

AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR

THIS AGREEMENT FOR PROFESSIONAL SERVICES BY INDEPENDENT CONTRACTOR is made and effective as of the 16th day of September 2025, by and between the CITY OF BEAUMONT (“CITY”) whose address is 550 E 6th St., Beaumont, California 92223 and, a Stifel, Nicolaus & Company, Incorporated, whose address is 501 North Broadway, St. Louis, Missouri 63102 (“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 Underwriter 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 incorporated herein by this reference; and
- C. CONTRACTOR agrees to provide such services pursuant to, and in accordance with, the terms and conditions of this Agreement, and represents and warrants to CITY that CONTRACTOR possesses the necessary skills, licenses, certifications, qualifications, personnel and equipment to provide such services.

AGREEMENT

NOW, THEREFORE, in consideration of the foregoing Recitals and mutual covenants contained herein, CITY and CONTRACTOR agree as follows:

1. Term of Agreement. This Agreement is effective as of the date first above written and shall continue until terminated as provided for herein. Notwithstanding anything in this Agreement to the contrary, this Agreement shall automatically terminate after three (3) year(s) unless extended by the parties with the approval of the City Council of the CITY.
2. Services to be Performed. CONTRACTOR agrees to provide the services (“Services”) per Exhibit “A”. All Services shall be performed in the manner and according to the timeframe set forth in the Proposal. CONTRACTOR designates Thomas Jacob as CONTRACTOR’S professional(s) responsible for overseeing the Services provided by CONTRACTOR.
3. Associates and Subcontractors. CONTRACTOR may, at CONTRACTOR’S sole cost and expense, employ such competent and qualified independent associates, subcontractors and consultants as CONTRACTOR deems necessary to perform the Services; provided, however, that CONTRACTOR shall not subcontract any of the Services without the written consent of CITY.

4. Compensation.

4.01 CONTRACTOR, with respect to the CITY's upcoming CFD No. 2023-1 2025 Special Tax Bonds, shall be paid at the rates set forth in the Proposal and shall not increase any rate without the prior written consent of the CITY. Notwithstanding anything in this Agreement to the contrary, total fees and charges paid by CITY to CONTRACTOR related to the CITY's upcoming CFD No. 2023-1 2025 Special Tax Bonds shall not exceed Eleven Dollars and Fourteen Cents Per Bond (\$11.14 per bond).

4.02 CONTRACTOR, with respect to other bond issues, will be compensated by a fee and/or underwriting discount that will be set forth in the bond purchase agreement to be negotiated with the CITY. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the discount or fee may be based, in whole or in part, on a percentage of the principal amount of the bonds that are issued.

4.03 CONTRACTOR shall not be compensated for any Services rendered nor reimbursed for any expenses incurred in excess of those authorized unless approved in advance by the CITY, in writing.

5. Obligations of CONTRACTOR.

5.01 CONTRACTOR agrees to perform all Services in accordance with the terms and conditions of this Agreement and the Proposal. In the event that the terms of the Proposal shall conflict with the terms of this Agreement or contain additional terms that purport to bind the CITY other than the Services to be rendered and the price for the Services, the terms of this Agreement shall govern and said additional or conflicting terms shall be of no force or effect.

5.02 Except as otherwise agreed by the parties, CONTRACTOR will supply all personnel, materials and equipment required to perform the Services. CONTRACTOR shall provide its own offices, telephones, vehicles and computers and set its own work hours. CONTRACTOR will determine the method, details, and means of performing the Services under this Agreement.

5.03 CONTRACTOR shall keep CITY informed as to the progress of the Services by means of regular and frequent consultations. Additionally, when requested by CITY, CONTRACTOR shall prepare written status reports.

5.04 CONTRACTOR is responsible for paying, when due, all income and other taxes, fees and withholding, including withholding state and federal taxes, social security, unemployment and worker's compensation, incurred as a result of the compensation paid under this Agreement. CONTRACTOR agrees to indemnify, defend and hold harmless CITY for any claims, costs, losses, fees, penalties, interest, or damages suffered by CITY resulting from CONTRACTOR's failure to comply with this provision.

5.05 In the event CONTRACTOR is required to prepare plans, drawings, specifications and/or estimates, the same shall be furnished in conformance with local, state

and federal laws, rules and regulations.

5.06 CONTRACTOR represents that it possesses all required licenses necessary or applicable to the performance of Services under this Agreement and the Proposal and shall obtain and keep in full force and effect all permits and approvals required to perform the Services herein. In the event CITY is required to obtain an approval or permit from another governmental entity, CONTRACTOR shall provide all necessary supporting documents to be filed with such entity.

5.07 CONTRACTOR shall be solely responsible for obtaining Employment Eligibility Verification information from CONTRACTOR's employees, in compliance with the Immigration Reform and Control Act of 1986, Pub. L. 99-603 (8 U.S.C. 1324a), and shall ensure that CONTRACTOR's employees are eligible to work in the United States.

