Special Tax collection and the District's ability to pay scheduled debt service on the Bonds when due. See "—COVID-19 (Coronavirus) Pandemic."

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 XIIIC and Article XIIID 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 XIIIC 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 XIIIC 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 XIIIA, Section 4 thereof and Article XIIIC, 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."

Cybersecurity

The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information, the City is subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the City's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. To date, the City has not experienced an attack on its computer operating systems which resulted in a breach of its cybersecurity systems that are in place. However, no assurances can be given that the City's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the City.

COVID-19 (Coronavirus) Pandemic

The spread of the novel strain of coronavirus called COVID-19 is having significant negative impacts throughout the world, including in the State, County of Riverside and City. The WHO declared the COVID-19 outbreak to be a pandemic, and states of emergency have been declared by the County of Riverside, State and the United States. The purposes behind these declarations are to coordinate and formalize emergency actions across federal, state and local governmental agencies, and to proactively prepare for a wider spread of the virus. There have been confirmed cases of COVID-19 in the City and related deaths, and confirmed cases of COVID-19 and deaths are growing throughout the State. Health officials are expecting the number of confirmed cases and deaths to continue to grow.

In response to the outbreak of COVID-19, the California State Public Health Officer and Director of the California Department of Public Health ordered all individuals living in the State to stay home or at their place of residence ("Stay Home Order"), except as needed to maintain continuity of operation of the critical infrastructure sectors, critical government services, schools, and construction, including housing construction. The impact of COVID-19 and the Stay Home Order is likely to continue to evolve over time, which could adversely impact the completion of the development in the District, including, but not limited to, one or more of the following ways: (i) potential supply chain slowdowns or shutdowns resulting from the unavailability of workers in locations producing construction materials; (ii) slowdowns or shutdowns by local governmental agencies in providing governmental permits, inspections, title and document recordation, and other services and activities associated with real estate development; (iii) delays in construction where one or more members of the workforce becomes infected with COVID-19; (iv) fluctuations in financial markets and contraction in available liquidity; (v) extensive job losses and declines in business activity across important sectors of the economy; (vi) declines in business and consumer confidence that negatively impact economic conditions or cause the current economic recession triggered by COVID-19 to be prolonged; and (vii) the failure of government measures such as fiscal stimulus to counteract the economic impact of the pandemic. The ultimate effects of the COVID-19 outbreak could have a material adverse effect on the ability to complete the remaining development in the District as planned. See "PROPERTY OWNERSHIP AND THE DEVELOPMENT."

In response to the COVID-19 pandemic, the City initially closed certain non-essential functions of the City, though the building and permitting departments of the City were never closed and continued to issue building permits and perform inspections for lots within the City upon request. The City has since eased its restrictions and the majority of the City's departments are operating, with employees working remotely. Other public agencies serving the property and residents within District may have taken similar actions in response to the COVID-19 pandemic, though the District and the City can provide no assurance regarding the actions of any other public agencies. Such actions may affect the Developer's ability to complete its planned development in the time period and within the cost estimates described in the Official Statement. See "PROPERTY OWNERSHIP AND THE DEVELOPMENT."

Beginning in late March 2020, certain northern California counties temporarily halted most construction, including residential construction which is not affordable housing, to combat the spread of the coronavirus. Such restrictions have since been lifted. The County of Riverside did not impose a similar restriction on construction activity. In the event of an escalation of the COVID-19 outbreak, the County of Riverside could impose similar temporary construction restrictions and such restrictions could have a material adverse effect on the ability to complete the projects within the District on the timeframes and budgets described in this Official Statement under the caption "PROPERTY OWNERSHIP AND THE DEVELOPMENT."

The COVID-19 outbreak is ongoing, and the ultimate geographic spread of the virus, the duration and severity of the outbreak and actions that may be taken by governmental authorities to contain the outbreak or to treat its impact are uncertain. The ultimate adverse impact of COVID-19 on the District, and the Developer and its affiliates, and their operations and finances, and the real estate market in general is unknown.

Split Roll Initiative

On October 15, 2018, a proposed ballot initiative became eligible for the November 2020 Statewide ballot (the "Ballot Measure 1851"). If approved by a majority of voters casting a ballot at the November 2020 Statewide election, Ballot Measure 1851 would amend Article XIIIA of the State Constitution such that the "full cash value" of commercial and industrial real property that is not zoned for commercial agricultural production, for each lien date, would be equal to the fair market value of that property. If passed, Ballot Measure 1851 would not affect the "full cash value" of residential property or real property used for commercial agricultural production, which would continue to be subject to annual increases not to exceed 2%. After compensating the State General Fund for resulting reductions in State personal income tax and corporate tax revenues, and compensating cities, counties and special districts for the cost of implementing Ballot Measure 1851, approximately 40% of the remaining additional tax revenues generated as a result of Ballot Measure 1851 would be deposited into a fund created pursuant to Ballot Measure 1851 called the Local School and Community College Property Tax Fund, with such funds being used to supplement, and not replace, existing funding school districts and community college districts receive under the State's constitutional minimum funding requirement.

Proponents of Ballot Measure 1851 subsequently announced a revised version of its ballot initiative (the "Ballot Measure 1870" and, together with Ballot Measure 1851, the "Split Roll Measures"). Ballot Measure 1870 has received sufficient signatures and has qualified for the November 2020 Statewide ballot. Like Ballot Measure 1851, Ballot Measure 1870 would similarly amend the determination of "full cash value" of commercial and industrial real property, however the Split Roll Measures differ in the threshold at which commercial and industrial properties would be taxed at market value, which small business-owned properties would continue to be taxed based on purchase price, and how revenue would be allocated for schools.

The District cannot predict whether Ballot Measure 1851 will qualify for the November 2020 Statewide ballot, or, if it does, whether either Split Roll Measure will be approved by a majority of voters casting a ballot. If approved, the District cannot make any assurance as to what effect the implementation of either Split Roll Measure will have on the assessed valuation of real property in the District. To the extent that either Split Roll Measure passes and results in higher assessed values on the commercial properties in the District and higher *ad valorem* taxes, the increased tax burden could have an adverse effect on the willingness or ability of property owners to pay the Special Taxes when due.

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, 2021. The District Reports will include the audited financial statements of the District, 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 DISTRICT 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 District 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 2019. Such omissions and deficiencies included the late filing of annual reports, the late filing of or failure to file the City's audited and/or unaudited financial statements, the failure to file completed information on the status of facilities being constructed with bond proceeds, the failure to file one or more rating change notices 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 the District to make corrective filings for Fiscal Years 2013-14 through 2017-18 with EMMA, including the filing of audited and unaudited financial statements for Fiscal Years 2013-14 through 2017-18, 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 the Developer. 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.

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 the $_____ aggregate principal amount thereof, [plus] 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. 2019-1

By: _____
City Manager

APPENDIX A

RATE AND METHOD OF APPORTIONMENT FOR COMMUNITY FACILITIES DISTRICT NO. 2019-1 (SUNDANCE) OF THE CITY OF BEAUMONT

The following sets forth the Rate and Method of Apportionment for the levy and collection of the Special Tax for Maintenance Services, Special Tax for Public Services and the Special Tax for Facilities in Community Facilities District No. 2019-1 (Sundance) ("CFD No. 2019-1") each Fiscal Year, in an amount determined by the City Council of the City of Beaumont through the application of the Rate and Method of Apportionment described below. All of the real property in CFD No. 2019-1, 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. 2019-1: 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. 2019-1 or any designee thereof of complying with arbitrage rebate requirements; the costs to the City, CFD No. 2019-1 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. 2019-1 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. 2019-1.

"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.

"Boundary Map" means a recorded map of CFD No. 2019-1 which indicates the boundaries of CFD No. 2019-1.

"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 No. 2019-1" or **"CFD"** means City of Beaumont Community Facilities District No. 2019-1 (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. 2019-1, 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 Parcels of Taxable Property that are included in a Final Map that was recorded prior to January 1st preceding the Fiscal Year in which the Special Tax is being levied and for which a Building Permit for new construction has been issued on or prior to March 1st preceding the Fiscal Year in which the Special Tax is being levied, 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 4285 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. 2019-1 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. 2019-1 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. 2019-1 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. 2019-1 in any Fiscal Year on any Assessor's Parcel.

"Minimum Acreage" means the smallest allowable amount of taxable acreage. For CFD No. 2019-1, it shall not be less than 12.97 acres. The minimum acreage per Zone is as follows: (i) Zone 1 – 7.10 acres and (ii) Zone 2 – 5.87 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. 2019-1 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. 2019-1 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 for Taxable Property that is (i) Developed Property, that the ratio of the actual Special Tax levy to the Assigned Special Tax is the same for all Parcels of Developed Property, (ii) Final Map Property, that the ratio of the actual Special Tax levy to the Maximum Special Tax is the same for all Parcels of Final Map Property, and (iii) Undeveloped Property, Public Property and Property Owners' Association Property, that the ratio of the actual Special Tax levy per Acre to the Maximum Special Tax per Acre is the same for all Parcels of Undeveloped Property, Public Property and Property Owners' Association Property.

"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. 2019-1 and the City.

"Residential Floor Area" means all 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. 2019-1 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. 2019-1 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. 2019-1 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. 2019-1 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. 2019-1 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. 2019-1 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. 2019-1, 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. 2019-1 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 or 2 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.

SECTION B
CLASSIFICATION OF ASSESSOR'S PARCELS

Each Fiscal Year, beginning with Fiscal Year 2019-20, 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 two Zones based upon its geographic location and further classified as Developed Property, Final Map Property or Undeveloped Property. In addition, each Assessor's Parcel of Developed Property shall further be classified as Residential Property or Non-Residential Property. Lastly, Assessor's Parcels of Residential Property shall be further categorized into Land Use Categories based on the Residential Floor Area for such Assessor's Parcel.

SECTION C
MAXIMUM SPECIAL TAXES

1. <u>Developed Property</u>

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 2019-20 shall be $230 per unit for Assessor's Parcels located in Zone 1 and $444 per unit for Assessor's Parcels located in Zone 2. 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 2019-20 shall be $3,118 per Acre for Assessor's Parcels located in Zone 1 and $2,600 per Acre for Assessor's Parcels located in Zone 2.

On each July 1, commencing July 1, 2020, 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 2019-20 shall be $462 per unit.

On each July 1, commencing July 1, 2020, 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. <u>Final Map Property</u>

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 2019-20 shall be $3,118 per Acre for Assessor's Parcels located in Zone 1 and $2,600 per Acre for Assessor's Parcels located in Zone 2.

On each July 1, commencing July 1, 2020, 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. <u>Undeveloped Property</u>

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 2019-20, 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 and Table 2 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	< 1,800	$1,270 per Dwelling Unit
Residential Property	1,800 – 2,000	$1,360 per Dwelling Unit
Residential Property	>2,000	$1,450 per Dwelling Unit
Non-Residential Property	N/A	$18,601 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	< 2,000	$1,310 per Dwelling Unit
Residential Property	2,000 – 2,249	$1,375 per Dwelling Unit
Residential Property	2,250 – 2,500	$1,440 per Dwelling Unit
Residential Property	>2,500	$1,505 per Dwelling Unit
Non-Residential Property	N/A	$8,277 per Acre

2. Final Map Property and Undeveloped Property

Each Fiscal Year, beginning with Fiscal Year 2019-20, 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 - $18,601
2. Zone 2 rate per Acre - $8,277

SECTION E
BACKUP ANNUAL SPECIAL TAX FOR FACILITIES

When a Final Map is recorded, the CFD Administrator shall determine which Zone the Final Map area lies within and the Backup Special Tax for a Parcel classified or to be classified as Residential Property within such Final Map shall be determined by multiplying the Undeveloped Property Maximum Special Tax rate per Acre for the applicable Zone by the total Acreage of Taxable Property within such Final Map, excluding the Acreage associated with Non-Residential Property, Public Property and/or Property Owners' Association Property that is not Exempt Property pursuant to Section J and dividing such amount by the number of Parcels within such Final Map classified as either (i) Developed Property or (ii) Final Map Property for which a Building Permit is expected to be issued for Residential Property (i.e., the number of residential lots).

Notwithstanding the forgoing, if Parcels 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 shall be recalculated for the area that has been changed or modified using the methodology described in the preceding paragraph.

The Backup Special Tax shall not apply to Non-Residential Property, Public Property, or Property Owners' Association Property.

SECTION F
METHOD OF APPORTIONMENT OF THE SPECIAL TAXES

1. Commencing with Fiscal Year 2019-20 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 2019-20 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 2019-20 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. 2019-1.

SECTION G
PREPAYMENT OF SPECIAL TAX FOR FACILITIES

The following additional definitions apply to this Section G:

"CFD Public Facilities" means $2,000,000, or such lessor amount as determined by the CFD Administrator, expressed in 2018 dollars, which shall increase by the Construction Inflation Index on January 1, 2020, 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. 2019-1, 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. 2019-1.

"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. 2019-1 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:

2. 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.

3. 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.

4. 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".

5. 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."

6. 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. 2019-1 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. 2019-1 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. 2019-1 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. 2019-1; or

(iii) grant a credit against, eliminate or reduce the future Special Taxes levied on the taxpayer's property within CFD No. 2019-1 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. 2019-1 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:

_____, 2020

City of Beaumont
Community Facilities District No. 2019-1
Beaumont, California

Re: $_____ City of Beaumont Community Facilities District No. 2019-1
2020 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. 2019-1 (the "District") of its 2020 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 (the "Board"), on September 1, 2020, and the Bond Indenture dated as of September 1, 2020 (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").

The COVID-19 outbreak is ongoing, and the duration and severity of the outbreak, and the economic and other impacts of actions that may be taken by governmental authorities to contain the outbreak or to treat its impact, are developing and uncertain. The information set forth in this Appendix C predates the outbreak of the COVID-19 pandemic and should not be relied upon as representative of the current demographics within the City, the County and 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 as of January 1 for the years 2016 through 2020.

Area	*2016*	*2017*	*2018*	*2019*	*2020*
City of Beaumont	44,746	45,167	46,545	49,630	51,475
County of Riverside	2,350,992	2,384,660	2,412,536	2,422,146	2,442,304
State of California	39,214,803	39,504,609	39,740,508	39,695,376	39,782,870

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 2014 through 2018.

BUILDING PERMIT VALUATIONS
City of Beaumont
2014-2018

	2014	*2015*	*2016*	*2017*	*2018*
Valuation ($000):					
Residential	$73,329	$78,326	$85,627	$121,802	$183,245
Non-residential	5,375	6,911	33,002	10,219	271,487
Total*	$79,204	$85,237	$118,629	$132,021	$454,732
Residential Units:					
Single family	435	452	443	715	656
Multiple family	0	0	38	2	112
Total	435	452	481	717	768

* May not foot due to rounding.
Source: Construction Industry Research Board.

BUILDING PERMIT VALUATIONS
County of Riverside
2014-2018

	2014	*2015*	*2016*	*2017*	*2018*
Valuation ($000):					
Residential	$1,621,751	$1,536,742	$1,759,535	$1,903,417	$2,558,081
Non-residential	814,990	911,465	1,346,019	1,433,691	1,959,680
Total*	$2,436,741	$2,448,207	$3,105,554	$3,337,108	$4,517,761
Residential Units:					
Single family	5,007	5,007	5,662	6,265	7,540
Multiple family	1,931	1,189	1,039	1,070	1,628
Total	6,938	6,196	6,701	7,335	9,168

* May not foot due to rounding.
Source: Construction Industry Research Board.

Employment

The following table shows the largest employers located in the County as of fiscal year 2019.

LARGEST EMPLOYERS
County of Riverside
2019

Rank	*Name of Business*	*Employees*	*Type of Business*
1.	County of Riverside	21,215	County Government
2.	March Air Reserve Base	9,000	Military Reserve Base
3.	University of California-Riverside	8,735	University
4.	Kaiser Permanente Riverside Medical Center	5,592	Medical Center
5.	Corona-Norco Unified School District	4,989	School District
6.	Pechanga Resort and Casino	4,683	Casino & Resort
7.	Riverside Unified School District	4,335	School District
8.	Hemet Unified School District	4,302	School District
9.	Eisenhower Medical Center	3,743	Medical Center
10.	Moreno Valley Unified School District	3,684	Casino & Resort

Source: County of Riverside Comprehensive Annual Financial Report for the year ending June 30, 2019.

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 2015 through 2019.

RIVERSIDE-SAN BERNARDINO-ONTARIO MSA
INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE

	2015	*2016*	*2017*	*2018*	*2019*
Civilian Labor Force	1,952,500	1,981,500	2,015,300	2,047,500	2,071,800
Civilian Employment	1,824,100	1,863,600	1,912,500	1,959,400	1,988,600
Civilian Unemployment	128,400	118,000	102,800	88,100	83,200
Civilian Unemployment Rate	6.6%	6.0%	5.1%	4.3%	4.0%
Total Farm	14,800	14,600	14,500	14,500	15,100
Total Nonfarm	1,354,400	1,403,300	1,454,900	1,506,700	1,541,800
Total Private	1,121,100	1,161,000	1,203,900	1,249,500	1,281,300
Goods Producing	183,100	191,600	197,600	207,500	208,300
Mining and Logging	1,300	900	1,000	1,200	1,200
Construction	85,700	92,000	97,400	105,200	105,900
Manufacturing	96,200	98,700	99,200	101,100	101,200
Service Providing	1,171,200	1,211,700	1,257,300	1,299,300	1,333,500
Trade, Transportation and Utilities	333,100	347,900	365,500	379,600	390,700
Wholesale Trade	60,500	61,600	62,600	65,500	66,700
Retail Trade	174,400	178,300	180,900	181,200	181,300
Transportation, Warehousing and Utilities	98,100	108,000	122,100	132,900	142,800
Information	11,700	11,800	11,600	11,400	11,500
Financial Activities	43,700	44,300	43,900	43,800	44,200
Professional and Business Services	147,400	144,900	146,900	151,400	155,500
Educational and Health Services	206,300	215,700	226,700	239,500	250,100
Leisure and Hospitality	151,700	160,200	166,300	170,600	175,200
Other Services	44,000	44,600	45,400	45,800	45,800
Government	233,300	242,300	251,000	257,200	260,500
Total, All Industries	1,369,100	1,417,900	1,469,400	1,521,200	1,556,900

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 2019 Benchmark.

The following table summarizes the labor force, employment and unemployment figures for the period from 2015 through 2019 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

Year and Area	*Labor Force*	*Employment*[1]	*Unemployment*[2]	*Unemployment Rate (%)*[3]
2015				
Beaumont	19,500	18,700	800	4.0%
Riverside County	1,033,300	964,100	69,200	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	1,051,400	987,200	64,200	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	1,072,200	1,015,800	56,300	5.3
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	22,700	21,900	800	3.3%
Riverside County	1,091,400	1,042,700	48,700	4.5
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
2019				
Beaumont	23,000	22,300	800	3.3%
Riverside County	1,104,000	1,057,900	46,100	4.2
State of California	19,411,600	18,627,400	784,200	4.0
United States[4]	163,539,000	157,538,000	6,001,000	3.7

(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 2019 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 2007 and 2018. The following tables summarize personal income for Riverside County for 2007 through 2018.

PERSONAL INCOME
Riverside County
2007-2018
(Dollars in Thousands)

Year	*Riverside County*	*Annual Percent Change*
2007	$65,561,491	5.1%
2008	66,718,107	1.8
2009	65,363,159	(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
2018	99,591,680	5.7

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 2010-2019. 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
2010 through 2019
Riverside County, State of California and United States

Year	Riverside County	State of California	United States
2010	$30,698	$43,636	$40,547
2011	32,196	46,175	42,739
2012	32,737	48,813	44,605
2013	33,440	49,303	44,860
2014	34,753	52,363	47,071
2015	36,642	55,808	48,994
2016	37,936	57,801	49,890
2017	38,975	60,219	51,910
2018	40,637	63,711	54,526
2019	(1)	66,661	56,663

(1) 2019 not available for the County.
Note: Per capita personal income was computed using Census Bureau midyear population estimates. Estimates for 2010-2018 reflect county population estimates available as of March 2019.
Source: U.S. Department of Commerce, Bureau of Economic Analysis.

Taxable Sales

The table below presents taxable sales for the years 2015 through 2019 for the City.

TAXABLE SALES
City of Beaumont
2015-2019[(1)]
(Dollars in Thousands)

Year	*Permits*	*Taxable Transactions*
2015[(1)]	1,208	394,993
2016	1,264	414,906
2017	1,281	429,066
2018	1,382	455,127
2019	1,441	472,714

(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.

Source: "Taxable Sales in California (Sales & Use Tax)" - California State Board of Equalization for 2015-2019; Taxable Sales in California, California Department of Tax and Fee Administration for 2015-2019.

The table below presents taxable sales for the years 2015 through 2019 for the County.

TAXABLE SALES
County of Riverside
2015-2019[(1)]
(Dollars in Thousands)

Year	*Permits*	*Taxable Transactions*
2015[(1)]	55,857	33,166,660
2016	57,742	34,483,694
2017	58,969	36,407,460
2018	61,433	38,919,498
2019	64,063	40,557,845

(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.

Source: "Taxable Sales in California (Sales & Use Tax)" - California State Board of Equalization for 2015-2019; Taxable Sales in California, California Department of Tax and Fee Administration for 2015-2018

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 DISTRICT CONTINUING DISCLOSURE CERTIFICATE

This Continuing Disclosure Certificate dated _____, 2020 (the "Disclosure Certificate") is executed and delivered by City of Beaumont Community Facilities District No. 2019-1 (the "District") in connection with the issuance and delivery by the District of its $_____ 2020 Special Tax Bonds (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted on September 1, 2020, by the City Council of the City of Beaumont, acting as the legislative body of the District, and the Bond Indenture dated as of September 1, 2020, 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. 2019-1.

"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 _____, 2020.

"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, 2021, 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 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 affect security holders.

(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 formed 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. 2019-1
55 East Sixth Street
Beaumont, CA 92223
Attn: City Manager

Underwriter: Stifel, Nicolaus & Company, Incorporated
515 South Figueroa Street, Suite 1800
Los Angeles, CA 90071
Attn: Thomas Jacob

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. 2019-1

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

ACQUISITION AGREEMENT

by and among

CITY OF BEAUMONT,

CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2019-1

and

PARDEE HOMES

Dated as of September 1, 2020

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List of Exhibits

Exhibit A: Description of Authorized Facilities and Discrete Components Eligible for Acquisition from the Owner
Exhibit B: Form of Payment Request (Facilities)
Exhibit C: City CFD Policies

THIS ACQUISITION AGREEMENT (the "Acquisition Agreement"), dated as of September 1, 2020, is by and among the CITY OF BEAUMONT, a general law city (the "City"), the CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2019-1, 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 Exhibit A hereto (the "Facilities").

B. **The Development**. The land within the District is currently expected to be developed with 118 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 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 Exhibit A hereto (as it may be amended and supplemented by any Supplement).

E. **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.

F. **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).

"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.

"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.

"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. 2019-1, 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.

"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 C.

"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 B 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 l5c2-12 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, subordinate only to the payment of debt service on Bonds issued to fund such costs. 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 Developer 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.

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) all as herein provided. Funds in the Improvement Fund shall be reserved and disbursed in accordance with this Acquisition Agreement.

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 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.

ARTICLE III

CONSTRUCTION AND ACQUISITION OF FACILITIES

Section 3.1 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.

Section 3.2 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 3.3 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 3.4 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 B hereto for such Facility or Discrete Component, together with all attachments and exhibits required by Exhibit B and this Section 3.3 to be included therewith (including, but not limited to Attachments 1 and 2 to Exhibit B), 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. 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 3.5 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 3.6 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. 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

REPRESENTATIONS, WARRANTIES AND COVENANTS

Section 6.1 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 6.2 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 VII

TERMINATION

Section 7.1 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 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 7.2 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, 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 7.3 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 VIII

MISCELLANEOUS

Section 8.1 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 8.2 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 8.3 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 DIFs.

Section 8.4 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 8.5 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 6th 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 8.6 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 8.7 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 8.8 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 8.9 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 8.10 Merger. 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 8.11 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 8.12 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 8.13 Counterparts. This Acquisition Agreement may be executed in counterparts, each of which shall be deemed an original.

Section 8.14 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. 2019-1

By:_____

ATTESTED TO:

_____
City Clerk

PARDEE HOMES,
a California corporation

By:_____

Name:_____

Title:_____

ACQUISITION AGREEMENT
(CFD NO. 2019-1)

EXHIBIT A

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

Facility[1]	Estimated Cost
Cherry Avenue Street Improvements	$ 954,607
Storm Drain Improvements along Cherry Avenue	1,353,209
Sewer Improvements along Cherry Avenue	4,118
Highland Springs Avenue Street Improvements	1,500,000

[1] The description of the above Facilities shall also include any appurtenant cost required for completion of such Facility including, but not limited to, grading, wet utility improvements, paving, dry utilities, performance bonds, design, planning, and engineering costs, etc.

ACQUISITION AGREEMENT

EXHIBIT B

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 _____, 2019 by and among the City of Beaumont (the "City"), the City of Beaumont Community Facilities District No. 2019-1 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 B

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

ACQUISITION AGREEMENT

ATTACHMENT 2

EXHIBIT B

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 C

CITY CFD POLICIES

Integra Realty Resources
San Francisco

Appraisal of Real Property

City of Beaumont CFD No. 2019-1
S/O Carnation Way, W/O Xenia Ave., et. al
Beaumont, Riverside County, California 92223

Prepared For:
City of Beaumont

Effective Date of the Appraisal:
July 30, 2020

Report Format:
Appraisal Report – Standard Format

IRR - San Francisco
File Number: 192-2020-0326

City of Beaumont CFD No. 2019-1
S/O Carnation Way, W/O Xenia Ave., et. al
Beaumont, California

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August 19, 2020

Mr. Todd Parton
City Manager
City of Beaumont
550 E. 6th St.
Beaumont, CA 92223

SUBJECT: Market Value Appraisal
City of Beaumont CFD No. 2019-1
S/O Carnation Way, W/O Xenia Ave., et. al
Beaumont, Riverside County, California 92223
IRR - San Francisco File No. 192-2020-0326

Dear Mr. Parton:

Integra Realty Resources – San Francisco is pleased to submit the accompanying appraisal Report of the referenced property. The purpose of the appraisal is to develop an opinion of the market values (fee simple estate) of certain developed properties within the boundaries of the City of Beaumont Community Facilities District No. 2019-1 (Sundance) ("CFD No. 2019-1"). The client for the assignment is the City of Beaumont, and the intended use is for bond underwriting purposes.

CFD No. 2019-1 is comprised of residentially zoned land in the city of Beaumont. Specifically, the territory within CFD No. 2019-1 includes 118 lots which are being marketed as the Alisio, Elara, Daybreak, and Cascade Subdivisions within the Sundance master planned community. Of the 118 Assessor's parcels within the boundaries of CFD No. 2019-1, 102 have completed single-family homes. Of the 102 completed homes, none of the Assessor's parcels have a complete assessed value for both land and improvements. As such, a "not-less than" estimate of market value for each of the smallest floor plans within the four product lines being marketed within CFD No. 2019-1 was appraised and assigned to each respective Assessor's parcel. It's worth noting, of the 102 homes without complete assessed land and improvement value, 95 have sold to individual owners; the remaining 16 parcels comprise homes under construction.

This Appraisal Report 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, the California Debt and Investment Advisory Commission (CDIAC) (2004), 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 (July 30, 2020). The market value of the appraised properties, as well as the cumulative, or aggregate, value of the appraised properties in CFD No. 2019-1 account for the impact of the Lien of the Special Tax securing the CFD No. 2019-1 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 of July 30, 2020, are as follows:

Final Value Conclusions

Value Premise	Value per Parcel	No. of Parcels	Aggregate Value
Not-Less-Than Market Value per Completed Home*			
Elara	$329,000	3	$987,000
Alisio	$298,000	81	$24,138,000
Daybreak	$361,000	18	$6,498,000
Not-Less-Than Market Value (Homes under Construction)			
Alisio	$98,000	3	$294,000
Cascade	$127,000	7	$889,000
Daybreak	$196,000	6	$1,176,000
Total Aggregate Value of Appraised Properties		118	$33,982,000

*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.

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 public improvements that have been completed. The estimate of market value accounts for the impact of the Lien of CFD No. 2019-1 for the Special Taxes securing the Bonds.

As of the date of value, the economy (globally, nationally, and locally) was in a state of rapid transition with a widespread expectation of the imminent onset of a significant recession. The outbreak of COVID-19 (coronavirus disease of 2019) in China was declared a global pandemic by the World Health Organization (WHO) on March 11, 2020. Some market deterioration had occurred shortly before this date, but the declaration by the WHO soon led to municipal and statewide orders to "shelter in place," causing widespread closures of businesses and a massive disruption to general commerce. The status of economic conditions is changing rapidly, creating great uncertainty in the markets. Our analysis of these and related issues is presented in the attached report. The value expressed herein represents our opinion based on the best available data reflective as of the date of value. While values are always subject to change over time, we caution the reader that in the current economic climate, market volatility creates the potential for a more significant change in value over a relatively short period of time. Please refer to the *COVID-19 Impact on Valuation* section of the attached report.

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. 2019-1 not subject to the Lien of the Special Tax securing the Bonds (public and quasi-public land use sites) are not a part of this Appraisal Report.

Please note the aggregate of the appraised values noted herein ***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.

Respectfully submitted,

INTEGRA REALTY RESOURCES - SAN FRANCISCO

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Summary of Salient Facts and Conclusions

Property Name	City of Beaumont CFD No. 2019-1
Address	S/O Carnation Way, W/O Xenia Ave., et. al 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	July 30, 2020
Date of the Report	August 19, 2020
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*			
Elara	$329,000	3	$987,000
Alisio	$298,000	81	$24,138,000
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Not-Less-Than Market Value (Homes under Construction)			
Alisio	$98,000	3	$294,000
Cascade	$127,000	7	$889,000
Daybreak	$196,000	6	$1,176,000
Total Aggregate Value of Appraised Properties		118	$33,982,000

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.

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 public improvements that have been completed. The estimate of market value accounts for the impact of the Lien of CFD No. 2019-1 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.

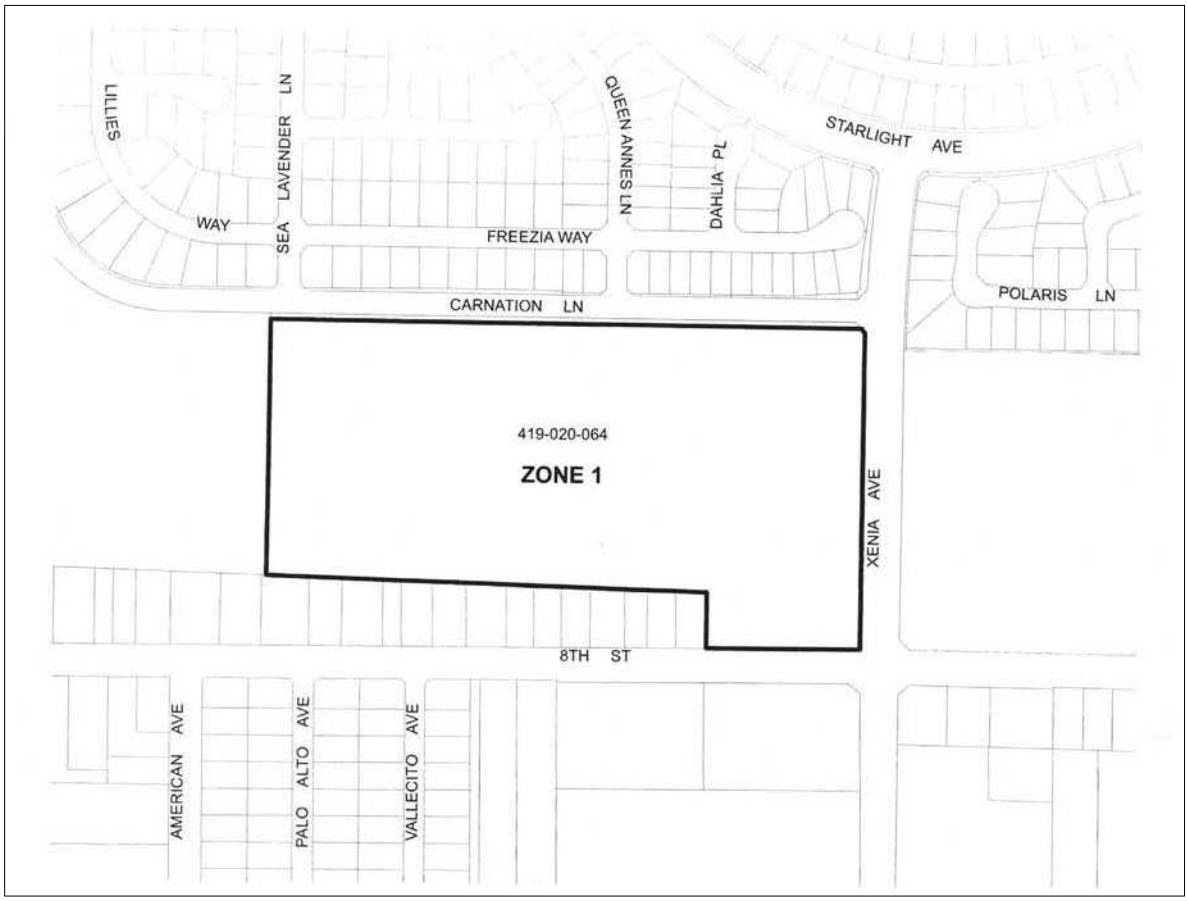
Please note the aggregate of the appraised values noted above ***is not*** the market value of the appraised properties in bulk. As defined by The Dictionary of Real Estate Appraisal, an aggregate value is the “total of multiple market value conclusions.” For purposes of this Appraisal Report, market value is estimated by ownership.

General Information

Identification of Subject

CFD No. 2019-1 is comprised of residentially zoned land in the city of Beaumont. Specifically, the territory within CFD No. 2019-1 includes 118 lots which are being marketed as the Alisio, Elara, Daybreak, and Cascade Subdivisions within the Sundance master planned community. Of the 118 Assessor's parcels within the boundaries of CFD No. 2019-1, 102 have completed single-family homes. Of the 102 completed homes, none of the Assessor's parcels have a complete assessed value for both land and improvements. As such, a "not-less than" estimate of market value for each of the smallest floor plans within the four product lines being marketed within CFD No. 2019-1 was appraised and assigned to each respective Assessor's parcel. It's worth noting, of the 102 homes without complete assessed land and improvement value, 95 have sold to individual owners; the remaining 16 parcels comprise homes under construction.

The boundaries of the subject 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, insomuch 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. 2019-1.

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. 2019-1, subject to the hypothetical condition certain proceeds from the Bonds will be available to reimburse for certain public facilities, as of the effective date of the appraisal, July 30, 2020. The date of the report is August 19, 2020. 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 with homes under construction.

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 public improvements. The estimate of market value accounts for the impact of the Lien of CFD No. 2019-1 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, conducted an on-site inspection on July 25, 2020.

Economic Analysis

Area Analysis – Riverside County

Introduction

The worldwide outbreak of the COVID-19 virus and the subsequent chain of events enacted in an effort to minimize the impacts of the pandemic are still in process and changing rapidly. Healthcare and economic responses to this crisis are unfolding in the present, with limited quantifiable data available to gauge the future impact on the local, state and national economies. The following analysis is largely based on historical information as a means of identifying past demographic and general economic trends, both of which will be impacted as more time passes and data becomes available for analysis.

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 2.44 million and has grown at a rate of 1.1% per year for the past five years. The following table illustrates recent population trends for Riverside County.

Population Trends

City	2015	2016	2017	2018	2019	2020	%/Yr (5-year)
Banning	30,542	30,769	30,981	31,091	31,142	31,125	0.4%
Beaumont	43,108	44,685	46,025	47,776	49,630	51,475	3.9%
Blythe	18,904	19,410	19,313	19,524	19,256	19,255	0.4%
Calimesa	8,289	8,410	8,644	8,793	8,830	9,329	2.5%
Canyon Lake	10,852	10,899	10,962	10,970	10,995	11,000	0.3%
Cathedral City	52,441	52,576	52,868	53,104	53,320	53,580	0.4%
Coachella	44,809	45,382	45,813	46,317	46,885	47,186	1.1%
Corona	160,420	161,294	164,745	166,154	166,723	168,248	1.0%
Desert Hot Springs	28,299	28,692	28,937	29,525	29,683	29,660	1.0%
Eastvale	61,002	63,331	64,645	65,416	65,611	66,413	1.8%
Hemet	83,067	83,886	84,601	84,969	85,159	85,175	0.5%
Indian Wells	5,190	5,243	5,304	5,342	5,379	5,403	0.8%
Indio	85,212	86,625	87,898	88,989	90,087	90,751	1.3%
Jurupa Valley	98,855	100,196	102,468	104,728	106,115	107,083	1.7%
Lake Elsinore	58,480	60,408	61,574	62,536	63,154	63,453	1.7%
La Quinta	39,240	39,769	40,065	40,217	40,389	40,660	0.7%
Menifee	86,359	88,131	90,197	92,157	94,732	97,093	2.5%
Moreno Valley	200,818	202,021	203,661	205,549	207,181	208,838	0.8%
Murrieta	108,718	109,686	112,178	113,313	114,193	115,561	1.3%
Norco	26,058	26,543	26,618	26,557	26,426	27,564	1.2%
Palm Desert	51,250	51,863	52,389	52,726	52,911	52,986	0.7%
Palm Springs	46,367	46,628	47,005	47,148	47,296	47,427	0.5%
Perris	74,400	76,108	77,925	79,127	79,856	80,201	1.6%
Rancho Mirage	18,146	18,356	18,556	18,708	18,886	19,114	1.1%
Riverside	318,387	320,962	323,583	325,417	326,427	328,155	0.6%
San Jacinto	46,923	47,709	48,321	49,113	50,431	51,028	1.7%
Temecula	108,895	109,985	111,145	111,680	111,879	111,970	0.6%
Wildomar	34,810	35,351	36,113	36,698	37,126	37,183	1.4%
Unincorporated	365,865	368,867	374,046	377,118	382,444	385,388	1.1%
Total	2,315,706	2,343,785	2,376,580	2,400,762	2,422,146	2,442,304	1.1%

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 328,000. 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 2.72 million by 2030 and 3.07 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

	2014	2015	2016	2017	2018	2019
Labor Force	1,011,100	1,033,300	1,051,400	1,072,100	1,091,400	1,104,000
Employment	928,300	964,100	987,200	1,015,800	1,042,700	1,057,900
Job Growth	30,600	35,800	23,100	28,600	55,500	42,100
Unemployment Rate	8.2%	6.7%	6.1%	5.3%	4.5%	4.2%

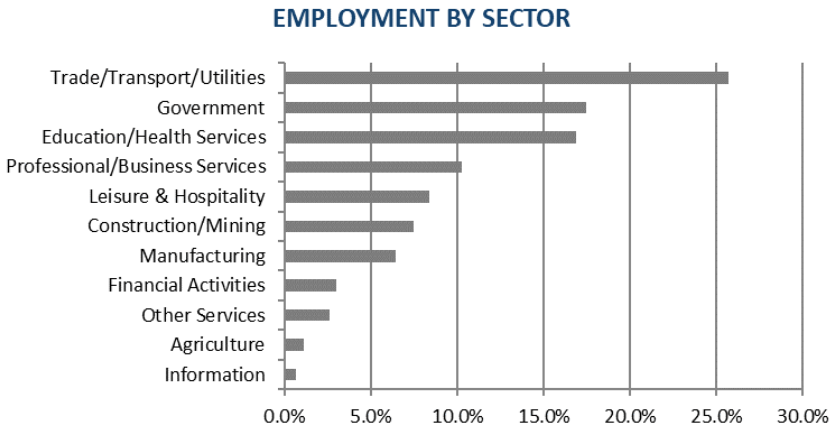
Source: California Employment Development Department

Most areas within the state and nation, including Riverside County, saw declining unemployment rates in 2004 through 2006, increases from 2007 to 2010, and declines between 2011 and 2019. However, this downward trend has shifted as a result of the current COVID-19 crisis. In an effort to prevent the spread and impact of the virus, statewide public health Stay-At-Home Orders were issued on March 19th which directed residents to stay at home except to perform essential activities necessary for the health and safety of individuals and their families. These unprecedented measures left just "essential" businesses open. The closure of non-essential businesses has had a significant impact on employment, with some sectors of the workforce impacted more significantly than others.

