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July 3, 2025

Elizabeth Gibbs
City Manager
City of Beaumont
550 E. 6th Street
Beaumont, CA 92223

Dear Ms. Gibbs:

We thank you for the opportunity to continue our relationship with the City of Beaumont (the "City") and the opportunity to continue serving as bond and disclosure counsel to the City. Unless otherwise confirmed in writing, the terms of this letter and the enclosed Terms of Retention will govern our representation of the City.

We are attaching our normal Terms of Retention, which is an integral part of our retention agreement. If this letter, including the attached Terms of Retention, accurately reflects your understanding of our relationship, please acknowledge your approval and acceptance of these terms by signing and returning this letter to me. I would be pleased to answer any questions you might have.

Very truly yours,

STRADLING YOCCA CARLSON & RAUTH LLP

A handwritten signature in blue ink, appearing to read "B. Forbath", written over a horizontal line.

Brian P. Forbath

Enclosure

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The undersigned hereby agrees that the terms and conditions in this letter and the accompanying attached Terms of Retention shall apply to services rendered by Stradling Yocca Carlson & Rauth LLP.

CITY OF BEAUMONT

By: _____
City Manager

**TERMS OF RETENTION
OF
STRADLING YOCCA CARLSON & RAUTH LLP**

1. **Fees and Costs.** Stradling Yocca Carlson & Rauth LLP (the “Firm”) is compensated for its services based primarily on the value of the services and the time spent performing them. Such compensation may include the time spent on client conferences, travel, research, drafting documents, and other activities. The amount of fees charged on a statement is determined by the hours expended by the different attorneys and other professional personnel involved and the applicable rates.

Bond and Disclosure counsel services in connection with the issuance of the Wastewater Bonds will be done on a fixed fee contingent basis for a fixed fee of \$85,000. Such fee will be paid contingent on the successful closing of the Wastewater Bonds. All other Bond and Disclosure Counsel fees in connection with the issuance of Bonds shall be paid on a contingent basis (unless otherwise agreed to by the payees) as set forth in Exhibit A hereto. Bond and Disclosure Counsel services with respect to the CFD Pooled Refundings will be done on a fixed fee contingent basis. Due to the uncertainty as to the number of CFD’s to be included in the CFD Pooled Financings to be issued only a range of fees can be given at this time. We would propose a range of fees from \$75,000 to \$250,000. The exact fee(s) will be agreed to by the parties pursuant to a supplement to the Master Engagement Letter when the proposed structure of the CFD Refundings is known. Work in connection with the City’s ongoing matters including CFD formations and general advice outside of a specific bond issue will be charged on an hourly rate basis. A schedule of the hourly rates applicable to attorneys expected to work on City matters is attached as Exhibit B.

The firm also charges for various costs such as copying, telephone charges, computerized legal research, word processing and/or other computer time, overtime costs, messenger services, travel, filing fees and other costs. Bills for some costs are passed on directly, such as bills for certified shorthand reporters, technical consultants, and other professional fees.

2. **Termination by Us.** We reserve the absolute right to withdraw from representing you, upon 30 days written notification, if, among other things, you fail to honor the terms of our agreement, you fail to cooperate fully or follow our advice on a material matter, or any fact or circumstance occurs that would, in our view, render our continuing representation unlawful or unethical. If we elect to withdraw, you will take all steps necessary to free us of any obligation to perform further services, including the execution of any documents necessary to complete our withdrawal, and we will be entitled to be paid at the time of withdrawal for all services rendered and costs and expenses paid or incurred on your behalf. If necessary in connection with litigation, we would request leave of court to withdraw.

3. **Termination by City.** We understand that we serve at the pleasure of the City and this Terms of Retention may be terminated by the City at any time, upon 10 days written notification with or without cause.

4. **Date of Termination.** Our representation of you will be considered terminated at the earlier of (i) your termination of our representation, (ii) our withdrawal from our representation of you, or (iii) the completion of our substantive work for you or (iv) June 30, 2030.

5. **Related Activities.** If any claim or action is brought against us or any personnel or agents of the firm based on your negligence or misconduct, or if we are asked to testify as a result of our representation of you or must defend the confidentiality of your communications in any proceeding, you agree to pay us for any resulting fees, costs, or damages, including our time, even if our representation of you has ended.

6. **No Guarantee of Outcome.** The Firm will provide its services consistent with the level and quality of expertise expected of a nationally recognized firm specializing in securities law and the transactions contemplated by this agreement. We do not and cannot guarantee any outcome in a matter.

7. **Insurance.** We hereby advise you that this firm maintains professional errors and omissions insurance coverage applicable to the services to be rendered to you. Evidence of such insurance will be provided upon request.

8. **Client.** This firm's client for the purpose of our representation is only the person or entity identified in the letter accompanying these Terms of Retention. Unless expressly agreed, we are not undertaking the representation of any related or affiliated person or entity, nor any parent, brother-sister, subsidiary, or affiliated corporation or entity, nor any of your or their officers, directors, agents, or employees. The City acknowledges that from time to time the Firm may advise the Marina Joint Powers Financing Authority on financing transactions and related matters.