5.08 In the event that CONTRACTOR employs, contracts with, or otherwise utilizes any CalPERS retirees in completing any of the Services performed hereunder, such instances shall be disclosed in advance to the CITY and shall be subject to the CITY's advance written approval.

5.09 Drug-free Workplace Certification. By signing this Agreement, the CONTRACTOR hereby certifies under penalty of perjury under the laws of the State of California that the CONTRACTOR will comply with the requirements of the Drug-Free Workplace Act of 1990 (Government Code, Section 8350 et seq.) and will provide a drug-free workplace.

5.10 CONTRACTOR shall comply with all applicable local, state and federal laws, rules, regulations, entitlements and/or permits applicable to, or governing the Services authorized hereunder including, but not limited to California Department of Industrial Relations (Cal/OSHA) regulations; and the U.S. Department of Transportation Omnibus Transportation Employee Testing Act, related to their scope of work and operations. In case of conflict in regulations, the most stringent shall apply.

6. Insurance. CONTRACTOR hereby agrees to be solely responsible for the health and safety of its employees and agents in performing the Services under this Agreement and shall comply with all laws applicable to worker safety including but not limited to Cal-OSHA. Therefore, throughout the duration of this Agreement, CONTRACTOR hereby covenants and agrees to maintain insurance in conformance with the requirements set forth below. Attached hereto as **Exhibit "B"** are copies of Certificates of Insurance and endorsements as required by Section 7.02. If existing coverage does not meet the requirements set forth herein, CONTRACTOR agrees to amend, supplement or endorse the existing coverage to do so. CONTRACTOR shall provide the following types and amounts of insurance:

6.01 Commercial general liability insurance in an amount of not less than \$1,000,000 per occurrence and \$2,000,000 in the aggregate; CONTRACTOR agrees to have its insurer endorse the general liability coverage required herein to include as

additional insured's CITY, its officials, employees and agents. CONTRACTOR also agrees to require all contractors and subcontractors to provide the same coverage required under this Section 6.

6.02 Business Auto Coverage in an amount no less than \$1 million per accident. If CONTRACTOR or CONTRACTOR's employees will use personal autos in performance of the Services hereunder, CONTRACTOR shall provide evidence of personal auto liability coverage for each such person.

6.03 Workers' Compensation coverage for any of CONTRACTOR's employees that will be providing any Services hereunder. CONTRACTOR will have a state-approved policy form providing statutory benefits as required by California law. The provisions of any workers' compensation will not limit the obligations of CONTRACTOR under this Agreement. CONTRACTOR expressly agrees not to use any statutory immunity defenses under such laws with respect to CITY, its employees, officials and agents. . Sole proprietors with no employees, LLCs, or partnerships using the services of members or partners who do not carry workers' compensation acknowledge that they are not subject to the Workers' Compensation Act of the State of California and agree to complete a signed workers compensation exemption form.

6.04 Optional Insurance Coverage. Choose and check one: Required /Not Required ; Errors and omissions insurance in a minimum amount of \$2 million per occurrence to cover any negligent acts or omissions committed by CONTRACTOR, its employees and/or agents in the performance of any Services for CITY.

6.05. Cyber Liability Insurance REQUIRED IF CHECKED HERE ONLY [] (Technology Professional Liability – Errors and Omissions), with limits not less than \$2,000,000 per occurrence or claim, and \$2,000,000 aggregate or the full per occurrence limits of the policies available, whichever is greater. Coverage shall be sufficiently broad to respond to the duties and obligations as is undertaken by CONTRACTOR in this Agreement and shall include, but not be limited to, claims involving infringement of intellectual property, including but not limited to infringement of copyright, trademark, trade dress, invasion of privacy violations, information theft, damage to or destruction of electronic information, release of private information, alteration of electronic information, extortion and network security. The policy shall provide coverage for breach response costs as well as regulatory fines and penalties as well as credit monitoring expenses with limits sufficient to respond to these obligations. CONTRACTOR will file with DISTRICT, before beginning professional services, certificates of insurance (Acord Form 25 or equivalent) satisfactory to DISTRICT evidencing.

6.06. If Claims Made Policies (applies only to professional liability and cyber liability policies):

1. The Retroactive Date must be shown and must be before the date of the contract or the beginning of contract work.

2. Insurance must be maintained, and evidence of insurance must be provided for at least five (5) years after completion of the contract of work.

3. If coverage is canceled or non-renewed, and not replaced with another claims-made policy form with a Retroactive Date prior to the contract effective date, the CONTRACTOR must purchase "extended reporting" coverage for a minimum of five (5) years after completion of contract work.

7. General Conditions pertaining to Insurance Coverage

7.01 No liability insurance coverage provided shall prohibit CONTRACTOR from waiving the right of subrogation prior to a loss. CONTRACTOR waives all rights of subrogation against CITY regardless of the applicability of insurance proceeds and shall require all contractors and subcontractors to do likewise.