The average annual unemployment rate in Riverside County was 4.2% in 2019 and remained in the 4.1% to 5.4% range during the first quarter of 2020. However, the unemployment rate spiked to 15.6% in April 2020 following non-essential business closures. The California Employment Development Department reported an unemployment rate of 14.8% in Riverside County in June 2020, compared to 15.1% for California and 11.2% for the nation.

As of June 2020, it was reported 145,900 non-farm jobs were lost (9.5% decline) in the Riverside-San Bernardino-Ontario MSA year-over-year. The greatest job loss was in the Leisure/Hospitality sector with 57,900 jobs lost, followed by the Trade/Transportation/Utilities and Government sectors with 21,800 and 18,300 jobs lost, respectively.

The Riverside-San Bernardino-Ontario MSA 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 as of June 2020.



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; Education 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	21,672
Amazon	Countywide	E-Commerce	10,500
University of California, Riverside	Riverside	University	9,770
March Air Reserve Base	March ARB	Military Reserve Base	9,600
Stater Bros	Countywide	Retail Grocery	8,304
Kaiser Permanente Riverside Medical Center	Riverside	Hospital	5,700
Pechanga Resort & Casino	Temecula	Resort/Casino	5,078
Walmart	Countywide	Department Stores	4,931
Corona-Norco Unified School District	Corona	School District	4,903
Ross Dress For Less	Countywide	Department Stores	4,321
Hemet Unified School District	Hemet	School District	4,046
Riverside Unified School District	Riverside	School District	4,000
Eisenhower Medical Center	Rancho Mirage	Hospital	3,900
Moreno Valley Unified School District	Moreno Valley	School District	3,755
Lake Elsinore Unified School District	Lake Elsinore	School District	3,717
Desert Sands Unified School District	La Quinta	School District	3,437
Jurupa Unified School District	Jurupa Valley	School District	3,250
Temecula Valley Unified School District	Temecula	School District	3,057
Palm Springs Unified School District	Palm Springs	School District	2,737
Murrieta Valley Unified School District	Murrieta	School District	2,500
City of Riverside	Riverside	City Government	2,470
Riverside Community College District	Riverside	Community College District	2,342
JW Marriott Desert Springs Resort & Spa	Palm Desert	Resort & Spa	2,304
Agua Caliente Band of Cahuilla Indians	Palm Springs	Tribal Government / Casinos	2,300
Morongo Casino, Resort & Spa	Cabazon	Resort/Casino	2,300
Cal Baptist University	Riverside	University	2,285
Riverside Community Hospital	Riverside	Hospital	2,200
Desert Regional Medical Center	Palm Springs	Hospital	1,962
Alvord Unified School District	Riverside	School District	1,868
Coachella Valley Unified School District	Thermal	School District	1,805
Riverside County Office of Education	Riverside	Education	1,653
Mt. San Jacinto College	San Jacinto	Community College District	1,479
Corona Regional Medical Center	Corona	Hospital	1,250
Medline Professional Hospital Supply	Temecula	Medical / Hospital Equipment & Supplies	1,204
Fantasy Springs Resort and Casino and Tribe	Indio	Tribal Government / Casinos	1,202
UTC Aerospace Systems	Riverside	Aerospace Product & Parts Manufacturing	1,200
California Rehabilitation Center	Norco	Level II Prison	1,200
Fantasy Springs Resort Casino	Indio	Resort Casino	1,153
Parkview Community Hospital Medical Center	Riverside	Hospital	1,149
Ironwood State Prison	Blythe	Level I and III Prison	1,081

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 $63,948 for Riverside County in 2018 dollars (most recent data available), which was lower than the state of California's median income of $71,228.

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 Gorgonio 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.

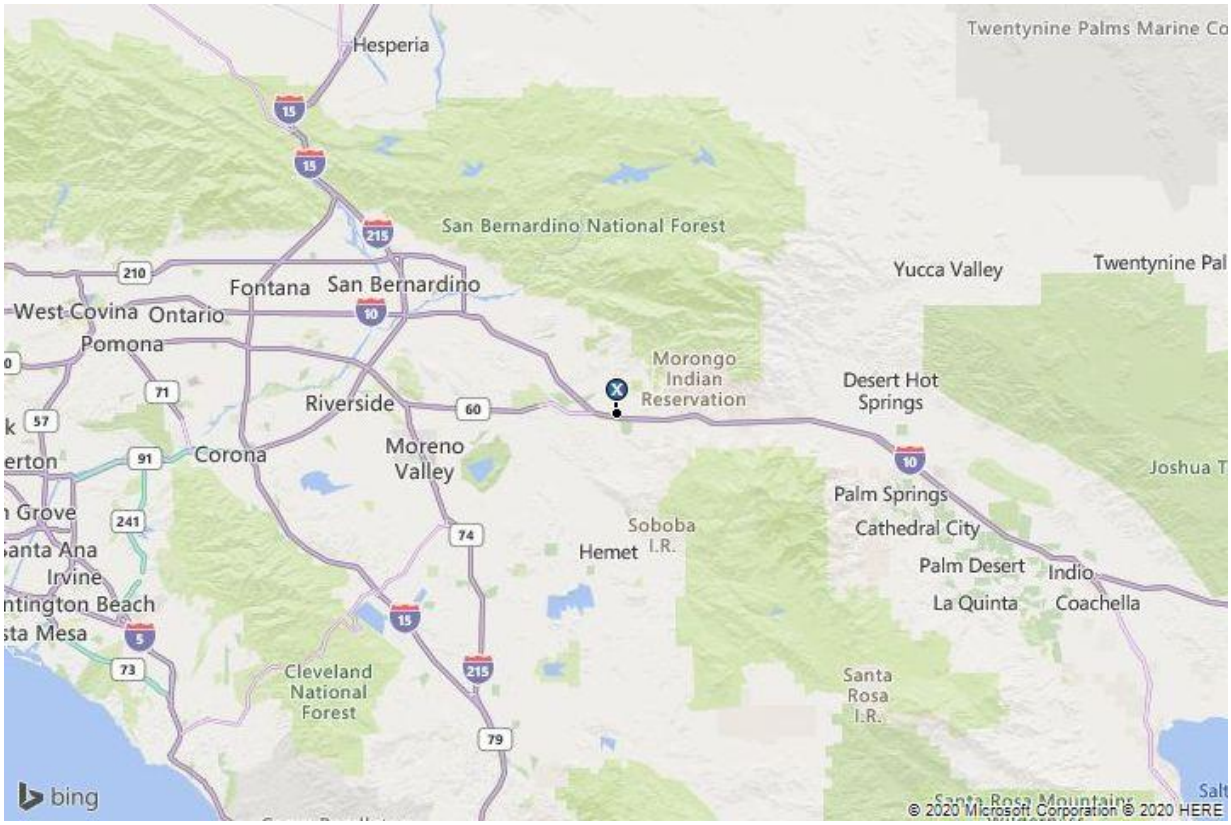
Riverside County is home to multiple higher education institutions including, but not limited to, the University of California Riverside, California Baptist University, California Southern Law School, California State University San Bernardino and Mt. San Jacinto College.

Conclusion

In general, Riverside County is one of the fastest growing areas in the state. Many new residents are relocating here 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.

After a period of contraction in the economy and real estate markets around 2008-2010, the region experienced improvement in employment and economic conditions, and most real estate sectors showed signs of recovery or expansion. However, employment conditions declined sharply in April 2020 following stay-at-home mandates and non-essential business closures, and the near-term outlook is uncertain as a result of the COVID-19 pandemic. A better understanding of the potential impacts will be gained as economic policies aimed at financial relief and resuming business operations are implemented. The historical stability of the local economy bodes well for the long-term outlook for the region.

Area Map


Hesperia
Twentynine Palms Marine Co
San Bernardino National Forest
Yucca Valley
Twentynine Pal
Fontana
San Bernardino
West Covina
Ontario
Pomona
Morongo Indian Reservation
Desert Hot Springs
Riverside
Corona
Moreno Valley
Joshua T
Palm Springs
Cathedral City
Soboba I.R.
Hemet
Palm Desert
Indio
La Quinta
Coachella
Irvine
Cleveland National Forest
Santa Rosa I.R.
bing
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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.

Demographics

A demographic profile of the surrounding area, including population, households, and income data, is presented in the following table.

Surrounding Area Demographics

2020 Estimates	1-Mile Radius	3-Mile Radius	5-Mile Radius	92223 (Beaumont, CA)	Riverside County, CA
Population 2010	7,877	40,443	67,602	44,136	2,189,641
Population 2020	9,458	47,480	79,588	54,317	2,477,088
Population 2025	10,121	50,478	84,467	58,203	2,598,248
Compound % Change 2010-2020	1.8%	1.6%	1.6%	2.1%	1.2%
Compound % Change 2020-2025	1.4%	1.2%	1.2%	1.4%	1.0%
Households 2010	2,742	14,181	24,775	14,983	686,260
Households 2020	3,241	16,379	28,798	18,185	766,375
Households 2025	3,455	17,338	30,462	19,426	801,362
Compound % Change 2010-2020	1.7%	1.5%	1.5%	2.0%	1.1%
Compound % Change 2020-2025	1.3%	1.1%	1.1%	1.3%	0.9%
Median Household Income 2020	$62,886	$67,941	$65,469	$79,501	$70,895
Average Household Size	2.9	2.9	2.7	3.0	3.2
College Graduate %	18%	21%	23%	25%	22%
Median Age	37	39	42	38	36
Owner Occupied %	72%	73%	77%	77%	68%
Renter Occupied %	28%	27%	23%	23%	32%
Median Owner Occupied Housing Value	$288,101	$324,019	$339,120	$351,878	$410,650
Median Year Structure Built	1987	1999	1998	2002	1990
Average Travel Time to Work in Minutes	35	34	34	36	36

Source: Environics Analytics

As shown above, the current population within a 3-mile radius of the subject is 47,480, and the average household size is 2.9. 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 $67,941, 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 and median owner occupied home values are also 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.

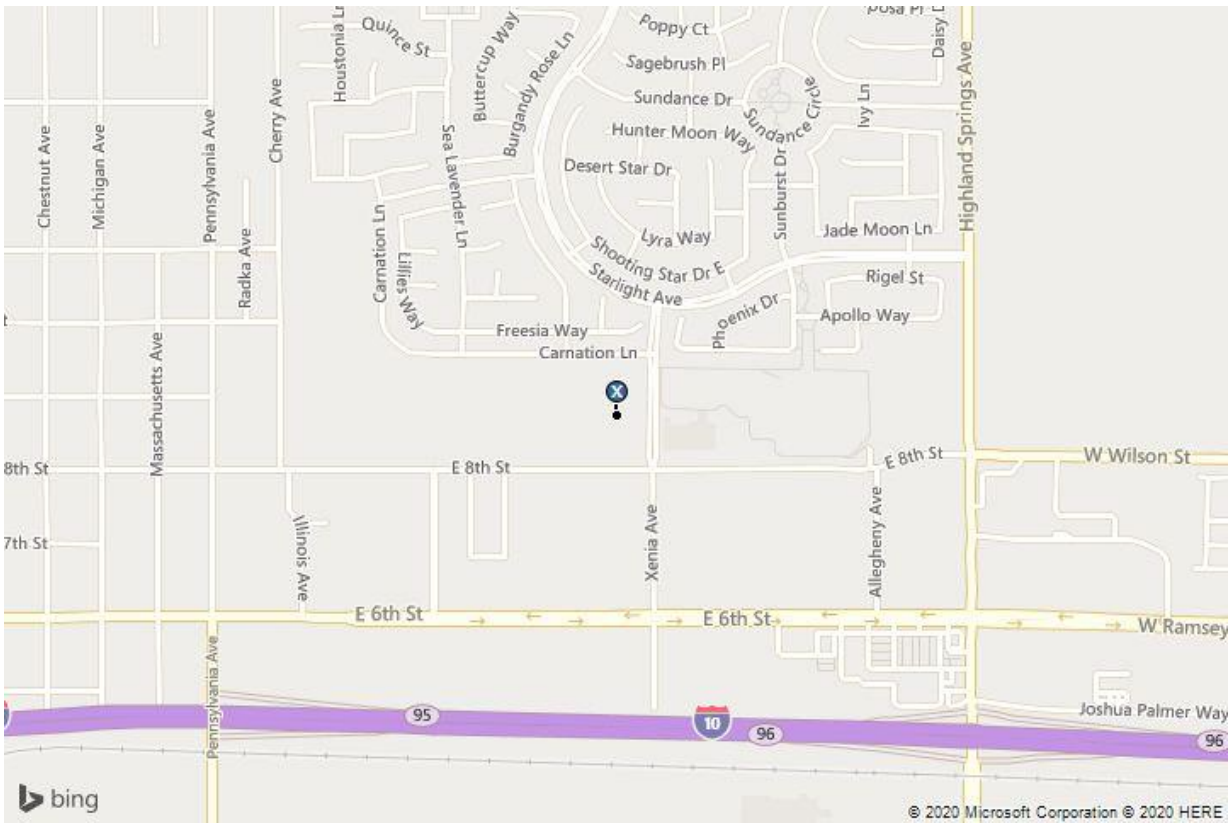
A neighborhood retail center anchored by Stater Bros. Market is located at the northeast corner of Oak Valley Parkway and Beaumont Avenue. A Food 4 Less anchored retail center is located at the southeast corner of North Highland Springs Avenue and East 6th Street. Just south of Interstate 10 at North 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 good. The subject property is considered to have good 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 southwest portion of the urban area 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 move-up buyers as well as empty nesters looking to downsize.

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	535	6,267
2020 (May)	62	3,022

Source: SOCDS Building Permits Database

Active New Home Projects Pricing and Absorption

There are 13 active projects within the city of Beaumont. These projects are summarized in the tables on the following page, based on data as of July 2020.

Active Projects

Project	Master Plan	Community	Developer	Average Price	Avg. Home Size (SF)	Avg. Price/SF	Typical Lot Size	Units Planned	Units Sold	Avg. Sales/Wk	Avg. Sales/Month
Abrio	Sundance	Beaumont	Pardee Homes	$427,500	2,777	$154	7,000	113	107	0.89	3.56
Alisio*	Sundance	Beaumont	Pardee Homes	$342,667	1,895	$181	N/Av	84	82	1.07	4.28
Avia	Olivewood	Beaumont	Taylor Morrison	$347,700	1,751	$199	5,000	302	83	0.77	3.08
Avid^	Atlis	Beaumont	Pardee Homes	$351,000	1,797	$195	N/Av	103	25	0.26	1.04
Beacon	Sundance	Beaumont	Pardee Homes	$765,275	3,333	$230	10,000	114	102	0.88	3.52
Capella	Olivewood	Beaumont	Taylor Morrison	$368,067	2,036	$181	6,000	308	73	0.68	2.72
Cascade*	Sundance	Beaumont	Pardee Homes	$461,267	1,759	$262	5,300	209	189	1.20	4.80
Daybreak*	Sundance	Beaumont	Pardee Homes	$535,000	2,244	$238	5,600	159	156	1.20	4.80
Elan^	Atlis	Beaumont	Pardee Homes	$400,667	2,656	$151	N/Av	81	35	0.37	1.48
Lugano	Olivewood	Beaumont	Taylor Morrison	$414,675	2,625	$158	7,200	240	51	0.47	1.88
Mira^	Atlis	Beaumont	Pardee Homes	$377,000	2,345	$161	N/Av	92	24	0.25	1.00
Provence	Olivewood	Beaumont	Taylor Morrison	$437,038	2,893	$151	7,000	67	63	0.58	2.32
Vita^	Atlis	Beaumont	Pardee Homes	$324,333	1,563	$208	N/Av	152	45	0.48	1.92
			Minimum	$324,333	1,563	$151	5,000				1.00
			Maximum	$765,275	3,333	$262	10,000				4.80
			Average	$427,091	2,283	$190	6,638				**2.80**

*Subject Property represents a portion of
^Age-restricted Project

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 - $427,091, is higher than recent sale prices among the subdivisions within the subject's boundaries. Average weekly sales for the above projects equate to a monthly average absorption rate of 2.80 homes.

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 15,000 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
464 Whitney Peak	7/15/2020	2,482	$485,000	$494,900	$199	98.0%	2016	11	7,405
36543 Straightaway DR	7/13/2020	3,102	$424,000	$427,000	$138	99.3%	2013	28	8,276
35300 Smith AVE	7/13/2020	2,402	$468,500	$477,000	$199	98.2%	2016	56	6,534
11430 Michelle LN	7/9/2020	1,718	$365,000	$374,900	$218	97.4%	2018	29	6,970
1472 Tinkers Creek	7/2/2020	1,859	$370,000	$370,000	$199	100.0%	2013	29	6,534
1323 Mandrake WAY	6/29/2020	1,906	$360,000	$349,999	$184	102.9%	2013	6	6,534
1548 Big Horn	6/29/2020	1,859	$365,000	$359,900	$194	101.4%	2015	4	8,276
1365 Shamrock WAY	6/29/2020	3,102	$400,000	$400,000	$129	100.0%	2014	4	8,276
1317 Heath LN	6/27/2020	3,258	$449,000	$444,900	$137	100.9%	2015	93	7,405
1349 Bannock ST	6/26/2020	2,116	$385,000	$387,000	$183	99.5%	2015	9	6,534
1573 Neptune WAY	6/26/2020	2,243	$389,000	$399,900	$178	97.3%	2017	80	6,970
1590 Stellar Peak	6/25/2020	2,239	$410,000	$414,900	$185	98.8%	2015	96	6,534
1527 Amethyst LN	6/22/2020	1,662	$335,111	$332,900	$200	100.7%	2018	52	3,920
1591 Alissa Flowers	6/16/2020	1,599	$344,900	$344,900	$216	100.0%	2018	80	6,098
1528 Onyx LN	6/16/2020	2,067	$350,000	$354,900	$172	98.6%	2016	103	3,485
1452 Yarrow LN	6/10/2020	2,051	$365,000	$375,000	$183	97.3%	2015	44	7,841
1386 Galaxy DR	6/10/2020	2,243	$389,000	$389,000	$173	100.0%	2018	0	5,663
1357 BANNOCK ST	6/4/2020	2,116	$385,000	$385,000	$182	100.0%	2015	41	6,534
36656 Straightaway	6/4/2020	3,102	$460,000	$460,000	$148	100.0%	2012	34	9,148
36614 Straightaway DR	5/30/2020	1,906	$368,750	$365,000	$192	101.0%	2014	20	6,970
1357 Mary LN	5/29/2020	1,538	$335,900	$329,900	$215	101.8%	2016	27	5,227
1545 Amethyst LN	5/29/2020	2,067	$360,000	$369,000	$179	97.6%	2018	61	5,227
36548 Gallery LN	5/29/2020	2,326	$400,000	$398,000	$171	100.5%	2014	3	8,276
851 Bogey DR	5/28/2020	1,968	$358,000	$355,000	$180	100.8%	2013	43	9,148
36607 Straightaway DR	5/27/2020	3,102	$480,000	$475,000	$153	101.1%	2014	26	9,148
13031 Bowker Play CT	5/22/2020	2,643	$375,000	$379,900	$144	98.7%	2012	19	6,098
38746 Amateur WAY	5/14/2020	2,701	$400,000	$425,000	$157	94.1%	2014	30	6,970
780 Brownie WAY	5/7/2020	1,232	$303,000	$315,000	$256	96.2%	2012	8	6,970
1423 Opal CT	5/5/2020	1,662	$337,900	$329,800	$198	102.5%	2017	1	3,920
1514 Milky Way	5/2/2020	1,544	$355,000	$359,999	$233	98.6%	2018	18	7,840
1530 Onyx LN	4/29/2020	1,864	$324,000	$319,900	$172	101.3%	2016	131	3,920
476 Harvard Peak	4/28/2020	1,706	$355,000	$355,000	$208	100.0%	2016	30	6,098
1462 Saffron CT	4/27/2020	2,493	$420,000	$422,900	$170	99.3%	2013	46	9,583
1371 Alpine AVE	4/24/2020	1,948	$360,000	$369,000	$189	97.6%	2016	119	5,663
271 Box Springs	4/16/2020	1,561	$332,000	$328,500	$210	101.1%	2012	6	4,356
36522 Straightaway DR	4/16/2020	2,664	$410,000	$410,000	$154	100.0%	2013	82	6,970
1635 Dodson LN	4/11/2020	2,116	$389,800	$394,800	$187	98.7%	2017	32	8,276
Total Sales	**37**	**2,167 (avg.)**	**$382,807 (avg.)**	**$384,968 (avg.)**	**$183 (avg.)**	**99.5% (avg.)**	**2015 (avg.)**	**41 (avg.)**	**6,746 (avg.)**

Ability to Pay

There are four active product lines within the boundaries of CFD No. 2019-1 with base prices ranging from approximately $294,000 to $390,000, with an average of $328,000. In this section, we will examine the ability to pay among prospective buyers for the average representative price point. 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 4.00%, 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 1.0136299% of assessed value.

The appraised properties are encumbered by the Special Tax Lien of CFD No. 2019-1, with annual special taxes ranging from $1,270 and $1,450.

Given the discussion above, the following table shows the estimate of the annual household income that would be required to afford a home priced at $328,000:

Income Required		
Home Price	$328,000	
Loan % of Price (Loan to Value)	80%	
Loan Amount	$262,400	
Interest Rate	4.00%	
Mortgage Payment	$1,253	
Property Taxes	$277	Based on 1.013630%
CFD Special Tax	$113	
Property Insurance	$55	
Total Monthly Obligation	$1,698	
Mortgage Payment % of Income	40%	
Monthly Income	$4,245	
Annual Income	$50,935	

We have obtained income data from Environics Analytics, for a 10-mile radius surrounding the subject property, which is considered representative of typical buyers for the subject property. In the following table we show the income brackets within the noted area, along with estimates of the percentage of households able to afford homes priced at the representative price point within each income bracket.

Household Ability

Household Income	Households	Percent of Households	Percent Able to Pay	Households	Households Able to Pay
< $15,000	5,753	10.2%	0.0%	0	0.0%
$15,000 - $24,999	4,958	8.8%	0.0%	0	0.0%
$25,000 - $34,999	4,849	8.6%	0.0%	0	0.0%
$35,000 - $49,999	7,253	12.8%	0.0%	0	0.0%
$50,000 - $74,999	9,744	17.2%	96.3%	9,380	16.6%
$75,000 - $99,999	6,765	12.0%	100.0%	6,765	12.0%
$100,000 - $149,999	9,503	16.8%	100.0%	9,503	16.8%
$150,000 - $199,999	3,731	6.6%	100.0%	3,731	6.6%
$200,000 +	4,033	7.1%	100.0%	4,033	7.1%
	56,589	100.0%		33,412	59.0%

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.

COVID-19 Impact on Current Valuations

The prior market analysis focuses on historical trends before the impact of the COVID-19 crisis began showing up in the numbers. The historical reference is significant in that many market participants believe the commercial real estate (CRE) markets will return to trend – the only question is the depth and duration of the current economic climate. At a minimum, near term economic performance will remain dreadful. Shelter-in-Place and Stay-at-Home executive orders are having a profound impact on GDP with elevated unemployment hurting economic performance and CRE sector. How bad will things get (depth) and how long will it last (duration) are questions that simply cannot be answered at this point in time. The curve is flattening and restrictions are slowly easing in California, but Governor Newsom has yet to offer a timeline as when restrictions will be further relaxed. Numerous counties are in Stage 2 of a four-stage re-opening schedule, which permits the opening of lower risk workplaces and retail establishments with social distancing protocols. Nevertheless, by all accounts business operations are significantly down with the exception of essential businesses such as distribution facilities, medical facilities and grocery stores. As the crisis evolves, the market will provide clarity.

In the absence of transaction data, there is empirical data in the market that can be gleaned and assist in estimating the valuation metrics and assessing their reliability in estimating current value. In the current phase of the pandemic, emerging trends include:

- Market confidence (fundamental economic fear)
- Expectations of impaired property/operating performance
- Re-pricing risk (debt and equity)
- Liquidity duration
- Impaired market and pricing activity

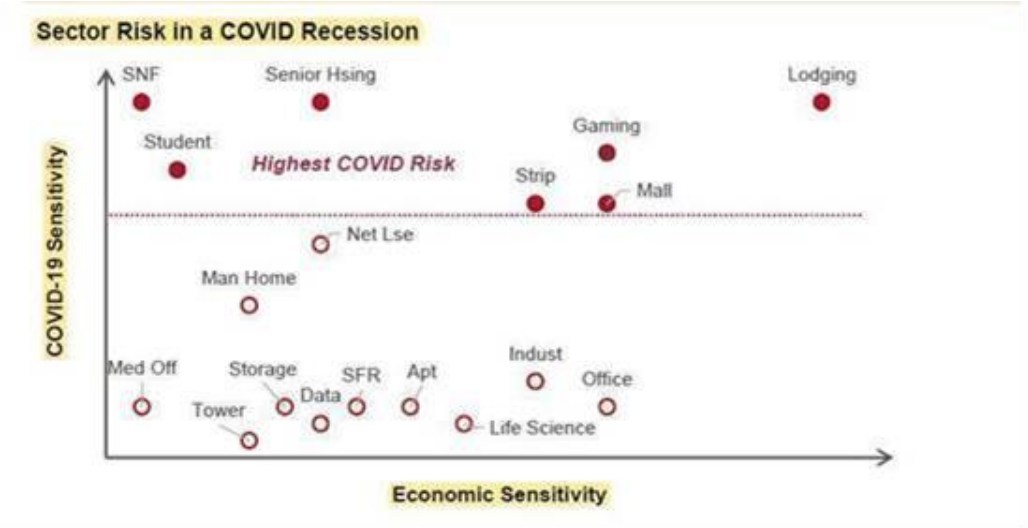
All or some of the above may be shorter-term issues, but others may linger and have a lasting impact on valuations in the CRE sector along a continuum of time. Our surveys of market participants indicate a focus in the following areas impacting value:

- Impact will vary by property type, class, and location
- Cost of capital (both debt and equity) is increasing but at different rates for different asset classes
- Declines in property operations/forecasts (NOI) vary in duration based on property type, class and location
- Capitalization rate premiums vary by property type, class and location
- Marketing times for most assets will increase

Impact by Property Type, Class & Location

Below is a graph prepared by Greenstreet Advisors plotting the sensitivity (and risk) associated with various property types with the negative impact on value being greater for those assets with greater

sensitivity. Those assets relating to essential business operations (grocery, medical, distribution) are less affected than for example lodging and malls where social distancing is more difficult.



Cost of Capital/Liquidity

The cost of capital, both for debt and equity, had been at near historic lows pre crisis. Borrowers had a myriad of options from a variety of capital sources. As the crisis began to unfold in early 2020, treasury rates were moving down as the Fed sought to keep the market liquid. When it became clear the global crisis had landed in the United States, the Fed moved rates to near zero. Many lending institutions instituted floors (spreads widened) because the fixed costs of doing a deal had to be covered.

As lenders are coming to grips with the severity of the economic outlook, many have pulled back from the market altogether while others reacted by raising interest rates, lowering loan to values, or a combination of both. There are clearly some lenders who are “out” while others remain in the market. There are fewer options in the market and those options are more expensive today than 30 days ago. The rise in cost varies notably by property type with agency lenders and HUD determined to provide liquidity to the multi-family market while at the other end of the spectrum, financing a hotel is challenging, land financing is non- existent. Assets focused on essential business operations (e.g., grocery or last mile industrial) remain in favor as do net leased assets with recession-resistant business profiles.

Equity is less clear at the moment. While large pools of capital were being raised through 2019 and into Q1-2020, the strategy has suddenly shifted. Equity is available, and deals are finalizing that were contracted pre-COVID, on the strength of the equity sponsor, but deal flow will likely pause for 15-30 days as equity repricing occurs.

Declines in Property Operations/Forecasts

The lodging, retail, student housing and senior sectors are generally viewed as expecting to suffer the greatest. Once again, this varies by location and type. Restaurant retail is generally viewed as having greatest risk but is expected to rebound quickly as pent-up demand explodes when everyone can

leave their home. Grocery retail is currently performing well with big box stores setting record sales per square foot.

Radical changes in the employment picture will begin to affect the housing sector, both single family and apartments. Apartments will not be immune or "safe" from lost rent, varying by type and location depending on the tenant base employment and its' ability to whether a 6 to 12-month contraction. There is an expectation in the market that, for many retail centers, tenants will not be paying rent. Without customers, particularly in states with stay-at-home orders, there simply is no revenue available. Tenants and owners alike are reviewing force majeure clauses in their leases.
Rent projections are being held flat in modeling cash flows going forward with the length of time dependent on the asset type.

Depending upon whether values are based on yield capitalization (DCF) or direct capitalization, care must be given to provide "stabilized" forecasts to capitalize; and to normalize yield levels for projecting variable year yield cap.

Market Segmentation Analysis – Single-Family Residential Development

To assess the current for forecasted sentiment of market participants, we have completed a market survey of land developers, merchant builders, land brokers and developer consultants throughout California participating in ongoing residential developments.

Conversations with market participants capture an array of responses, but overall sentiment remains the current impacts of the COVID-19 pandemic is an interruption in "business as usual," as many municipalities statewide have varying restrictions on development.

Interviews with merchant builders with new home communities marketed towards entry-level homebuyers report a limited interruption in sales pace. While there have been instances of cancellations, closings, overall, remain similar to that before the pandemic, all as the process of marketing new home communities has shifted to on-line and "by appointment only" for many builders. Conversely, new home communities with product lines targeting move-up homebuyers have reported a slowdown in new home sales in the current environment with stay-at-home orders affecting consumer behavior.

With respect to developable residential land, while the current stagnation in the global and national economy constrains many segments of the commercial market, several builders remain focused on their supply of buildable residential lots over the next 12 to 24 months. Thus, recent evidence demonstrates ongoing interest in a future supply of single-family residential lots within master planned communities in primary market areas, with Letters of Intent (LOIs) submitted, post COVID-19 pandemic, at price points commensurate with pre-pandemic prices.

Presented on the following page is a summary of survey responses by our office for the week ending March 27, 2020.

COVID-19 Impact on Current Valuations

Market Participant	Region	Marketing				Business Operations					Financial			
		Change in sales volume	Deals cancelled	Still marketing properties	Price reductions	Interim Plan	Change in Materials & Labor	Normal operations by end of Q2	Gradual or quick resume	Employee retention	Bankrupt-cies	Leverage concern	Pursuing new deals	Pursuing Refinance
Land Developer	Northern CA	Yes	No	Yes	No	None	No	June 1st	Gradual	Yes	Yes - Apts & Hotels	No	Yes	Yes
Land Developer	Northern CA	Unsure	Yes / not many	Yes	No	Slight pause, but no change	Unsure	Yes	Unsure	Yes	No	No	No	No
Land Developer	Northern CA	--	Yes	Yes	No	Staff working from home	Yes	Yes	Gradual	Yes	Possible	No	Yes	No
Land Developer	Northern CA	--	No	Yes	No	None	No	Yes	Gradual	Yes	No	No	Yes	No
Land Developer	Northern CA	--	No	No	No	Yes / Wait & See	Yes	Yes	Unsure	Yes	Unsure	No	No	No
Land Developer	Southern CA	Yes	No	On Hold	No	Slowing down schedules	No	Yes	Unsure	--	Unsure	Yes	No	No
Broker	Northern CA	No	No	Yes	No	Slight pause, but no change	No	Yes	Quick	Yes	No	--	Yes	--
Broker	Northern CA	Yes	Yes	Barely	No	None / Wait and See	--	Yes	Gradual	--	No	--	No	--
Broker	Northern CA	No	No	Yes	No	Pause for now	--	Yes	Quick	Yes/possible furlough	Yes - small businesses	--	Yes	--
Broker	Northern CA	No	Yes / Two	Yes	No	--	No	Unsure	Quick	Yes	--	No	Yes	--
Broker	Northern CA	Unsure	No	Yes	No	Work from home / Usual	Unsure	No	Gradual	Yes	No	--	Yes	--
Consultant	Southern CA	--	Yes / One	Yes	No	Staff working from home	No	Yes	Unsure	Yes	No	--	Yes	--
Consultant	Southern CA	--	No	Yes	No	Work from home / Usual	No	Yes	Quick	Yes	No	--	Yes	--
Builder	Northern CA	No	Yes / not many	Yes	No	--	No	Yes	Unsure	Yes	--	No	Yes	--
Builder	Southern CA	--	Delayed	Yes	No	None	Lower	Yes	Quick	Yes	Yes	--	No	--

Conclusion

In the Valuation section of our report, we focus on transaction activity that forms the primary basis for our valuation analysis. The land sale data considered in the analysis herein (in terms of consummated transactions) is primarily from the pre-crisis market period. However, it's worth noting surveys and market data from the most recent two months following the initial pandemic suggest strong sales paces among the active subdivisions in the subject's Sundance Specific Plan, with ample demand for housing in the subject's market area.

Property Analysis

Land Description and Analysis

Land Description	
Primary Street Frontage	Carnation Lane
Secondary Street Frontage	Xena Ave.
Shape	Rectangular
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	
Completed Single-Family Homes without Assessed Values	102
Partially Completed Single-Family Homes (Under Construction)	16
Total	**118**

All improved single-family residential homes and lots (118 in total) have final maps in place.

Off-site Improvements

As of the date of inspection, all off-site improvements (streets, curbs, gutters, sidewalks, streetlights) appeared to be in place along interior roads.

Easements, Encroachments and Restrictions

We were not provided a current title report to review. We are not aware of any easements, encroachments, or restrictions that would adversely affect value. Our valuation assumes no adverse impacts from easements, encroachments, or restrictions, and further assumes that the subject has clear and marketable title.

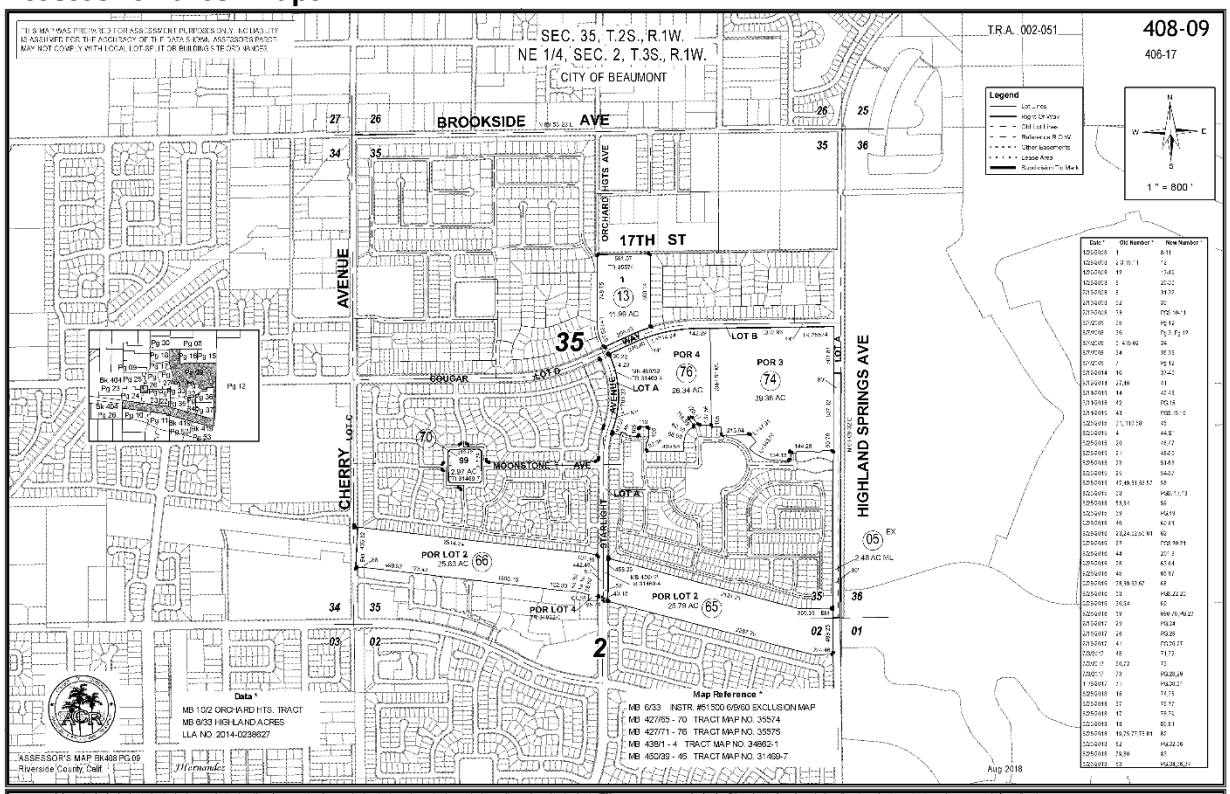
Seismic Hazards

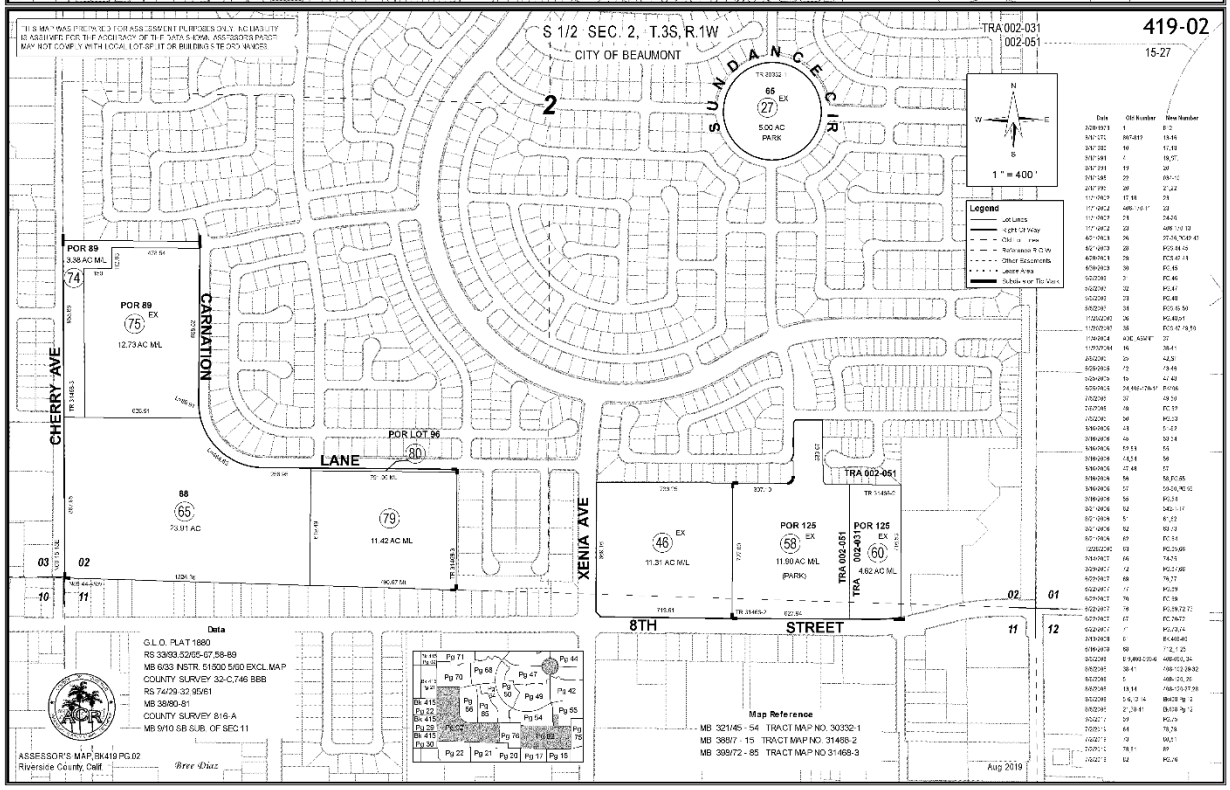
According to the Seismic Safety Commission, the subject property's site is located within Zone 4, which is considered to be the highest risk zone in California. There are only two zones in California: Zone 4, which is assigned to areas near major faults; and Zone 3, which is assigned to all other areas 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.