9. **Client File and Retention.** For each matter the Firm maintains a file in which the Firm places certain documents and items, including original documents, that are reasonably necessary to the Firm's representation in the matter. The Firm currently keeps each file for seven years after a matter concludes. The file belongs to the client and, subject to any protective order or non-disclosure agreement, the client may request to take possession of it once the matter concludes. Should all or any portion of the file become the subject of a subpoena, discovery request or other disclosure obligation ("Legal Process") while in the Firm's possession, including after the matter concludes, you agree to pay the Firm's then-prevailing hourly rates and costs that the Firm incurs in connection with the Legal Process.

10. **Payment Notwithstanding Dispute.** In the event of any dispute that relates to our entitlement to any payment from you, all undisputed amounts shall be paid by you. Any amounts in any client trust account held on your behalf, sufficient to pay the disputed amounts, shall continue to be held in such trust account until the final disposition of the dispute.

11. **Arbitration.** We appreciate the opportunity to serve as your attorneys and anticipate a productive and harmonious relationship. If you should feel for any reason that there is a problem with the services we have performed or with our charges, we encourage you to bring that to our

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attention immediately. If we perceive a problem with your representation, we likewise will endeavor to discuss it with you. Most problems should be rectified by communication and discussion. However, a dispute might arise between us which could not be resolved by negotiation. We believe that such attorney-client disputes are most satisfactorily resolved through final and binding arbitration rather than by litigation. Both the United States Supreme Court and the California Supreme Court have endorsed arbitration as an accepted and favored method of resolving disputes, because it is economical and expeditious.

In arbitration, there is no right to a trial by jury and the arbitrator's legal and factual determinations are generally not subject to appellate review. Arbitration rules of evidence and procedure are often less formal and less rigid than the rules which apply in Court. Arbitration usually results in a decision much more quickly than proceedings in Court, and the attorneys' fees and other costs incurred by both sides may be substantially less. You are free to discuss the advisability of arbitration with us, or with your own independent counsel or any of your other advisors, and to ask any questions which you may have.

By signing this Terms of Retention, we agree that, in the event of any dispute or claim arising out of or relating to our engagement, our relationship, our charges, or our services (including but not limited to disputes or claims regarding our charges, professional malpractice, errors or omissions, breach of contract, breach of fiduciary duty, fraud, or violation of any statute), SUCH DISPUTE OR CLAIM SHALL BE RESOLVED BY SUBMISSION TO FINAL AND BINDING ARBITRATION IN RIVERSIDE COUNTY, CALIFORNIA, BEFORE A RETIRED JUDGE OR JUSTICE. BY AGREEING TO ARBITRATE, YOU WAIVE ANY RIGHT YOU HAVE TO A COURT OR JURY TRIAL. Venue with regard to any ancillary proceedings arising out of such dispute or claim shall also be in Riverside County. If we are unable to mutually agree on a retired judge or justice, then each side will name one retired judge or justice and the two named persons will select a neutral judge or justice who will act as the sole arbitrator. The fees of the arbitrator will be paid initially equally by both the Firm and you. However, the arbitrator shall have the right to order either party to pay all fees and costs as part of his award.

In arbitration, we shall both be entitled to conduct discovery in accordance with the provisions of the California Code of Civil Procedure, but either of us may request that the arbitrator limit the amount or scope of such discovery and, in determining whether to do so, the arbitrator shall balance the need for the discovery against the parties' mutual desire to resolve disputes expeditiously and inexpensively.

Under California law, you have the right, if you desire, to request arbitration of any fee dispute before an arbitrator or panel of arbitrators selected by a local bar association or the State Bar ("Bar Arbitration") and a trial de novo in court if dissatisfied with the result. If you do request a Bar Arbitration, the law provides that evidence of any claim of malpractice or professional misconduct is admissible only concerning the fees or costs in dispute and that the Bar Arbitrators shall not award any affirmative relief in the form of damages, offset or otherwise on account of such claim. By signing this Terms of Retention, you agree that if a Bar Arbitration is conducted, that Bar Arbitration

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or any trial de novo in Court thereafter shall determine only the issue of the amount of fees properly chargeable to you, if any, and that such Bar Arbitration or trial de novo in Court thereafter shall have no effect on the provisions set forth above which require arbitration before a retired judge or justice of any claims for affirmative relief based on alleged professional malpractice, errors or omissions, breach of conduct, breach of fiduciary duty, fraud or violation of any statute. Any such claims shall be solely determined in an arbitration proceeding by a retired judge or justice without regard to the result of any Bar Arbitration or trial de novo thereafter.

12. **Other Clients.** As a law firm with many diverse clients and practice areas, the Firm seeks to retain the ability to accept unrelated matters for all of our clients. The Firm may thus request your informed written consent in the event the Firm seeks to represent any other client in any future matter that is not substantially related to the applicable public finance matter of the City and does not involve material confidential information the Firm obtained while representing the City. Such matters could arise during the Firm's representation of you on public finance matters as contemplated by this letter. You may determine to consent or not consent to such request and should feel free to consult your general counsel or other counsel of your choice before deciding whether to grant any consent should it be requested.