7.02. Prior to beginning the Services under this Agreement, CONTRACTOR shall furnish CITY with certificates of insurance, endorsements, and upon request, complete copies of all policies, including complete copies of all endorsements. All copies of policies and endorsements shall show the signature of a person authorized by that insurer to bind coverage on its behalf.

7.03. All required policies shall be issued by a highly rated insurer with a minimum A.M. Best rating of "A:VII"). The insurer(s) shall be admitted and licensed to do business in California. The certificates of insurance hereunder shall state that coverage shall not be suspended, voided, canceled by either party, or reduced in coverage or in limits, except after thirty (30) days' prior written notice has been given to CITY.

7.04 Self-insurance does not comply with these insurance specifications. CONTRACTOR acknowledges and agrees that that all insurance coverage required to be provided by CONTRACTOR or any subcontractor, shall apply first and on a primary, non-contributing basis in relation to any other insurance, indemnity or self-insurance available to CITY.

7.05 All coverage types and limits required are subject to approval, modification and additional requirements by CITY, as the need arises. CONTRACTOR shall not make any reductions in scope of coverage (e.g. elimination of contractual liability or reduction of discovery period) that may affect CITY's protection without CITY's prior written consent.

7.06 CONTRACTOR agrees to provide immediate notice to CITY of any claim or loss against CONTRACTOR or arising out of the Services performed under this Agreement. CITY assumes no obligation or liability by such notice, but has the right (but not the duty) to monitor the handling of any such claim or claims if they are likely to involve CITY.

8. Indemnification.

8.01 CONTRACTOR and CITY agree that CITY, its employees, agents and officials should, to the extent permitted by law, be fully protected from any loss, injury, damage, claim, lawsuit, cost, expense, attorneys' fees, litigation costs, defense costs, court costs or any other costs arising out of and in any way caused by the performance of this

Agreement by CONTRACTOR or any subcontractor or agent of either as set forth herein. Accordingly, the provisions of this indemnity are intended by the parties to be interpreted and construed to provide the fullest protection possible under the law to CITY. CONTRACTOR acknowledges that CITY would not enter into this Agreement in the absence of the commitment of CONTRACTOR to indemnify and protect CITY as set forth herein.

a. To the fullest extent permitted by law, CONTRACTOR shall defend, indemnify and hold harmless CITY, its employees, agents and officials, from any liability, claims, suits, actions, arbitration proceedings, administrative proceedings, regulatory proceedings, losses, expenses, damages or costs of any kind, whether actual, alleged or threatened, actual attorneys' fees incurred by CITY, court costs, interest, defense costs, including expert witness fees and any other costs or expenses of any kind whatsoever without restriction or limitation incurred in relation to, as a consequence of or arising out of, or in any way attributable actually, allegedly or impliedly, in whole or in part to the actions of CONTRACTOR (and/or its agents and/or employees) pursuant 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 to the fault of CITY, provided such fault is determined by agreement between the parties or the findings of a court of competent jurisdiction.

9. Additional Services, Changes and Deletions.

9.01 In the event CONTRACTOR performs additional or different services than those described herein without the prior written approval of the City Manager and/or City Council of CITY, CONTRACTOR shall not be compensated for such services. CONTRACTOR expressly waives any right to be compensated for services and materials not covered by the scope of this Agreement or authorized by the CITY in writing.

9.02 CONTRACTOR shall promptly advise the City Manager and Finance Director of CITY as soon as reasonably practicable upon gaining knowledge of a condition, event or accumulation of events which may affect the scope and/or cost of Services. All proposed changes, modifications, deletions and/or requests for additional services shall be reduced to writing for review and approval by the CITY and/or City Council.

10. Termination of Agreement.

10.01 Notwithstanding any other provision of this Agreement, CITY, at its sole option, may terminate this Agreement with or without cause, or for no cause, at any time by giving twenty (20) days' written notice to CONTRACTOR.

10.02 In the event of termination, the payment of monies due CONTRACTOR for undisputed Services performed prior to the effective date of such termination shall be paid within thirty (30) business days after receipt of an invoice as provided in this Agreement. Immediately upon termination, CONTRACTOR agrees to promptly provide and deliver to CITY all original documents, reports, studies, plans, specifications and the like which are in the possession or control of CONTRACTOR and pertain to CITY.

11. Status of CONTRACTOR.

11.01 CONTRACTOR shall perform the Services in CONTRACTOR's own way as an independent contractor, and in pursuit of CONTRACTOR's independent calling, and not as an employee of CITY. However, CONTRACTOR shall regularly confer with CITY's City Manager as provided for in this Agreement.

11.02 CONTRACTOR agrees that it is not entitled to the rights and benefits afforded to CITY's employees, including disability or unemployment insurance, workers' compensation, retirement, CalPERS, medical insurance, sick leave, or any other employment benefit. CONTRACTOR is responsible for providing, at its own expense, disability, unemployment, workers' compensation and other insurance, training, permits, and licenses for itself and its employees and subcontractors.