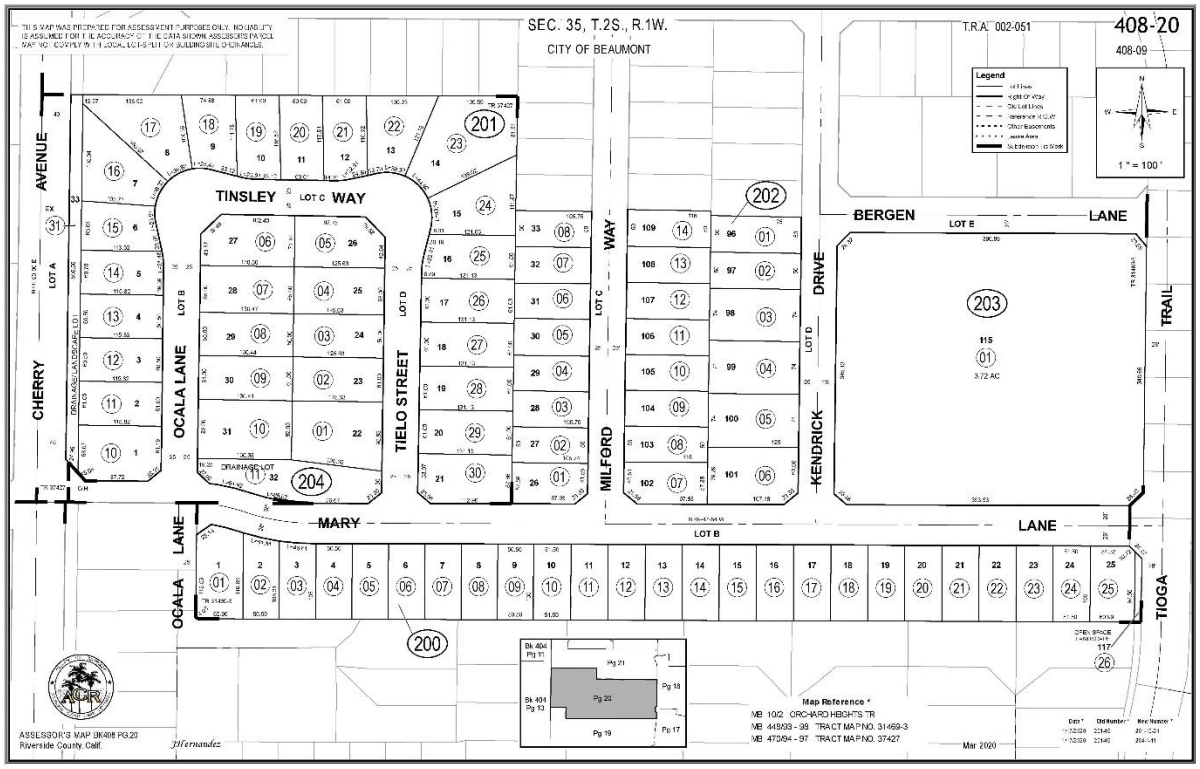
Conclusion of Site Analysis

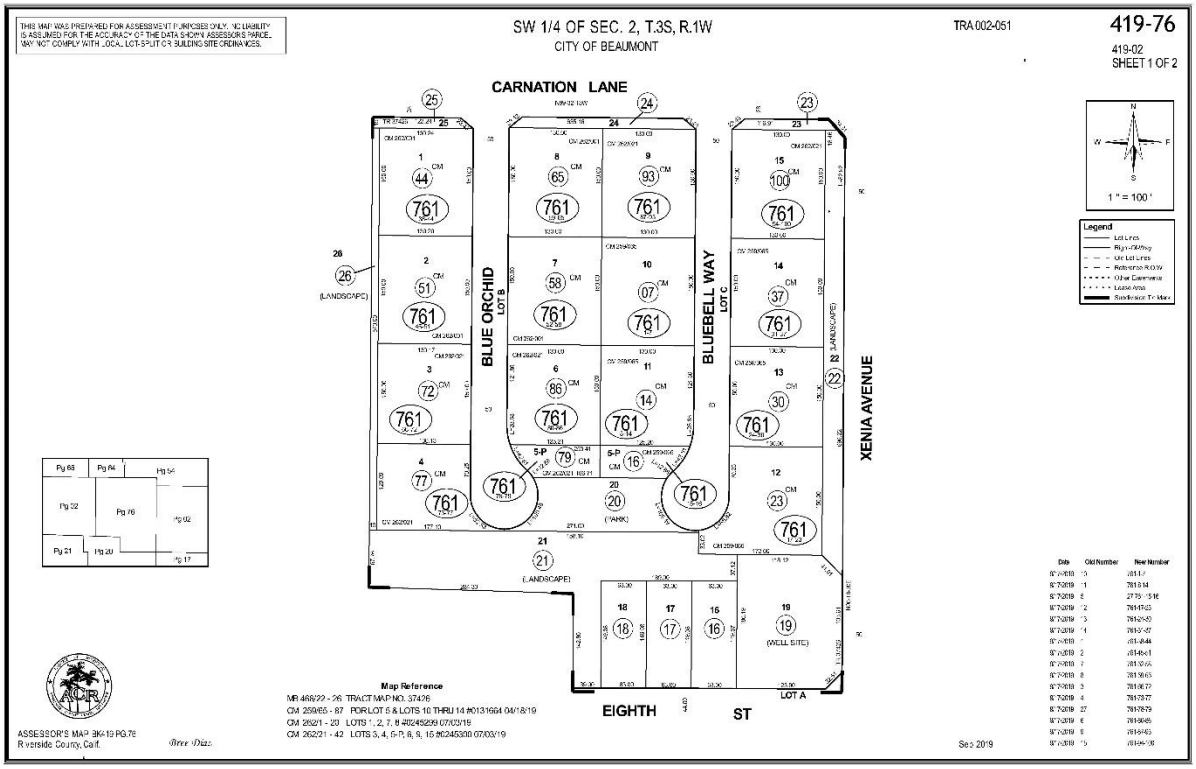
Overall, the physical characteristics of the subject parcels and the availability of utilities result in functional utility suitable for a variety of uses including those permitted by zoning. Uses permitted by zoning include single-family residential. We are not aware of any other particular restrictions on development.

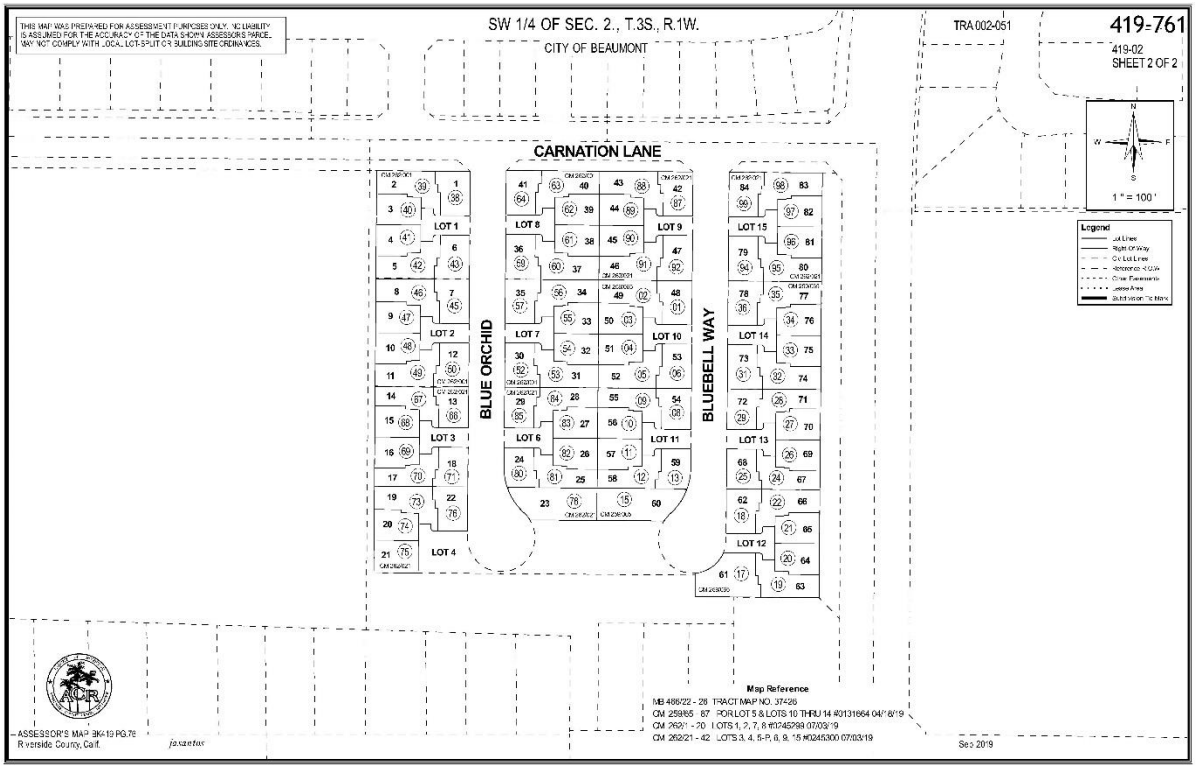
Assessor's Parcel Maps



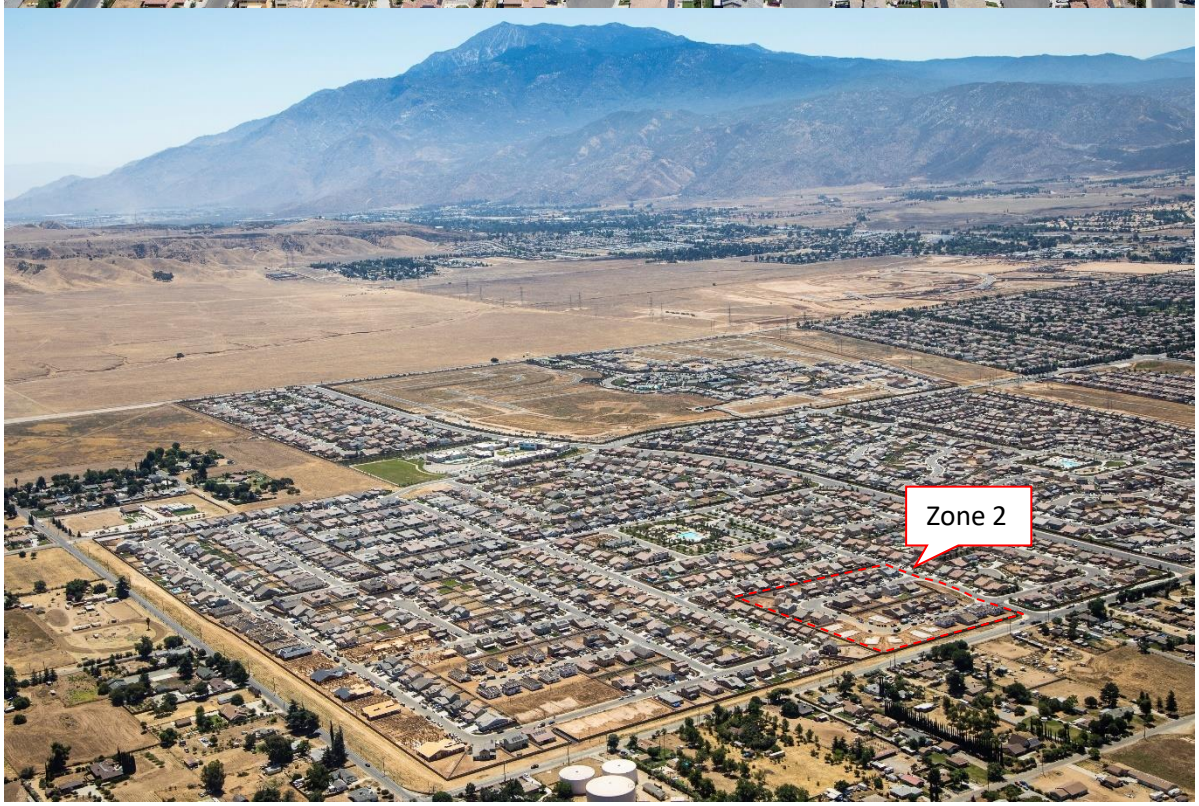



SEC. 35, T.2S., R.1W.
CITY OF BEAUMONT
T.R.A. 002-051
408-20
408-09
Legend
1 " = 100 '
TINSLEY WAY
LOT C
BERGEN LANE
LOT E
CHERRY AVENUE
LOT A
OCALA LANE
LOT B
TIELO STREET
LOT D
MILFORD WAY
LOT C
KENDRICK DRIVE
LOT D
TRAIL
MARY LANE
LOT B
OCALA LANE
TIOGA
DRAINAGE LOT
Map Reference *
MB 10/2 ORCHARD HEIGHTS TR
MB 449/93 - 98 TRACT MAP NO. 31469-3
MB 470/94 - 97 TRACT MAP NO. 37427
ASSESSOR'S MAP BK408 PG.20
Riverside County, Calif.
Mar 2020


SW 1/4 OF SEC. 2, T.3S, R.1W
CITY OF BEAUMONT
TRA 002-051
419-76
419-02
SHEET 1 OF 2
CARNATION LANE
BLUE ORCHID
LOT B
BLUEBELL WAY
LOT C
XENIA AVENUE
LOT A
EIGHTH ST
(LANDSCAPE)
(PARK)
(WELL SITE)
1 " = 100 '
Legend
Map Reference
MB 466/22 - 26 TRACT MAP NO. 37426
CM 259/65 - 87 POR LOT 5 & LOTS 10 THRU 14 #0131664 04/18/19
CM 262/1 - 20 LOTS 1, 2, 7, 8 #0245299 07/03/19
CM 262/21 - 42 LOTS 3, 4, 5-P, 6, 9, 15 #0245300 07/03/19
ASSESSOR'S MAP BK419 PG.76
Riverside County, Calif.
Sep 2019


THIS MAP WAS PREPARED FOR ASSESSMENT PURPOSES ONLY. NO LIABILITY IS ASSUMED FOR THE ACCURACY OF THE DATA SHOWN. ASSESSORS PARCEL MAY NOT COMPLY WITH LOCAL LOT-SPLIT OR BUILDING SITE ORDINANCES.
SW 1/4 OF SEC. 2., T.3S., R.1W.
CITY OF BEAUMONT
TRA 002-051
419-761
419-02
SHEET 2 OF 2
CARNATION LANE
BLUE ORCHID
BLUEBELL WAY
LOT 1
LOT 2
LOT 3
LOT 4
LOT 6
LOT 7
LOT 8
LOT 9
LOT 10
LOT 11
LOT 12
LOT 13
LOT 14
LOT 15
1 " = 100 '
Legend
Map Reference
MB 486/22 - 28 TRACT MAP NO. 37426
CM 259/65 - 67 FOR LOT 5 & LOTS 10 THRU 14 #0131664 04/18/19
CM 262/21 - 70 LOTS 1, 2, 7, 8 #0245299 07/03/19
CM 262/21 - 42 LOTS 3, 4, 5-P, 6, 9, 15 #0245300 07/03/19
ASSESSOR'S MAP BK 19 PG.76
Riverside County, Calif.
Sep 2019

Aerials



Zone 1

Zone 1

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 1.0136299% based on assessed value.

Special Assessments

All of the appraised properties are encumbered by the Special Tax Lien of the City of Beaumont Community Facilities District No. 2019-1. With respect to such special taxes, we have relied upon information in the Rate and Method of Apportionment for Improvement Area 2019-1 for the annual special tax levy on the appraised properties, which are shown in the following table:

CFD No. 2019-1	
Building Square Footage	Assigned Special Tax per Dwelling unit
Zone 1	
< 1,800	$1,270
1,800 - 2,000	$1,360
> 2,000	$1,450
Zone 2	
< 2,000	$1,310
2,000 - 2,249	$1,375
2,250 - 2,500	$1,440
> 2,500	$1,505

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. Further, a significant number of homes have already transferred to individual homeowners. The highest and best use of the subject property as improved is for completion of the last remaining single-family homes and sell to homebuyers.

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).

For this analysis, we will estimate the market value of the smallest floor plan offered within each product line in CFD No. 2019-1, as of the date of value, July 30, 2020, to apply to those lots with completed single-family homes *without* a complete 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. 2019-1 provided below.

Floor Plan Summary

Project	Living Area (SF)	Room Count Bedroom	Room Count Bathroom	Stories	Garage	Typical Lot Size
Alisio	1,750	3	2.5	Two	2 Car	3,550
Cascade	1,544	3	2.0	One	2 Car	6,800
Daybreak	1,971	3	2.0	One	2 Car	9,000
Elara	1,868	3	2.0	One	2 Car	5,800

In order to estimate not-less-than market values for the various floor plans offered within each of the six product lines comprising CFD No. 2019-1, a summary of historical home sales, per square foot, within each subdivision were provided for consideration, which are summarized as follows:

Historical Sales Prices

Subdivision	Floor Plan Size (SF)	Min. Price/SF	Max. Price/SF	Avg. Price/SF
Alisio	1,750	$168.00	$171.43	$169.80
	1,858	$164.69	$176.53	$169.95
	1,871	$163.55	$173.17	$168.09
	1,889	$165.70	$173.64	$170.59
	2,115	$153.19	$159.10	$156.25
Cascade	1,544	$218.26	$218.91	$218.59
	1,757	$197.50	$198.06	$197.88
	1,975	$181.77	$182.28	$182.03
Daybreak	1,971	$181.13	$184.42	$183.00
	2,243	$161.61	$164.07	$163.06
	2,518	$150.52	$155.08	$152.60
Elara	1,868	$170.77	$170.77	$170.77
	2,067	$159.65	$159.65	$159.65

Comparable sales from competing projects within the Beaumont market area are summarized in the following table.

Sales Summary

No.	Location	Date	Sale Price	Living Area (SF)	Sale Price/ SF	Room Count Bedroom	Room Count Bathroom	Lot Size (SF)	Year Built	Garage	Stories
1	14246 Siena Ln	Jun-20	$338,900	1,564	$217	3	2.0	6,970	2020	2 Car	One
2	14244 Capezzana Cir	May-20	$364,900	1,722	$212	3	3.0	8,712	2019	2 Car	Two
3	36802 Cascina Ln	Mar-20	$356,620	1,722	$207	3	3.0	5,663	2020	2 Car	Two
4	35932 Michelle Ln	Mar-20	$350,000	1,718	$204	3	2.0	4,792	2018	2 Car	Two
5	14211 Volterra Way	Mar-20	$363,345	1,806	$201	4	2.0	6,970	2020	2 Car	One
6	1728 Boysen Way	Mar-20	$371,256	1,755	$212	4	2.0	8,340	2020	2 Car	One
7	14235 Siena Lane	Jan-20	$347,900	1,564	$222	3	2.0	6,098	2019	2 Car	One
8	1587 Triton Lane	Jan-20	$345,000	1,544	$223	3	2.0	6,970	2019	2 Car	One
9	900 Blue Orchid	Dec-19	$329,596	1,871	$176	3	3.0	2,800	2019	2 Car	Two
10	903 Blue Orchid	Dec-19	$321,275	2,115	$152	4	3.0	3,378	2019	2 Car	Two
11	14237 Bonavento Lane	Dec-19	$349,900	1,806	$194	3	2.0	6,970	2019	2 Car	One
13	36784 Cascina Lane	Aug-19	$358,275	1,966	$182	3	3.0	5,227	2019	2 Car	Two
14	1534 Amethyst Lane	Aug-19	$365,000	2,068	$176	4	3.0	4,356	2018	2 Car	Two
15	14226 Bonavento Lane	Aug-19	$373,075	2,040	$183	4	3.0	6,970	2019	2 Car	Two

Analysis and Consideration of Sales

In order to estimate the market value for the smallest floor plans within CFD No. 2019-1, 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 all located within similar areas of Beaumont 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.	Consideration is made for those lots with appreciably smaller/larger lot sizes when compared to the subject property's average lot size.
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.	All of the comparable sales have traditional lot configurations. The subject's Alisio subdivision is an alley 6-pack configuration, which is considered inferior to standard lots with private driveways. As such, consideration is recognized for the comparables when compared to the Subject's Alisio floor plan.

Adjustment Factor	Accounts For	Comments
Design and Appeal/Quality of Construction	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. 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.	The comparables are similar to the subject property in regard to design and appeal. 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.
Age/Condition	Effective age; physical condition.	When comparing resale to resale, the market generally reflects a difference of 1% per year of difference in effective age. However, as all of the sales represent new construction with a similar effective age as the subject property and do not require consideration.
Number of Stories	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.	All the comparable sales selected are of the same representative floor plan; thus, no consideration is necessary.
Parking/Garage	Differences in garage spaces typically affects value.	The subject property's floor plans and all of the comparables offer a two-car garage.

Conclusion of Floor Plan Values

The comparable sales applicable to each floor plan are summarized in the following table.

Comparable Sales Summary

Subdivision	Smallest Floor Plan Size (SF)	Min. Price/SF	Max. Price/SF	Avg. Price/SF
Alisio	1,750	$201	$212	$207
Cascade	1,544	$217	$223	$221
Daybreak	1,971	$152	$183	$174
Elara	1,868	$176	$212	$196

As shown at the beginning of this section, the recent and historical sales within the subject suggest a market value between $150 and $218 per square foot, all else being equal, with the low end reflective of the largest floor plan offered. These figures are supported by the comparable sales at competing projects. Based on the analysis herein, and reported sales from the active single-family subdivisions within the subject property, the following table reflects a not-less-than market value estimate for the representative floor plans/homes within the subject property:

Base Floor Plan Conclusions

Floor Plan	Living Area (SF)	Room Count Bedroom	Room Count Bathroom	Typical Lot Size (SF)	Market Value/SF	Conclusion of Not-Less-Than Value
Alisio	1,750	3	2.5	3,550	$170	**$298,000**
Cascade	1,544	3	2	6,800	$218	**$337,000**
Daybreak	1,971	3	2	9,000	$183	**$361,000**
Elara	1,868	3	2	5,800	$176	**$329,000**

While the concluded value for the Alisio floor plan is below the range exhibited by the Comparables, these are 6-pack style lots with a considerably smaller typical lot size (3,550 square feet), which all else being equal, are inferior to traditional lots. Conversely, the concluded value for the Elara floor plan, which is at the low end of the range exhibited by the Comparables, is above the historical sale price range for this floor plan. However, most sales date back to early-mid 2019 and a slight increase in market appreciation is accounted for based on recent trends in sales within the subject's market area.

Please note, the subject property does not contain any completed single-family homes for the Cascade floor plan.

Market Valuation – Partially Completed Homes

In this section of the Appraisal Report, we will utilize the extraction technique to estimate the market value of the subject's 16 lots (parcels) with homes currently under construction. The estimate of improved lot value assigns no value to the partially completed improvements and presumes the improved lots would sell on a bulk, or wholesale, basis. That is, a group of lots would transfer in one transaction to a single buyer. Consideration is, however, given to the building permits and impact fees remitted to the City.

Extraction Analysis

An extraction (residual) analysis 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

The subject's finished lots and homes under construction consists of three different typical lots sizes, 9,000 square feet (Daybreak), 6,800 square feet (Cascade) and 3,550 square feet (Alisio). Please note, there are no homes under construction for the Elara product line. As such, we will utilize three different typical home sizes and corresponding home prices, shown in the following table.

Extraction Revenue

Subdivision	Typical Lot Size	Typical Home Size	Corresponding Home Price
Daybreak	9,000	2,250	$480,000
Cascade	6,800	1,760	$345,000
Alisio	3,550	1,905	$315,000

These figures are based on average home size and price within the respective projects and not the smallest floor plan valued in the preceding section.

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, direct cost estimates of $70-$80 per square foot are applied to the three different home sizes.

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

Permits and impact fees are reported at $29,306; however, these fees have already been remitted to the City and will not be deducted in our analysis.

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 6.8% to 15.0%. 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 estimates of 10%-14% for developer's incentive.

Conclusion

Our estimates of finished lot value for the subject's lots via the extraction analysis are presented as follows.

Extraction Analysis - Daybreak				
Revenue				
Average Floor Plan Size	2,250	SF		
Typical Home Price				$480,000
Expense Projections				
G&A Costs	3.00%	of Retail Value	$14,400	
Marketing/Sales	6.00%	of Retail Value	$28,800	
Average Direct Costs	$70.00	per SF	$157,500	
Indirect Costs	10.00%	of Direct Costs	$15,750	
Developer's Incentive	14.00%	of home price	$67,200	
				$283,650
Residual Lot Value				$196,350
			Rd.	**$196,000**

Extraction Analysis - Cascade				
Revenue				
Average Floor Plan Size	1,760	SF		
Typical Home Price				$345,000
Expense Projections				
G&A Costs	3.00%	of Retail Value	$10,350	
Marketing/Sales	6.00%	of Retail Value	$20,700	
Average Direct Costs	$75.00	per SF	$132,000	
Indirect Costs	10.00%	of Direct Costs	$13,200	
Developer's Incentive	12.00%	of home price	$41,400	
				$217,650
Residual Lot Value				$127,350
			Rd.	**$127,000**

Extraction Analysis - Alisio				
Revenue				
Average Floor Plan Size	1,905	SF		
Typical Home Price				$315,000
Expense Projections				
G&A Costs	3.00%	of Retail Value	$9,450	
Marketing/Sales	6.00%	of Retail Value	$18,900	
Average Direct Costs	$75.00	per SF	$142,875	
Indirect Costs	10.00%	of Direct Costs	$14,288	
Developer's Incentive	10.00%	of home price	$31,500	
				$217,013
Residual Lot Value				$97,988
			Rd.	**$98,000**

As a check of reasonableness, we have arrayed a number of recent bulk lot transactions in the subject's market area.

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	Stonewood 22 Lots Summerwind Trail Perris Tax ID: 318-292-008 through 013 and 021 through 035 Grantor: Miragedunes Properties LLC Grantee: CPRE Perris 22 LLC Document ID: 474065 *Comments: This is the sale of 22 nearly finished lots in Perris. The lots have a recorded final map. The lots required a total of 72,000 per lot for permits and fees and minor finishing costs.*	Nov-19 Closed	$1,000,000 $0	10,200	22	$45,455	$72,000 $0
2	Talavera NEC Rouse & Dawson Rds Menifee Tax ID: 331-170-021, -022, -023, -026 thru -029 Grantor: TTLC Talavera, LLC. Grantee: KB Home Coastal, Inc. Document ID: 56617 *Comments: This comparable represents the sale of 173 rough graded lots, with a typical size of 7,200 square feet. KB Home is marketing the project as Talavera, which will offer 6 floor plans ranging in size from 1,557 to 2,789. Site development costs are $106,098 per lot.*	Feb-18 Closed	$5,000,000 $0	8,400	173	$28,902	$106,098 $0
3	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 *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.*	Dec-17 Closed	$6,200,000 $0	6,000	112	$55,357	$58,000 $0
4	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. *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.*	Sep-17 Closed	$2,150,000 $0	10,000	51	$42,157	$100,000 $0
5	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. Document ID: 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.*	Apr-17 Closed	$5,700,000 $0	8,500	81	$70,370	$58,130 $0
6	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 Mitland 03 Grantee: Brookfield Juniper LLC *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.*	Dec-16 Closed	$6,811,063 $0	8,400	82	$83,062	$9,271 $0
	Subject City of Beaumont CFD No. 2019-1 Beaumont, CA						

The comparables reflect a range of sales prices of $92,333 to $142,157 per lot. The wide disparity in the unadjusted range is largely attributable to lot condition at time of sale (unimproved lots, partially improved lots and improved lots), as well as differences in permits and fees, remaining site costs and bonds encumbrances. As previously discussed, the subject property is currently under development with all site development complete and permits & fees paid, which are considered in this analysis.

Final Conclusion of Partially Completed Home (Improved Lot) Value

The extraction technique indicated values of $98,000, $127,000 and $196,000 per finished lot. This method is credible and supported by a survey of bulk lot sales in the market. These figures will be utilized as our conclusions in bulk (no further discounting is warranted). The improved lot value will be assigned to each partially completed home within CFD No. 2019-1.

Partially Completed Home Values

Component	Value per Lot	No. of Parcels	Aggregate Value
Homes Under Construction			
Alisio	$98,000	3	$294,000
Cascade	$127,000	7	$889,000
Daybreak	$196,000	6	$1,176,000
Total		16	$2,359,000

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*			
Elara	$329,000	3	$987,000
Alisio	$298,000	81	$24,138,000
Daybreak	$361,000	18	$6,498,000
Not-Less-Than Market Value (Homes under Construction)			
Alisio	$98,000	3	$294,000
Cascade	$127,000	7	$889,000
Daybreak	$196,000	6	$1,176,000
Total Aggregate Value of Appraised Properties		118	$33,982,000

*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.

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 public improvements that have been completed. The estimate of market value accounts for the impact of the Lien of CFD No. 2019-1 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 product line) on each single-family residential lot improved with a completed home without a complete assessed improvement value assigned.

Any properties within CFD No. 2019-1 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. 2019-1 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, has made a personal inspection of the property that is the subject of this report. Kevin Ziegenmeyer, MAI, and Kari Tatton have 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 Real Estate Appraiser
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.

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 public improvements that have been completed. The estimate of market value accounts for the impact of the Lien of CFD No. 2019-1 for the Special Taxes securing the Bonds.

IMPORTANT MARKET CONDITIONS WARNING: Market Uncertainty from Novel Coronavirus (COVID-19)

The outbreak of the Novel Coronavirus (COVID-19), declared an outbreak by the World Health Organization (WHO) on January 30, 2020 and subsequently reclassified as a worldwide pandemic on March 11, 2020, has created substantial uncertainty in the worldwide financial markets. Concerns about the ongoing spread of the COVID-19 (Corona) Virus have resulted in cancellations of a substantial number of business meetings, conferences, and sporting and entertainment events in the coming 3-6 months; the implementation of personal quarantine procedures; a 30-day lock-out for travel from most of Europe to the U.S.; and substantial reductions (and restrictions) in other travel by air, rail, bus, and ship.

As of the effective date of this report, tourism, lodging, and tourist-related food and beverage and retail sectors are likely to feel the first negative effects due to the substantial decline in social movement and activity. A prolonged outbreak could have a significant (and yet unquantifiable) impact on other real estate sectors. Our valuation is based upon the best information as of the effective date.

Given the degree of overall uncertainty present in the economy, forecasts and projections contained herein may change dramatically, or differently than projected under stable market conditions. Therefore, we recommend a more frequent review of this valuation, and advise the intended user to consider the current lack of overall economic stability in evaluating the use and reliability of the opinions expressed herein.

Addendum A

Appraiser Qualifications

Eric Segal, MAI

Integra Realty Resources
Sacramento

3825 Atherton Rd
500
Rocklin, CA 95765

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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

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

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Kevin Ziegenmeyer, MAI

Integra Realty Resources
San Francisco

San Francisco, CA 95765

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F 916-435-4774

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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 2021

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

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, 2019
Date Expires: June 4, 2021

Jim Martin, Bureau Chief, BREA

3045137

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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 2022

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

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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, 2020
Date Expires: June 1, 2022

Jim Martin, Bureau Chief, BREA

3052074

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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.

Local Expertise...Nationally!

irr.com

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.

Addendum C

Value by Assessor's Parcel

APN	Address	Lot	Tract	Community	Lot Status	Appraised Value
408201010	1659 OCALA LN LOT 1	1	37427	Daybreak	Under Construction	$196,000
408201011	1663 OCALA LN LOT 2	2	37427	Daybreak	Under Construction	$196,000
408201012	1667 OCALA LN LOT 3	3	37427	Daybreak	Under Construction	$196,000
408201013	1671 OCALA LN LOT 4	4	37427	Daybreak	Under Construction	$196,000
408201014	1675 OCALA LN LOT 5	5	37427	Cascade	Under Construction	$127,000
408201015	1679 OCALA LN LOT 6	6	37427	Cascade	Under Construction	$127,000
408201016	1683 OCALA LN LOT 7	7	37427	Cascade	Under Construction	$127,000
408201017	1318 TINSLEY WAY LOT 8	8	37427	Cascade	Under Construction	$127,000
408201018	1322 TINSLEY WAY LOT 9	9	37427	Cascade	Under Construction	$127,000
408201019	1328 TINSLEY WAY LOT 10	10	37427	Cascade	Under Construction	$127,000
408201020	1332 TINSLEY WAY LOT 11	11	37427	Daybreak	Completed/Sold	$361,000
408201021	1336 TINSLEY WAY LOT 12	12	37427	Daybreak	Completed/Sold	$361,000
408201022	1340 TINSLEY WAY LOT 13	13	37427	Daybreak	Completed/Sold	$361,000
408201023	1690 TIELO ST LOT 14	14	37427	Daybreak	Completed/Sold	$361,000
408201024	1684 TIELO ST LOT 15	15	37427	Daybreak	Completed/Sold	$361,000
408201025	1678 TIELO ST LOT 16	16	37427	Daybreak	Completed/Sold	$361,000
408201026	1672 TIELO ST LOT 17	17	37427	Daybreak	Completed/Sold	$361,000
408201027	1668 TIELO ST LOT 18	18	37427	Daybreak	Completed/Sold	$361,000
408201028	1664 TIELO ST LOT 19	19	37427	Daybreak	Completed/Sold	$361,000
408201029	1660 TIELO ST LOT 20	20	37427	Daybreak	Completed/Sold	$361,000
408201030	1652 TIELO ST LOT 21	21	37427	Daybreak	Completed/Sold	$361,000
408204001	1661 TIELO ST LOT 22	22	37427	Daybreak	Completed/Sold	$361,000
408204002	1665 TIELO ST LOT 23	23	37427	Daybreak	Completed/Sold	$361,000
408204003	1669 TIELO ST LOT 24	24	37427	Daybreak	Completed/Sold	$361,000
408204004	1675 TIELO ST LOT 25	25	37427	Daybreak	Completed/Sold	$361,000
408204005	1679 TIELO ST LOT 26	26	37427	Daybreak	Completed/Sold	$361,000
408204006	1678 OCALA LN LOT 27	27	37427	Cascade	Under Construction	$127,000
408204007	1674 OCALA LN LOT 28	28	37427	Daybreak	Completed	$361,000
408204008	1670 OCALA LN LOT 29	29	37427	Daybreak	Completed/Sold	$361,000
408204009	1666 OCALA LN LOT 30	30	37427	Daybreak	Under Construction	$196,000
408204010	1662 OCALA LN LOT 31	31	37427	Daybreak	Under Construction	$196,000
419760016	1488 E. 8TH ST LOT 16	16	37426	Elara	Completed/Sold	$329,000
419760017	1484 E. 8TH ST LOT 17	17	37426	Elara	Completed/Sold	$329,000
419760018	1480 E. 8TH ST LOT 18	18	37426	Elara	Completed/Sold	$329,000
419761001	931 BLUEBELL WAY LOT 48	48	37426	Alisio	Completed/Sold	$298,000
419761002	929 BLUEBELL WAY LOT 49	49	37426	Alisio	Completed/Sold	$298,000
419761003	927 BLUEBELL WAY LOT 50	50	37426	Alisio	Completed/Sold	$298,000
419761004	925 BLUEBELL WAY LOT 51	51	37426	Alisio	Completed/Sold	$298,000
419761005	923 BLUEBELL WAY LOT 52	52	37426	Alisio	Completed/Sold	$298,000
419761006	921 BLUEBELL WAY LOT 53	53	37426	Alisio	Completed/Sold	$298,000
419761008	881 BLUEBELL WAY LOT 54	54	37426	Alisio	Completed/Sold	$298,000
419761009	879 BLUEBELL WAY LOT 55	55	37426	Alisio	Completed/Sold	$298,000
419761010	877 BLUEBELL WAY LOT 56	56	37426	Alisio	Completed/Sold	$298,000
419761011	875 BLUEBELL WAY LOT 57	57	37426	Alisio	Completed/Sold	$298,000
419761012	873 BLUEBELL WAY LOT 58	58	37426	Alisio	Completed/Sold	$298,000
419761013	871 BLUEBELL WAY LOT 59	59	37426	Alisio	Completed/Sold	$298,000
419761015	841 BLUEBELL WAY LOT 60	60	37426	Alisio	Completed/Sold	$298,000
419761017	840 BLUEBELL WAY LOT 61	61	37426	Alisio	Completed/Sold	$298,000
419761018	850 BLUEBELL WAY LOT 62	62	37426	Alisio	Completed/Sold	$298,000
419761019	842 BLUEBELL WAY LOT 63	63	37426	Alisio	Completed/Sold	$298,000
419761020	844 BLUEBELL WAY LOT 64	64	37426	Alisio	Completed/Sold	$298,000
419761021	846 BLUEBELL WAY LOT 65	65	37426	Alisio	Completed/Sold	$298,000
419761022	848 BLUEBELL WAY LOT 66	66	37426	Alisio	Completed/Sold	$298,000
419761024	872 BLUEBELL WAY LOT 67	67	37426	Alisio	Completed/Sold	$298,000
419761025	870 BLUEBELL WAY LOT 68	68	37426	Alisio	Completed/Sold	$298,000
419761026	874 BLUEBELL WAY LOT 69	69	37426	Alisio	Completed/Sold	$298,000
419761027	876 BLUEBELL WAY LOT 70	70	37426	Alisio	Completed/Sold	$298,000

419761028	878 BLUEBELL WAY LOT 71	71	37426	Alisio	Completed/Sold	$298,000
419761029	880 BLUEBELL WAY LOT 72	72	37426	Alisio	Completed/Sold	$298,000
419761031	920 BLUEBELL WAY LOT 73	73	37426	Alisio	Completed/Sold	$298,000
419761032	922 BLUEBELL WAY LOT 74	74	37426	Alisio	Completed/Sold	$298,000
419761033	924 BLUEBELL WAY LOT 75	75	37426	Alisio	Completed/Sold	$298,000
419761034	926 BLUEBELL WAY LOT 76	76	37426	Alisio	Completed/Sold	$298,000
419761035	928 BLUEBELL WAY LOT 77	77	37426	Alisio	Completed/Sold	$298,000
419761036	930 BLUEBELL WAY LOT 78	78	37426	Alisio	Completed/Sold	$298,000
419761038	951 BLUE ORCHID LOT 1	1	37426	Alisio	Completed/Sold	$298,000
419761039	949 BLUE ORCHID LOT 2	2	37426	Alisio	Completed/Sold	$298,000
419761040	947 BLUE ORCHID LOT 3	3	37426	Alisio	Completed/Sold	$298,000
419761041	945 BLUE ORCHID LOT 4	4	37426	Alisio	Completed/Sold	$298,000
419761042	943 BLUE ORCHID LOT 5	5	37426	Alisio	Completed/Sold	$298,000
419761043	941 BLUE ORCHID LOT 6	6	37426	Alisio	Completed/Sold	$298,000
419761045	913 BLUE ORCHID LOT 7	7	37426	Alisio	Completed/Sold	$298,000
419761046	909 BLUE ORCHID LOT 8	8	37426	Alisio	Completed/Sold	$298,000
419761047	907 BLUE ORCHID LOT 9	9	37426	Alisio	Completed/Sold	$298,000
419761048	905 BLUE ORCHID LOT 10	10	37426	Alisio	Completed/Sold	$298,000
419761049	903 BLUE ORCHID LOT 11	11	37426	Alisio	Completed/Sold	$298,000
419761050	901 BLUE ORCHID LOT 12	12	37426	Alisio	Completed/Sold	$298,000
419761052	900 BLUE ORCHID LOT 30	30	37426	Alisio	Completed/Sold	$298,000
419761053	902 BLUE ORCHID LOT 31	31	37426	Alisio	Completed/Sold	$298,000
419761054	904 BLUE ORCHID LOT 32	32	37426	Alisio	Completed/Sold	$298,000
419761055	906 BLUE ORCHID LOT 33	33	37426	Alisio	Completed/Sold	$298,000
419761056	908 BLUE ORCHID LOT 34	34	37426	Alisio	Completed/Sold	$298,000
419761057	910 BLUE ORCHID LOT 35	35	37426	Alisio	Completed/Sold	$298,000
419761059	940 BLUE ORCHID LOT 36	36	37426	Alisio	Completed/Sold	$298,000
419761060	942 BLUE ORCHID LOT 37	37	37426	Alisio	Completed/Sold	$298,000
419761061	944 BLUE ORCHID LOT 38	38	37426	Alisio	Completed/Sold	$298,000
419761062	946 BLUE ORCHID LOT 39	39	37426	Alisio	Completed/Sold	$298,000
419761063	948 BLUE ORCHID LOT 40	40	37426	Alisio	Completed/Sold	$298,000
419761064	950 BLUE ORCHID LOT 41	41	37426	Alisio	Completed/Sold	$298,000
419761066	861 BLUE ORCHID	13	37426	Alisio	Completed/Sold	$298,000
419761067	859 BLUE ORCHID	14	37426	Alisio	Completed/Sold	$298,000
419761068	857 BLUE ORCHID	15	37426	Alisio	Completed/Sold	$298,000
419761069	855 BLUE ORCHID	16	37426	Alisio	Completed/Sold	$298,000
419761070	853 BLUE ORCHID	17	37426	Alisio	Completed/Sold	$298,000
419761071	851 BLUE ORCHID	18	37426	Alisio	Completed	$298,000
419761073	835 BLUE ORCHID	19	37426	Alisio	Completed	$298,000
419761074	833 BLUE ORCHID	20	37426	Alisio	Completed/Sold	$298,000
419761075	831 BLUE ORCHID	21	37426	Alisio	Completed/Sold	$298,000
419761076	837 BLUE ORCHID	22	37426	Alisio	Completed/Sold	$298,000
419761078	840 BLUE ORCHID	23	37426	Alisio	Completed/Sold	$298,000
419761080	850 BLUE ORCHID	24	37426	Alisio	Completed/Sold	$298,000
419761081	852 BLUE ORCHID	25	37426	Alisio	Completed/Sold	$298,000
419761082	854 BLUE ORCHID	26	37426	Alisio	Completed/Sold	$298,000
419761083	856 BLUE ORCHID	27	37426	Alisio	Completed/Sold	$298,000
419761084	858 BLUE ORCHID	28	37426	Alisio	Completed/Sold	$298,000
419761085	860 BLUE ORCHID	29	37426	Alisio	Completed/Sold	$298,000
419761087	971 BLUEBELL WAY LOT 42	42	37426	Alisio	Completed/Sold	$298,000
419761088	969 BLUEBELL WAY LOT 43	43	37426	Alisio	Completed/Sold	$298,000
419761089	967 BLUEBELL WAY LOT 44	44	37426	Alisio	Completed/Sold	$298,000
419761090	965 BLUEBELL WAY LOT 45	45	37426	Alisio	Completed/Sold	$298,000
419761091	963 BLUEBELL WAY LOT 46	46	37426	Alisio	Completed/Sold	$298,000
419761092	961 BLUEBELL WAY LOT 47	47	37426	Alisio	Completed	$298,000
419761094	960 BLUEBELL WAY LOT 79	79	37426	Alisio	Under Construction	$98,000
419761095	962 BLUEBELL WAY LOT 80	80	37426	Alisio	Under Construction	$98,000
419761096	964 BLUEBELL WAY LOT 81	81	37426	Alisio	Under Construction	$98,000

419761097	966 BLUEBELL WAY LOT 82	82	37426	Alisio	Completed	$298,000
419761098	968 BLUEBELL WAY LOT 83	83	37426	Alisio	Completed	$298,000
419761099	970 BLUEBELL WAY LOT 84	84	37426	Alisio	Completed	$298,000
Total						**$33,982,000**

BEAUMONT
CALIFORNIA

Staff Report

TO: City Council

FROM: Jeff Mohlenkamp, Finance Director

DATE September 1, 2020

SUBJECT: **Authorize Payment to Webb Municipal Finance, LLC in the Amount of $199,095 for CFD Administration and Special Tax Consulting Services**

Background and Analysis:

On March 1, 2018, City Council approved an agreement for services with Webb Municipal Finance, LLC (Webb) to provide CFD Administration and Special Tax Consulting Services for a term of three years. As stated within the agreement the City agrees to pay fees for services in an amount not to exceed $185,450 and furthermore, rates and fees shall not be increased without prior written consent of the City.