The Firm represents various investment banks and underwriters from time-to-time on transactions for public agencies other than the City. In the event that the City determines to issue bonds, notes or other obligations, the Firm will not represent any investment bank or underwriter on any such transaction of the City.

The Firm represents various public agencies, including cities, water agencies, school districts, and other agencies in Riverside County and throughout California, as bond finance and/or disclosure counsel and on other financing matters. In the event that the City determines to issue bonds, notes or other obligations, the Firm does not expect to represent any such agency in connection with the City's transaction; however, in the supplemental letter relating to the specific transaction of the City, the Firm would provide a statement to the effect that the Firm is not representing another water or similar agency in connection with such transaction.

13. **Electronic Communication and Storage Technology.** The Firm uses cell phones, email, wireless networks, cloud-based platforms, and other technology to communicate with others and to transmit or store documents and information. Such technology helps the Firm provide efficient and convenient legal services, but may pose confidentiality and security risks. By signing this letter agreement, you consent to the Firm's use of all such technology in connection with this engagement.

14. **Processing Client Personal Information.** In connection with our engagement, you may be required to disclose to the Firm, or the Firm may obtain on your behalf, personal information relating to individuals that the Firm does not otherwise collect for the Firm's own commercial or business purposes ("Client Personal Information"). For example, materials that you provide to the Firm for purposes of due diligence may contain Client Personal Information relating to third parties. You hereby acknowledge, agree and require that the Firm only collect, retain, use, disclose,

or otherwise process Client Personal Information as your “service provider” or “data processor,” as defined in the California Consumer Privacy Act of 2018 or other data privacy laws, as applicable (collectively, “Data Privacy Laws”), or pursuant to any exception that may apply under Data Privacy Laws regarding the attorney-client relationship. The Firm will not sell Client Personal Information. The Firm will not collect, retain, use, disclose or otherwise process Client Personal Information for any purpose other than for the purpose of performing services to you pursuant to this engagement letter, unless applicable law requires us to do otherwise. The Firm will not collect, retain, use, disclose, or otherwise process Client Personal Information outside of the Firm’s direct relationship with you, unless applicable law requires the Firm to do otherwise. The Firm certifies that the Firm understand these restrictions and will comply with them. These restrictions are not intended to reduce or replace our obligations under applicable rules of professional conduct, including but not limited to the Firm’s obligation of confidentiality.

15. **Publicity.** You consent to the Firm’s use of your name and logo (if applicable) on our web site and in our marketing materials.

16. **Client Communication.** You hereby designate Elizabeth Gibbs, City Manager, to act on your behalf for this matter, and you authorize us to communicate with, and receive directions from, that person and any other person that you may designate in the future.

17. **City to Sign.** The person signing this letter on behalf of the City represents that he or she has the full right and authority to do so, and to fully commit and bind the City to this engagement letter.

18. **Firm Not Providing Financial Advice.** The Firm is not a registered municipal advisor and does not provide financial advisory services or otherwise provide financial advice to Firm clients.

19. **Miscellaneous.** This letter sets forth the entire agreement between you and the Firm, and there is no other or additional understanding between you and the Firm on these subjects. This agreement supersedes any prior agreements or representations, written or oral, between you and the Firm on these subjects. Any modification or amendment to this agreement must be in a writing signed by you and the Firm. This agreement shall be governed by California law without reference to its conflict of law principles. If any provision of this agreement is found to be invalid or unenforceable, that provision shall be deemed modified or removed so that it is valid and enforceable to the fullest extent of the law, and the other provisions of this agreement shall be unimpaired.

20. **Primary Attorneys.** The primary attorneys with responsibility for this representation will be Brian Forbath, Reed Glycer, Carol Lew and Nicolas Yeager. The parties agree that the Firm is being retained based on the unique skill, experience, and expertise of Brian Forbath, Reed Glycer, Carol Lew and Nicolas Yeager and no change will be made in the primary attorneys without the prior, written consent of the City. The Firm will not substitute another primary attorney without the prior, reasonable, approval of the City.

EXHIBIT A
FEE SCHEDULE

<i>TYPE OF BOND</i>	<i>PRINCIPAL AMOUNT</i>	<i>BOND/DISCLOSURE COUNSEL FEE</i>
Mello-Roos (New Money)	Any	\$85,000
Mello- Roos (Refunding of single CFD)	Any	\$70,000
Water/Wastewater	Any	\$80,000
General Obligation	Any	\$65,000
Special District General Obligation	Any	N/A
Assessment District	Any	\$55,000
General Fund Lease (Public)	Any	\$80,000
General Fund Lease (Private Placement)	Any	\$45,000

EXHIBIT B

2025 DISCOUNTED HOURLY RATES

PARTNERS	2025 RATE
BRIAN FORBATH	\$690.00
CAROL LEW	\$690.00
REED GLYER	\$630.00
OTHERS	\$630.00
ASSOCIATES	2025 RATE
SENIOR ASSOCIATES	\$450.00
JUNIOR ASSOCIATES	\$390.00
PARALEGALS	2025 RATE
ALL	\$195.00