11.03 CONTRACTOR hereby specifically represents and warrants to CITY that it possesses the qualifications and skills necessary to perform the Services under this Agreement in a competent, professional manner, without the advice or direction of CITY and that the Services to be rendered pursuant to this Agreement shall be performed in accordance with the standards customarily applicable to an experienced and competent professional rendering the same or similar services in the same geographic area where the CITY is located. Further, CONTRACTOR represents and warrants that the individual signing this Agreement on behalf of CONTRACTOR has the full authority to bind CONTRACTOR to this Agreement.

12. Ownership of Documents; Audit.

12.01 All draft and final reports, plans, drawings, studies, maps, photographs, specifications, data, notes, manuals, warranties and all other documents of any kind or nature prepared, developed or obtained by CONTRACTOR in connection with the performance of Services performed for the CITY shall become the sole property of CITY, and CONTRACTOR shall promptly deliver all such materials to CITY upon request. At the CITY's sole discretion, CONTRACTOR may be permitted to retain original documents, and furnish reproductions to CITY upon request, at no cost to CITY.

12.02 Subject to applicable federal and state laws, rules and regulations, CITY shall hold all intellectual property rights to any materials developed pursuant to this Agreement. CONTRACTOR shall not such use data or documents for purposes other than the performance of this Agreement, nor shall CONTRACTOR release, reproduce, distribute, publish, adapt for future use or any other purposes, or otherwise use, any data or other materials first produced in the performance of this Agreement, nor authorize others to do so, without the prior written consent of CITY.

12.03 CONTRACTOR shall retain and maintain, for a period not less than four years following termination of this Agreement, all-time records, accounting records and vouchers and all other records with respect to all matters concerning Services performed, compensation paid and expenses reimbursed. At any time during normal business hours and as often as CITY may deem necessary, CONTRACTOR shall make available to CITY's agents for examination all of such records and shall permit CITY's agents to audit, examine and reproduce such records.

13. Miscellaneous Provisions.

13.01 This Agreement, which includes all attached exhibits, supersedes any and all previous agreements, either oral or written, between the parties hereto with respect to the rendering of Services by CONTRACTOR for CITY and contains all of the covenants and agreements between the parties with respect to the rendering of such Services in any manner whatsoever. Any modification of this Agreement will be effective only if it is in writing signed by both parties.

13.02 CONTRACTOR shall not assign or otherwise transfer any rights or interest in this Agreement without the prior written consent of CITY. Unless specifically stated to the contrary in any written consent to an assignment, no assignment will release or discharge the assignor from any duty or responsibility under this Agreement.

13.03 CONTRACTOR shall timely file FPPC Form 700 Conflict of Interest Statements with CITY if required by California law and/or the CITY's conflict of interest policy.

13.04 If any legal action or proceeding, including an action for declaratory relief, is brought to enforce or interpret the provisions of this Agreement, the prevailing party will be entitled to reasonable attorneys' fees and costs, in addition to any other relief to which that party may be entitled.

13.05 This Agreement is made, entered into and shall be performed in the County of Riverside in the State of California and shall in all respects be interpreted, enforced and governed under the laws of the State of California. The parties agree that venue in any litigation between them shall be in Riverside County, California.

13.06 CONTRACTOR covenants that neither it nor any officer or principal of its firm has any interest, nor shall they acquire any interest, either directly or indirectly, which will conflict in any manner or degree with the performance of their Services hereunder. CONTRACTOR further covenants that in the performance of this Agreement, no person having such interest shall be employed by it as an officer, employee, agent, or subcontractor.

13.07 CONTRACTOR has read and is aware of the provisions of Section 1090 et seq. and Section 87100 et seq. of the Government Code relating to conflicts of interest of public officers and employees. CONTRACTOR agrees that they are unaware of any financial or economic interest of any public officer or employee of the CITY relating to this Agreement. It is further understood and agreed that if such a financial interest does

exist at the inception of this Agreement, the CITY may immediately terminate this Agreement by giving notice thereof. CONTRACTOR shall comply with the requirements of Government Code section 87100 et seq. and section 1090 in the performance of and during the term of this Agreement.

13.08 Improper Consideration. CONTRACTOR shall not offer (either directly or through an intermediary) any improper consideration such as, but not limited to, cash, discounts, services, the provision of travel or entertainment, or any items of value to any officer, employee or agent of the CITY in an attempt to secure favorable treatment regarding this Agreement or any contract awarded by CITY. The CITY, by notice, may immediately terminate this Agreement if it determines that any improper consideration as described in the preceding sentence was offered to any officer, employee or agent of the CITY with respect to the proposal and award process of this Agreement or any CITY contract. This prohibition shall apply to any amendment, extension or evaluation process once this Agreement or any CITY contract has been awarded. CONTRACTOR shall immediately report any attempt by any CITY officer, employee or agent to solicit (either directly or through an intermediary) improper consideration from CONTRACTOR.