Upon initial agreement for services, rates and fees for services were based upon 71 improvement areas/special tax services. Since March 2018, the City has added 7 improvement areas and related tax services resulting in additional fees and costs for CFD administration and consulting services in the amount of $13,645. These added tax services are being charged consistent with the contract rate.

Webb has provided an updated work order totaling $199,095 for City Council approval.

Fiscal Impact:

This is an expected cost. All funds used to pay for these services are collected as an administration charge and are covered by the CFD program.

Recommended Action:

Approve the updated work order from Webb Municipal Finance LLC in the amount of $199,095.

Attachments:

A. Work Order Detail by Improvement Area
B. Contract between the City and Webb Municipal Finance LLC

City of Beaumont FY 2020-21 Work Order

Count	Phase Code	Phase Name	Phase Budget
1	IA1	CFD 93-1 IA 1	$3,960.00
2	IA2	CFD 93-1 IA 2	$3,960.00
3	IA3	CFD 93-1 IA 3	$3,960.00
4	IA3S	CFD 93-1 IA 3 Service	$1,145.00
5	IA4	CFD 93-1 IA 4	$3,960.00
6	IA5	CFD 93-1 IA 5	$3,960.00
7	IA6A	CFD 93-1 IA 6A	$3,960.00
8	IA6A1	CFD 93-1 IA 6A1	$3,960.00
9	IA6A1S	CFD 93-1 IA 6A1 Service	$1,145.00
10	IA6B	CFD 93-1 IA 6B	$3,960.00
11	IA7A1	CFD 93-1 IA 7A1	$3,960.00
12	IA7A1S	CFD 93-1 IA 7A1 Service	$1,145.00
13	IA7B	CFD 93-1 IA 7B	$3,960.00
14	IA7BS	CFD 93-1 IA 7B Service	$1,145.00
15	IA7C	CFD 93-1 IA 7C	$3,960.00
16	IA7CS	CFD 93-1 IA 7C Service	$1,145.00
17	IA7D	CFD 93-1 IA 7D	$3,960.00
18	IA7DS	CFD 93-1 IA 7D Service	$1,145.00
19	IA8	CFD 93-1 IA 8	$3,960.00
20	IA8S	CFD 93-1 IA 8 Service	$1,145.00
21	IA8A	CFD 93-1 IA 8A	$3,960.00
22	IA8AS	CFD 93-1 IA 8A Service	$1,145.00
23	IA8B	CFD 93-1 IA 8B	$3,960.00
24	IA8BS	CFD 93-1 IA 8B Service	$1,145.00
25	IA8C	CFD 93-1 IA 8C	$3,960.00
26	IA8CS	CFD 93-1 IA 8C Service	$1,145.00
27	IA8D	CFD 93-1 IA 8D	$3,960.00
28	IA8DS	CFD 93-1 IA 8D Service	$1,145.00
29	IA8E	CFD 93-1 IA 8E	$3,960.00
30	IA8ES	CFD 93-1 IA 8E Service	$1,145.00
31	IA8F	CFD 93-1 IA 8F	$3,960.00
32	IA8FS	CFD 93-1 IA 8F Service	$1,145.00
33	IA9	CFD 93-1 IA 9	$3,960.00
34	IA9S	CFD 93-1 IA 9 Service	$1,145.00
35	IA10	CFD 93-1 IA 10	$3,960.00
36	IA10S	CFD 93-1 IA 10 Service	$1,145.00
37	IA11	CFD 93-1 IA 11	$3,960.00
38	IA11S	CFD 93-1 IA 11 Service	$1,145.00
39	IA12	CFD 93-1 IA 12	$3,960.00
40	IA12S	CFD 93-1 IA 12 Service	$1,145.00
41	IA13S	CFD 93-1 IA 13 Service	$1,145.00
42	IA14S	CFD 93-1 IA 14 Service	$1,145.00
43	IA14	CFD 93-1 IA 14	$3,960.00
44	IA14A	CFD 93-1 IA 14A	$3,960.00
45	IA14B	CFD 93-1 IA 14B	$3,960.00
46	IA15S	CFD 93-1 IA 15 Service	$1,145.00
47	IA16	CFD 93-1 IA 16	$3,960.00
48	IA16S	CFD 93-1 IA 16 Service	$1,145.00
49	IA17A	CFD 93-1 IA 17A	$3,960.00

50	IA17AS	CFD 93-1 IA 17A Service	$1,145.00
51	IA17B	CFD 93-1 IA 17B	$3,960.00
52	IA17BS	CFD 93-1 IA 17B Service	$1,145.00
53	IA17C	CFD 93-1 IA 17C	$3,960.00
54	IA17CS	CFD 93-1 IA 17C Service	$1,145.00
55	IA18	CFD 93-1 IA 18	$3,960.00
56	IA18S	CFD 93-1 IA 18 Service	$1,145.00
57	IA19A	CFD 93-1 IA 19A	$3,960.00
58	IA19AS	CFD 93-1 IA 19A Service	$1,145.00
59	IA19C	CFD 93-1 IA 19C	$3,960.00
60	IA19CS	CFD 93-1 IA 19C Service	$1,145.00
61	IA20	CFD 93-1 IA 20	$3,960.00
62	IA20S	CFD 93-1 IA 20 Service	$1,145.00
63	IA23S	CFD 93-1 IA 23 Service	$1,145.00
64	16-1	CFD 2016-1	$3,960.00
65	16-1S	CFD 2016-1 Service	$1,145.00
66	16-2	CFD 2016-2	$3,960.00
67	16-2S	CFD 2016-2 Service	$1,145.00
68	16-2PS	CFD 2016-2 Public Service	$1,145.00
69	16-3	CFD 2016-3	$3,960.00
70	16-3S	CFD 2016-3 Service	$1,145.00
71	16-3PS	CFD 2016-3 Public Service	$1,145.00
72	16-4	CFD 2016-4	$3,960.00
73	16-4S	CFD 2016-4 Service	$1,145.00
74	16-4PS	CFD 2016-4 Public Service	$1,145.00
75	18-1PS	CFD 2018-1 Public Service	$1,145.00
76	19-1	CFD 2019-1	$3,960.00
77	19-1S	CFD 2019-1 Service	$1,145.00
78	19-1PS	CFD 2019-1 Public Service	$1,145.00
Total			**$199,095.00**

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 March, 2018, by and between the CITY OF BEAUMONT ("CITY") whose address is 550 E. 6th Street, Beaumont, California 92223 and ALBERT A WEBB ASSOCIATES, whose address is 3788 McCray Street, Riverside, California 92506 ("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 annual CFD administration services, special tax consultant services and annual CFD financial reporting 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 Exhibit "A", 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, which are incorporated herein, 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 (the "effective date") and shall continue for a term of three (3) years unless terminated earlier pursuant to Section 9. This Agreement shall automatically terminate three (3) years after the effective date unless extended by the parties for up to two (2) one-year (1-year) extensions, each of which requires the approval of City Council of the CITY.

2. Services to be Performed. CONTRACTOR agrees to provide the services ("Services") described in this Agreement and Exhibit "A", including: annual CFD administration services, special tax consultant services and annual CFD financial reporting 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 and for the fees set forth in the Proposal contained in Exhibit "A". CONTRACTOR designates Heidi Schoeppe, Director, as CONTRACTOR'S professional responsible for overseeing the Services provided by CONTRACTOR.

3. Compensation.

3.01 CITY agrees to pay CONTRACTOR fees for the actually performed and completed services described herein and in the Proposal attached as Exhibit "A", which fees shall not exceed $185,450. CONTRACTOR shall be paid at the rates and fees set forth in the Proposal and shall not increase any rate or fee without the prior written consent of the CITY.

3.02 CONTRACTOR shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized in this Agreement and Exhibit "A" unless approved in advance by the CITY, in writing.

3.03 CONTRACTOR shall submit to CITY, on a quarterly basis, itemized invoices for the Services rendered in the previous three months. 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 fee or rate charged is consistent with this Agreement's approved rates and fees;

b. Determination that hours billed are accurate and reasonable;

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.

3.04 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.

4. Obligations of CONTRACTOR.

4.01 CONTRACTOR agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal attached as Exhibit "A". 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.

4.02 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.

4.03 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.

4.04 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.

4.05 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.

4.06 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.

4.07 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.

4.08 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.

4.09 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.

4.10 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations and deadlines applicable to, or governing the Services authorized hereunder.

5. 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:

5.01 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 insureds 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.

5.02 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.

5.03 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.

5.04 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.

6. General Conditions pertaining to Insurance Coverage

6.01 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.

6.02. 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.

6.03. 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.

6.04 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.

6.05 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.

6.06 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.

7. Indemnification.

7.01 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 to the extent 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.

8. Additional Services, Changes and Deletions.

8.01 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.

8.02 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.

9. Termination of Agreement.

9.01 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.

9.02 In the event of termination, the payment of monies due CONTRACTOR for undisputed Services actually 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.

10. Status of CONTRACTOR.

10.01 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 or his designee as provided for in this Agreement.

10.02 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.

10.03 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.

11. Ownership of Documents; Audit.

11.01 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.

11.02 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.

11.03 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.

12. Miscellaneous Provisions.

12.01 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 the Services contemplated herein 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.

12.02 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.

12.03 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.

12.04 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.

12.05 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.

12.06 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.

12.07 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.

12.08 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.

(Signature Page Follows)

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:

Albert A Webb Associates

By: Heidi Schoppe

Print Name: Heidi Schoppe

Title: Director, Municipal Finance

Staff Report

TO: City Council

FROM: Jeff Hart, Director of Public Works

DATE September 1, 2020

SUBJECT: **Authorize the Mayor to Execute the Notice of Completion Documents for the Capital Improvement Street Program and Record the Notice of Completion Documents with the Riverside County Clerk Recorder's Office**

Background and Analysis:

On March 3, 2020, City Council approved a Public Works agreement with Matich Corporation (Contractor), for construction services of the Capital Improvement Street Program (Program). The Program included the following projects:

CIP #	CIP NAME
2018-004	Beaumont Ave Reconstruction Project
2019-002	Annual Citywide Street Rehab FY 19/20 Project
2018-003	Annual Citywide Street Rehab FY 18/19 Project (Alley)
2018-001	Annual Slurry Seal FY 18/19 Project
2019-001	Annual Slurry Seal FY 19/20 Project

The Program's scope of work consisted of pavement rehabilitation that included full depth replacement, mill and overlay, and slurry seal. The Contractor completed the Program's scope of work satisfactorily per plans and specifications. A Notice of Completion (NOC) document for each project is provided as attachments A through E.

CIP 2018-004 Beaumont Ave Reconstruction Project

The Beaumont Avenue Reconstruction Project consisted of full depth replacement and mill and overlay of existing asphalt concrete (AC) along Beaumont Avenue. The original construction contract amount was $1,614,855.75. During construction there were two change orders, the first change order in the amount of $75,889.27 was for removal and replacement of existing subgrade. After removing the existing paving, the Contractor encountered pockets of saturated clay which prevented compaction. Based on the

recommendation from the soils engineer, the Contractor removed a minimum of 12 inches of the clay material, laid a geofabric mat, and backfilled with crushed miscellaneous base (CMB). The second change order was in the amount of $30,892.20 for additional AC paving, loop detectors, and adjustment of additional water valves that were not accounted for in the original quantities.

CIP 2019-002 Annual Citywide Street Rehab FY 19/20 Project

The Annual Citywide Street Rehab FY 19/20 Project consisted of mill and overlay of existing AC along Beaumont Avenue and Pennsylvania Avenue. Prior to the start of construction, the Contractor agreed to omit Pennsylvania Avenue from the scope of work. The accelerated development of two capital improvement projects (CIPs) whereby Pennsylvania Avenue would be fully reconstructed, greatly reduced the benefit of the proposed mill and overlay. Therefore, after negotiating with staff, the Contractor agreed to mill and overlay Fifth Street, from California Avenue to Grace Avenue, and Edgar Avenue, from Fifth Street to Sixth Street. Combined, the two portions totaled approximately the same square footage as Pennsylvania Ave. Both segments were part of the original CIP plan but were omitted due to funding limitations. The original construction contract amount was $352,291.49, with one change order in the amount of $10,427.50. The change order was for additional AC paving, loop detectors, and adjustment of additional water valves, that were not accounted for in the original quantities. Additionally, a contract for geotechnical construction support from Sladden Engineering in the amount of $11,800 was funded from the project’s construction contingency allocation.

CIP 2018-003 Annual Citywide Street Rehab 18/19 Project (Alley)

The Annual Citywide Street Rehab 18/19 Project (Alley) consisted of full depth replacement of AC along the alley, east of Beaumont Avenue, between Ninth Street and Tenth Street. The original construction contract amount was $114,135.25 with one change order in the amount of $2,065 for additional AC paving not accounted for in the original quantities.

CIP 2018-001 Annual Slurry Seal 18/19 Project

The Annual Slurry Seal FY 18/19 Project consisted of applying slurry seal to existing street surfaces throughout the City, predominantly west of Beaumont Avenue. The original construction contract amount was $294,299.50 with one change order in the amount of $29,430 to supplement the City’s crack fill services.

CIP 2019-001 Annual Slurry Seal 19/20 Project

The Annual Slurry Seal FY 19/20 Project consisted of applying slurry seal to existing street surfaces throughout the City, predominantly east of Beaumont Avenue. The original construction contract amount was $242,450 with one change order in the amount of $23,570 to supplement the City's crack fill services.

Fiscal Impact:

Project CIP# and Construction PO #	Original Construction Contract Amount	Contingency	Total Change Orders	Remaining Funds
CIP 2018-004 PO 19/20 0539	$1,614,855.75	$161,486.00	($106,781.47)	$54,704.53
CIP 2019-002 PO 19/20 0553	$352,291.49	$35,229.00	($21,352.50)	$13,876.50
CIP 2018-003 PO 19/20 0541	$114,135.25	$11,414.00	($2,065.00)	$9,349.00
CIP 2018-001 PO 19/20 0540	$294,299.50 ($356.38 unused)	$29,430.00	($29,430.00)	$356.38
CIP 2019-001 PO 19/20 0554	$242,450.00	$24,245.00	($23,570.00)	$675.00
Totals:	$2,618,031.99	$261,804.00	($183,198.97)	$78,961.41

Recommended Action:

Authorize the Mayor to Execute the Notice of Completion documents for the Capital Improvement Street Program; and
Record the Notice of Completion Documents with the Riverside County Clerk Recorder's Office.

Attachments:

A. NOC for 2018-004 Beaumont Ave Reconstruction Project
B. NOC for 2019-002 Annual Citywide Street Rehab FY 19/20 Project
C. NOC for 2018-003 Annual Citywide Street Rehab FY 18/19 Project (Alley)
D. NOC for 2018-001 Annual Slurry Seal FY 18/19 Project
E. NOC for 2019-001 Annual Slurry Seal FY 19/20 Project

When Recorded Return Original To:

City of Beaumont
550 East 6th Street
Beaumont, CA 92223

NO RECORDING FEE REQUIRED
PER GOVERNMENT CODE SECTION 27383

NOTICE OF COMPLETION

NOTICE is hereby given that the CITY OF BEAUMONT, 550 East 6th Street, Beaumont, California, 92223, a municipal corporation, is owner in fee of an easement in the property hereinafter described. Said owner caused a work of improvement on the property hereinafter described and was COMPLETED on August 21, 2020 by Matich Corporation, contractor.

The property on which said work of improvement was completed in the City of Beaumont, County of Riverside, and State of California lying on Beaumont Avenue from 6th Street (southbound limit) to Oak Valley Parkway (northbound limit).

BEAUMONT AVE RECONSTRUCTION PROJECT
CIP 2018-004

_____ _____
Date Ray Santos,
Mayor of the City of Beaumont, CA

VERIFICATION:
I the undersigned am the Mayor of the City of Beaumont, the declarant of the foregoing Notice of Completion. I have read the said Notice of Completion and know the contents thereof: The same is true of my knowledge. I declare under penalty of perjury that the foregoing is true and correct.

_____ _____
Date Ray Santos,
Mayor of the City of Beaumont, CA

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

On _____ before me, _____ Notary Public, personally appeared Nancy Carroll, MAYOR OF THE CITY OF BEAUMONT, CALIFORNIA, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

BY: _____ (SEAL)
NOTARY

When Recorded Return Original To:

City of Beaumont
550 East 6th Street
Beaumont, CA 92223

NO RECORDING FEE REQUIRED
PER GOVERNMENT CODE SECTION 27383

NOTICE OF COMPLETION

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The property on which said work of improvement was completed in the City of Beaumont, County of Riverside, and State of California lying on Beaumont Avenue from 5th Street (southbound limit) to 6th Street (Northern limit), 5th street, from California Ave (westbound limit) to Grace Ave (eastbound limit), and Edgar Avenue, from 5th Street (southbound limit) to 6th Street (northbound limit).

ANNUAL CITYWIDE STREET REHAB FY 19/20 PROJECT
CIP 2019-002

_____ _____
Date Ray Santos,
Mayor of the City of Beaumont, CA

VERIFICATION:
I the undersigned am the Mayor of the City of Beaumont, the declarant of the foregoing Notice of Completion. I have read the said Notice of Completion and know the contents thereof: The same is true of my knowledge. I declare under penalty of perjury that the foregoing is true and correct.

_____ _____
Date Ray Santos,
Mayor of the City of Beaumont, CA

A Notary Public or other officer completing this certificate verifies only the identity of the individual who signed the document, to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

On _____ before me, _____ Notary Public, personally appeared Nancy Carroll, MAYOR OF THE CITY OF BEAUMONT, CALIFORNIA, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

BY: _____ (SEAL)
NOTARY

When Recorded Return Original To:

City of Beaumont
550 East 6th Street
Beaumont, CA 92223

NO RECORDING FEE REQUIRED
PER GOVERNMENT CODE SECTION 27383

NOTICE OF COMPLETION

NOTICE is hereby given that the CITY OF BEAUMONT, 550 East 6th Street, Beaumont, California, 92223, a municipal corporation, is owner in fee of an easement in the property hereinafter described. Said owner caused a work of improvement on the property hereinafter described and was COMPLETED on August 21, 2020 by Matich Corporation, contractor.

The property on which said work of improvement was completed in the City of Beaumont, County of Riverside, and State of California lying within block 42 of the Amended Map of the Town of Beaumont, as shown on map recorded in book 6, page 16 of maps, in the office of the County Recorder of San Bernardino, California.

ANNUAL CITYWIDE STREET REHAB FY 18/19 PROJECT (ALLEY)
CIP 2018-003

_____ _____
Date Ray Santos,
Mayor of the City of Beaumont, CA

VERIFICATION:
I the undersigned am the Mayor of the City of Beaumont, the declarant of the foregoing Notice of Completion. I have read the said Notice of Completion and know the contents thereof: The same is true of my knowledge. I declare under penalty of perjury that the foregoing is true and correct.

_____ _____
Date Ray Santos,
Mayor of the City of Beaumont, CA

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STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

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

WITNESS my hand and official seal.

BY: _____ (SEAL)
NOTARY

When Recorded Return Original To:

City of Beaumont
550 East 6th Street
Beaumont, CA 92223

NO RECORDING FEE REQUIRED
PER GOVERNMENT CODE SECTION 27383

NOTICE OF COMPLETION

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The property on which said work of improvement was completed in the City of Beaumont, County of Riverside, and State of California as identified on "Exhibit A" attached hereto and made a part hereof by this reference.

ANNUAL SLURRY SEAL FY 18/19 PROJECT
CIP 2018-001

_____ _____
Date Ray Santos,
Mayor of the City of Beaumont, CA

VERIFICATION:
I the undersigned am the Mayor of the City of Beaumont, the declarant of the foregoing Notice of Completion. I have read the said Notice of Completion and know the contents thereof: The same is true of my knowledge. I declare under penalty of perjury that the foregoing is true and correct.

_____ _____
Date Ray Santos,
Mayor of the City of Beaumont, CA

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STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

On _____ before me, _____ Notary Public, personally appeared Nancy Carroll, MAYOR OF THE CITY OF BEAUMONT, CALIFORNIA, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

BY: _____ (SEAL)
NOTARY

Exhibit "A"
Legal Description

Street Name	Starting Limit of Work	Ending Limit of Work
Roy Court	Alexa Street	End of Road
Palm Avenue	Canyon Crest Road	Cougar Way
Cynthia Street	Vasili Lane	Lemon Avenue
Apple Canyon Road	Cedar View Drive	Canyon Crest Road
6th Street	California Avenue	Beaumont Avenue
6th Street	Veilie Avenue	California Avenue
California Avenue	6th Street	I-10 Overpass
Elm Avenue	12th Street	Dale Street
Elm Avenue	6th Street	12th Street
Elm Avenue	Valley View Drive	Oak Valley Parkway
10th Street	Elm Avenue	Edgar Avenue
Veile Avenue	4th Street	End of Road
13th Street	Beaumont Avenue	Edgar Avenue
11th Street	Cherry Avenue	Starlight Avenue
2nd Street	4th Street	End of Road
1st Street	Veile Avenue	California Avenue
1st Street	California Avenue	Beaumont Avenue
8th Street	Xenia Avenue	Highland Springs Avenue
11th Street	Elm Avenue	Beaumont Avenue
Olive Avenue	Beginning of Road	End of Road
3rd Street	Olive Avenue	Walnut Avenue
7th Street	California Avenue	Beaumont Avenue
7th Street	Beaumont Avenue	Magnolia Avenue
7th Street	Egan Avenue	California Avenue
11th Street	Maple Avenue	Palm Avenue

When Recorded Return Original To:

City of Beaumont
550 East 6th Street
Beaumont, CA 92223

NO RECORDING FEE REQUIRED
PER GOVERNMENT CODE SECTION 27383

NOTICE OF COMPLETION

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The property on which said work of improvement was completed in the City of Beaumont, County of Riverside, and State of California as identified on "Exhibit A" attached hereto and made a part hereof by this reference.

ANNUAL SLURRY SEAL FY 19/20 PROJECT
CIP 2019-001

_____ _____
Date Ray Santos,
Mayor of the City of Beaumont, CA

VERIFICATION:
I the undersigned am the Mayor of the City of Beaumont, the declarant of the foregoing Notice of Completion. I have read the said Notice of Completion and know the contents thereof: The same is true of my knowledge. I declare under penalty of perjury that the foregoing is true and correct.

_____ _____
Date Ray Santos,
Mayor of the City of Beaumont, CA

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STATE OF CALIFORNIA
COUNTY OF RIVERSIDE

On _____ before me, _____ Notary Public, personally appeared Nancy Carroll, MAYOR OF THE CITY OF BEAUMONT, CALIFORNIA, who proved to me on the basis of satisfactory evidence to be the person whose name is subscribed to the within instrument and acknowledged to me that he executed the same in his authorized capacity, and that by his signature on the instrument the person, or the entity upon behalf of which the person acted, executed the instrument.

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

WITNESS my hand and official seal.

BY: _____ (SEAL)
NOTARY

Exhibit "A"
Legal Description

Street Name	Starting Limit of Work	Ending Limit of Work
Cherry Avenue	Oak Valley Parkway	Cougar Way
Oak Valley Parkway	Oak View Drive	I-10 Ramp
Oak Valley Parkway	Cherry Avenue	Starlight Avenue
2nd Street	Highland Springs Avenue	End of Road

BEAUMONT
CALIFORNIA

Staff Report

TO: City Council

FROM: Jeff Hart, Director of Public Works

DATE September 1, 2020

SUBJECT: **Memorandum of Understanding with the Western Riverside Council of Governments for Monetary Contributions From Developer for the Pennsylvania Widening Project**

Background and Analysis:

On March 20, 2018, the City of Beaumont entered into an Improvement and Credit/Reimbursement Agreement for the Transportation Uniform Mitigation Fee Program (TUMF) with Pardee Homes (Developer) for construction of the Pennsylvania Widening Project (Project). The amount of the credits associated with the agreement were in an amount not to exceed $3,018,000.

Under the terms of the agreement the Developer shall construct the improvements associated with the Project. Estimated construction costs for the Project have escalated beyond the maximum value of the agreement, requiring additional funding to construct the improvements. To more efficiently construct and manage the project, staff is proposing to take over as the project lead and manage all aspects.

In order for the City to administer the project and receive funds directly from the developer, a memorandum of understanding (MOU) with the Western Riverside Council of Governments (WRCOG) is required in accordance with the TUMF Administrative Plan. The MOU is to account for the credit and provide an explanation of why the improvement is being funded with the monetary contribution and cannot be constructed by the developer.

Previous Projects List

This is a project that was included on the FY 2017 capital projects list for $4,018,000. The additional $1 million is coming from other City funds that have already been earmarked for this project. Project design is underway and City staff has scheduled the award of contract by January 2021.

Fiscal Impact:

The cost to prepare this staff report is estimated to be $500.

Recommended Action:

Authorize the Mayor to execute a Memorandum of Understanding with the Western Riverside Council of Governments for Monetary Contributions from Developer for the Pennsylvania Widening Project.

Attachments:

A. MOU – Credit Agreement Penn

MEMORANDUM OF UNDERSTANDING
TUMF CREDIT FOR MONETARY CONTRIBUTIONS FROM DEVELOPER FOR THE TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM

BETWEEN THE WESTERN RIVERSIDE COUNCIL OF GOVERNMENTS AND THE CITY OF BEAUMONT, CALIFORNIA

This **MEMORANDUM OF UNDERSTANDING** ("Agreement") is entered into this ___ day of _____, 2020, by and between the Western Riverside Council of Governments, a Joint Powers Agency comprised of the County of Riverside and eighteen (18) cities in Western Riverside County ("WRCOG") and the City of Beaumont, a municipal corporation ("AGENCY"). WRCOG and AGENCY are sometimes hereinafter referred to individually as "Party" and collectively as "Parties".

RECITALS

WHEREAS, Pardee Homes, a California Corporation ("Developer") owns real property located within the AGENCY ("Property") and has requested from AGENCY certain entitlements and/or permits for the construction of improvements on the Property ("Project");

WHEREAS, AGENCY is a member agency of WRCOG, the administrator for the Transportation Uniform Mitigation Fee ("TUMF") Program;

WHEREAS, pursuant to the TUMF Program, AGENCY has adopted Ordinance No. 1091 (the "TUMF Ordinance") which requires the payment of TUMF as a condition to the development of property to offset the fair share costs to deliver transportation improvements that mitigate the traffic impacts and burdens on the Regional System of Highways and Arterials (also known as the "TUMF Network") generated by new development;

WHEREAS, the "Transportation Uniform Mitigation Fee Nexus Study: 2016 Update" ("TUMF Nexus Study") and the 5 year Transportation Improvement Program ("TIP"), as may be amended, designate the various TUMF Network improvement projects;

WHEREAS, as a condition to AGENCY's approval of the Project, AGENCY has required Developer to pay for the construction of certain street and roadway improvements related to the Pennsylvania Widening Project. The street improvements will consist of widening Pennsylvania Avenue from 1st Street to 6th Street from two to four lanes, as shown more specifically on the plans, profiles, and specifications which have been or will be prepared by or on behalf of AGENCY, and which are incorporated herein by this reference ("TUMF Improvements"). Construction of the TUMF Improvements shall include any transitions and/or other incidental work deemed necessary for drainage or public safety. Said improvements will be constructed by AGENCY;

WHEREAS, the TUMF Improvements have been designated in the TUMF Nexus Study as having Regional or Zonal Significance as further describe in the 2016 Nexus Study with a maximum cost of $3,018,000 available for credit against the TUMF owed by the Developer for

the Project. The TUMF Improvements along Pennsylvania Avenue are designated in the TUMF Nexus Study with a maximum cost of $3,018,000 available for credit against the TUMF owed by the Developer for the Project. The total amount designated in the TUMF Nexus Study for the TUMF Improvements is $3,018,000 available for credit against the TUMF owed by the Developer for the Project. ("TUMF Credit");

WHEREAS, AGENCY has entered into a binding agreement with the Developer (the "Binding Agreement") which obligates the Developer to provide the funding for the total cost of the TUMF Improvements (the "Monetary Contribution");

WHEREAS, AGENCY has submitted the Binding Agreement to WRCOG for approval in accordance with the TUMF Administrative Plan;

WHEREAS, AGENCY and WRCOG now desire to enter into this MOU in accordance with Section 4.3 of the WRCOG TUMF Credit/Reimbursement Manual, dated January 07, 2019 ("Manual");

WHEREAS, after award of the construction contract by the Agency and payment of the Monetary Contribution by Developer, TUMF Credits and Reimbursement may be granted to Developer only in accordance with an approved Credit/Reimbursement Agreement consistent with the Manual.

NOW, THEREFORE, for the purposes set forth herein, and for good and valuable consideration, the adequacy of which is hereby acknowledged WRCOG and AGENCY hereby agree as follows:

TERMS

1.0 Incorporation of Recitals.

1.1 The Parties hereby affirm the facts set forth in the Recitals above and agree to the incorporation of the Recitals as though fully set forth herein.

2.0 Agreements.

2.1 The Parties agree and confirm that the TUMF Improvements are identified in the Nexus Study, and qualify for TUMF Credit in the amount set forth in the above Recitals.

2.2 AGENCY has submitted the Binding Agreement to WRCOG, and WRCOG has reviewed and approved the Binding Agreement. Any amendments to the Binding Agreement pertaining to the Monetary Contribution shall be submitted to and approved by WRCOG before being approved by Agency.

2.3 The Parties acknowledge and agree that Developer cannot construct the TUMF Improvements for the reasons set forth in the above Recitals.

2.4 The TUMF Administrative Plan, the Manual and TUMF Ordinance, as the same may from time to time be amended, are incorporated herein by reference. The Parties acknowledge and agree that TUMF credits and reimbursements, if any, shall be subject to the terms and conditions of the TUMF Administrative Plan, the Manual and TUMF Ordinance.

2.5 AGENCY shall provide written notification to WRCOG and, if applicable, to Riverside County Transportation Commission (RCTC), of its determination that the TUMF Credits have been exhausted, and shall provide any information and back-up documentation regarding such determination as requested by WRCOG or RCTC, as applicable.

3.0 Miscellaneous.

3.1 Authority to Enter Agreement. Each Party warrants that the individuals who have signed this Agreement have the legal power, right, and authority make this Agreement and bind each respective Party.

3.2 Notices. All notices, demands, invoices, and written communications shall be in writing and delivered to the following addresses or such other addresses as the Parties may designate by written notice:

To AGENCY:
Jeff Hart
Director of Public Works
550 E. 6th Street
Beaumont, CA 92223

To WRCOG:
Christopher Gray
Director of Transportation
3390 University Avenue, Suite 450
Riverside, CA 92501

Depending upon the method of transmittal, notice shall be deemed received as follows: by facsimile, as of the date and time sent; by messenger, as of the date delivered; and by U.S. Mail first class postage prepaid, as of 72 hours after deposit in the U.S. Mail.

3.3 Cooperation; Further Acts. The Parties shall fully cooperate with one another, and shall take any additional acts or sign any additional documents as may be necessary, appropriate, or convenient to attain the purposes of this Agreement.

3.4 Construction; References; Captions. It being agreed the Parties or their agents have participated in the preparation of this Agreement, the language of this

Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days, or period for performance shall be deemed calendar days and not work days. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

3.5 Amendment; Modification. No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by all Parties.

3.6 Waiver. No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual right by custom, estoppel, or otherwise.

3.7 Assignment or Transfer. The Parties shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement or any interest herein without the prior written consent of the other Parties. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation or transfer.

3.8 Binding Effect. Each and all of the covenants and conditions shall be binding on and shall inure to the benefit of the Parties, and their successors, heirs, personal representatives, or assigns. This section shall not be construed as an authorization for any Party to assign any right or obligation.

3.9 No Third Party Beneficiaries. There are no intended third party beneficiaries of any right or obligation assumed by the Parties.

3.10 Invalidity; Severability. If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

3.11 Consent to Jurisdiction and Venue. This Agreement shall be construed in accordance with and governed by the laws of the State of California. Any legal action or proceeding brought to interpret or enforce this Agreement, or which in any way arises out of the Parties' activities undertaken pursuant to this Agreement, shall be filed and prosecuted in the appropriate California State Court in the County of Riverside, California. Each Party waives the benefit of any provision of state or federal law providing for a change of venue to any other court or jurisdiction including, without limitation, a change of venue based on the fact that a governmental entity is a party to the action or proceeding, or that a federal right or question is involved or alleged to be involved in the action or proceeding.

3.12 Time is of the Essence. Time is of the essence in this Agreement, and the Parties agree to execute all documents and proceed with diligence to complete all covenants and conditions.

3.13 Counterparts. This Agreement may be signed in counterparts, each of which shall constitute an original and which collectively shall constitute one instrument.

3.14 Entire Agreement. This Agreement contains the entire agreement between Parties and supersedes any prior oral or written statements or agreements between Parties regarding the limited subject matter stated within this Agreement.

[SIGNATURES OF PARTIES ON NEXT PAGE]

SIGNATURE PAGE
TO
MEMORANDUM OF UNDERSTANDING
RELATED TO TUMF CREDIT FOR DEVELOPER MONETARY CONTRIBUTIONS
FOR THE TRANSPORTATION UNIFORM MITIGATION FEE PROGRAM

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement as of the day and year first above written.

City of Beaumont

By: _____

Its: _____

ATTEST:

By: _____

Its: _____

Western Riverside Council of Governments

By: _____
: EXECUTIVE DIRECTOR

APPROVED AS TO FORM:

By: _____
GENERAL COUNSEL

Staff Report

TO: City Council

FROM: Jeff Hart, Public Works Director

DATE September 1, 2020

SUBJECT: **Approve the Cooperative Funding Agreement between Riverside County Flood Control and Water Conservation District and City of Beaumont for the Construction of Beaumont Master Drainage Plan (MDP) Line 2, Stage 1 Project**

Background and Analysis:

On March 17, 2020, City Council amended the FY19/20 Capital Improvement Project (CIP) Budget to include the Beaumont Master Drainage Plan (MDP) Line 2, Stage 1 Project (Stage 1). Stage 1 was incorporated into the CIP in the amount of $5,000,000 with the source of funds being the Riverside County Flood Control and Water Conservation District (District) via a cooperative funding agreement.

The District has allocated $5 million for the construction of Stage 1, which includes funding for the design, design administration, contract administration, construction, construction administration, and contingencies.

Stage 1 includes the construction of approximately 4,820 lineal feet of underground storm drain system to be constructed within Sixth Street, Pennsylvania Avenue, and First Street. Stage 1 will start near the intersection of Chestnut Avenue and Sixth Street and extend easterly along Sixth Street, southerly along Pennsylvania Avenue, and easterly along First Street (see Figure 1).