13.09 Severability. If any portion of this Agreement is declared invalid, illegal or otherwise unenforceable by a court of competent jurisdiction, the entire balance of this Agreement not so affected shall remain in full force and effect.

13.10 Prevailing Wages. If the Services include work performed during the design, site assessment, feasibility study, and other preconstruction phases of construction, including, but not limited to, inspection and land surveying work, regardless of whether any further construction work is conducted, and work performed during the post-construction phases of construction, CONTRACTOR shall be responsible to comply with applicable prevailing wages laws. As a condition of payment, CONTRACTOR shall show proof of payment of wages under applicable state and federal laws and regulations relating to prevailing wages in accordance with the "General Wage Determination Made By the Director of Industrial Relations Pursuant To California Labor Code, Part 7, Chapter 1, Article 2, Sections 1770, 1773 and 1773.1", for Riverside County and/or 40 U.S.C. Section 276a, et. seq. Such wage rates shall conform with those posted at DISTRICT offices and the project site. In the event that the CONTRACTOR fails to pay the prevailing wages, the CONTRACTOR shall be solely liable for penalties and for the shortfall in wages and shall indemnify, defend and hold harmless DISTRICT under Section 8.01 against any of the same. The following Labor Code sections are hereby referenced and made a part of this Agreement:

1. Section 1775 - Penalty for Failure to Comply with Prevailing Wage Rates.
2. Section 1777.4 - Apprenticeship Requirements.
3. Section 1777.5 - Apprenticeship Requirements.
4. Section 1813 - Penalty for Failure to Pay Overtime.
5. Sections 1810 and 1811 - Working Hour Restrictions.
6. Section 1775 - Payroll Records.
7. Section 1773.8 - Travel and Subsistence Pay.

[signatures on following page]

IN WITNESS WHEREOF, the parties hereby have made and executed this Agreement to be effective as of the day and year first above written.

CITY:

CONTRACTOR:

CITY OF BEAUMONT

By: _____

By: _____

Print Name: _____

Title: _____

EXHIBIT "A"

PROPOSAL

(insert behind this page)

EXHIBIT "B"

CERTIFICATES OF INSURANCE AND ENDORSEMENTS

(insert behind this page)



**Request for Proposals for
Underwriter Services**
September 3, 2025

STIFEL | Public Finance

Photo: Stifel commissioned aerial of CFD 2023-1

September 3, 2025

To whom it may concern,

Thank you for the opportunity to submit our proposal to serve as underwriter to the City of Beaumont (the “City”). Our experience with the City began in 2019, when we were selected over two competitors (Piper and Raymond James) for our strong banking coverage and superior pricing execution. We are proud of our contributions to the City’s debt program over the past 6 years and are excited at the prospect of serving the City for another three years.

When it comes to underwriting land-secured bonds, more issuers choose Stifel than any other firm. In fact, we underwrite nearly 50% of land-secured financings in the state and over 60% of land-secured financings in the county. Why do so many issuers trust Stifel over any other firm? Succinctly speaking, it’s a combination of our experience, resources, customer approach, and financing execution. We expand on these qualities, along with others, below.

The #1 underwriter of land-secured bonds. No matter how you look at the data, Stifel is the number one underwriter of California land-secured financings. Since 2020, we have underwritten 270 issues totaling \$4.9 billion in par value, a 48% market share (by number of issues), or more than 2x the amount of par and nearly 2x the number of deals as our closest competitor. This experience gap widens if we focus solely on Riverside County: 63% market share, nearly 4x the par and 3x the number of deals as the next firm.

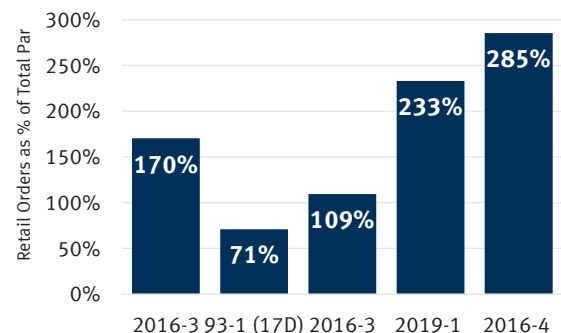
2020-25 YTD: California Land-Secured				2020-25 YTD: Riverside County Land-Secured			
Firm	Issues	Share	Par \$mm	Firm	Issues	Share	Par \$mm
STIFEL	270	48%	\$4,860	STIFEL	114	63%	\$1,248
Piper	162	29%	2,231	Piper	42	23%	314
Hilltop	41	7%	930	Raymond James	14	8%	85
RBC	34	6%	404	DA Davidson	4	2%	36
Raymond James	25	5%	253	Hilltop	4	2%	33

SDC, full to book-runner, equal if joint. Sorted by # issues.

Unparalleled lead banking experience and underwriting resources. While overall firm experience is important, having experienced bankers and underwriters to compliment the financing team will be critical to the success of the City’s land-secured financing program. Tom Jacob, who will continue to serve as lead banker to the City, serves as lead banker on some of the largest land-secured programs in the state, including for nearby Eastern Municipal Water District, Jurupa Community Services District and the City of Lake Elsinore. The Riverside County CFD experience of Tom since 2020 (64 CFD financings totaling \$772.1 million in par value) is more than double the total Riverside County experience of our closest competitor, as illustrated in the ranking tables above. Rounding out our core team will be a trio of local California underwriters leading Stifel’s marketing and pricing efforts. Suffice to say, there is no other underwriting firm with comparable banking experience and underwriting resources.

We bring more investors to the table. Simply put, more investor demand for the City’s CFD bonds will drive down yields, leading to a lower borrowing cost. Stifel’s California retail investor distribution network, which complements our institutional investor network, includes more than 250 sales executives in 38 offices. While we leverage our retail network for every financing that we bring to market, retail participation is most notable and impactful on non-rated CFD financings. As shown to the right, for the City’s non-rated CFD bonds less than \$10 million, Stifel has nearly 100 individual retail investor orders, representing an average of 123% of total par offered. Other firms without retail capabilities rely entirely on institutional investors, who then dictate structure or pricing levels (to the detriment of the economics of the financing). Below we provide a recent example of where our competitor had to ‘term up’ maturities to appeal to institutional investors, resulting in a more expensive structure (i.e. higher yields).

Stifel’s Individual Retail Performance on Beaumont CFDs <\$10 million Since 2019



Example of the Stifel Pricing Advantage: Access to Individual Retail Investors												
Issuer (Issue)	Menifee CFD 2022-2 Special Tax Bonds, Series 2025				Palm Springs USD, CFD 1 2025 Special Tax Bonds				Val Verde USD CFD 2021-1 2025 Special Tax Bonds			
Par Amt	\$5,165,000				\$2,505,000				\$2,770,000			
VTL Ratio	11.2:1				11.8:1				12.3:1			
UW	STIFEL				PIPER				PIPER			
Sale Date	July 17, 2025				July 17, 2025				June 26, 2025			
Year	Par	Coupon	Yield	Spread	Par	Coupon	Yield	Spread	Par	Coupon	Yield	Spread
2027	\$15,000	5.00%	3.06%	+60								
2028	20,000	5.00%	3.22%	+75								
2029	25,000	5.00%	3.38%	+90								
2030	35,000	5.00%	3.55%	+97	\$70,000	4.00%	4.00%	+142	\$60,000	4.00%	4.00%	+129
2031	40,000	5.00%	3.80%	+107								
2032	50,000	5.00%	4.01%	+112								
2033	55,000	5.00%	4.13%	+112								
2034	65,000	5.00%	4.32%	+115								
2035	75,000	5.00%	4.45%	+112	160,000	5.00%	4.63%	+130	150,000	5.00%	4.55%	+125
2040 (T)	545,000	5.00%	4.89%	+90	295,000	5.00%	5.07%	+108	290,000	5.00%	5.00%	+115
2045 (T)					475,000	5.00%	5.15%	+67	480,000	5.00%	5.05%	+75
2046 (T)	1,130,000	5.00%	5.10%	+56								
2050 (T)	1,130,000	5.00%	5.23%	+55	710,000	5.00%	5.20%	+52	730,000	5.00%	5.12%	+65
2055 (T)	1,980,000	5.125%	5.27%	+52	795,000	5.125%	5.27%	+52	1,060,000	5.00%	5.19%	+65

Our competition 'termed up' certain maturities to appeal to institutional investors, resulting in a more expensive structure (i.e. higher yields)

T: Term Bonds

Our customer-centric approach. For each engagement, we strive to provide our clients with unparalleled customer service and superior pricing execution. The City recently witnessed our customer-centric approach with the pricing of the Wastewater Revenue Refunding Bonds. While the City initially targeted a pricing date in early July, volatile market conditions during July and much of August prevented the City from achieving its net present value savings goal of 3%. During this time, Stifel provided the City with weekly updates to keep staff informed of market conditions and estimated savings levels. In late August, Stifel identified an opportune time (on a Monday morning!) to quickly jump into the market and achieve the City's savings goal. Since then, long-term tax-exempt interest rates have increased and we do not believe the City would have been able to achieve its savings goal if not for pricing the bonds that day. If selected as underwriter, we endeavor to maintain our customer-centric approach throughout our three-year engagement.

Fair and market driven fees for a proven superior product. Our successful land-secured business practice has always been predicated on requesting fair and market driven fees in return for unparalleled customer service and pricing execution. Many of our competitors will submit a low bid when competing for the City's business and we understand that may be enticing; however, we encourage the City and its municipal advisor to consider the complete package of services when evaluating proposals. The advantages we provide will outweigh any nominal difference in fees.