In addition to the construction of Stage 1, several catch basins, inlets, connector pipes, and lateral storm drains that are thirty-six inches (36") or less in diameter will need to be constructed to adequately collect and convey local flows within the City's jurisdiction or rights of way. These items are considered appurtenances to Stage 1.

Ultimately, the District will own, operate, and maintain the Stage 1 facilities, and the City will own, operate, and maintain the appurtenances.

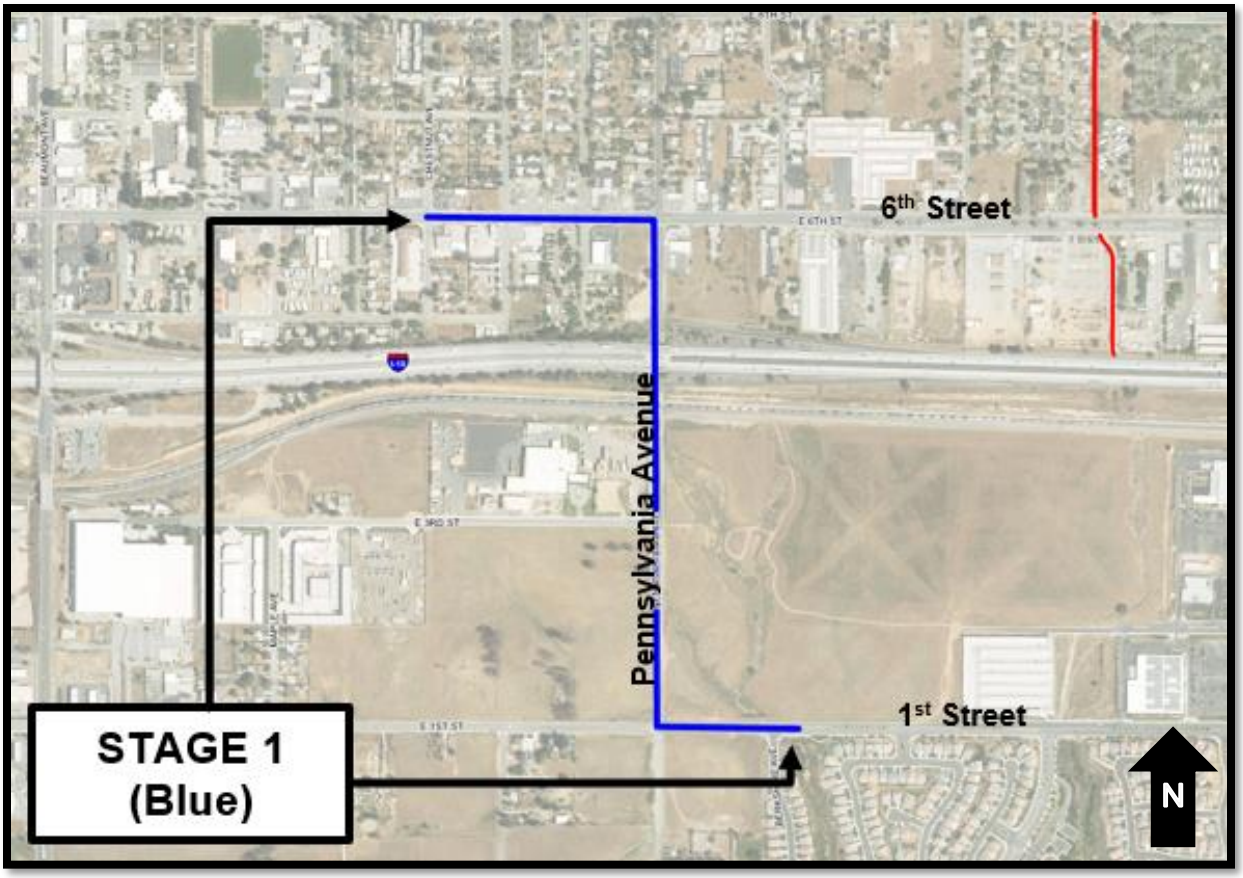


Figure 1: Beaumont MDP Line 2 Stage 1

Fiscal Impact:

The District has allocated $5 million for this project. The District's contribution is based on 100% of the total project cost, including design, design administration, contract administration, construction, construction administration, and contingencies.

Recommended Action:

Approve the Cooperative Funding Agreement between Riverside County Flood Control and Water Conservation District and City of Beaumont for the Construction of Beaumont Master Drainage Plan (MDP) Line 2, Stage 1 Project.

Attachments:

A. Cooperative Agreement

COOPERATIVE FUNDING AGREEMENT
Beaumont MDP- Line 2, Stage 1
Project No. 5-0-00195

This Cooperative Funding Agreement ("Agreement"), dated as of _____, 2020, is entered into by and between the Riverside County Flood Control and Water Conservation District, a body politic ("DISTRICT"), and the City of Beaumont, a municipal corporation ("CITY"). DISTRICT and CITY are collectively referred to herein as "Parties" and individually as "Party". The Parties hereto agree as follows:

RECITALS

A. DISTRICT and CITY wish to work collaboratively to expedite the construction of Beaumont MDP- Line 2, Stage 1 ("STAGE 1"). Upon construction completion, STAGE 1 will provide the necessary flood control and drainage improvements for the immediate adjacent areas located within the city of Beaumont; and

B. STAGE 1, as shown on District Drawing No. 5-0231, includes the construction of approximately 4,820 lineal feet of underground storm drain system to be constructed within Sixth Street, Pennsylvania Avenue, and First Street. STAGE 1 will start near the intersection of Chestnut Avenue and Sixth Street and extend easterly along Sixth Street, southerly along Pennsylvania Avenue, and easterly along First Street. STAGE 1 is shown in concept in blue on Exhibit "A", attached hereto and made a part hereof; and

C. In addition to the construction of STAGE 1, certain catch basins, inlets, connector pipes and lateral storm drains that are thirty-six inches (36") or less in diameter will need to be constructed to adequately collect and convey local flows within CITY's jurisdiction or rights of way ("APPURTENANCES"); and

D. STAGE 1 and APPURTENANCES are hereinafter altogether called

"PROJECT"; and

E. CITY desires that DISTRICT contribute funding for the design and construction of PROJECT; and

F. DISTRICT wishes to support CITY's efforts to construct PROJECT by providing a financial contribution towards PROJECT's design and construction costs as set forth herein; and

G. DISTRICT-approved engineering design proposal cost for PROJECT is hereinafter called "DESIGN PROPOSAL COST"; and

H. The lowest responsible bid contract price for PROJECT construction is hereinafter called "ORIGINAL BID"; and

I. DISTRICT's contribution shall be as follows:

(i) "DESIGN CONTRIBUTION"

One hundred percent (100%) of DESIGN PROPOSAL COST to offset CITY's costs associated with mapping, surveying, engineering, and other typical ancillary costs related to the preparation of the necessary plans and specifications to construct PROJECT; and

(ii) "DESIGN ADMIN"

In the event that CITY chooses to hire an engineering consulting firm to prepare the necessary plans and specifications to construct PROJECT, DISTRICT is also willing to contribute an additional twenty percent (20%) of DESIGN PROPOSAL COST to offset CITY's administrative costs associated with design contract administration; and

(iii) "CONSTRUCTION CONTRIBUTION"

One hundred percent (100%) of ORIGINAL BID; and

(iv) "CONSTRUCTION ADMIN"

An additional ten percent (10%) of ORIGINAL BID to offset CITY's administrative costs associated with construction contract administration and other typical ancillary costs related to the delivery of a flood control facility; and

(v) "CHANGE ORDERS CONTRIBUTION"

Up to an additional ten percent (10%) of the ORIGINAL BID to offset any construction contract change orders; and

(vi) Altogether, DESIGN CONTRIBUTION, DESIGN ADMIN, CONSTRUCTION CONTRIBUTION, CONSTRUCTION ADMIN, and CHANGE ORDERS CONTRIBUTION are hereinafter called "DISTRICT CONTRIBUTION". DISTRICT CONTRIBUTION shall not exceed a total sum of Five Million Dollars ($5,000,000); and

J. CITY desires DISTRICT to ultimately accept ownership and responsibility for operation and maintenance of STAGE 1. Therefore, DISTRICT must review and approve IMPROVEMENT PLANS and subsequently inspect the construction of STAGE 1; and

K. It is in the best interest of the public to proceed with the construction of PROJECT at the earliest possible date; and

L. The purpose of this Agreement is to memorialize the mutual understandings by and between DISTRICT and CITY with respect to funding, design, construction, inspection, ownership, operation and maintenance of PROJECT and the payment of DISTRICT CONTRIBUTION.

NOW, THEREFORE, in consideration of the preceding recitals and the mutual covenants hereinafter contained, the parties hereto mutually agree that the above recitals are true and correct and incorporated into the terms of this Agreement and as follows:

SECTION I

CITY shall:

1. Pursuant to the California Environmental Quality Act ("CEQA"), act as Lead Agency and assume responsibility for preparation, circulation and adoption of all necessary and appropriate CEQA documents pertaining to the construction, operation and maintenance of PROJECT.

2. Endeavor to award a public works construction contract for PROJECT and begin construction within twenty-four (24) months of execution of this Agreement.

3. Provide DISTRICT an opportunity to review and approve the engineering design cost proposal and associated design schedule for PROJECT.

4. Keep an accurate accounting of the following:

A. All design costs associated with the preparation of plans and specifications for PROJECT, in conformance with DISTRICT-approved engineering design cost proposal and design schedule as set forth in Section I.3. CITY shall include this accounting when invoicing DISTRICT for (i) the final payment of DESIGN CONTRIBUTION and (ii) DESIGN ADMIN, if applicable, as set forth in Section I.14. The final accounting of design costs shall include a detailed breakdown of all costs, including but not limited to, payment vouchers, change orders and other such

contract documents as may be necessary, to establish the actual cost of design and the associated contract administration cost.

B. All PROJECT construction costs. CITY shall include this final accounting when invoicing DISTRICT for CHANGE ORDERS CONTRIBUTION as set forth in Section I.37. The final accounting of construction costs shall include a detailed breakdown of all costs, including but not limited to, payment vouchers, change orders and other such construction contract documents as may be necessary, to establish the actual cost of construction and the associated contract administration cost for DISTRICT- and CITY- approved IMPROVEMENT PLANS.

5. Invoice DISTRICT (Attention: Special Projects Section) for fifty percent (50%) of DESIGN CONTRIBUTION upon execution of this Agreement or upon DISTRICT's approval of CITY's engineering design cost proposal as set forth in Section I.3., whichever occurs later. DISTRICT CONTRIBUTION shall not exceed a total sum of Five Million Dollars ($5,000,000).

6. Prior to commencing PROJECT design, provide DISTRICT an opportunity to review and approve the geotechnical report for PROJECT.

7. Prepare or cause to be prepared the necessary plans and specifications for PROJECT ("IMPROVEMENT PLANS"), in accordance with the applicable DISTRICT and CITY standards, and submit to DISTRICT (Attention: Special Projects Section) for its review and approval prior to advertising PROJECT for construction bids.

8. Prior to advertising PROJECT for public works construction contract, obtain, at its sole cost and expense all necessary permits, approvals, or agreements as may be required by any federal, state and local resource or regulatory agencies pertaining to the

construction, operation and maintenance of PROJECT. Such documents, hereinafter called "REGULATORY PERMITS", may include, but are not limited to, those issued by the U.S. Army Corps of Engineers, California Regional Water Quality Control Board, California Department of Fish and Wildlife, State Water Resources Control Board and Western Riverside County Regional Conservation Authority.

9. Implement or cause to be implemented, all environmental mitigation required in association with the construction, operation and maintenance of PROJECT, except for the fees associated with the Western Riverside County Multiple Species Habitat Conservation Plan ("MSHCP").

10. Prior to advertising PROJECT for public works construction contract, obtain, at its sole cost and expense, all necessary permits, licenses, agreements, approvals, rights of way, rights of entry, encroachment permits, and temporary construction easements as may be needed to construct, operate and maintain PROJECT ("ROW DOCUMENTS") and consult with DISTRICT regarding existing dedications, proposed legal and plats, including any requests for waivers and variances from policies.

11. Prior to advertising PROJECT for public works construction contract, provide DISTRICT an opportunity to review, comment on, and make a determination on all (i) REGULATORY PERMITS and (ii) ROW DOCUMENTS, including any existing dedications, proposed legal and plat descriptions, basemap, and survey controls. DISTRICT approval of any such document(s) or IMPROVEMENT PLANS may be withheld when, in the sole judgment of DISTRICT's General Manager – Chief Engineer, the said document(s) unreasonably constrains, inhibits or impairs DISTRICT's ability to operate and maintain STAGE 1.

12. Ensure that REGULATORY PERMITS, including any subsequent renewal or amendments thereto, will not (i) unreasonably impede DISTRICT's ability to

perform all necessary operation and maintenance activities for STAGE 1, as determined by DISTRICT, or (ii) include any stipulations that would result in additional mitigation obligations being placed upon DISTRICT for maintenance operations within PROJECT's right of way.

13. Assume sole responsibility for compliance with the requirements of all REGULATORY PERMITS, including any amendments thereto, pertaining to the construction, operation and maintenance of PROJECT.

14. Following the signing of IMPROVEMENT PLANS by all parties, invoice DISTRICT (Attention: Special Projects Section) for (i) the remainder of DESIGN CONTRIBUTION and (ii) DESIGN ADMINISTRATION CONTRIBUTION, if applicable. The invoice shall include a final accounting of all design costs associated with the preparation of plans and specifications for PROJECT set forth in Section I.4.A. DISTRICT CONTRIBUTION shall not exceed a total sum of Five Million Dollars ($5,000,000).

15. Prior to awarding a public works construction contract for PROJECT, provide DISTRICT seven (7) calendar days following construction bid opening to review and approve or reject bids for construction of PROJECT. DISTRICT may only reject bids found by DISTRICT to be unreasonably high. If DISTRICT so rejects bid(s) as being unreasonably high, CITY shall have the right to re-bid the PROJECT or part thereof and DISTRICT shall review such bid(s) as herein provided in good faith.

16. Advertise, award and administer a public works construction contract for PROJECT at its sole cost and expense.

17. Provide DISTRICT with written notice (Attention: Special Projects Section and Construction Management Section) that CITY has awarded a public works construction contract for PROJECT. The written notice shall include the Contractor's

actual bid amounts for PROJECT, setting forth herein ORIGINAL BID amount.

18. At the time of providing written notice of the award of a construction contract as set forth in Section I.17., invoice DISTRICT (Attention: Special Projects Section) for CONSTRUCTION CONTRIBUTION and CONSTRUCTION ADMIN, subject to and provided that DISTRICT CONTRIBUTION does not exceed a total sum of Five Million Dollars ($5,000,000). Furthermore, CITY shall be responsible to pay any amounts in excess of DISTRICT CONTRIBUTION. CONSTRUCTION CONTRIBUTION shall be supported by a copy of CITY's bid abstracts for PROJECT.

19. Prior to commencing PROJECT construction, furnish DISTRICT with final mylar PROJECT plans and assign ownership of PROJECT plans to DISTRICT.

20. Not permit any change to, or modification of, DISTRICT- and CITY-approved IMPROVEMENT PLANS without DISTRICT's prior written permission and consent. Failure to do so shall be deemed a material breach of this Agreement and shall authorize and constitute authority for DISTRICT, at its sole discretion, to provide written notice to CITY that DISTRICT is unable to: a) perform its obligations hereunder, and b) to accept responsibility for ownership, operation and maintenance of STAGE 1 due, either in whole or in part, to said breach of this Agreement.

21. Prior to commencing PROJECT construction, schedule and conduct a mandatory pre-construction meeting between CITY, CITY's construction manager, CITY's construction contractor(s), DISTRICT and other affected entities. CITY shall notify DISTRICT (Attention: Construction Management Section) in writing at least twenty (20) days prior to conducting the pre-construction meeting.

22. Furnish DISTRICT (Attention: Construction Management Section), at the time of providing written notice of the pre-construction meeting as set forth in Section I.21., with:

A. A construction schedule which shall show the order and dates in which CITY or CITY's contractor proposes to carry on the various parts of work, including estimated start and completion dates, and

B. A confined space procedure specific to PROJECT. The procedure shall comply with requirements contained in California Code of Regulations, Title 8, Section 5156 et seq. and DISTRICT's Confined Space Procedures, SOM-18. The procedure shall be reviewed and approved by DISTRICT prior to the start of PROJECT construction.

23. Require its construction contractor(s) to comply with all Cal/OSHA safety regulations including regulations concerning confined space and maintain a safe working environment for all CITY and DISTRICT employees on the site.

24. Order the relocation of all utilities within CITY rights of way which conflict with the construction of PROJECT and which must be relocated at the utility company's expense.

25. Procure or caused to be procured insurance coverages during the term of this Agreement. CITY shall require its PROJECT construction contractor(s) to furnish original certificate(s) of insurance and original certified copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments. Prior to CITY issuing a Notice to Proceed to its construction contractor(s) to begin construction of PROJECT, an original certificate of insurance evidencing the required insurance coverage shall be provided to DISTRICT. At minimum, the procured insurance coverages should adhere to the DISTRICT's required insurance provided in Exhibit "B", attached hereto and made a part hereof.

26. Construct, or cause to be constructed, PROJECT pursuant to a CITY administered public works construction contract, in accordance with IMPROVEMENT PLANS approved by DISTRICT and CITY, and pay all costs associated therewith.

27. Inspect PROJECT construction or cause PROJECT's construction to be inspected by its construction manager and pay all costs associated therewith. In the event CITY wishes to utilize DISTRICT's construction inspection, materials testing, and construction survey services, CITY shall provide DISTRICT with written notice (Attn: Special Projects) requesting such services. However, CITY will continue to serve as construction contract manager.

28. Furnish, or cause its construction manager to furnish, DISTRICT (Attention: Construction Management) all construction survey and materials testing services necessary to ensure PROJECT construction is accomplished in accordance with the DISTRICT- and CITY-approved IMPROVEMENT PLANS.

29. Grant DISTRICT, by execution of this Agreement, the right to inspect PROJECT and subsequently operate and maintain STAGE 1 within CITY rights of way.

30. Within two (2) weeks of completing PROJECT construction, provide DISTRICT with written notice (Attention: Construction Management) that PROJECT construction is substantially complete and requesting that DISTRICT conduct a final inspection of STAGE 1.

31. Assume ownership and sole responsibility for the operation and maintenance of PROJECT until such time as DISTRICT accepts ownership and responsibility for the operation and maintenance of STAGE 1 as set forth herein.

32. Upon completion of PROJECT construction, provide DISTRICT with a copy of the CITY's recorded Notice of Completion.

33. Upon completion of PROJECT construction but prior to DISTRICT's

acceptance of STAGE 1 for ownership, operation and maintenance, provide DISTRICT with appropriate engineering documentation necessary to establish that STAGE 1 was constructed in accordance with the DISTRICT- and CITY- approved IMPROVEMENT PLANS.

34. Upon completion of PROJECT construction, but prior to DISTRICT acceptance of STAGE 1 for ownership, operation and maintenance, convey, or cause to be conveyed, to DISTRICT the flood control easement(s), or grant deed(s) of fee title where appropriate, deemed necessary by DISTRICT for the operation and maintenance of STAGE 1. The easement(s) or grant deed(s) shall be in a form approved by DISTRICT and shall be executed by all legal and equitable owners of the property described in the easement(s) or grant deed(s).

35. At the time of recordation of the conveyance document(s) as set forth in Section I.34., furnish DISTRICT with policies of title insurance, each in the amount of not less than (i) fifty percent (50%) of the estimated fee value as determined by DISTRICT for each easement parcel to be conveyed to DISTRICT; or (ii) one hundred percent (100%) of the estimated value as determined by DISTRICT for each fee parcel to be conveyed to DISTRICT, guaranteeing DISTRICT's interest in said property as being free and clear of all liens, encumbrances, assessments, easements, taxes and leases (recorded or unrecorded), and except those which in the sole discretion of DISTRICT are acceptable.

36. Upon completion of PROJECT construction but prior to DISTRICT's acceptance of STAGE 1 for ownership, operation and maintenance, provide or cause its civil engineer of record or construction civil engineer of record, duly registered in the State of California, to provide DISTRICT with redlined "record drawings" of PROJECT plans. After DISTRICT approval of the redlined "record drawings", CITY's engineer shall schedule with DISTRICT a time to transfer the redlined changes into DISTRICT's original

mylars at DISTRICT's office, after which the engineer shall review, stamp and sign mylars "record drawings".

37. If applicable, upon DISTRICT acceptance of STAGE 1 for ownership, operation and maintenance, invoice DISTRICT (Attention: Special Projects Section) for CHANGE ORDERS CONTRIBUTION, subject to and provided that DISTRICT CONTRIBUTION does not exceed a total sum of Five Million Dollars ($5,000,000). The invoice shall include a final accounting of all PROJECT construction costs as set forth in Section I.4.B.

38. Upon DISTRICT acceptance of PROJECT construction as being complete, accept sole responsibility for the adjustment of all PROJECT manhole rings and covers located within CITY rights of way which must be performed at such time(s) that the finished grade along and above the underground portions of PROJECT are improved, repaired, replaced or changed. It being further understood and agreed that any such adjustments shall be performed at no cost to DISTRICT.

39. Refund to DISTRICT, at the time of providing a Notice of Completion as set forth in Section I.32., any unexpended portions of DISTRICT CONTRIBUTION.

SECTION II

DISTRICT shall:

1. Act as a Responsible Agency under CEQA, taking all necessary and appropriate action to comply with CEQA.

2. Review and make a determination on CITY's engineering design cost proposal and associated design schedule for PROJECT.

3. Review and approve CITY's geotechnical report prior to CITY commencing PROJECT design.

4. Pay CITY, within forty-five (45) days after receipt of CITY's appropriate invoice for fifty percent (50%) of DESIGN CONTRIBUTION as set forth in Section I.5. DISTRICT CONTRIBUTION shall not exceed a total sum of Five Million Dollars ($5,000,000). Furthermore, CITY shall be responsible to pay any amounts in excess of DISTRICT CONTRIBUTION.

5. Prior to CITY advertising PROJECT for bids, review and make a determination on, as appropriate, all (i) REGULATORY PERMITS and (ii) ROW DOCUMENTS, including any existing dedications, proposed legal and plat descriptions, basemap, and survey controls. Said REGULATORY PERMITS and ROW DOCUMENTS shall not unreasonably constrain, inhibit or impair DISTRICT's ability to operate and maintain STAGE 1. DISTRICT may withhold approval of any such document(s) or IMPROVEMENT PLANS when, in the sole judgment of DISTRICT's General Manager – Chief Engineer, the said document(s) unreasonably constrains, inhibits or impairs DISTRICT's ability to operate and maintain STAGE 1.

6. Review and approve IMPROVEMENT PLANS prior to CITY's advertising PROJECT for construction bids.

7. Pay CITY, within forty-five (45) days after receipt of CITY's appropriate invoice, for remainder of DESIGN CONTRIBUTION and DESIGN ADMINISTRATION CONTRIBUTION, if applicable, as set forth in Sections I.4.A. and I.14. DISTRICT CONTRIBUTION shall not exceed a total sum of Five Million Dollars ($5,000,000). Furthermore, CITY shall be responsible to pay any amounts in excess of DISTRICT CONTRIBUTION.

8. Within seven (7) calendar days following CITY's public works construction bid opening, review and approve or reject bids for construction of PROJECT. DISTRICT may only reject bids found by DISTRICT to be unreasonably high in

comparison with the estimated cost. DISTRICT shall not unreasonably withhold approval of contract.

9. Within thirty (30) days of CITY awarding PROJECT, pay the Western Riverside County Regional Conservation Agency the mitigation fee for PROJECT per the 2004 Implementing Agreement for the Western Riverside County Multiple Species Habitat Conservation Plan (MSHCP), which is either the lesser of (i) three percent (3%) of the lowest responsible bid; or ii) three percent (3%) of lowest responsible bid contract price, less the value of any applicable project specific mitigation.

10. Pay CITY, within forty-five (45) days after receipt of CITY's appropriate invoice for CONSTRUCTION CONTRIBUTION and CONSTRUCTION ADMIN as set forth in Section I.18., subject to and provided that DISTRICT CONTRIBUTION does not exceed a total sum of Five Million Dollars ($5,000,000). Furthermore, CITY shall be responsible to pay any amounts in excess of DISTRICT CONTRIBUTION.

11. Conduct periodic inspections of STAGE 1 construction for quality control purposes at its sole cost and provide any comments to CITY's designated PROJECT construction inspector.

12. In the event the CITY wishes to utilize DISTRICT's construction inspection, materials testing and construction survey services for PROJECT, and CITY provides DISTRICT with a written request for such services, DISTRICT shall provide a timely response as to whether or not they have the resources to perform such services. If DISTRICT wishes to provide such services, DISTRICT shall provide all necessary construction inspection, materials testing and construction survey services for PROJECT and assist CITY as needed with the administration of PROJECT's construction contract. DISTRICT hereby agrees to pay all DISTRICT costs associated with the inspection of

PROJECT construction, as set forth herein.

13. Upon receipt of CITY's written notice that PROJECT construction is substantially complete as set forth in Section I.30., conduct a final inspection of STAGE 1.

14. Accept ownership and responsibility for the operation and maintenance of STAGE 1 upon (i) DISTRICT inspection of STAGE 1 in accordance with Sections I.30. and II.13., (ii) DISTRICT acceptance of STAGE 1 construction as being complete, (iii) DISTRICT receipt of CITY's recorded Notice of Completion as set forth in Section I.32., (iv) DISTRICT receipt of appropriate engineering documentation as set forth in Section I.33., (v) DISTRICT receipt of stamped and signed "record drawings" of PROJECT plans as set forth in Section I.36., (vi) DISTRICT's acceptance of all necessary rights of way and/or easements as set forth in Section I.34., and (vii) DISTRICT's sole determination that STAGE 1 is in a satisfactorily maintained condition.

15. Pay CITY, within forty-five (45) days after receipt of CITY's appropriate invoice, for CHANGE ORDERS CONTRIBUTION as set forth in Sections I.4.B. and I.37., subject to and provided that DISTRICT CONTRIBUTION does not exceed a total sum of Five Million Dollars ($5,000,000). CITY shall be responsible to pay any amounts in excess of DISTRICT TOTAL CONTRIBUTION.

SECTION III

Indemnification:

1. CITY shall indemnify and hold harmless and require its construction contractor(s) to indemnify, defend and hold harmless the Riverside County Flood Control and Water Conservation District, County of Riverside, its Agencies, Districts, Special Districts and Departments, their respective directors, officers, Board of Supervisors, elected and appointed officials, employees, agents and representatives (individually and

collectively hereinafter referred to as "Indemnitees") from any liability whatsoever, based or asserted upon any acts, omissions or services of CITY and CITY's construction contractor(s), its officers, employees, subcontractors, agents or representatives arising out of or in any way relating to this Agreement, including but not limited to property damage, bodily injury, or death or any other element of any kind or nature whatsoever arising from the performance of CITY's construction contractor(s), its officers, employees, subcontractors, agents or representatives Indemnitors from this Agreement. CITY or CITY's construction contractor(s) shall defend, at its sole expense, all costs and fees including, but not limited, to attorney fees, cost of investigation, defense and settlements or awards, the Indemnitees in any claim or action based upon such alleged acts or omissions.

2. With respect to any action or claim subject to indemnification herein by CITY or CITY's construction contractor(s), CITY or CITY's construction contractor(s) shall, at their sole cost, have the right to use counsel of their own choice and shall have the right to adjust, settle, or compromise any such action or claim without the prior consent of DISTRICT and the County of Riverside; provided, however, that any such adjustment, settlement or compromise in no manner whatsoever limits or circumscribes CITY or CITY's construction contractor(s) indemnification to Indemnitees as set forth herein.

3. CITY and CITY's construction contractor(s) obligation hereunder shall be satisfied when CITY or CITY's construction contractor(s) has provided to DISTRICT and the County of Riverside the appropriate form of dismissal relieving DISTRICT and the County of Riverside from any liability for the action or claim involved.

4. The specified insurance limits required in this Agreement shall in no way limit or circumscribe CITY's construction contractor(s) obligations to indemnify and hold harmless the Indemnitees herein from third party claims.

5. In the event there is conflict between this clause and California Civil Code Section 2782, this clause shall be interpreted to comply with Civil Code 2782. Such interpretation shall not relieve the CITY's construction contractor(s) from indemnifying the Indemnitees to the fullest extent allowed by law.

SECTION IV

It is further mutually agreed:

1. DISTRICT CONTRIBUTION shall not exceed a total sum of Five Million Dollars ($5,000,000) and shall be used by CITY solely for the purpose of designing and constructing PROJECT as set forth herein. CITY shall be responsible to pay any amounts in excess of DISTRICT CONTRIBUTION.

2. In the event CITY's construction contractor does not complete the construction of the PROJECT in accordance with DISTRICT standards, CITY shall complete the project utilizing the bonds and insurances secured for the PROJECT.

3. Except as otherwise provided herein, all construction work involved with PROJECT shall be inspected by DISTRICT and CITY, or its construction manager, but shall not be deemed complete until DISTRICT and CITY mutually agree that construction is completed in accordance with DISTRICT- and CITY-approved IMPROVEMENT PLANS. CITY shall not request DISTRICT to accept any portion of PROJECT for ownership, operation or maintenance until PROJECT construction is deemed fully complete and all necessary rights of way have been conveyed as set forth herein.

4. DISTRICT personnel may observe and inspect all work being done on PROJECT but shall provide any comments to CITY personnel, or its construction manager, who shall be solely responsible for all communications with CITY's construction contractor(s).

5. In the event CITY wishes to utilize DISTRICT's construction inspection, materials testing and construction survey services, CITY shall provide DISTRICT with written notice (Attn: Special Projects Section) requesting such services.

6. Prior to DISTRICT acceptance of ownership and responsibility for the operation and maintenance of STAGE 1, STAGE 1 shall be in a good and well maintained condition as reasonably determined by DISTRICT. If, in the reasonable discretion of DISTRICT, STAGE 1 is not in substantial conformation with the terms of this Agreement and IMPROVEMENT PLANS DISTRICT shall provide written notice to CITY of the non-conforming elements and the proposed remedial work required and such corrections will be made at sole expense of CITY. Upon remediation of such non-conforming elements DISTRICT will accept ownership and responsibility for the operation and maintenance of STAGE 1. CITY shall operate and maintain the APPURTENANCES.

7. DISTRICT, the County of Riverside, the State of California, or any of their duly authorized representatives shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. CITY agrees to maintain such records for possible audit for a minimum of three (3) years after final payment. CITY agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records.

8. Any waiver by DISTRICT or by CITY of any breach of any one or more of the terms of this Agreement shall not be construed to be a waiver of any subsequent or other breach of the same or of any other term hereof. Failure on the part of DISTRICT or CITY to require exact, full and complete compliance with any terms of this Agreement shall not be construed as in any manner changing the terms hereof, or estopping DISTRICT

or CITY from enforcement hereof.

9. This Agreement is to be construed in accordance with the laws of the State of California.

10. Any and all notices sent or required to be sent to the Parties of this Agreement will be mailed by first class mail, postage prepaid, to the following addresses:

To DISTRICT: RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT
1995 Market Street
Riverside, CA 92501
Attn: Special Projects Section

To CITY: CITY OF BEAUMONT
550 E. 6th Street
Beaumont, CA 92223
Attn: Director of Public Works

11. If any provision in this Agreement is held by a court of competent jurisdiction to be invalid, void, or unenforceable, the remaining provisions will nevertheless continue in full force without being impaired or invalidated in any way.

12. This Agreement is the result of negotiations between the Parties hereto, and the advice and assistance of their respective counsel. The fact that this Agreement was prepared as a matter of convenience by DISTRICT shall have no import or significance. Any uncertainty or ambiguity in this Agreement shall not be construed against DISTRICT because DISTRICT prepared this Agreement in its final form.

13. This Agreement is made and entered into for the sole protection and benefit of the Parties hereto. No other person or entity shall have any right or action based upon the provisions of this Agreement.

14. Neither CITY nor DISTRICT shall assign this Agreement without the written consent of the other Party.

15. Any action at law or in equity brought by any of the Parties hereto for the purpose of enforcing a right or rights provided for by the Agreement, shall be tried in

a court of competent jurisdiction in the County of Riverside, State of California, and the Parties hereto waive all provisions of law providing for a change of venue in such proceedings to any other county.

16. DISTRICT and CITY each pledge to cooperate in regard to the operation and maintenance of their respective facility as set forth herein and to discharge their respective maintenance responsibilities in an expeditious fashion so as to avoid the creation of any nuisance condition or undue maintenance impact upon the others' facility.

17. Time is of the essence in prosecuting the work contemplated under this Agreement. At any time during the term of this Agreement, DISTRICT may terminate this Agreement for cause, including but not limited to CITY's failure to prosecute the work in a timely manner, upon providing CITY thirty (30) days written notice stating the extent and effective date of termination.

18. The obligation(s) of DISTRICT are limited by and contingent upon the availability of DISTRICT funds for DISTRICT's financial contribution towards the PROJECT as set forth herein. In the event that such funds are not forthcoming for any reason, DISTRICT shall immediately notify CITY in writing.

19. This Agreement is intended by the Parties hereto as a final expression of their understanding with respect to the subject matter hereof and as a complete and exclusive statement of the terms and conditions thereof and supersedes any and all prior and contemporaneous agreements and understandings, oral and written, in connection therewith. This Agreement may be changed or modified only upon the written consent of the Parties hereto.

20. This Agreement may be executed in any number of counterparts, each of which will be an original, but all of which together will constitute one instrument. Each Party of this Agreement agrees to the use of electronic signatures, such as digital signatures

that meet the requirements of the California Uniform Electronic Transactions Act (("CUETA") Cal. Civ. Code §§ 1633.1 to 1633.17), for executing this Agreement. The Parties further agree that the electronic signatures of the Parties included in this Agreement are intended to authenticate this writing and to have the same force and effect as manual signatures. Electronic signature means an electronic sound, symbol, or process attached to or logically associated with an electronic record and executed or adopted by a person with the intent to sign the electronic record pursuant to CUETA as amended from time to time. CUETA authorizes use of an electronic signature for transactions and contracts among parties in California, including a government agency. Digital signature means an electronic identifier, created by computer, intended by the Party using it to have the same force and effect as the use of a manual signature, and shall be reasonably relied upon by the Parties. For purposes of this section, a digital signature is a type of "electronic signature" as defined in subdivision (i) of Section 1633.2 of the Civil Code.

//

//

IN WITNESS WHEREOF, the Parties hereto have executed this Agreement on

_____.
(to be filled in by Clerk of the Board)

RECOMMENDED FOR APPROVAL:

By _____
JASON E. UHLEY
General Manager - Chief Engineer

RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

By _____
KAREN SPIEGEL, Chairwoman
Board of Supervisors, Riverside County Flood Control and Water Conservation District

APPROVED AS TO FORM:

GREGORY P. PRIAMOS
County Counsel

By _____
SYNTHIA M. GUNZEL
Chief Deputy County Counsel

ATTEST:

KECIA HARPER
Clerk of the Board

By _____
Deputy

RECOMMENDED FOR APPROVAL**:**

By _____
JEFF HART
Director of Public Works

CITY OF BEAUMONT

By _____
REY SANTOS
Mayor

APPROVED AS TO FORM:

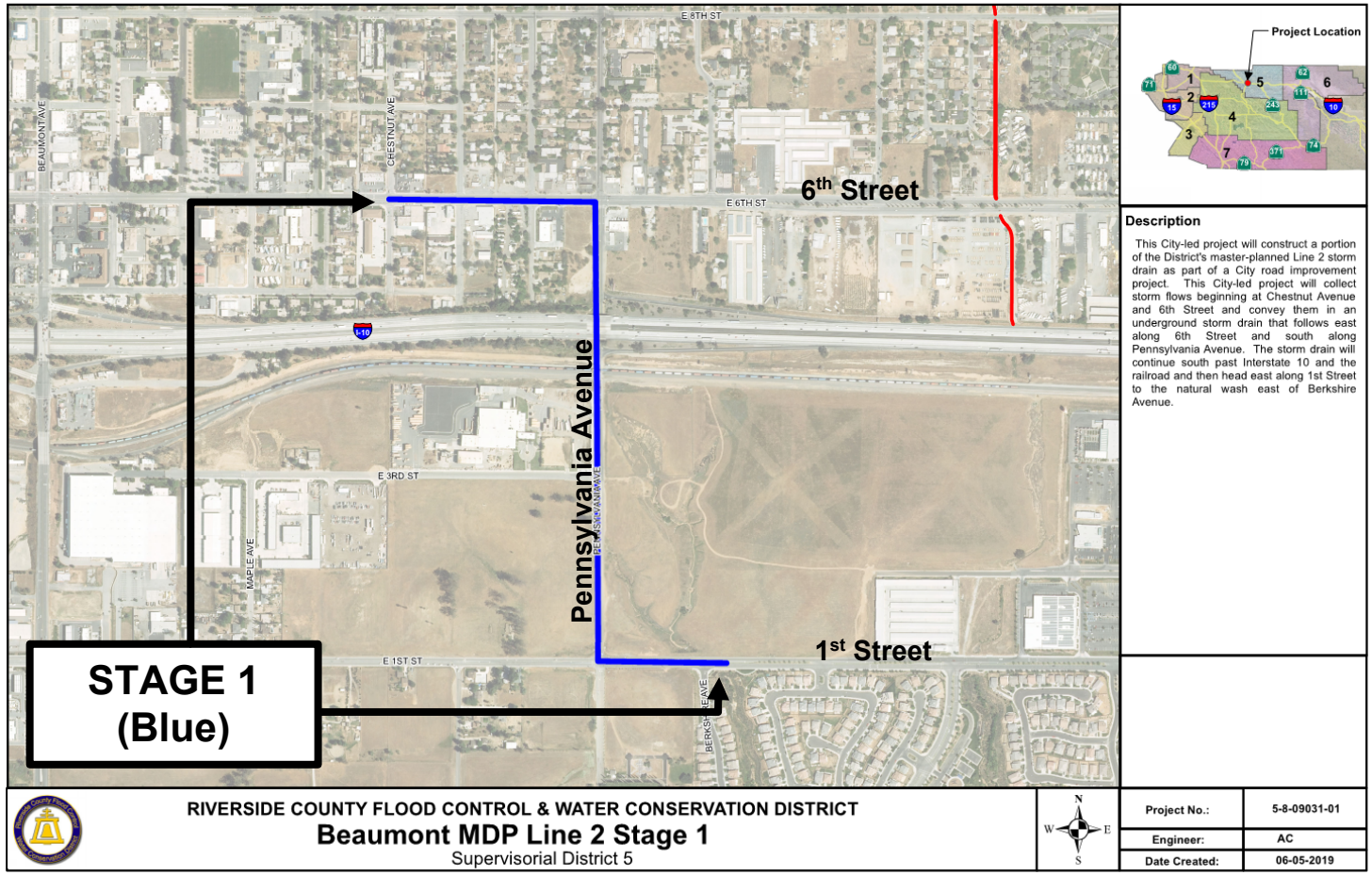
By _____
JOHN O. PINKNEY
City Attorney

ATTEST:

By _____
STEVEN MEHLMAN
City Clerk

Cooperative Funding Agreement with the City of Beaumont
Beaumont MDP- Line 2, Stage 1
Project No. 5-0-00195
07/28/2020
RKM:blm

EXHIBIT A



COOPERATIVE FUNDING AGREEMENT
Beaumont MDP- Line 2, Stage 1
Project No. 5-0-00195
Page 1 of 1

EXHIBIT B

DISTRICT's Required Insurance is as follows:

1. CITY's construction contractor(s) shall not commence operations until DISTRICT has been furnished with original certificate(s) of insurance and original certified copies of endorsements and if requested, certified original policies of insurance including all endorsements and any and all other attachments as required in this Exhibit.
2. Without limiting or diminishing CITY's and CITY's construction contractor(s) obligation to indemnify or hold DISTRICT harmless, CITY's construction contractor(s) shall procure and maintain or cause to be maintained, at its sole cost and expense, the following insurance coverage's during the term of this Agreement. As respects to the insurance section only, the DISTRICT herein refers to the Riverside County Flood Control and Water Conservation District, County of Riverside, its Agencies, Districts, Special Districts, and Departments, their respective directors, officers, Board of Supervisors, employees, elected or appointed officials, agents or representatives as Additional Insured.
   A. Workers' Compensation:
   If CITY's construction contractor(s) has employees as defined by the State of California, CITY's construction contractor(s) shall maintain statutory Workers' Compensation Insurance (Coverage A) as prescribed by the laws of the State of California. Policy shall include Employers' Liability (Coverage B) including Occupational Disease with limits not less than $1,000,000 per person per accident. Policy shall be endorsed to waive subrogation in favor of DISTRICT.
   B. Commercial General Liability:
   Commercial General Liability insurance coverage, including but not limited to, premises liability, unmodified contractual liability, products and completed operations liability, personal and advertising injury, and cross liability coverage, covering claims which may arise from or out of CITY's construction contractor(s) performance of its obligations hereunder. Policy shall name DISTRICT as Additional Insured. Policy's limit of liability shall not be less than $2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit.
   C. Vehicle Liability:
   If vehicles or mobile equipment are used in the performance of the obligations under this Agreement, then CITY's construction contractor(s) shall maintain liability insurance for all owned, non-owned or hired vehicles so used in an amount not less than $2,000,000 per occurrence combined single limit. If such insurance contains a general aggregate limit, it shall apply separately to this Agreement or be no less than two (2) times the occurrence limit. Policy shall name DISTRICT as Additional Insured.
   D. Professional Liability:
   CITY shall cause any architect or engineer retained by CITY in connection with

EXHIBIT B

the performance of CITY's obligations under this Agreement to maintain Professional Liability Insurance providing coverage for the performance of their work included within this Agreement, with a limit of liability of not less than $2,000,000 per occurrence and $4,000,000 annual aggregate. CITY shall require that, if such Professional Liability Insurance is written on a claims made basis rather than an occurrence basis, such insurance shall continue through the term of this Agreement and that such architect or engineer shall purchase at his sole expense either 1) an Extended Reporting Endorsement (also known as Tail Coverage); or 2) Prior Dates Coverage from a new insurer with a retroactive date back to the date of, or prior to, the inception of this Agreement; or 3) demonstrate through Certificates of Insurance that such architect or engineer has maintained continuous coverage with the same or original insurer. Coverage provided under items: 1), 2) or 3) will continue as long as the law allows.

E. General Insurance Provisions – All Lines:

i. Any insurance carrier providing insurance coverage hereunder shall be admitted to the State of California and have an A.M. BEST rating of not less than an A: VIII (A:8) unless such requirements are waived, in writing, by the DISTRICT Risk Manager. If the DISTRICT's Risk Manager waives a requirement for a particular insurer such waiver is only valid for that specific insurer and only for one policy term.

ii. CITY's construction contractor(s) must declare its insurance self- insured retention for each coverage required herein. If any such self-insured retention exceeds $500,000 per occurrence each such retention shall have the prior written consent of the DISTRICT's Risk Manager before the commencement of operations under this Agreement. Upon notification of self-insured retention deemed unacceptable to DISTRICT, and at the election of the DISTRICT's Risk Manager, CITY's construction contractor(s) carriers shall either: 1) reduce or eliminate such self-insured retention with respect to this Agreement with DISTRICT, or 2) procure a bond which guarantees payment of losses and related investigations, claims administration, and defense costs and expenses.

iii. CITY's construction contractor(s) shall cause their insurance carrier(s) to furnish DISTRICT with 1) a properly executed original certificate(s) of insurance and certified original copies of endorsements effecting coverage as required herein; and 2) if requested to do so orally or in writing by DISTRICT's Risk Manager, provide original certified copies of policies including all endorsements and all attachments thereto, showing such insurance is in full force and effect. Further, said certificate(s) and policies of insurance shall contain the covenant of the insurance carrier(s) that a minimum of thirty (30) days written notice shall be given to DISTRICT

EXHIBIT B

prior to any material modification, cancellation, expiration or reduction in coverage of such insurance. If CITY's construction contractor(s) insurance carrier(s) policies does not meet the minimum notice requirement found herein, CITY's construction contractor(s) shall cause CITY's construction contractor(s) insurance carrier(s) to furnish a 30 day Notice of Cancellation Endorsement.

iv. In the event of a material modification, cancellation, expiration or reduction in coverage, this Agreement shall terminate forthwith, unless DISTRICT receives, prior to such effective date, another properly executed original certificate of insurance and original copies of endorsements or certified original policies, including all endorsements and attachments thereto, evidencing coverage's set forth herein and the insurance required herein is in full force and effect. An individual authorized by the insurance carrier to do so on its behalf shall sign the original endorsements for each policy and the certificate of insurance.

v. It is understood and agreed by the Parties hereto that CITY's construction contractor(s) insurance shall be construed as primary insurance, and DISTRICT's insurance and/or deductibles and/or self-insured retention's or self-insured programs shall not be construed as contributory.

vi. If, during the term of this Agreement or any extension thereof, there is a material change in the scope of services; or there is a material change in the equipment to be used in the performance of the scope of work; or the term of this Agreement, including any extensions thereof, exceeds five (5) years, DISTRICT reserves the right to adjust the types of insurance and the monetary limits of liability required under this Agreement, if, in the DISTRICT Risk Manager's reasonable judgment, the amount or type of insurance carried by CITY's construction contractor(s) has become inadequate.

vii. CITY's construction contractor(s) shall pass down the insurance obligations contained herein to all tiers of subcontractors working under this Agreement.

viii. The insurance requirements contained in this Agreement may be met with a program(s) of self-insurance acceptable to DISTRICT.

ix. CITY's construction contractor(s) agrees to notify DISTRICT of any claim by a third party or any incident or event that may give rise to a claim arising from the performance of this Agreement.

Staff Report

TO: City Council

FROM: Sean Thuilliez, Chief of Police

DATE September 1, 2020

SUBJECT: **Approve Payment to the Riverside County Sheriff's Department for California Identification System Services for FY 2021**

Background and Analysis:

California Identification System (CAL-ID) is a statewide telecommunications network dedicated to the transmission of fingerprint identification data in conjunction with CAL-ID for use by law enforcement agencies. CAL-ID is an automated system maintained by the Department of Justice for retaining fingerprint files and identifying latent fingerprints. The Beaumont Police Department also receives the following services from CAL-ID: live scan services, digital mug shot and photo databases, latent fingerprint examination, ten print processing, applicant fingerprint processing, and DNA services.

The Riverside County Sheriff's Department invoices the Beaumont Police Department on an annual basis for services provided by CAL-ID. The formula for payment is based on population and Beaumont's invoice for FY 2021 is $48,401 (see Attachment A).

Fiscal Impact:

Requisition #0001161 has been created for $48,401 issued to the Riverside County Sheriff's Department and will be paid from General Fund account number 100-2050-7091-0000.

Recommended Action:

Authorize payment to the Riverside County Sheriff's Department for CAL-ID services for FY 2021.

Attachments:

A. Invoice

RIVERSIDE CAL-ID

BIOMETRIC IDENTIFICATION NETWORK

REMOTE ACCESS NETWORK

P.O. BOX 512 • RIVERSIDE, CA 92502
VOICE: (951) 955-2740 • FAX: (951) 955-2742

FY 2020/2021 INVOICE

July 6, 2020

Please make remittance payable to "Riverside County Sheriff's Department"

INVOICE #: SH000037685
CUSTOMER #: 51000000002

TO:
City of Beaumont
550 E. 6th St
Beaumont, CA 92223

Attn: Finance Department

MAIL TO:
Riverside Sheriff's Department
Attn: Accounting/Finance
P.O. Box 512
Riverside, CA 92502-0512

Riverside CAL-ID FY 2020-2021 Member Agency Assessment	$48,401.00
TOTAL AMOUNT DUE:	**$48,401.00**

Fy 20/21

APPROVED FOR PAYMENT
BY:
CHIEF OF POLICE BEAUMONT POLICE DEPT
DATE 7/21/20 ACCT# 2050-7091
Req# 1161

Please refer any questions to Christa Dreier, Riverside CAL-ID Project Manager (951) 955-9328.

County of Riverside
INVOICE

Page:	1
Invoice No:	SH0000037685
Invoice Date:	07/06/2020
Customer Number:	SH-510000000002
Payment Terms:	30 Days
Due Date:	08/05/2020
Contact Person:	SH Accounting Assistant II
Inquiry Number:	951-955-2700

CITY OF BEAUMONT
550 EAST 6TH STREET
BEAUMONT CA 92223

For billing questions, please call 951-955-2700 Billing Period: 07/01/2020 to 06/30/2021

Line	Adj	Identifier	Description	Quantity	UOM	Unit Amt	Net Amount
			Riverside County Sheriff's Department CAL-ID Member Assessment July 1, 2020 - June 30, 2021				
1		SH-CAL-IDASSE	CAL-ID Assessment FY 2020/20 CAL-ID MEMBER ASSESSMENT FY 2020/2021 773630-22250-2505100000	1.0000	SET	48,401.00	48,401.00
			SUBTOTAL:				**48,401.00**

TOTAL AMOUNT DUE : **48,401.00**

Please Remit To:
County of Riverside
Sheriff Department
Accounting & Finance Bureau
PO Box 512
Riverside CA 92502
United States

ATTN: SH-AF

Invoice No:	SH0000037685
Invoice Date:	07/06/2020
Customer Number:	SH-510000000002
AMOUNT DUE:	48,401.00
Enclosed:	

STANDARD

Original

About the Data

E-1: City/County Population Estimates with Annual Percent Change

January 1, 2018 and 2019

State/County/City	Total Population 1/1/2018	Total Population 1/1/2019	Percent Change
Riverside	2,412,536	2,440,124	1.1
Banning	30,950	31,044	0.3
Beaumont	46,545	48,401	4.0
Blythe	19,651	19,428	-1.1
Calimesa	9,080	9,159	0.9
Canyon Lake	11,213	11,285	0.6
Cathedral City	54,466	54,907	0.8
Coachella	45,777	46,351	1.3
Corona	167,013	168,101	0.7
Desert Hot Springs	29,102	29,251	0.5
Eastvale	65,725	66,078	0.5
Hemet	84,423	84,754	0.4
Indian Wells	5,389	5,445	1.0
Indio	88,194	89,406	1.4
Jurupa Valley	104,661	106,318	1.6
Lake Elsinore	62,241	62,949	1.1
La Quinta	41,753	42,098	0.8
Menifee	90,775	93,452	2.9
Moreno Valley	206,046	208,297	1.1
Murrieta	116,970	118,125	1.0
Norco	26,464	26,386	-0.3
Palm Desert	53,298	53,625	0.6
Palm Springs	48,390	48,733	0.7
Perris	76,260	76,971	0.9
Rancho Mirage	18,297	18,489	1.0
Riverside	326,270	328,101	0.6
San Jacinto	47,607	48,878	2.7
Temecula	113,248	113,826	0.5
Wildomar	35,635	36,066	1.2
Balance of County	387,093	394,200	1.8

Department of Finance
Demographic Research Unit
Phone (916) 323-4086
For more information: http://www.dof.ca.gov/research/demographic/reports/estimates/e-1/view.php

Released on May 1, 2019

Staff Report

TO: City Council

FROM: Kari Mendoza, Administrative Services Director

DATE September 1, 2020

SUBJECT: **Resolution Establishing A Policy that Delegates Tort Liability Claims Handling Responsibilities to Its Staff and/or Its Third-Party Claims Administrator, George Hills Company**

Background and Analysis:

Effective July 1, 2020, after a request for proposal process for third-party claims administrator was completed by the City's insurer, Exclusive Risk Management Authority of California (ERMAC), George Hills Company was selected for third-party liability claims handling. Prior to July 1, 2020, ERMAC had a contract with Carl Warren.

Third-party administrators typically handle certain administrative responsibilities for tort claims including the acceptance, rejection or returning as insufficient or untimely. The third-party monitor files, provides recommendations, handles responses and all costs populating the agency's loss run for liability and auditing purposes. A draft of the claims handling standards and instructions are attached.

Fiscal Impact:

The City of Beaumont's portion of cost for third-party claims administration is $18,000 based on volume of claims. These costs were adopted in FY 20/21 budget, and were reflected in the annual ERMAC insurance renewal premium.

Recommended Action:

> Waive the full reading and adopt by title only, "A Resolution of the City Council of the City of Beaumont, California, Establishing a Policy that Delegates Tort Liability Claims Handling Responsibilities to Its Staff and/or Its Third-Party Claims Administrator, George Hills Company, As Authorized by Government Code Sections 910 Et Seq."

Attachments:

A. Resolution
B. Special Claims Handling Standards and Instructions

Resolution 2020-

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BEAUMONT, CALIFORNIA, ESTABLISHING A POLICY THAT DELEGATES TORT LIABILITY CLAIMS HANDLING RESPONSIBILITIES TO ITS STAFF AND/OR ITS THIRD-PARTY CLAIMS ADMINISTRATOR, GEORGE HILLS COMPANY, AS AUTHORIZED BY GOVERNMENT CODE SECTIONS 910 ET SEQ.

WHEREAS, the City of Beaumont, California, is a public entity and pursuant to Government Code sections 990.4 et seq. and 6500 et seq. has a self-insured retention for liability claims and losses of $250,000; and

WHEREAS, the California Government Code sections 990.4 et seq. and 6500 et seg. allow a public entity to delegate the ministerial duties of sending notices to claimants, including but not limited to notices of rejection, insufficiency, untimely, etc

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

Section 1: City of Beaumont delegates to City staff and/or George Hills Company, its third-party claims administrator, authority to act on its behalf pursuant to Government Code sections 910 et seq. to accept, reject, return as insufficient, or return as untimely any claims against it, and to provide any notices authorized under those statutes on behalf of the City of Beaumont.

Section 2: This Resolution shall become effective immediately upon its adoption.

Section 3: The City of Beaumont City Clerk shall certify to the adoption of this Resolution.

MOVED, PASSED, and ADOPTED this 1st day of September, 2020, by the following vote:

AYES:
NOES:
ABSTAIN:
ABSENT:

_____
Rey Santos, Mayor

ATTEST:

_____

Nicole Wheelwright, Deputy City Clerk

Exclusive Risk Management Authority of California (ERMAC)

SPECIAL CLAIMS HANDLING STANDARDS AND INSTRUCTIONS

These are client-specific instructions and are to be used in conjunction with George Hills' Best Practices. Claims adjusters handling ERMAC claims will follow these standards and instructions.

CLIENT SUMMARY:
The Exclusive Risk Management Authority of California (ERMAC) was founded in 2003 specifically for the purpose of providing risk-sharing and risk-transfer municipal liability protection to California Governmental Agencies. www.ermacjpa.com

PRIMARY CONTACTS:

City of Beaumont
550 E. 6th Street Beaumont, CA 92223

Kari Mendoza, Administrative Services Director
951-572-3228
kmendoza@beaumontca.gov

City of Hayward
777 B Street, 4th Floor Hayward, CA 94541

Morgan Cahee, Senior Paralegal
510-583-4993
morgan.cahee@hayward-ca.gov

City of Laguna Hills
24035 El Toro Road Laguna Hills, CA 92653

James M. Haston, Senior Management Analyst
949-707-2617
jhaston@lagunahillsca.gov

City of Santa Maria
110 E. Cook Street, Santa Maria, CA 93454

Mellissa Guerrero, Management Analyst
805-925-0951 x2421
mguerrero@cityofsantamaria.org

Alexandrea (Alex) Valadez, Confidential Technician
805-925-0951 x2511
avaladez@cityofsantamaria.org

Thomas T. Watson, City Attorney
(805) 925-0951 ext. 2310
twatson@cityofsantamaria,org

Jeff Patrick, Assistant City Attorney
805-925-0951 X2310
jpatrick@cityofsantamaria.org

Alliant Insurance Services - JPA General Manager.

Lillian Vanvieldt, SVP
949-660-8166
lvanvieldt@alliant.com

Maria Gregoris, Associate JPA Executive Director
949-660-5903
mgregoris@alliant.com

Marcus Beverly, First Vice President
916- 643-2704, C: 916- 660-2725
mbeverly@alliant.com

Alliant Insurance Services 1301 Dove Street Suite 200 Newport Beach, CA 92660

CITY BOARD MEETINGS / CALENDAR ITEMS:
City of Beaumont: 1st and 3rd Tuesdays of the month.

City of Hayward: 1st, 3rd and 4th Tuesdays of the month.

City of Laguna Hills: 2nd and 4th Tuesdays of the month.

City of Santa Maria: 1st and 3rd Tuesdays of the month.

ERMAC Board meeting calendar 2020/2021: 9/21/20,11/16/20, 2/13/21,4/19/21, 6/7/21.

E-MAIL PROTOCOL:
The Subject line of each e-mail must be formatted as follows: Claimant Last Name, Claimant First Name, DOL, Type of E-Mail (i.e. Request for Settlement Authority, Status Update, Closing Report).

CLAIM REPORTING:
The City Member has their own email to report new losses to George Hills:

City of Beaumont: beaumontClaims@georgehills.com

City of Laguna Hills: lagunahillsClaims@georgehills.com

City of Hayward: haywardClaims@georgehills.com

City of Santa Maria: santamariaClaims@georgehills.com

Within 1 business day of receipt, the Claims Processor will set-up the loss into ClaimsXpress (CXP) and assign the loss to the adjuster.

INVESTIGATION:
Upon receipt of the new claim from the City Member, the George Hills Claims Manager will review the matter and assign it to the appropriate adjuster and conduct a thorough investigation of all new claims.

A claim file will be created within twenty-four (24) hours of receipt of the claim form or accident report from the City Member and contact the claimant(s).

The George Hills examiner will collaborate with the City Member, all activities shall be clearly documented in the claim file and the City Member shall be kept informed on the scope and results of all investigations.

City of Beaumont: Kari will coordinate with all City Departments and provide claim information to GH. GH can work directly with each department, yet Kari should be included and involved.

City of Hayward: The City will complete their own investigations. George Hills will not investigate files, yet will monitor the claim files and provide recommendations. All claimant inquires to George Hills will be provided to the City to respond. The City will send the George Hills adjuster monthly data updates with specific claim documentation per file that will be entered into the George Hills claims system (CXP).

City of Laguna Hills: Defense counsel is copied on all GH claim correspondence (litigated or not.) If a claim becomes litigated, the entire GH claim file will be copied and sent to defense counsel.

City of Santa Maria: Mellissa will coordinate with all City Departments and provide claim information to GH. GH can work directly with each department, yet Mellissa should be included and involved.

USE OF SPECIAL OUTSIDE INVESTIGATION, APPRAISERS, RETENTION OF INDEPENDENT ADJUSTER, EXPERTS, USE OF IMEs, SURVEILLANCE:
The City Member shall be alerted to the need for special outside investigation, appraisal services, retention of independent adjusters, experts, use of IMEs and surveillance as soon as possible and before the investigation and/or surveillance is initiated.

Authorizations shall be obtained from the City Member contact.

CLAIM UPDATES:
The GH *Plan Of Action* document will be sent with recommendations.

REPORTS:
A standard set of George Hills loss run reports will be sent to each City Member.

City of Beaumont: kmendoza@beaumontca.gov; mbeverly@alliant.com

City of Hayward: morgan.cahee@hayward-ca.gov; mbeverly@alliant.com

City of Laguna Hills: jhaston@lagunahillsca.gov; jreyes@lagunahillsca.gov; mbeverly@alliant.com

City of Santa Maria: mguerrero@cityofsantamaria.org; jpatrick@cityofsantamaria.org; mbeverly@alliant.com

RESERVES:
The George Hills adjuster will establish monetary reserves reasonably adequate for the expected value of the claim in coordination with the City Member.

A report will be send to each City Member and Alliant with any change of $50,000+ for any exposure (i.e. Expense, BI, PD, etc).

City of Hayward: George Hills will receive initial file information and establish reserves based on the dynamics of each file. The City will complete their own investigations and George Hills will not investigate files, yet will monitor the claim files, provide recommendations. The City will send the George Hills adjuster monthly data updates with their specific claim reserves per file that will be entered into the George Hills claims system (CXP).

City of Santa Maria: The GH adjuster will collaborate with the City Attorney Office regarding initial and subsequent reserve changes. $10,000 initial reserves can be set as initial reserves to open a claim.

INDEXING:
For all bodily injury claims that are being pursued, George Hills will request an index to obtain a claims history report on the claimant.

Notice only matters or precautionary BI claims that are not pursued do not need to be indexed.

MEDICAL AUTHORIZATIONS:
Medical Authorizations will be sent to the claimant as needed.

MMSEA:
The RRE number:
ERMAC is XXXX
City of Laguna Hills is 32403.
City of Beaumont is XXXX.
City of Santa Maria is 43776.
City of Hayward is XXXX.

TENDERS:
Tenders to the client by third parties should be reviewed by the adjuster, taking into consideration the allegations/facts of the claim and the language of any applicable contract/contracts and Certificates of Insurance. Afterwards, a recommendation will be made to the City Member as to whether or not the tender should be accepted.

The adjuster must review the possibility to tender claims to third parties based on the allegations/facts of the claim and the applicable contract/contracts and Certificates of Insurance. The tender should be made to the vendor as well as the insurer for which the client is an additional insured.

SETTLEMENT INSTRUCTIONS
The George Hills adjusters will handle the claims to conclusion and obtain all appropriate releases.

It is agreed that the City Member has granted $0 authority to George Hills for the purpose of compromising, settling, and paying any claims against the City Member being handled by George Hills. Prior approval to compromise or settle any claim or pay any expense will be obtained from the City Member exceeding the authority granted below.

City of Beaumont: Presented to City Manager up to $25,000. $25,000+ required Board approval.

City of Hayward: The City will settle their own files. The City will send the George Hills adjuster monthly data updates with specific claim settlements per file that will be entered into the George Hills claims system (CXP).

City of Laguna Hills: Presented to City Manager up to $10,000. $10,000+ requires Board approval.

City of Santa Maria: Presented to City Attorney Office up to $100,000. $100,000+ requires Board approval.

BANKING:
Each City Member will pay to their SIR, then ERMAC account will be utilized for excess payments (*See EXCESS REPORTING & PAYMENTS section)*

City of Beaumont: GH examiner will request all payments to be made by the City sent to Kari Mendoza: karim@beaumont-ca.gov. The City will provide a monthly check register to GH for entry into the CXP claim file.

City of Hayward: The City will issue all payments. George Hills will not request payments. The City will send the George Hills adjuster monthly data updates with specific claim payments per file that will be entered into the George Hills claims system (CXP).

City of Laguna Hills: GH examiner will request all payments to be made by the City sent to Janice Mateo-Reyes and James Haston: jreyes@lagunahillsca.gov and jhaston@lagunahillsca.gov. The City will provide a monthly check register to GH for entry into the CXP claim file.

City of Santa Maria: Communicate all payments with Mellissa. Nothing unique for claims team to issue checks.

ERMAC: George Hills bank account with California Bank & Trust. No special adjuster instructions for issuing payments.

REJECTION OF CLAIMS/ UNTIMELY/ INSUFFICIENCY/ DENIALS:

City of Beaumont:
1. The City and the GH adjuster will discuss each claim and a plan of action.
2. The City and the GH adjuster will send their own acknowledgement letters to claimants.
3. The GH adjuster will prepare the letter with a supporting explanation, then send to the City for final approval.
4. The GH adjuster will send the final letter with a copy to the City.
5. Board approval may be needed based on the claim dynamics. Discussion with Kari Mendoza will determine this approval situation.
6. Minor claims can be closed within 30 days of the Rejection.

City of Hayward: The City will complete their own Rejections of Claims/Untimely/Insufficiency/Denial letters to claimants. George Hills will not issue any letters. The City will send the George Hills adjuster monthly data updates for this specific claim documentation per file that will be entered into the George Hills claims system (CXP).

City of Laguna Hills:
1. The City and the GH adjuster will discuss each claim and a plan of action.
2. The City and the GH adjuster will send their own acknowledgement letters to claimants.
3. The GH adjuster will prepare the letter with a supporting explanation, then send to the City for final approval.
4. The City will send the final letter with a copy for the GH claims file.
5. Claims up to $50,000 are presented to City Manager for approval. $50,000+ require City Council approval.

City of Santa Maria:
1. The City and the GH adjuster will discuss each claim and a plan of action.
2. The GH adjuster will send acknowledgement letters to claimants.
3. The GH adjuster will prepare the letter with a supporting explanation, then send to the City Attorney office for final approval.
4. The City Attorney office will send the final letter with a copy for the GH claims file.
5. No thresholds with claims needed for City Council approval.

LITIGATED FILES:
When a file goes into litigation, the adjuster is to update the George Hills system ClaimsExpress (CXP) to reflect that the claim is in litigation and other pertinent coding information associated with the suit.

The GH adjuster will collaborate with defense counsel, obtain regular updates, provide recommendations and assist in any manner. Defense attorney will provide an initial report with analysis of the case, estimated budget and action plan that will be documented in the claim file notes.

City of Beaumont: Coordinate assignments with Kari Mendoza. The City Attorney's Office works with:

Brent Clemmer
clemmer@sbemp.com
760-322-2275

Slovak Baron Empey Murphy & Pinkney LLP
1800 E. Tahquitz Canyon Way
Palm Springs, CA 92262

City of Hayward: The City will control all aspects of litigation. The City will complete their own investigations. George Hills will not investigate files or send any letters, yet will monitor the claim files and provide recommendations. The City will send the George Hills adjuster monthly data updates with specific claim litigation documentation per file that will be entered into the George Hills claims system (CXP).

City of Laguna Hills: The GH adjuster examiner will collaborate with defense counsel, yet defense counsel will lead the litigation process.

City of Santa Maria:
City Attorney is co-counsel with outside firm. GH will recommend assignment of defense counsel based on claim dynamics.

Thomas T. Watson, City Attorney
City Attorney's Office
204 E. Cook Street Santa Maria, CA 93454
(805) 925-0951 ext. 2310
twatson@cityofsantamaria.org

SUBROGATION:
George Hills will discuss regarding subrogation opportunities and obtain approval to pursue.

The adjuster will investigate all incidents, prepare notice of claim letters to third parties, and forward the City Member's invoices for damages to third parties for subrogation.

City of Hayward: The City may utilize George Hills services.

CLOSING FILES:
An automated email notification of each closed will be sent to Member and Alliant (JPA General Manager).

City of Beaumont: kmendoza@beaumontca.gov; mbeverly@alliant.com

City of Hayward: morgan.cahee@hayward-ca.gov; mbeverly@alliant.com

City of Laguna Hills: jhaston@lagunahillsca.gov; mbeverly@alliant.com

City of Santa Maria: mguerrero@cityofsantamaria.org; mbeverly@alliant.com

CLAIM REVIEWS:
George Hills will meet with the City Member, on a mutually agreed periodic basis, to review and discuss claims inventory, claims results of past period and delivery of services.

EXCESS REPORTING & PAYMENTS:

ERMAC Liability program only. Each City Member will pay to their SIR, then the ERMAC fund will take over for excess.

July 1 2006 to July 1 2021

Please see attached program structure:

ERMAC 2019-20 program structure-T2020-21 ERMAC Carrier Prgm Struct

CONTACT MARCUS WITH ANY QUESTIONS:
Alliant Insurance Services
Marcus Beverly, First Vice President
916- 643-2704, C: 916- 660-2725
mbeverly@alliant.com

I. SIR:

City of Beaumont:	$0 to $250,000
City of Laguna Hills:	$0 to $100,000
City of Hayward:	$0 to $250,000
City of Santa Maria:	$0 to $250,000

II. ERMAC Excess:

City of Beaumont: $250,000 to $500,000
City of Laguna Hills: $100,000 to $350,000
City of Hayward: $250,000 to $500,000
City of Santa Maria: $250,000 to $500,000

III.a. XL Catlin (Excluded Employment Practices Liability)

City of Beaumont: $500,000 to $1,000,000
City of Laguna Hills: $350,000 to $1,000,000
City of Hayward: $500,000 to $1,000,000
City of Santa Maria: $500,000 to $1,000,000

CONTACTS:
Please report claims to:

Kris Wright, Assistant Vice President
Trean Reinsurance
336-266-1480, kwright@treancorp.com

Matt Haynes,Senior Vice President
Trean Reinsurance
214-907-0502, mhaynes@treancorp.com

III.b. ERMA (Employment Practices Liability Only)

****Per Alliant (broker), ignore the SIR and make sure everything EPL related is reported to ERMA.****
****If not the claim will be denied and IF coverage is reinstated there will be an increase in the SIR.****

Please see attached reference guide:

ERMA Quick Reference Handboo

Broker email -ERMA.msg

City of Beaumont: None
City of Laguna Hills: $100,000 SIR to $1,000,000
City of Hayward: $500,000 SIR to $1,000,000
City of Santa Maria: $500,000 SIR to $1,000,000

IV. PRISM (*CSAC EIA GLII* - Including Employment Practices Liability)

City of Beaumont: $1,000,000 to $25,000,000
City of Laguna Hills: $1,000,000 to $25,000,000
City of Hayward: $1,000,000 to $25,000,000
City of Santa Maria: $1,000,000 to $25,000,000

V. PRISM (*CSAC EIA*) Optional Excess Liability of $25,000- All Members

CONTACT:
PRISM (CSAC EIA)
Heather Fregeau, Liability Claims Manager
75 Iron Point Circle
Folsom, CA 95630

916-850-7329
hfregeau@csac-eia.org

Reporting Liability Claims LiabilityClaims@CSAC-EIA.org

****Status reports not going to excess can be simple e mail updates.**

Please see the attached regarding details of the CSAC EIA reporting guidelines:

CSAC Excess First Report.pdf

CSAC - EIA Liability Excess as of _070119

BEAUMONT
CALIFORNIA

Staff Report

TO: City Council

FROM: Nicole Wheelwright, Deputy City Clerk

DATE September 1, 2020

SUBJECT: **League of California Cities Annual Conference Resolution Packet**

Background and Analysis:

The League of California Cities (League) has provided a packet for the upcoming 2020 Annual Conference which includes a resolution that will be introduced at the annual conference and referred to League policy committees for consideration.

It is recommended by the League that City Council determine a position on the resolution presented so that the voting delegate may represent the City's position.

Fiscal Impact:

None.

Recommended Action:

Discuss and determine a position on the presented resolution to be considered at the upcoming 2020 League of California Cities Annual Conference.

Attachments:

A. 2020 Annual Conference Resolution Packet

Annual Conference Resolutions Packet

2020 Annual Conference Resolutions

October 7 – 9, 2020

INFORMATION AND PROCEDURES

RESOLUTIONS CONTAINED IN THIS PACKET: The League bylaws provide that resolutions shall be referred by the president to an appropriate policy committee for review and recommendation. Resolutions with committee recommendations shall then be considered by the General Resolutions Committee at the Annual Conference.

This year, one resolution has been introduced for consideration at the Annual Conference and referred to League policy committees.

POLICY COMMITTEES: Two policy committees will meet virtually at the Annual Conference to consider and take action on the resolution referred to them. The committees are: Governance, Transparency & Labor Relations and Public Safety. These committees will meet virtually on Tuesday, September 29, with the Governance, Transparency and Labor Relations Policy Committee meeting from 9:30 – 11:30 a.m. and the Public Safety Policy Committee meeting from 1:00 – 3:00 p.m. The sponsor of the resolution has been notified of the time and location of the meeting.

GENERAL RESOLUTIONS COMMITTEE: This committee will meet virtually at 1:00 p.m. on Thursday, October 8, to consider the reports of the policy committees regarding the resolutions. This committee includes one representative from each of the League's regional divisions, functional departments and standing policy committees, as well as other individuals appointed by the League president.

GENERAL ASSEMBLY: This meeting will be held virtually at 11:00 a.m. on Friday, October 9.

PETITIONED RESOLUTIONS: For those issues that develop after the normal 60-day deadline, a resolution may be introduced at the Annual Conference with a petition signed by designated voting delegates of 10 percent of all member cities (48 valid signatures required) and presented to the Voting Delegates Desk at least 24 hours prior to the time set for convening the Annual Business Meeting of the General Assembly. This year, that deadline is 12:30 p.m., Thursday, October 8.

Any questions concerning the resolutions procedures may be directed to Meg Desmond at the League office: mdesmond@cacities.org or (916) 658-8224

GUIDELINES FOR ANNUAL CONFERENCE RESOLUTIONS

Policy development is a vital and ongoing process within the League. The principal means for deciding policy on the important issues facing cities is through the League's seven standing policy committees and the board of directors. The process allows for timely consideration of issues in a changing environment and assures city officials the opportunity to both initiate and influence policy decisions.

Annual conference resolutions constitute an additional way to develop League policy. Resolutions should adhere to the following criteria.

Guidelines for Annual Conference Resolutions

1. Only issues that have a direct bearing on municipal affairs should be considered or adopted at the Annual Conference.

2. The issue is not of a purely local or regional concern.

3. The recommended policy should not simply restate existing League policy.

4. The resolution should be directed at achieving one of the following objectives:

   (a) Focus public or media attention on an issue of major importance to cities.

   (b) Establish a new direction for League policy by establishing general principals around which more detailed policies may be developed by policy committees and the board of directors.

   (c) Consider important issues not adequately addressed by the policy committees and board of directors.

   (d) Amend the League bylaws (requires 2/3 vote at General Assembly).

KEY TO ACTIONS TAKEN ON RESOLUTIONS

Resolutions have been grouped by policy committees to which they have been assigned.

Number	Key Word Index	Reviewing Body Action		
		1	2	3

1 - Policy Committee Recommendation to General Resolutions Committee
2 - General Resolutions Committee
3 - General Assembly

GOVERNANCE, TRANSPARENCY & LABOR RELATIONS POLICY COMMITTEE

		1	2	3
1	Amendment to Section 230 of The Communications Decency Act of 1996			

PUBLIC SAFETY POLICY COMMMITTEE

		1	2	3
1	Amendment to Section 230 of The Communications Decency Act of 1996			

KEY TO ACTIONS TAKEN ON RESOLUTIONS *(Continued)*

Resolutions have been grouped by policy committees to which they have been assigned.

KEY TO REVIEWING BODIES

1. Policy Committee
2. General Resolutions Committee
3. General Assembly

ACTION FOOTNOTES

* Subject matter covered in another resolution

** Existing League policy

*** Local authority presently exists

KEY TO ACTIONS TAKEN

A	Approve
D	Disapprove
N	No Action
R	Refer to appropriate policy committee for study
a	Amend+
Aa	Approve as amended+
Aaa	Approve with additional amendment(s)+
Ra	Refer as amended to appropriate policy committee for study+
Raa	Additional amendments and refer+
Da	Amend (for clarity or brevity) and Disapprove+
Na	Amend (for clarity or brevity) and take No Action+
W	Withdrawn by Sponsor

Procedural Note:
The League of California Cities resolution process at the Annual Conference is guided by the League Bylaws. A helpful explanation of this process can be found on the League's website by clicking on this link: Resolution Process.

1. A RESOLUTION OF THE GENERAL ASSEMBLY OF THE LEAGUE OF CALIFORNIA CITIES CALLING FOR AN AMENDMENT OF SECTION 230 OF THE COMMUNICATIONS DECENCY ACT OF 1996 TO REQUIRE SOCIAL MEDIA COMPANIES TO REMOVE MATERIALS WHICH PROMOTE CRIMINAL ACTIVITIES

Source: City of Cerritos
Concurrence of five or more cities/city officials
Cities: City of Hawaiian Gardens, City of Lakewood, City of Ontario, City of Rancho Cucamonga, City of Roseville
Referred to: Governance, Transparency and Labor Relations and Public Safety Policy Committees

WHEREAS, local law enforcement agencies seek to protect their communities' residents, businesses, and property owners from crime; and

WHEREAS, increasingly, criminals use social media platforms to post notices of places, dates and times for their followers to meet to commit crimes; and

WHEREAS, Section 230 of the Communications Decency Act of 1996 currently provides online platforms (including social media platforms) immunity from civil liability based on third-party content and for the removal of content; and

WHEREAS, in the 25 years since Section 230's enactment, online platforms no longer function simply as forums for the posting of third-party content but rather use sophisticated algorithms to promote content and to connect users; and

WHEREAS, the United States Department of Justice, in its June 2020 report, "Section 230 — Nurturing Innovation or Fostering Unaccountability?," concluded the expansive interpretation courts have given Section 230 has left online platforms immune from a wide array of illicit activity on their services, with little transparency or accountability, noting it "makes little sense" to immunize from civil liability an online platform that purposefully facilitates or solicits third-party content or activity that violates federal criminal law; and

WHEREAS, current court precedent interpreting Section 230 also precludes state and local jurisdictions from enforcing criminal laws against such online platforms that, while not actually performing unlawful activities, facilitate them; and

WHEREAS, amendment of Section 230 is necessary to clarify that online platforms are not immune from civil liability for promoting criminal activities; and

NOW, THEREFORE, BE IT RESOLVED at the League General Assembly, assembled at the League Annual Conference on October 9, 2020 in Long Beach, California, that the League calls upon the U.S. Congress to amend Section 230 of the Communications Decency Act of 1996 to condition immunity from civil liability on the following:

1. Online platforms must establish and implement a reasonable program to identify and take down content which solicits criminal activity; and

2. Online platforms must provide to law enforcement information which will assist in the identification and apprehension of persons who use the services of the platform to solicit and to engage in criminal activity; and

3. An online platform that willfully or negligently fails in either of these duties is not immune from enforcement of state and local laws which impose criminal or civil liability for such failure.

Background Information to Resolution

Source: City of Cerritos

Background:

Social media platforms are now used as a primary means of communication, including by criminals who use them to advertise locations, dates, and times where the criminal acts will take place. Such communications, because they occur online, render the online platform immune from any civil liability for the costs incurred by law enforcement agencies that respond under Section 230 of the Communications Decency Act of 1996. Immunity from civil liability extends even to injunctive relief, thus preventing local governments from merely seeking an injunction against the online platform to have such a post removed.

The City of Cerritos supports the rights of free speech and assembly guaranteed under the First Amendment, but believes cities should have the ability to hold social media companies liable for their role in promoting criminal acts. Recently, the City suffered thousands of dollars in damages to respond to online threats that the Cerritos Mall would be looted. Anonymous posts on Instagram.com invited followers to “work together to loot Cerritos [M]all” only several days after the Lakewood Mall had been looted, causing thousands of dollars in damages. The posts were made under the names “cerritosmalllooting” and “cantstopusall,” among others. The City of Cerritos had no choice but to initiate response to protect the Mall and the public from this credible threat.

At the same time local governments face historic shortfalls owing to the economic effects of COVID-19, the nation’s social media platforms are seeing a record rise in profits. The broad immunity provided by Section 230 is completely untenable. Online platforms should be held responsible—and liable—for the direct harm they facilitate. Local governments are in no position to bear the costs of the crimes facilitated by these companies alone.

Congress is currently reviewing antitrust legislation and by extension, Section 230’s immunity provisions. The League urges Congress to amend Section 230 to limit the immunity provided to online platforms when they promote criminal activity to provide local governments some measurable form of relief.

League of California Cities Staff Analysis on Resolution No. 1

Staff: Charles Harvey, Legislative Representative
Bijan Mehryar, Legislative Representative
Caroline Cirrincione, Policy Analyst
Johnnie Piña, Policy Analyst

Committees: Governance, Transparency and Labor Relations
Public Safety

Summary:
This resolution states that the League of California Cities should urge Congress to amend Section 230 of the federal Communications Decency Act of 1996 (CDA) to limit the immunity provided to online platforms where their forums enable criminal activity to be promoted.