It has been a pleasure working with the City over the past six years and we look forward to continuing our successful relationship. Should you have any questions, feel free to contact me at any time.

Sincerely,



Thomas Jacob, Managing Director

tjacob@stifel.com | Direct: (213) 443-5010 | Cell: (213) 434-3067

2121 Avenue of the Stars, Suite 2150

Los Angeles, CA 90067



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APPENDIX A – ABBREVIATED SPECIAL TAX BONDS DEAL LIST

DISCLOSURE: As outlined in the SEC’s Municipal Advisor Rule, Stifel is providing the attached material and all information and advice contained therein in response to a request for proposals or request for qualifications (the “RFP”) by a municipal issuer or obligated person with respect to a specific issue of municipal securities. Stifel has not acted, and will not act, as your municipal advisor with respect to the issuance of the municipal securities that is the subject to the RFP.

Stifel is providing information and is declaring to the proposed municipal issuer and any obligated person that it has done so within the regulatory framework of MSRB Rule G-23 as an underwriter (by definition also including the role of placement agent) and not as a financial advisor, as defined therein, with respect to the referenced proposed issuance of municipal securities. The primary role of Stifel, as an underwriter, is to purchase securities for resale to investors in an arm’s- length commercial transaction. Serving in the role of underwriter, Stifel has financial and other interests that differ from those of the issuer. The issuer should consult with its’ own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

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I. Firm and Team Information

A) FIRM AND FIRM EXPERIENCE

Provide a brief description of your firm. Describe your firm’s relevant experience as senior managing underwriter of California land secured bonds since January 1, 2020.

Stifel overview and firm profile. Founded in 1890, Stifel has over 8,600 global employees located in roughly 400 offices. The firm is publicly traded (NYSE: SF) and is headquartered in St. Louis, Missouri. Stifel provides investment advice, securities brokerage, lending and trust services, debt and equity capital raising, sector research, and strategic advice to individuals, municipalities and corporations. Stifel is organized into two business groups: Institutional Capital Markets, providing investment banking and brokerage services to institutions, and Global Wealth Management, which serves the needs of individual ‘retail’ clients. Our California public finance group is the backbone of our national practice and our commitment to California is evident by our continued leadership as the #1 underwriter of California municipal bonds.

Firm Profile

- Stifel Financial Corporation
- Established in 1890
- HQ: St Louis, Missouri
- Address: 501 North Broadway
St. Louis, Missouri 63102
- State of Incorporation: Delaware
- Publicly traded under “SF”
- ~8,600 global employees, ~400 offices

Principal Office and Contact Info

- 2121 Avenue of the Stars, Suite 2150
- Los Angeles, CA 90067
- Thomas Jacob, Managing Director
- Direct: (213) 443-5010
- <https://www.stifel.com/>

#1 underwriter of land-secured bonds. There is no banking firm that has more experience with land-secured financings than Stifel. Since 2020, we have underwritten 270 issues totaling \$4.9 billion in par value, a 48% market share (by number of issues), or more than 2x the amount of par and nearly 2x the number of deals as our closest competitor. This experience gap widens if we focus solely on Riverside County: 63% market share, nearly 4x the par and 3x the number of deals as the next firm.

2020-25 YTD: California Land-Secured				2020-25 YTD: Riverside County Land-Secured			
Firm	Issues	Share	Par \$mm	Firm	Issues	Share	Par \$mm
STIFEL	270	48%	\$4,860	STIFEL	114	63%	\$1,248
Piper	162	29%	2,231	Piper	42	23%	314
Hilltop	41	7%	930	Raymond James	14	8%	85
RBC	34	6%	404	DA Davidson	4	2%	36
Raymond James	25	5%	253	Hilltop	4	2%	33

SDC, full to book-runner, equal if joint. Sorted by # issues.

B) PROPOSED FINANCING TEAM

List the individuals who would work on the proposed financing. Include the role, responsibilities, relevant experience, and contact information for each individual. It is strongly preferred that the assigned staff remains constant during the term of the engagement. If staff changes are necessary due to unforeseen circumstances, the City reserves the right to review the qualifications of and to approve substituted staff.

Banking team. Stifel’s banking team efforts will continue to be led by **Tom Jacob**, a Managing Director based in the Los Angeles office. Tom will be the City’s day-to-day contact, providing document review and implementation of the structuring and marketing plans. During his more than 18 years of experience, Tom has structured nearly 200 land-secured financings totaling around \$2.6 billion in par value. Serving as senior support banker is **Kavin Chang**, an Associate in the Los Angeles office. In Kavin’s 3 years at Stifel, he

has worked on structuring and executing 50 land-secured issues. **Rachel Fox**, an analyst based in Los Angeles, will be responsible for financing execution support, and day-to-day tasks.