Ultimately, the policy objectives proposed under this resolution, if enacted, would incentivize social media companies to establish and implement a reasonable program to identify and remove content that solicits criminal activity.

Background:
The City of Cerritos is sponsoring this resolution in reaction to events whereby persons, using social media platforms to coordinate locations, dates, and times for their planned criminal activity, have committed acts of looting and vandalism resulting in both actual economic harm for targeted businesses, and pecuniary loss to cities who used resources to prevent such acts from occurring when such plans are discovered.

For example, just days after the Lakewood Mall had been looted, the City of Cerritos uncovered online communications via social media that persons were planning to target the nearby Cerritos Mall. Consequently, the city felt compelled to undertake measures to protect the Cerritos Mall, costing the city thousands of dollars to guard against what officials believed to be a credible threat.

Staff Comments:
Overview:
While there is certainly an argument to substantiate concerns around censorship, the use of social media as a tool for organizing violence is equally disturbing.

Throughout much of the 2020 Summer, there have been many reports of looting happening across the country during what were otherwise mostly peaceful demonstrations. Combined with the speculation of who is really behind the looting and why, the mayhem has usurped the message of peaceful protestors, causing a great deal of property damage in the process. Likewise, these criminal actions have upended the livelihood of some small business owners, many of whom were already reeling in the wake of the COVID-19 pandemic.

While social media allows people to connect in real time with others all over the world, organized illegal activity using social media is made easier by the anonymous nature of virtual interactions.

Nation's Reaction to the Murder of George Floyd:
Shortly after the senseless killing of George Floyd by law enforcement on May 26, 2020, civil unrest began as local protests in the Minneapolis–Saint Paul metropolitan area of Minnesota before quickly spreading nationwide to more than 2,000 cities and towns across the United States, and in approximately 60 countries in support of the Black Lives Matter movement. Protests unfolded across the country throughout the entire month of June and into July, and persisted in a handful of cities such as Portland and Seattle into the month of August.

Although the majority of protests were peaceful, some demonstrations in cities escalated into riots, looting, and street skirmishes with police. While much of the nation's focus has been on addressing police misconduct, police brutality, and systemic racism, some have used demonstrators' peaceful protests on these topics as opportunities to loot and/or vandalize businesses, almost exclusively under the guise of the "Black Lives Matter" movement. It has been uncovered that these "flash robs"[1] were coordinated through the use of social media. The spontaneity and speed of the attacks enabled by social media make it challenging for the police to stop these criminal events as they are occurring, let alone prevent them from commencing altogether.

As these events started occurring across the country, investigators quickly began combing through Facebook, Twitter, and Instagram seeking to identify potentially violent extremists, looters, and vandals and finding ways to charge them after — and in some cases before — they sow chaos. While this technique has alarmed civil liberties advocates, who argue the strategy could negatively impact online speech, law enforcement officials claim it aligns with investigation strategies employed in the past.

Section 230 and other Constitutional Concerns
At its core, Section 230(c)(1) of the CDA provides immunity from liability for providers and users of an "interactive computer service" who publish information provided by third-party users. Essentially, this protects websites from lawsuits if a user posts something illegal, although there are exceptions for copyright violations, sex work-related material, and violations of federal criminal law.

Protections from Section 230 have come under more recent scrutiny on issues related to hate speech and ideological biases in relation to the influence technology companies can hold on political discussions.

Setting aside Section 230, there are some potential constitutional issues one could raise, should there be an attempt to implement such a resolution into statute.

[1] The "flash robs" phenomenon—where social media is used to organize groups of teens and young adults to quickly ransack and loot various retail stores—began to occur sporadically throughout the United States over the past ten years.

In the United States, the First Amendment prohibits the government from restricting most forms of speech, which would include many proposals to force tech companies to moderate content. While "illegal" types of speech enjoy limited or no First Amendment protection, the line for delineating between "legal" and "illegal" speech is very difficult to determine. Consequently, one would expect online platforms to push back on whether there is a constitutionally feasible way for them to "identify" protected speech versus unprotected speech, or whether there is a feasible way to define "content which solicits criminal activity." A law requiring companies to moderate content based on the political viewpoint it expresses, for example, would likely be struck down as unconstitutional.

Nonetheless, private companies can create rules to restrict speech if they so choose. Online platforms sometimes argue they have constitutionally-protected First Amendment rights in their "editorial activity," and therefore, it violates their constitutional rights to require them to monitor (i.e., "identify and take down") content that may be protected under the First Amendment. They may also argue, along the same lines, that the government may not condition the granting of a privilege (i.e., immunity) on doing things that amount to a violation of their first amendment rights. This is why Facebook and Twitter ban hate speech and other verifiably false information, for example, even though such speech is permitted under the First Amendment.

With respect to privacy and the Fourth Amendment, online platforms may argue that requiring them to "provide to law enforcement information that will assist in the identification and apprehension of persons who use the services of the platform to solicit and to engage in criminal activity," turns them into government actors that search users' accounts without a warrant based on probable cause, in violation of the Fourth Amendment.

Industry Perspective

Unsurprisingly, industry stakeholders have strong opinions for what such changes could mean for their respective business models.

For instance, a Facebook spokesperson recently noted in a Fortune article that, "By exposing companies to potential liability for everything that billions of people around the world say, this would penalize companies that choose to allow controversial speech and encourage platforms to censor anything that might offend anyone."

The article acknowledges that in recent years, both political parties have put social media companies under increased scrutiny, but they are not unified in their stated concerns. While Republicans accuse the companies of unfairly censoring their post, Democrats complain that these companies fail to do enough to block misinformation, violent content, and hate speech.

The article concludes that there is no way companies like Facebook and Twitter could operate without Section 230, and that the removal of this section would thereby "eliminate social media as we know it."

Recent Federal Action on Social Media

The President recently issued an *Executive Order on Preventing Online Censorship*. In it, he notes the following:

> "The growth of online platforms in recent years raises important questions about applying the ideals of the First Amendment to modern communications technology. Today, many Americans follow the news, stay in touch with friends and family, and share their views on current events through social media and other online platforms. As a result, these platforms function in many ways as a 21st century equivalent of the public square.
>
> Twitter, Facebook, Instagram, and YouTube wield immense, if not unprecedented, power to shape the interpretation of public events; to censor, delete, or disappear information; and to control what people see or do not see."

Ultimately the President implores the U.S. Attorney General to develop a proposal for federal legislation that "would be useful to promote the policy objectives of this order." The President is not subtle in communicating his desire to ultimately see legislation heavily slanted toward the preservation of free speech on social media, which some interpret as a maneuver to preempt Twitter and Facebook from regulating speech they otherwise deem as hateful or demonstrably false.

Considerations for Congress

Courts have generally construed Section 230 to grant internet service providers broad immunity for hosting others' content. Many have claimed that Section 230's immunity provisions were critical to the development of the modern internet, and some continue to defend Section 230's broad scope. But simultaneously, a variety of commentators and legislators have questioned whether those immunity provisions should now be narrowed, given that the internet looks much different today than it did in 1996 when Section 230 was first enacted.

One way for Congress to narrow Section 230's liability shield would be to create additional exceptions, as it did with FOSTA and SESTA[2]. If a lawsuit does not fall into one of the express exceptions contained in Section 230(e)[3], courts may have to engage in a highly fact-specific inquiry to determine whether Section 230 immunity applies: Section 230(c)(1) immunity will be inapplicable if the provider itself has developed or helped to develop the disputed content, while Section 230(c)(2) immunity may not apply if a service provider's decision to restrict access to content was not made in good faith.

Date Storage and Usage Considerations for Cities

Section 2 of the conditions the resolution applies to civil immunity requires that online platforms provide relevant information to law enforcement to assist in the identification and apprehension of persons who use the services of the platform to solicit and to engage in criminal activity. This section would most likely require the development of new procedures and protocols that govern law enforcements usage and retention of such information. Those new policies and procedures would undoubtedly raise privacy concerns depending on how wide the latitude is for law

[2] The Fight Online Sex Trafficking Act (FOSTA) and the Stop Enabling Sex Traffickers Act (SESTA) create an exception to Section 230 that means website publishers *would* be responsible if third parties are found to be posting ads for prostitution — including consensual sex work — on their platforms.

[3] Section 230(e) says that Section 230 will not apply to: (1) federal criminal laws; (2) intellectual property laws; (3) any state law that is "consistent with" Section 230; (4) the Electronic Communications Privacy Act of 1986; and (5) civil actions or state prosecutions where the underlying conduct violates federal law prohibiting sex trafficking.

enforcement to request such information. In those circumstances cities could end up themselves incurring new liability for the governance of data that could either violate certain privacy rules or increase their data governance costs.

Fiscal Impact:
Unlike the costly resources needed to support or oppose a ballot measure, a federal resolution from the League of California Cities that simply urges Congress to undertake certain action should have a negligible fiscal impact, if any monetary impact at all.

Regarding cities, if social media had no immunity for its failure to police content that solicits criminal activity, then an individual city could theoretically save thousands if not millions of dollars, depending on its size and other subjective circumstances. Collectively, cities across the country could potentially save at least hundreds of millions between redress for actual economic harm suffered and/or the cost of preventative measures taken to stop criminal activity from occurring in the first place.

Conversely, if social media platforms were to shut down, due to an inability to comply with a policy requirement to regulate speech on the internet, it is unclear on how cities might be impacted from a fiscal standpoint.

Existing League Policy:
Public Safety:
Law Enforcement
The League supports the promotion of public safety through:

- Stiffer penalties for violent offenders, and
- Protecting state Citizens' Option for Public Safety (COPS) and federal Community Oriented Police Services (COPS) funding and advocating for additional funding for local agencies to recoup the costs of crime and increase community safety.

Violence
The League supports the reduction of violence through strategies that address gang violence, domestic violence, and youth access to tools of violence, including but not limited to firearms, knives, etc.

The League supports the use of local, state, and federal collaborative prevention and intervention methods to reduce youth and gang violence.

Governance, Transparency & Labor Relations:
Private Sector Liability
The League will work closely with private sector representatives to evaluate the potential for League support of civil justice reform measures designed to improve the business climate in California. These measures should be evaluated on a case-by-case basis through the League police process.

Questions to Consider:
Many cities obviously believe that creating civil liability for social media platforms—due to their role in providing the communication mediums for those who organize looting attacks— is key to deterring this organized criminal activity.

If such a change was actually passed by Congress, it would force social media to essentially police every conversation on stakeholders' respective platforms, putting immense pressure on the industry to make subjective determinations about what conversations are appropriate and what are unacceptable.

At the end of the day, there are a few questions to consider in assessing this proposed resolution:

1) *What would this resolution's impact be on free speech and government censorship?*
2) *What are the expectations for cities when they receive information from a social media platform about a potentially credible threat in their respective communities? Does a city become liable for having information from a social media platform and the threat occurs?*
3) *What would the costs be to develop and maintain new data governance policies, including data infrastructure, to store this information?*
4) *What is the role of the League in engaging in issues relating to someone's privacy?*

Support:
The following letters of concurrence were received:
City of Hawaiian Gardens
City of Lakewood
City of Ontario
City of Rancho Cucamonga
City of Roseville

LETTERS OF CONCURRENCE
Resolution No. 1

Amendment to Section 230 of the Communications Decency Act of 1996

"Our Youth - Our Future"

CITY OF HAWAIIAN GARDENS

August 7, 2020

John Dunbar, President
jdunbar@yville.com
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Dunbar:

On August 3, 2020, the Cerritos City Council approved to sponsor a **Resolution of the City Council of the City of Cerritos Submitting to the League of California Cities General Assembly a Proposed Resolution Regarding Support of Legislation Related to Social Media Platform Accountability for Promotion of Criminal Acts**.

This proposed resolution with the required background information will be submitted to the League of California Cities for consideration by the General Assembly at the Annual Conference on October 9, 2020. (Attachments 1 and 2) The intent of the resolution is to address the use of social medial platforms for posting information that leads followers to meet and commit crimes and to also hold these platforms and the persons who post said information civilly and criminally accountable for all costs incurred by the local jurisdictions where the crimes occurred.

The public safety efforts in the City of Hawaiian Gardens would certainly benefit from such legislation. This letter serves to support the City of Cerritos in their efforts to submit of the above mentioned resolution to the League of California Cities for consideration at the 2020 Annual Conference.

Sincerely,

Ernie Hernandez
City Manager

cc Blanca Pacheco, President, LA County Division/League of California Cities - bpacheco@downeyca.org
Meg Desmond, League of California Cities - mdesmond@cacities.org
Kristine Guerrero, LA County Division/League of California Cities - kguerrero@cacities.org
Kathy Matsumoto, Assistant City Manager, City of Cerritos – kmatsumoto@cerritos.us

21815 PIONEER BOULEVARD, HAWAIIAN GARDENS, CA 90716-1237 TEL: (562) 420-2641 FAX: (562) 496-3708

Jeff Wood
Vice Mayor

Steve Croft
Council Member

Ari
Council Member

Diane DuBois
Council Member

Todd Rogers
Mayor

August 5, 2020

John Dunbar, President
jdunbar@yville.com
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Dunbar:

On August 3, 2020, the Cerritos City Council approved to sponsor a **Resolution of the City Council of the City of Cerritos Submitting to the League of California Cities General Assembly a Proposed Resolution Regarding Support of Legislation Related to Social Media Platform Accountability for Promotion of Criminal Acts.**

This proposed resolution, with the required background information, will be submitted to the League of California Cities for consideration by the General Assembly at the Annual Conference on October 9, 2020. (Attachments 1 and 2) The intent of the resolution is to address the use of social medial platforms for posting information that leads followers to meet and commit crimes and to also hold these platforms and the persons who post said information civilly and criminally accountable for all costs incurred by the local jurisdictions where the crimes occurred.

This letter serves to support the City of Cerritos in their efforts to submit the above mentioned resolution to the League of California Cities for consideration at the 2020 Annual Conference.

Sincerely,

Todd Rogers
Mayor

cc: Blanca Pacheco, President, LA County Division/League of California Cities - bpacheco@downeyca.org
Meg Desmond, League of California Cities - mdesmond@cacities.org
Kristine Guerrero, LA County Division/League of California Cities - kguerrero@cacities.org
Kathy Matsumoto, Assistant City Manager, City of Cerritos – kmatsumoto@cerritos.us

CITY OF ONTARIO
303 EAST "B" STREET, CIVIC CENTER ONTARIO CALIFORNIA 91764-4105
(909) 395-2000
FAX (909) 395-2070

PAUL S. LEON
MAYOR

DEBRA DORST-PORADA
MAYOR PRO TEM

ALAN D. WAPNER
JIM W. BOWMAN
RUBEN VALENCIA
COUNCIL MEMBERS

SCOTT OCHOA
CITY MANAGER

SHEILA MAUTZ
CITY CLERK

JAMES R. MILHISER
TREASURER

August 6, 2020

John Dunbar, President
jdunbar@yville.com
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Dunbar:

On August 3, 2020, the Cerritos City Council approved to sponsor a **Resolution of the City Council of the City of Cerritos Submitting to the League of California Cities General Assembly a Proposed Resolution Regarding Support of Legislation Related to Social Media Platform Accountability for Promotion of Criminal Acts**.

This proposed resolution with the required background information will be submitted to the League of California Cities for consideration by the General Assembly at the Annual Conference on October 9, 2020. (Attachments 1 and 2) The intent of the resolution is to address the use of social medial platforms for posting information that leads followers to meet and commit crimes and to also hold these platforms and the persons who post said information civilly and criminally accountable for all costs incurred by the local jurisdictions where the crimes occurred.

This letter serves to support the City of Cerritos in their efforts to submit the above-mentioned resolution to the League of California Cities for consideration at the 2020 Annual Conference.

Sincerely,

Alan D. Wapner
Council Member
League of California Cities Board Member

c: Blanca Pacheco, President, LA County Division/League of California Cities - bpacheco@downeyca.org
Meg Desmond, League of California Cities - mdesmond@cacities.org
Kristine Guerrero, LA County Division/League of California Cities - kguerrero@cacities.org
Kathy Matsumoto, Assistant City Manager, City of Cerritos – kmatsumoto@cerritos.us

Mayor L. Dennis Michael | Mayor Pro Tem Lynne B.
Council Members Ryan A. Hutchison, Kristine D. Scott, Sam Spagnolo
City Manager John R. Gillison

CITY OF RANCHO CUCAMONGA

10500 Civic Center Drive | Rancho Cucamonga, CA 91730 | 909.477.2700 | www.CityofRC.us

August 6, 2020

John Dunbar, President
jdunbar@yville.com
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Dunbar:

On August 3, 2020, the Cerritos City Council approved to sponsor a **Resolution of the City Council of the City of Cerritos Submitting to the League of California Cities General Assembly a Proposed Resolution Regarding Support of Legislation Related to Social Media Platform Accountability for Promotion of Criminal Acts.**

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On behalf of the City of Rancho Cucamonga, this letter serves to support the City of Cerritos in their efforts to submit the above mentioned resolution to the League of California Cities for consideration at the 2020 Annual Conference.

Sincerely,

L. Dennis Michael
Mayor

cc: Blanca Pacheco, President, LA County Division/League of California Cities - bpacheco@downeyca.org
Meg Desmond, League of California Cities - mdesmond@cacities.org
Kristine Guerrero, LA County Division/League of California Cities - kguerrero@cacities.org
Kathy Matsumoto, Assistant City Manager, City of Cerritos – kmatsumoto@cerritos.us

CITY OF ROSEVILLE CALIFORNIA

City Council
311 Vernon Street
Roseville, California 95678

August 7, 2020

John Dunbar, President
jdunbar@yville.com
League of California Cities
1400 K Street, Suite 400
Sacramento, CA 95814

Dear President Dunbar:

On August 3, 2020, the Cerritos City Council approved to sponsor a **Resolution of the City Council of the City of Cerritos Submitting to the League of California Cities General Assembly a Proposed Resolution Regarding Support of Legislation Related to Social Media Platform Accountability for Promotion of Criminal Acts**.

This proposed resolution with the required background information will be submitted to the League of California Cities for consideration by the General Assembly at the Annual Conference on October 9, 2020. (Attachments 1 and 2) The intent of the resolution is to address the use of social media platforms for posting information that leads followers to meet and commit crimes and to also hold these platforms and the persons who post said information civilly and criminally accountable for all costs incurred by the local jurisdictions where the crimes occurred.

On behalf of the City of Roseville, this letter serves to support the City of Cerritos in their efforts to submit the above mentioned resolution to the League of California Cities for consideration at the 2020 Annual Conference.

Sincerely,

John B. Allard II,
Mayor

Cc: Blanca Pacheco, President, LA County Division/League of California Cities - bpacheco@downeyca.org
Meg Desmond, League of California Cities - mdesmond@cacities.org
Kristine Guerrero, LA County Division/League of California Cities - kguerrero@cacities.org
Kathy Matsumoto, Assistant City Manager, City of Cerritos – kmatsumoto@cerritos.us
Jason Gonsalves, Joe A. Gonsalves and Son

BEAUMONT
CALIFORNIA

Staff Report

TO: City Council

FROM: Todd Parton, City Manager

DATE September 15, 2020

SUBJECT: **Consideration of Allocation of Bond Proceeds and Community Facilities District (CFD) Funds for Additional Capital Improvement Projects**

Background and Analysis:

As part of the regular year-end closures, the Finance Department has conducted a review of bond proceeds and pay-go fund balances. These fund balances can be used for certain capital projects to enhance the City's efforts to meet the goals of the City Council in response to the Community Survey information. Staff has formulated the proposal below for City Council consideration.

Potrero Fire Station

In March 2020, the City Council approved a CIP amendment increasing the total allocation for the Potrero Fire Station project from $4,100,000 to $8,650,000. This increase included $4,550,000 from unrestricted General Fund reserves in order to allow for design and construction to proceed based on the elevated probable construction cost estimate.

City staff has verified that $3,984,954.85 in unallocated bond proceeds are available to address certain capital projects including the Potrero Fire Station based on the governing bond documents. These are remainders of proceeds from bonds issued over multiple years, from 2012 through 2019. Of this amount, approximately $3.9 million results from bonds issued from 2012 to 2015. City staff has also reviewed this list with legal counsel to confirm the legal uses for which these bond proceeds may be applied.

City staff proposes that the City Council apply the above available restricted bond proceeds ($3,984,954.85) toward design and construction of the Potrero Fire Station in place of the unrestricted General Fund reserve dollars that were previously allocated to

the project. Should the City Council make this adjustment, the funding for the Potrero Fire Station Project would be amended to the following:

Fire Station DIF	$4,100,000.00
Bond Proceeds	$3,984,954.84
General Fund Reserves	$ 565,045.20
	$8,650,000.00

Staff anticipates completion of the environmental clearance and construction documents in September 2020. This will allow a 30-day bid process and City Council award in October 2020.

Street Improvement Program

The recent community livability survey results listed street construction and improvement as a high priority throughout the community. Approximately $3M of street improvements were recently completed including major improvements such as the reconstruction of Beaumont Avenue. Upon redirecting the restricted bond proceeds to the fire station construction project, City staff proposes that the City Council reallocate $3.5 million of the unrestricted General Fund Reserve dollars to enhance the Street Improvement Program. Staff believes an additional 36 lane miles can be improved with these additional funds.

Attachment A contains a map and a schedule of proposed street improvement projects by area and costs associated with each street treatment. Should City Council decide to allocate these additional dollars to the Street Improvement Program, City staff will finalize the maintenance program to include a verification that the treatment methodologies proposed are appropriate to each road segment. It is contemplated that this additional maintenance effort would be completed this calendar year. This would work would be in addition to the $1.6 million street maintenance program scheduled for later this fiscal year.

If City Council approves this proposal, staff will bring back an amendment to the 5-Year Capital Improvement Program (CIP) on October 6, 2020, to reflect this additional allocation. Staff would anticipate awarding the construction contract on October 20, 2020, with construction beginning immediately.

Stewart Park and Wastewater System Improvements

In the FY2021 CIP, City Council approved funds to rehab the existing Skate Park ($250,000) and construct a Splash Park ($1,145,000). After reviewing the CFD Fund balances, staff has identified approximately $8 million available for one-time capital projects. In order to further enhance the Stewart Park Improvements, staff recommends allocating an additional $2 million to the project for additional enhancements to include a concrete walking trail throughout the length of the park, picnic pavilions throughout the park, additional playground equipment with shade structures, parking facilities, connection of the park across Tenth Street, and new landscaping. These improvements would make Stewart Park a community icon and increase overall usage of the park. If City Council approves this recommendation, staff will also bring this additional allocation back for approval on October 6, 2020, in the CIP amendment.

The City is also nearing completion of a master plan for the wastewater treatment and collection system. Staff recommends holding the remaining allocation of $6 million until the plan is complete and the needs are fully understood. Staff anticipates the completion of the master plan along with an integrated CIP for Council approval in the spring of 2021.

Fiscal Impact:

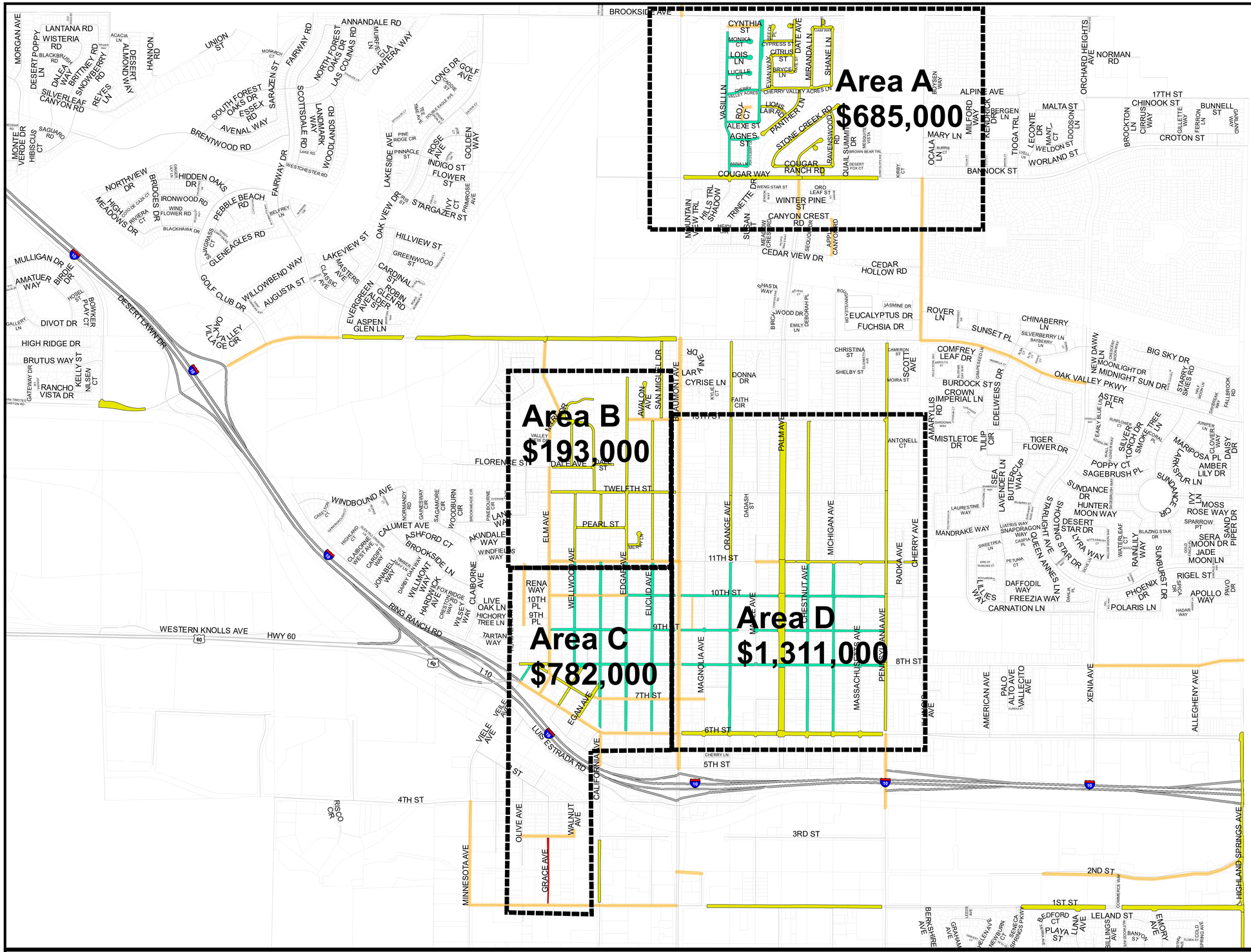
There is no impact to this item as staff are seeking direction for future actions that will have financial impacts.

Recommended Action:

Review staff's proposed use and provide direction regarding any modifications prior to the submission of a CIP amendment that is currently targeted for the September 15, 2020, City Council meeting.

Attachments:

A. Proposed Street Maintenance projects to be added to the CIP



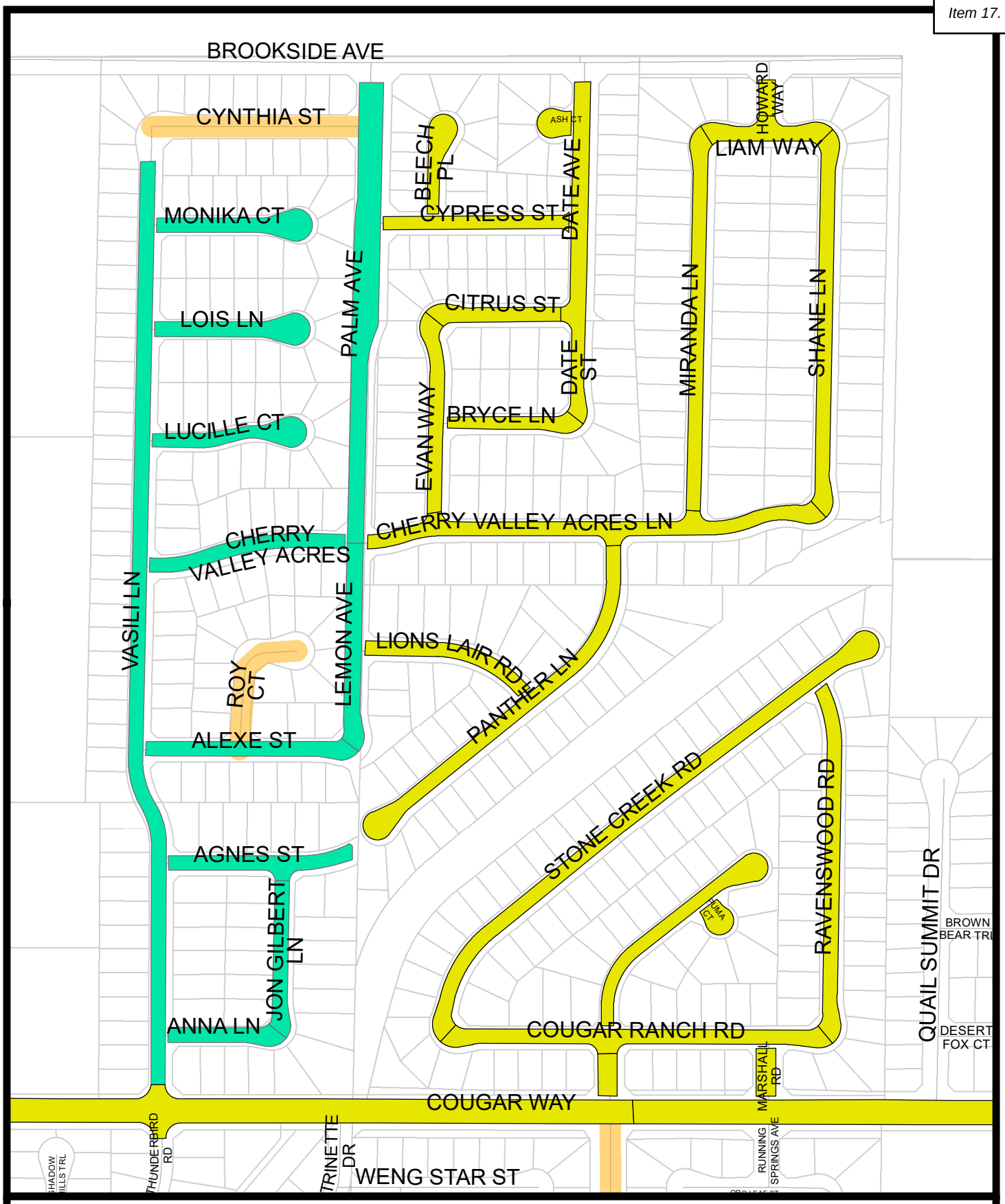
LEGEND

Slurry_Type

- Type II ($3.0/SY) (75)
- Cape ($10/SY) (57)
- New 3" ($30/SY) (1)
- Recent Treatment (27)

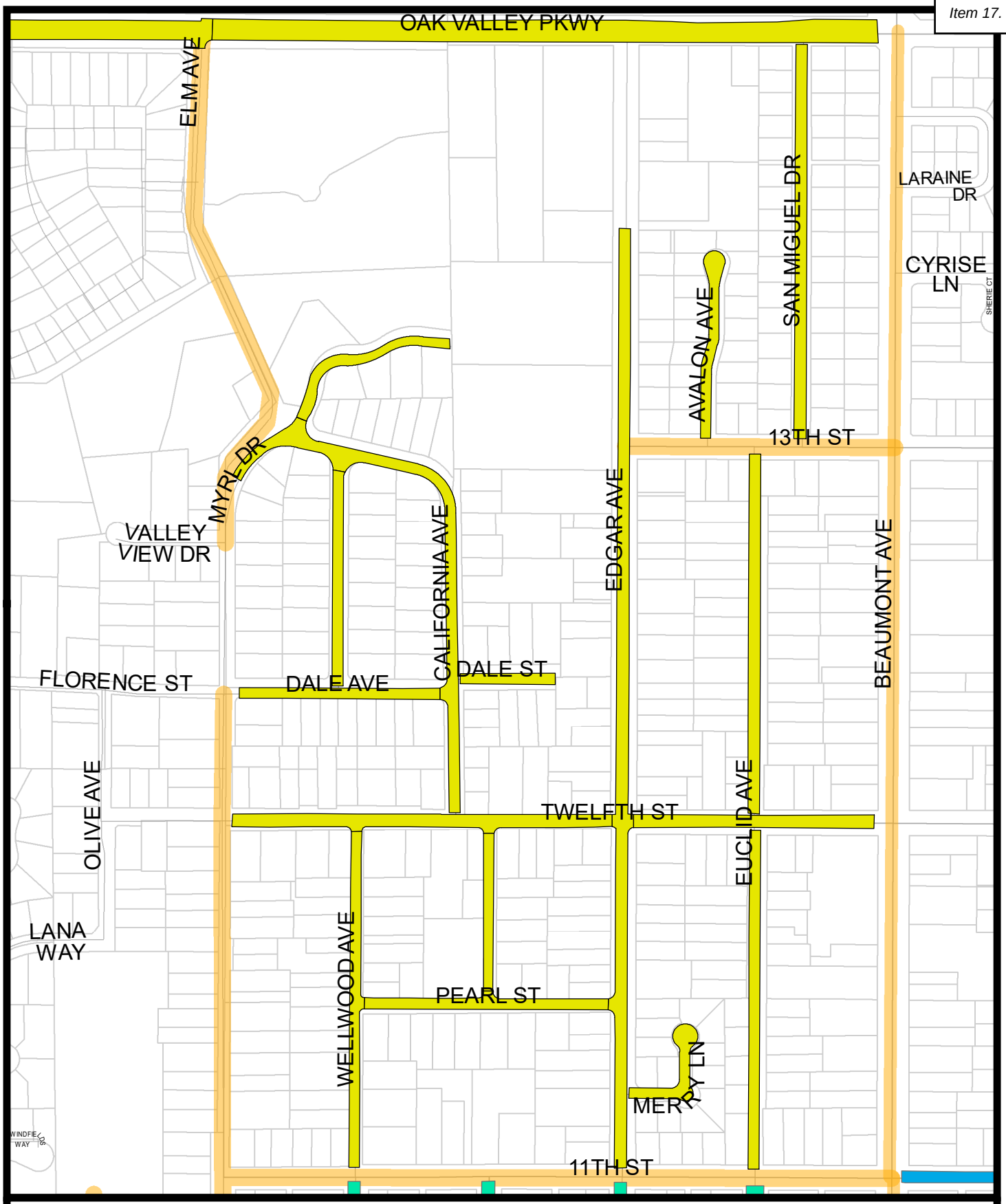
Date Created: 8/27/20

CITY OF BEAUMONT
CITYWIDE STREET PRESERVATION PROJECT
PUBLIC WORKS DEPARTMENT



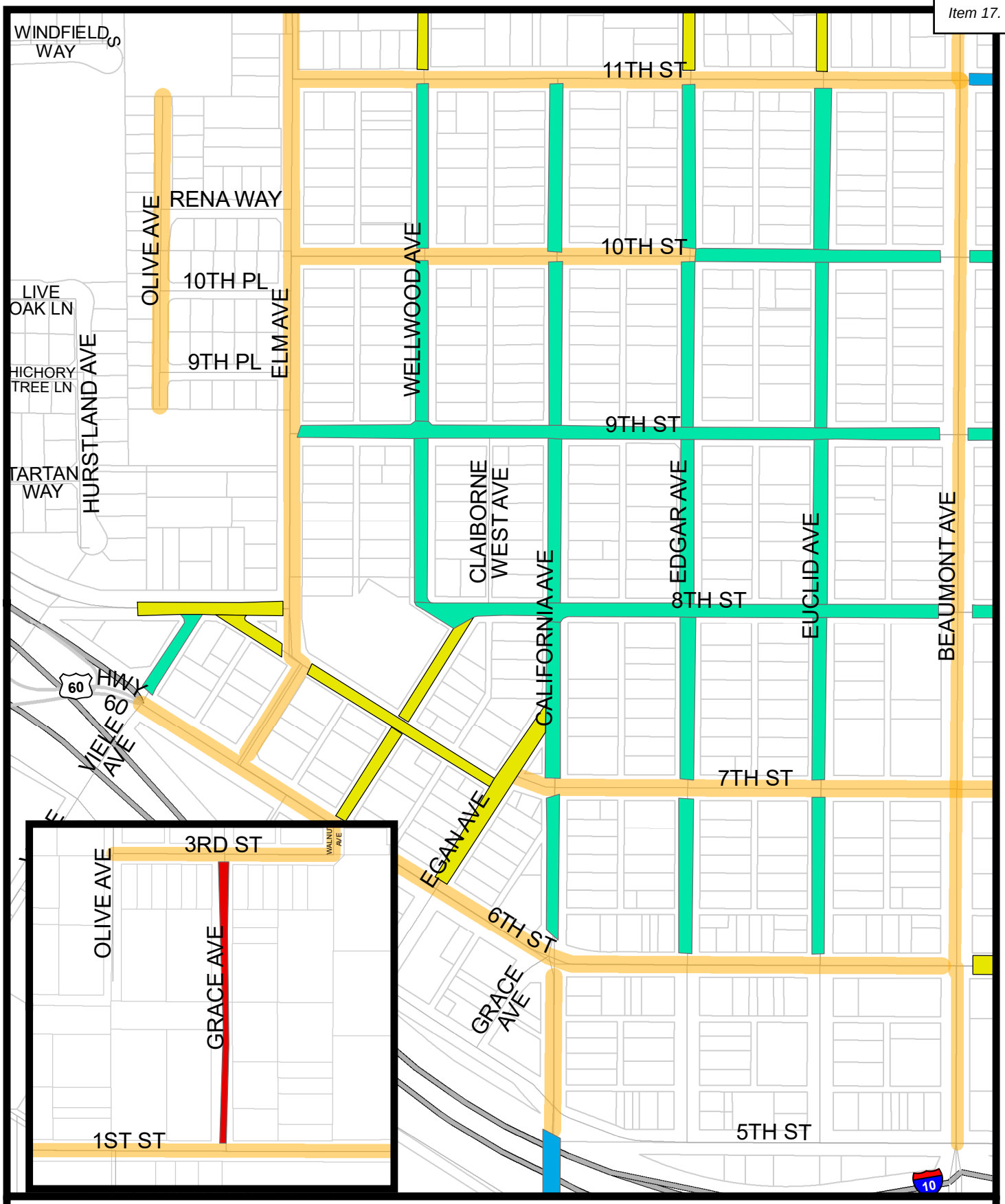
AREA A
CITY WIDE STREET PRESERVATION PROJECT

N



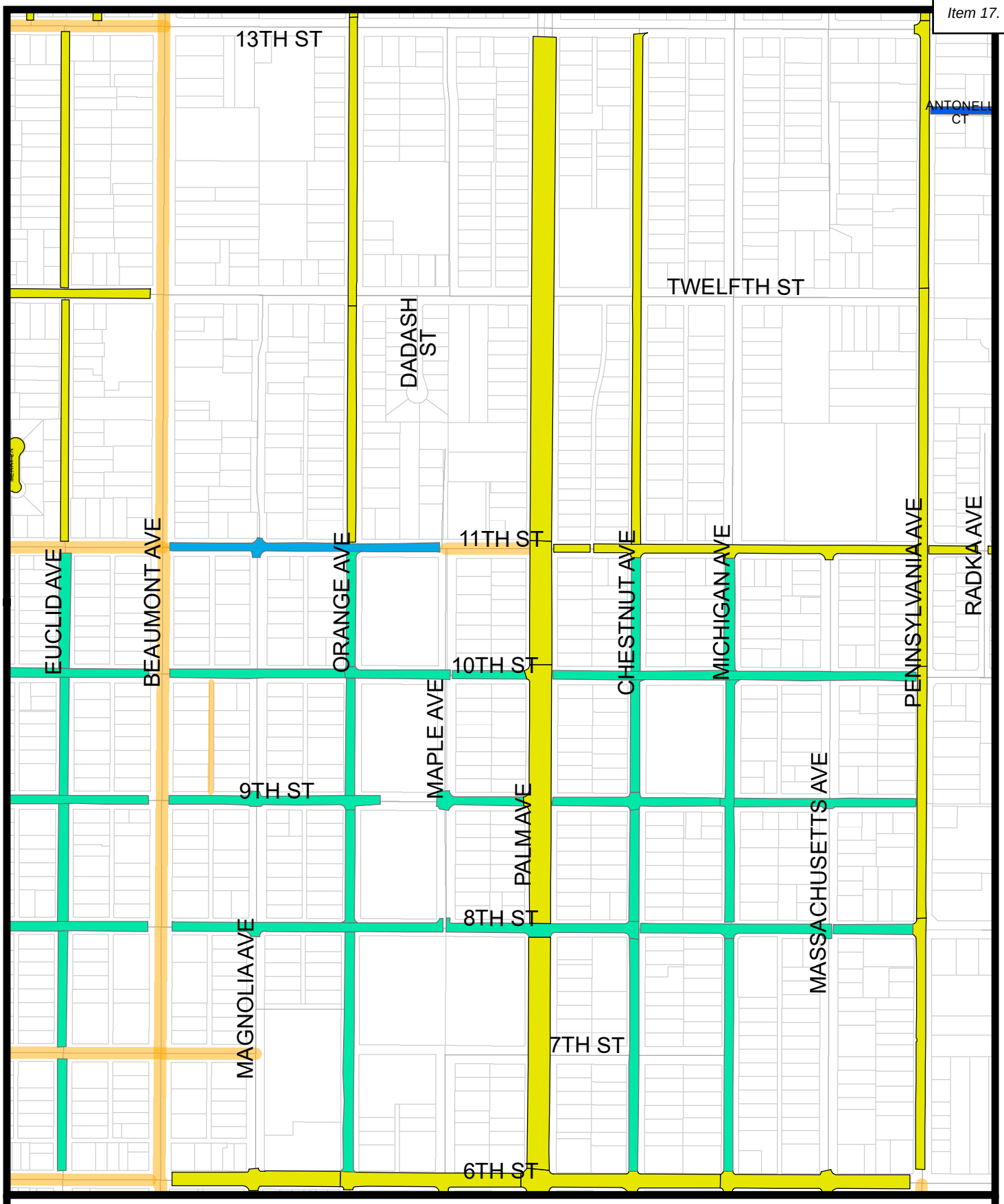
AREA B
CITY WIDE STREET PRESERVATION PROJECT

N



AREA C
CITY WIDE STREET PRESERVATION PROJECT

N



AREA D
CITY WIDE STREET PRESERVATION PROJECT

N

Item 17.

Street_Name	From_Street	To_Street	Slurry_Type	Cost	Location	Lanes (ea)	Area (SF)	Area (SY)	Length (ft)	Length Miles	Lane Miles
Vasili	Cougar	Cynthia	Cape	$95,794.00	Area A	2	86,215	9,579	2,276	0	1
Anna	Vasili	Jon Gilbert	Cape	$12,264.28	Area A	2	11,038	1,226	245	0	0
Jon Gilbert	Anna	Agnes	Cape	$16,274.33	Area A	2	14,647	1,627	346	0	0
Agnes	Vasili	End	Cape	$20,200.14	Area A	2	18,180	2,020	434	0	0
Alexe	Vasili	Lemon	Cape	$21,627.38	Area A	2	19,465	2,163	480	0	0
Palm	Lemon	Brookside	Cape	$67,419.18	Area A	2	60,677	6,742	1,124	0	0
Cherry Valley Acres	Vasili	Palm	Cape	$19,891.53	Area A	2	17,902	1,989	452	0	0
Lemon	Alexe	Palm	Cape	$23,471.96	Area A	2	21,125	2,347	474	0	0
Lucille	Vasili	End	Cape	$17,653.94	Area A	2	15,889	1,765	350	0	0
Lois	Vasili	End	Cape	$19,291.18	Area A	2	17,362	1,929	354	0	0
Monika	Vasili	End	Cape	$19,157.38	Area A	2	17,242	1,916	354	0	0
Panther	Cherry Valley Acres	End	Type II	$12,371.78	Area A	2	37,115	4,124	958	0	0
Lions Lair	Lemon	Panther	Type II	$5,070.28	Area A	2	15,211	1,690	385	0	0
Cherry Valley Acres	Palm	Shane	Type II	$14,634.55	Area A	2	43,904	4,878	1,149	0	0
Evan	Cherry Valley Acres	Citrus	Type II	$6,147.53	Area A	2	18,443	2,049	457	0	0
Citrus	Evan	Date	Type II	$4,150.11	Area A	2	12,450	1,383	288	0	0
Date	Bryce	Brookside	Type II	$11,332.11	Area A	2	33,996	3,777	822	0	0
Bryce	Evan	Date	Type II	$3,680.50	Area A	2	11,041	1,227	285	0	0
Cypress	Palm	Bryce	Type II	$5,130.77	Area A	2	15,392	1,710	429	0	0
Beech	Cypress	End	Type II	$3,466.64	Area A	2	10,400	1,156	209	0	0
Ash	Date	End	Type II	$1,769.75	Area A	2	5,309	590	58	0	0
Miranda	Cherry Valley Acres	Liam	Type II	$11,607.95	Area A	2	34,824	3,869	911	0	0
Shane	Cherry Valley Acres	Liam	Type II	$11,735.11	Area A	2	35,205	3,912	913	0	0
Liam Way	Miranda	Shane	Type II	$4,615.66	Area A	2	13,847	1,539	292	0	0
Howard	Liam	Brookside	Type II	$1,220.38	Area A	2	3,661	407	51	0	0
Cougar Ranch	Stone Creek	Ravenswood	Type II	$12,408.90	Area A	2	37,227	4,136	939	0	0
Stone Creek	Cougar Ranch	End	Type II	$18,977.51	Area A	2	56,933	6,326	1,481	0	1
Ravenswood	Cougar Ranch	Stone Creek	Type II	$10,902.79	Area A	2	32,708	3,634	843	0	0
Palm	Cougar	Cougar Ranch	Type II	$1,676.28	Area A	2	5,029	559	73	0	0
Palm	Cougar Ranch	End	Type II	$7,331.58	Area A	2	21,995	2,444	567	0	0
Marshall	Cougar	Cougar Ranch	Type II	$1,953.24	Area A	2	5,860	651	88	0	0
Puma	Palm	End	Type II	$1,614.06	Area A	2	4,842	538	51	0	0
Cougar	Beaumont	Palm	Type II	$39,854.96	Area A	4	46,283	13,285	1,202	0	1
Cougar	Palm	Sunnyslope	Type II	$24,736.39	Area A	4	74,209	8,245	1,212	0	1
Cougar	Sunnyslope	Cherry	Mill	$132,879.79	Area A	4	39,864	4,429	731	0	1
San Miguel	Thirteenth	Oak Valley	Type II	$15,427.66	Area B	2	45,883	5,143	1,185	0	0
Avalone	Thirteenth	End	Type II	$7,035.49	Area B	2	21,106	2,345	553	0	0
Edgar	Eleventh	End	Type II	$38,406.99	Area B	2	115,221	12,802	2,956	1	1
Twelfth	Beaumont	Edgar	Type II	$10,067.67	Area B	2	30,203	3,356	721	0	0

Euclid	Eleventh	Twelfth	Type II	$12,180.51	Area B	2	36,542	4,060	1,024	0	0
Euclid	Twelfth	Thirteenth	Type II	$14,194.92	Area B	2	42,585	4,732	1,092	0	0
Merry	Edgar	End	Type II	$5,377.52	Area B	2	16,133	1,793	359	0	0
Wellwood	Eleventh	Twelfth	Type II	$11,844.95	Area B	2	35,535	3,948	1,023	0	0
Pearl	Wellwood	Edgar	Type II	$9,189.94	Area B	2	27,570	3,063	740	0	0
Twelfth	Edgar	Elm	Type II	$16,868.45	Area B	2	50,605	5,623	1,177	0	0
California	Pearl	Twelfth	Type II	$5,244.48	Area B	2	15,733	1,748	449	0	0
Dale	California	End	Type II	$3,327.54	Area B	2	9,983	1,109	253	0	0
California	Twelfth	Elm	Type II	$22,653.79	Area B	2	67,961	7,551	1,786	0	1
Dale	California	Elm	Type II	$7,195.09	Area B	2	21,585	2,398	588	0	0
Wellwood	Dale	California	Type II	$7,612.88	Area B	2	22,839	2,538	636	0	0
Myrl	California	End	Type II	$6,307.62	Area B	2	18,923	2,103	550	0	0
Wellwood	Tenth	Eleventh	Cape	$21,920.31	Area C	2	14,233	2,192	332	0	0
Wellwood	Ninth	Tenth	Cape	$23,067.22	Area C	2	20,761	2,307	469	0	0
Wellwood	Eighth	Ninth	Cape	$24,176.12	Area C	2	21,759	2,418	494	0	0
California	Sixth	Seventh	Cape	$19,275.15	Area C	2	17,348	1,928	406	0	0
California	Seventh	Eighth	Cape	$24,736.94	Area C	2	22,263	2,474	460	0	0
California	Eighth	Ninth	Cape	$24,105.28	Area C	2	21,695	2,411	481	0	0
California	Ninth	Tenth	Cape	$23,819.08	Area C	2	21,437	2,382	479	0	0
California	Tenth	Eleventh	Cape	$25,286.25	Area C	2	22,758	2,529	495	0	0
Viele	Sixth	Eighth	Cape	$11,972.95	Area C	2	10,776	1,197	262	0	0
Eighth	3 Rings	Elm	Type II	$6,303.36	Area C	2	18,910	2,101	424	0	0
Wellwood	Sixth	Seventh	Type II	$4,168.05	Area C	2	12,504	1,389	288	0	0
Seventh	Eighth	Elm	Type II	$2,526.26	Area C	2	7,579	842	190	0	0
Seventh	Elm	California	Type II	$7,646.47	Area C	2	22,939	2,549	633	0	0
Egan	Sixth	California	Type II	$10,406.09	Area C	2	31,218	3,469	597	0	0
Wellwood	Seventh	Eighth	Type II	$4,166.49	Area C	2	12,499	1,389	333	0	0
Eighth	Wellwood	Beaumont	Cape	$80,820.31	Area C	2	72,738	8,082	1,626	0	1
Ninth	Elm	Beaumont	Cape	$91,097.48	Area C	2	81,988	9,110	1,987	0	1
Tenth	Edgar	Beaumont	Cape	$34,534.71	Area C	2	31,081	3,453	733	0	0
Edgar	Sixth	Seventh	Cape	$24,092.51	Area C	2	21,683	2,409	454	0	0
Euclid	Sixth	Seventh	Cape	$22,429.06	Area C	2	20,186	2,243	456	0	0
Edgar	Seventh	Eighth	Cape	$26,615.09	Area C	2	23,954	2,662	480	0	0
Euclid	Seventh	Eighth	Cape	$23,850.26	Area C	2	21,465	2,385	475	0	0
Edgar	Eighth	Ninth	Cape	$25,191.79	Area C	2	22,673	2,519	482	0	0
Euclid	Eighth	Ninth	Cape	$26,594.53	Area C	2	23,935	2,659	487	0	0
Edgar	Ninth	Tenth	Cape	$23,618.75	Area C	2	21,257	2,362	483	0	0
Euclid	Ninth	Tenth	Cape	$23,372.29	Area C	2	21,035	2,337	482	0	0
Edgar	Tenth	Eleventh	Cape	$23,586.33	Area C	2	21,228	2,359	478	0	0
Euclid	Tenth	Eleventh	Cape	$28,972.05	Area C	2	26,075	2,897	480	0	0

Grace	First	Third	New	$93,375.24	Area C	2	221,266	3,113	2,252	0	1
Pennsylvania	Sixth	Eighth	Type II	$15,581.12	Area D	2	45,819	5,194	1,076	0	0
Pennsylvania	Eighth	Tenth	Type II	$15,272.84	Area D	2	68,457	5,091	1,637	0	1
Eleventh	Beaumont	Maple	Mill	$150,898.05	Area D	2	62,574	5,030	1,629	0	1
Eleventh	Palm	Pensylvania	Type II	$20,857.84	Area D	2	15,546	6,953	420	0	0
Sixth	Palm	Michigan	Type II	$20,149.35	Area D	4	49,298	6,716	752	0	1
Sixth	Beaumont	Orange	Type II	$16,432.69	Area D	3	51,111	5,478	807	0	0
Sixth	Orange	Palm	Type II	$17,037.09	Area D	4	55,278	5,679	870	0	1
Sixth	Michigan	Pennsylvania	Type II	$18,425.92	Area D	4	50,504	6,142	1,192	0	1
Eighth	Beaumont	Maple	Cape	$56,115.67	Area D	2	39,349	5,612	874	0	0
Eighth	Maple	Chestnut	Cape	$43,720.74	Area D	2	37,222	4,372	839	0	0
Eighth	Chestnut	Massachusetts	Cape	$41,357.94	Area D	2	15,129	4,136	315	0	0
Eighth	Massachusetts	Pennsylvania	Cape	$16,809.86	Area D	2	39,317	1,681	925	0	0
Ninth	Beaumont	Ornage	Cape	$43,685.71	Area D	2	17,256	4,369	376	0	0
Ninth	Maple	Palm	Cape	$19,173.61	Area D	2	29,702	1,917	726	0	0
Ninth	Palm	Michigan	Cape	$33,002.42	Area D	2	30,100	3,300	765	0	0
Ninth	Michigan	Pennsylvania	Cape	$33,444.55	Area D	2	30,348	3,344	734	0	0
Tenth	Beaumont	Orange	Cape	$33,719.92	Area D	2	18,832	3,372	434	0	0
Tenth	Orange	Maple	Cape	$20,924.54	Area D	2	12,096	2,092	283	0	0
Tenth	Maple	Palm	Cape	$13,439.92	Area D	2	29,666	1,344	715	0	0
Tenth	Palm	Michigan	Cape	$32,962.26	Area D	2	33,790	3,296	817	0	0
Tenth	Michigan	Pennsylvania	Cape	$37,544.95	Area D	2	99,611	3,754	1,045	0	0
Palm	Sixth	Eighth	Type II	$33,203.62	Area D	2	113,279	11,068	1,187	0	0
Palm	Eighth	Tenth	Type II	$37,759.59	Area D	2	53,255	12,587	566	0	0
Palm	Tenth	Eleventh	Type II	$17,751.59	Area D	2	23,657	5,917	471	0	0
Michigan	Eleventh	tenth	Cape	$26,285.32	Area D	2	43,854	2,629	1,074	0	0
Michigan	Tenth	Eighth	Cape	$48,726.94	Area D	2	41,895	4,873	991	0	0
Michigan	Eighth	Sixth	Cape	$46,550.25	Area D	2	21,505	4,655	490	0	0
Orange	Eleventh	Tenth	Cape	$23,894.91	Area D	2	21,186	2,389	482	0	0
Orange	Tenth	Ninth	Cape	$23,539.98	Area D	2	21,188	2,354	480	0	0
Orange	Ninth	Eighth	Cape	$23,542.10	Area D	2	47,631	2,354	1,039	0	0
Orange	Eighth	Sixth	Cape	$52,923.84	Area D	2	19,728	5,292	478	0	0
Chestnut	Sixth	Eighth	Cape	$48,038.79	Area D	2	21,269	4,804	458	0	0
Chestnut	Eighth	Ninth	Cape	$23,632.13	Area D	2	21,193	2,363	478	0	0
Chestnut	Ninth	Tenth	Cape	$23,547.44	Area D	2	20,435	2,355	463	0	0
Chestnut	Tenth	Eleventh	Cape	$22,705.62	Area D	2	88,658	2,271	2,241	0	1
Pennsylvania	Tenth	Twelfth	Type II	$22,818.96	Area D	2	50,581	7,606	1,164	0	0
Pennsylvania	Thirteenth	Oak Valley	Type II	$16,860.17	Area D	2	49,725	5,620	1,179	0	0
Pennsylvania	Twelfth	Thirteenth	Type II	$16,574.86	Area D	2	58,517	5,525	1,257	0	0
Palm	Eleventh	Thirteenth	Type II	$73,755.26	Area D	2	43,235	24,585	992	0	0

Orange	Thriteenth	Twelfth	Type II	$15,915.34	Area D	2	39,527	5,305	1,004	0	0
Orange	Twelfth	Eleventh	Type II	$13,175.67	Area D	2	45,269	4,392	1,186	0	0
First	Beaumont	DWY n/o Magnolia	Mill	$93,718.88	1st	2	142,790	3,124	2,812	1	1
First	DWY n/o Magnolia	Pennslyvania	Type II	$47,596.62	1st	2	60,490	15,866	973	0	0
First	Pennsylvania	Seneca Springs	Mill	$543,900.62	1st	2	101,522	18,130	1,372	0	1
First	Seneca Springs	Commerce	Type II	$33,840.53	1st	2	149,437	11,280	2,029	0	1
First	Commerce	Highland Springs	Type II	$49,812.26	1st	2	42,554	16,604	853	0	0
Commerce	First	First	Recon	$202,348.70	1st	2	119,565	2,891	1,950	0	1
Antonell	Pennsylvania	Cherry	Recon	$125,357.38	Antonell	2	26,016	1,791	362	0	0
California	Third	Fifth	Mill	$198,352.59	California	2	41,038	6,612	977	0	0
California	First	Third	Type II	$13,679.30	California	2	60,448	4,560	921	0	0
Chestnut	Eleventh	Thirteenth	Type II	$29,552.53	Chestnut	2	28,013	9,851	1,019	0	0
Eleventh	Pennsylvania	Cherry	Type II	$5,181.96	Eleventh	2	59,506	1,727	1,263	0	0
Highland Springs	First	Second	Type II	$14,184.75	Highland	2	94,989	4,728	2,015	0	1
Highland Springs	Second	Sixth	Type II	$31,662.88	Highland	2	46,743	10,554	1,083	0	0
Highland Springs	First	Potrero	Type II	$19,505.79	Highland	2	89,280	6,502	2,403	0	1
Highland Springs	Potrero	Crooked Creek	Type II	$29,759.86	Highland	2	16,117	9,920	421	0	0
Oak Valley	West I-10 Ramps	East I-10 Ramps	Mill	$47,444.05	Oak Valley	2	22,585	1,581	531	0	0
Oak Valley	West I-10 Ramps	400ft w/o Desert Lawn	Mill	$75,283.67	Oak Valley	2	61,619	2,509	774	0	0
Oak Valley	Desert Lawn	400ft w/o Desert Lawn	Type II	$20,539.62	Oak Valley	2	28,116	6,847	419	0	0
Oak Valley	Oak View	Noble Creek Channel	Type II	$20,163.48	Oak Valley	2	137,554	6,721	2,141	0	1
Oak Valley	Noble Creek Channel	Elm	Type II	$45,851.42	Oak Valley	2	140,165	15,284	2,098	0	1
Oak Valley	Elm	Beaumont	Type II	$46,721.83	Oak Valley	2	163,170	15,574	2,337	0	1
Orange	Oak Valley	Thirteenth	Type II	$15,294.39	Orange	2	47,746	5,098	1,235	0	0

Summary Table				
Location	Square Feet	Linear Feet	Miles	Lane miles
Area A	915,489	21,283	4	9
Area B	578,407	15,092	3	6
Area C	909,242	17,697	3	7
Area D	1,676,592	34,908	7	14
Total	4,079,730	88,979	17	36

Staff Report

TO: City Council

FROM: Todd Parton, City Manager

DATE September 1, 2020

SUBJECT: **Consider Draft City Council Rules of Procedure for All Meetings of the City Council and Its Appointed Boards and Committees Amending the Current Rules of Procedure Established in Beaumont Municipal Code Section 2.04**

Background and Analysis:

At its regular meeting of August 18, 2020, the City Council directed the City Attorney to develop some draft rules of procedure for conducting public meetings of the City Council. Attached is a draft of proposed rules of procedure for City Council discussion and consideration.

These draft rules of procedure would replace the rules of procedure for City Council meetings as established by Section 2.04.040 et. seq. of the Beaumont Municipal Code. These proposed rules of procedure will continue to apply Rosenberg's Rules of Order as the parliamentary procedure rules for Council meetings, as well as apply Rosenberg's Rules of Order to other Council appointed boards and commissions that hold meetings pursuant to the Brown Act.

Should the City Council take action to affirm the draft policies and procedures, City staff anticipates bringing back an ordinance for formal action.

Fiscal Impact:

City estimates that preparation of this report cost approximately $1,250.

Recommended Action:

City staff recommends that the City Council provide input on the rules of procedure and direct the City Attorney to prepare a formal ordinance to adopt the rules of procedure.

Attachments:

A. Draft City Council Policies and Procedures for All Meetings

Beaumont Municipal Code

2.04.040 - Rules of procedure.

The City Council will utilize Rosenberg's Rules of Order: Simple Parliamentary Procedures for the 21st Century as guidance for parliamentary procedure for all Council meetings. The Beaumont Planning Commission and other Council created commissions and committees that are required to hold open meetings in compliance with the Brown Act, shall conduct their meetings in compliance with Rosenberg's Rules of Order as guidance for parliamentary procedure during their respective meetings.

2.04.041 - Presiding Officer.

The Mayor shall be the Presiding Officer at all City Council meetings. In the absence of the Mayor, the Mayor Pro Tempore shall be the Presiding Officer. In the absence of both the Mayor and the Mayor Pro Tempore, the City Council shall elect a temporary Presiding Officer to serve until the arrival of the Mayor or Mayor Pro Tempore, or until adjournment.

2.04.042 - Maintenance of order.

The Mayor or Presiding Officer is responsible for the maintenance of order and decorum at all times. In the absence of a rule to govern a point of procedure, the decision of the Mayor or Presiding Officer shall be final and binding, unless overruled by a majority of a quorum of the Council. No person should be allowed to speak without first being recognized by the Mayor or Presiding Officer. A Council Member, once recognized by the Mayor or Presiding Officer, shall not be interrupted while speaking unless called to order by the Mayor or Presiding Officer. All questions and remarks should be addressed to the Mayor or Presiding Officer.

The Mayor or Presiding Officer may order any person or group to leave a meeting where said person or group, after warning, willfully interrupts a meeting so as to render the orderly conduct of the meeting unfeasible. If said person or group refuses to leave the meeting after being directed to do so by the Mayor or Presiding Officer, the Mayor or Presiding Officer may implement the procedures authorized by law to evict a disruptive person or group from the meeting and to restore order, including but not limited to the procedures authorized by Government Code Section 54957.9.

2.04.043 - Decorum.

No City Council member shall be allowed to speak more than once upon any one subject until every other City Council member wishing to speak thereon shall have had the opportunity

to speak. The Mayor and Council Members shall accord the utmost courtesy to each other, to City staff, and to the public appearing before the Council and shall refrain at all times from rude or derogatory remarks

2.04.044 - Items for Future Agendas and Time Limits for Comments.

A. During a Council meeting, the Mayor or any member of the Council may direct the City Manager to place an item on a future agenda.
B. If a member of the Council believes that their comments on any item will exceed five minutes, they shall ask the Mayor or Presiding Officer for additional time to speak on the item.
C. Public comments shall be limited to three minutes per person per agenda item unless otherwise authorized by majority vote.

2.04.045 – Nomination of Mayor and Mayor Pro Tempore.

The City Council selection of the Mayor and Mayor Pro Tempore shall occur annually at a regular or special Council meeting in December by a seniority rotation process as follows:

A. The office of Mayor and Mayor Pro Tempore shall rotate each year based on the number of years each council member has been in office. Each Council Member shall be given a specified position in the rotation sequence. The first person in the sequence, as determined by tenure on the City Council, shall serve as Mayor. The second person in the sequence, shall serve as Mayor Pro Tempore.
B. After serving as Mayor, that Council Member moves to the end of the rotation sequence and the other four Council Members move forward, causing the Mayor Pro Tempore to become the Mayor.
C. The next Council Member in the rotation after the Mayor Pro Tempore shall then become the Mayor Pro Tempore.
D. When a Council Member is newly elected or appointed, the new Council Member is placed in the fourth position in the rotation, after all incumbents, but before the current outgoing Mayor.
E. If two or more Council Members are newly elected at the same time, the number of votes received in the election determines the Council Members position in the sequence, with the Council Member receiving the fewest votes placed last in the rotation but before the current outgoing Mayor.
F. Incumbent Council Members, when re-elected, retain their placement in the rotation.
G. If for any reason a Council Member is removed from the rotation, the remaining Council Members move forward in the sequence.

H. A Council Member may decline to serve as Mayor or Mayor Pro Tempore. In this case, the office would pass to the next Council Member on the list. The Council Member who declined may drop back one position in the rotation.
I. The selection of the Mayor and Mayor Pro Tempore must be ratified via majority vote by the entire City Council with all Council members present. If the Mayor or Mayor Pro Tempore fail to receive a majority of the vote they retain their current position in the rotation and the City Council retains the authority to disregard the process and select any member of the City Council to fill the position provided that Council Member wins a majority of the entire Council's vote with all Council members present. The newly selected Mayor and Mayor Pro Tempore shall be seated in their positions immediately after they have been approved by a majority vote of the entire Council.
J. The City Clerk shall keep and update a list outlining the rotational sequence.

2.04.046 – City Boards and Commissions.

The City Council shall appoint all City board and commission members as determined by Sections 2.24.040, 2.30.020, and 2.35.040. The following guidelines shall control the appointment process:

A. Members of the public may apply when a vacancy on a board or commission occurs. The City Council will conduct interviews of applicants at a City Council meeting once a sufficient number of applications have been received.
B. Upon completion of applicant interviews, Council Members may nominate applicants to be appointed to the board or commission. Once all nominations are received, a vote will be taken for each nomination beginning with the first applicant nominated. Council Members may vote multiple times if there are multiple vacancies for the board or commission.
C. If a nominee receives a majority vote from a quorum of the Council, that nominee shall be appointed to the board or commission.

2.04.047 – Appointment of Council Members to Boards and Commissions of Outside Agencies.

At the first regular Council meeting in January of each year, the Council shall appoint members to Boards and Commissions of outside agencies. At said meeting, the Mayor or Presiding Officer shall announce the board or commission for which nominations will be considered and invite nominations from the Council. Once all nominations have been received for the specified position, the Mayor or Presiding Officer shall close nominations and a vote shall be taken on the first nomination. Upon an affirmative vote of a majority of a quorum of the Council, the position shall be filled. This process shall be continued until all open positions

on boards and commissions of outside agencies are filled. If no nominations are received for a particular board or commission, the Mayor or Mayor Pro Tempore shall appoint the position.

2.04.048 – Mayoral Responsibilities.

The following tasks are the responsibility of the Mayor or if the Mayor is unavailable the Mayor Pro Tempore or Presiding Officer.

A. To conduct meetings of the City Council as its chair.
B. Ensure decorum is maintained at the meeting.
C. To represent the City as its chief elected official at community functions, events, and meetings.
D. To review and propose additions to the agendas of meetings of the City Council.

2.04.049 – Council Member Conduct.

City Council Members shall:

A. Treat each other, staff, and members of the public with courtesy and respect;
B. Maintain confidentiality of all closed session materials and discussion;
C. Be attentive to others and limit interruptions and distractions;
D. Encourage diverse viewpoints in debate while avoiding personal attacks;
E. Agree to respectfully disagree;
F. Promote discussion and resolution of problems;
G. Comply with and adhere to official decisions and policies of the City Council as approved by a majority of the Council.

TOWNSEND
PUBLIC AFFAIRS
EST TPA 1998

M E M O R A N D U M

To: **City of Beaumont**

From: Townsend Public Affairs

Date: August 28, 2020

Subject: Monthly Report for the City of Beaumont — August 2020

State Legislative Update

The Legislature is into their final few days of the 2020 legislative session. On Thursday, August 27, Republican Senators were asked to leave the Capitol after one of their colleagues tested positive for coronavirus and potentially exposed others at a caucus meeting earlier in the week. Ten of the Senate's 11 Republican lawmakers will be allowed to debate and vote from home for the remainder of the session and will not be allowed to return to the Capitol for 14 days.

The last day of session is August 31 when members will return to their districts in preparation of the November election. Following adjournment on August 31, Governor Newsom will have 30 day to sign or veto legislation. TPA will provide a written update on the below issues and pieces of legislation following the final action taken on August 31.

Governor's COVID-19 Action Summary

- **New Partnership on Testing:** In anticipation for the stress on California's testing system this coming flu season, and to increase quantity, quality, and turnaround of overall testing, the State is partnering with the private sector to develop a new laboratory to provide the full scope of the supply chain for testing. In addition to the expanded testing capacity through this new partnership, the state anticipates the following benefits:
    - Increasing testing capacity by up to 150,000 tests per day
    - Lower guaranteed turn-around time for test results to 24-48 hours
    - Reduce testing costs for everyone (Up to $200 currently, down to roughly $30/test)
    - Improve testing reliability
    - Protect essential workers and at-risk groups
    - Provide insurance against a dual pandemic with the upcoming fly season
    - Break supply chain logjams

- **COVID-19 Precautions during Wildfire Season:** As wildfires continue to cause large scale evacuations across the State, the Newsom Administration has implemented procedures, and is reinforcing precautions, in order to minimize the impact of the

coronavirus on those forced to evacuate. The State has implemented health screenings and assessments before entry into a shelter and has placed an emphasis is being placed on getting a majority of evacuees into non-congregate sheltering. The State has secured space in 31 hotels, which are currently sheltering 1,480 people.

Tenant Evictions – AB 1436 (Chiu)

One of the key unresolved issues in the last few days of the legislative sessions remains legislation to address the pending end of the tenant eviction moratorium on September 1. AB 1436 (Chiu) would block the eviction of renters who miss rent payments during the COVID-19 emergency period, which would end 90-days after the state of emergency is lifted, or April 1, 2021, whichever occurs first. Under the bill, landlords would be allowed mortgage forbearance.

Unemployment Benefits

The Trump Administration has been working with California and reached an agreement over the weekend that will allow Californians to draw an additional $300 in weekly unemployment benefits, through a new FEMA program, the Lost Wages Assistance Program. Under this agreement, a worker with the maximum state payment of $450 a week could receive $750 a week. A worker receiving the average state unemployment benefit of $287, as of June, could receive a weekly payment of $587. To be eligible for the additional benefit, unemployed California workers must provide a certification that they are out of work, or have suffered reduced hours, due to disruptions that the coronavirus caused. Additionally, jobless workers must be eligible to receive at least $100 in weekly unemployment benefits. The California Employment Development Department (EDD) has indicated it will likely be a few weeks before it can modify its computer systems and distribute additional funds.

Climate Resiliency Bond

On August 25, Assemblymember Bloom gut and amended AB 1659 to include language for a Wildfire Climate Resiliency Bond focused on providing funding for fire related programs. AB 1659 will extend the existing small fixed charge on utility rates to generate at least $2.5 billion in new revenue for climate and wildfire related jobs and investments. To jumpstart the expenditures necessary to address the current crisis, the bill borrows $500 million from the surplus money investment fund.

This legislation establishes two separate expenditure plans for funds, both developed and overseen by the CPUC and the Natural Resources Agency. The first plan (Plan A) is the short-term expenditure plan for workforce and immediate fire needs. This would require a $500 million allocation of funds developed within 30 days of the effective date of the bill. Plan A designates $50 million for workforce training and development and $450 million to address fire-related emergency actions. The second plan (Plan B) is for the longer-term allocations and would be developed within 6 months. Both plans are focused on reducing fire risks on the ground and protecting communities through defensible space, home hardening, public safety (including more EMTs), as well as public education and outreach on increasing fire resiliency

Housing Legislation

In the last few weeks, action has been taken on several housing bills in Sacramento. Several bills were held in Committee. Below is an update on the bills that are still moving forward in the last few days of session.

- *SB 1120 (Atkins): Subdivisions: tentative maps*
    - This bill requires ministerial approval of housing developments with two units (duplexes) and subdivision maps that meet certain conditions and increases the length of time that cities and counties can extend the validity of existing subdivision maps.

- *SB 1138 (Wiener): Housing element: emergency shelters: rezoning of sites*
    - This bill makes changes to housing element law with regards to where shelters may be zoned, as specified. This bill also requires localities that fail to adopt a legally compliant housing element within 120 days of the statutory deadline, to complete a rezone program within one year instead of the current three-year requirement.

- *SB 1299 (Portantino): Housing development: incentives: rezoning of idle retail sites*
    - This bill requires the California Housing and Community Development Department (HCD) to administer a program to provide grants to local governments that rezone idle sites used for a big box commercial shopping center to instead allow the development of workforce housing, as defined.

- *AB 725 (Wicks): General plans: housing element: moderate-income and above moderate-income housing: suburban and metropolitan jurisdictions.*
    - Amends Housing Element law to require certain jurisdictions to zone for multi-family moderate and above-moderate income housing.

- *AB 2345 (Gonzalez): Planning and zoning: density bonuses: annual report: affordable housing*
    - Revises Density Bonus Law to increase the maximum allowable density and the number of concessions and incentives a developer can seek.

<u>Public Safety</u>

Since the death of George Floyd, the Legislature has been focused on several bills that would address police reform, use of force, and public safety across the State. The Legislature will spend the final few days debating a variety of public safety bills, including bills that will ban the use of tear gas and rubber bullets, change immunity protections for peace officers, and increase the transparency of use-of-force cases.

- *AB 66 (Gonzalez) Police/Use of Force*
    - The purpose of this legislation is to limit the use of kinetic energy projectiles and chemical agents to disperse lawful assemblies, enforce curfews, in response to verbal threats, or to enforce mere non-compliance with law enforcement directives.

- *AB 1196 (Gipson) Peace officers: use of force. (Urgency)*
    - The purpose of this legislation is to prohibit law enforcement agencies from authorizing 1) carotid restraint holds; 2) choke holds, and 3) techniques or transport methods that involve a substantial risk of positional asphyxia.

- *AB 2655 (Gipson) Invasion of privacy: first responders.*
    - The purpose of this legislation is to create a misdemeanor for any first responder who photographs a deceased purpose other than for an official purpose or for a genuine public interest.

- *AB 1506 (McCarty) Police use of force*
    - The purpose of this legislation is to allow law enforcement agencies and district attorneys to request a new division of the Attorney General's office to investigate, report on, and potentially prosecute a criminal case when there is an officer involved shooting that results in a death of a member of the public.

- *AB 2342 (McCarty) Parole*
    - The purpose of this bill is to create a program through which parolees can earn "reintegration credits" to reduce the length of their parole term.

- *AB 1775 (Jones Sawyer) 911 emergency system: harassment*
    - The purpose of this bill is to make several changes in criminal and civil law to discourage individuals from using 911 or other communications with law enforcement to harass a person because that person belongs to a protected class.

- *AB 2542 (Kalra) Criminal procedure: discrimination*
    - The purpose of this bill is to prohibit the state from seeking or upholding a conviction or sentence that is discriminatory based on race, ethnicity, or national origin as specified.

Federal Legislative Update

Over the past month, Congressional lawmakers were on recess – although the House briefly returned mid-month to hold a special vote on the "Delivering For America Act (H.R. 8015), which would provide $25 billion in aid for the United States Postal Service. COVID-19 relief funding remained the primary point of focus, as many provisions from the previously passed CARES Act, including federal supplements for unemployment insurance, expired on July 31. While negotiations have largely remained at a stalemate, subtle signs are emerging that negotiations may be resuming as opposing sides are floating various legislative packages. The House is scheduled to return from recess on September 14, and the Senate will return on September 8.

Earlier this month, Democratic Presidential nominee former Vice-President Joe Biden selected Senator Kamala Harris (D-CA) as his running mate for Vice-President. Vice-President Biden narrowed his selection from a list of potential candidates that included former national security adviser Susan Rice, Michigan Governor Gretchen Whitmer, Congresswoman Karen Bass (D-CA), and Senators Elizabeth Warren (D-MA) and Tammy Duckworth (D-IL). Should Vice President Biden and Senator Harris win the Presidency, California's major economic and business sectors will have a direct line to assistance from the White House for the first time since former President Ronald Reagan held office. Governor Gavin Newsom will be tasked with selecting Senator Harris' successor should Democrats re-take the White House.

Coronavirus Aid Packages

The Senate released details of the “Delivering Immediate Relief to America’s Families, Schools and Small Businesses Act,” which is being touted as a “skinny” COVID-19 relief bill. The legislation has not been formally introduced since the Senate is not currently in session, but the proposal is viewed as a sign of Republican’s willingness to return to the negotiation table.

The Senate’s proposal includes liability protections for businesses and health care providers, a second round of Paycheck Protection Program loans, and an extension of federal unemployment benefits at a reduced level of $300 per week.

Additionally, the legislation also includes $105 billion in funding for schools, with funding distributed to elementary and secondary schools, higher education institutions, and to each state to address education-related priorities.

However, the Senate’s proposal does not include federal assistance for state and local governments. House Speaker Nancy Pelosi (D-CA) has expressed her willingness to possibly negotiate a smaller COVID-19 spending package, focusing on issues of compromise in the interim and deferring action on more contentious legislative priorities until later this year or next year.

Wireless Infrastructure Lawsuit

In August, the U.S. Court of Appeals for the Ninth Circuit mostly upheld a Federal Communications Commission (FCC) order that limits local governments’ authority to regulate the installation of 5G cell towers in their communities.

In a 2-1 decision, the panel of judges ruled that the order is largely “in accord with the congressional directives” and “not otherwise contrary to law.” The order in question originates from a 2018 decision by FCC to cap fees for wireless carriers to deploy “small cells” essential to the adoption of next generation 5G networks. The 2018 FCC order limited local governments’ ability to regulate telecommunications providers and prevented owners and operators of utility poles from discriminatorily denying or delaying 5G and broadband service provider’s access to poles.

However, the appeals court struck down the provision dealing with local governments’ authority on aesthetic regulations, thereby opening the opportunities for local governments to cite aesthetics as a reason for rejecting a permit application.

Paid Leave Rule

This month, a federal judge overturned parts of the U.S. Department of Labor's rule that limited eligibility for paid coronavirus leave, saying that the department exceeded its authority. The rule previously excluding workers for whom no work is available and adopting an overly broad definition of a statutory exclusion for "health care providers." The judge also scaled back provisions of the rule limiting eligibility for intermittent leave and requiring workers to document their reasons for taking leave.

Public Charge Rule

In August, a federal court reversed last month’s order that blocked the nationwide implementation of the controversial “public charge” rule. The decision allows the Trump Administration to continue the policy in every state except New York, Connecticut, and Vermont.

The U.S. Court of Appeals reversed a previous ruling from a federal judge in New York, who indicated the "public charge" test hindered nationwide efforts to contain COVID-19 because it discouraged immigrants from requesting public assistance and medical treatment during the pandemic. USCIS, the agency responsible for implementing the public charge rule, is currently reviewing the most recent court order to determine the administrative viability of policy reimplementation where appropriate. This decision will likely continue to be challenged in court moving forward.

CERTS Act

Senator Susan Collins (R-ME) and Senator Jack Reed (D-RI) introduced the “Coronavirus Economic Relief for Transportation Services (CERTS) Act” (S. 4150), a bill to deliver $10 billion in emergency economic relief funding, in the form of grants to motor coach operators, school bus companies, vessel operators, and countless other transportation service providers. Ultimately, the bill is predicated on companies retaining their employees and bringing back employees as business improves. The grant funds can be used to fund payroll, maintain equipment and facilities, and protect employees and customers from coronavirus. The bill is bipartisan in nature and has 27 cosponsors. Both California Senators are making a push for it to be included in the next coronavirus aid package.