Underwriting team. Stifel’s marketing and distribution efforts will be coordinated by **Betsy Kiehn, Ben Stern, and Marcus Peters**. These three underwriters, collectively, have underwritten all of the firm’s California municipal financings since 2020, representing roughly 25% of all California municipal financings brought to market in that time period. In the specialized land-secured sector, their experience includes 60% of all California land secured financings brought to market during that time. All three will be available, as needed, to provide ongoing perspective on market conditions and will lead our marketing and pricing process.

Experienced Team Ready to Serve the City			
Banking		Underwriting	
	Tom Jacob Managing Director • 18+ Years Experience • Lead Banker • Day-to-day contact • Significant CA CFD Experience in Riverside County		Betsy Kiehn Head of Municipal Capital Markets • 20+ Years Experience • Manages Stifel’s national municipal underwriting and sales force
	Kavin Chang Associate • 3+ Years Experience • Provided Analytical and Transaction Support for 50 CFDs		Ben Stern Managing Director • 25+ Years Experience • Los Angeles Based Senior Underwriter
	Rachel Fox Analyst • 1+ Years Experience • Provided Analytical and Transaction Support on numerous CFDs		Marcus Peters Managing Director • 10+ Years Experience • San Francisco Based Senior Underwriter

C) SPECIAL TAX BOND PERFORMANCE

Discuss your firm’s pricing performance on California land secured bonds over the past year. Provide a listing of California land secured bonds for which your firm has served as senior managing underwriter and the spreads to MMD since January 1, 2023.

An abbreviated list of our pricing performance is provided in Appendix A. Please note that due to the large number of transactions, we could only include transactions since January 2024. We would be more than happy to provide the balance upon request. While informative to view spreads to MMD from each underwriter, we feel that it is also important to compare the spread performance on comparable transactions between underwriters. **Stifel has a proven track record of setting the lowest interest rates for land-secured financings** which is due, in large part, to the strength of our individual retail network. Please consider the following examples from this year:

Stifel pricing advantage example #1.

For our first example, we compare the City’s own CFD 2016-3 that Stifel underwrote on March 26 and the Eastern Municipal Water District (EMWD) CFD 2018-80, underwritten by Piper on April 1. Both CFD bonds priced within a week of each other. As shown to the right, both CFDs had similar VTL ratios and levels of conveyance. However, the EMWD CFD bonds were nearly twice the size of the Beaumont CFD bonds (\$6.6 million compared to \$13.9 million). Despite the smaller size of the issue (larger transactions are viewed as more liquid and generally attract more investor interest), Beaumont achieved spreads anywhere from 0.12% to 0.30% lower than the EMWD financing.

STIFEL PRICING ADVANTAGE EXAMPLE #2									
Issuer	Beaumont CFD 2016-3				EMWD CFD 2018-80				Stifel Pricing Benefit
(Issue)	Special Tax Bonds, Series 2025				Special Tax Bonds, Series 2025				
Par Amount	\$6,580,000				\$13,920,000				
VTL Convey.	VTL ratio: 14.5:1 Conveyance: 79%				VTL ratio: 11.2:1 Conveyance: 88%				
UW	STIFEL				PIPER				
Sale Date	March 26, 2025				April 1, 2025				
Year	Coupon	Yield	MMD	Spread	Coupon	Yield	MMD	Spread	
2025	5.00%	2.82%			5.00%	3.07%	2.61%	+46	-13 bps
2026	5.00%	2.99%	2.66%	+33	5.00%	3.28%	2.63%	+65	-29 bps
2027	5.00%	3.11%	2.75%	+36	5.00%	3.53%	2.67%	+86	-24 bps
2028	5.00%	3.41%	2.79%	+62	5.00%	3.74%	2.73%	+101	-30 bps
2029	5.00%	3.56%	2.85%	+71	5.00%	3.87%	2.81%	+106	-17 bps
2030	5.00%	3.82%	2.93%	+89	5.00%	4.04%	2.89%	+115	-18 bps
2031	5.00%	3.95%	3.05%	+103	5.00%	4.19%	2.96%	+123	-20 bps
2032	5.00%	4.08%	3.12%	+102	5.00%	4.26%	3.04%	+122	-20 bps
2033	5.00%	4.14%	3.23%	+103	5.00%	4.35%	3.12%	+123	-20 bps
2034	5.00%	4.26%	3.30%	+102	5.00%	4.43%	3.21%	+122	-20 bps
2035	5.00%	4.32%	3.35%	+101					
2036	5.00%	4.36%	3.64%	+80	5.00%	4.56%	3.56%	+100	-20 bps
2040	5.00%	4.44%	4.10%	+58	5.00%	4.76%	4.01%	+75	-17 bps
2045	5.00%	4.68%	4.22%	+58	5.00%	4.83%	4.12%	+71	-13 bps
2050	5.00%	4.80%	4.29%	+58	5.00%	4.89%	4.19%	+70	-12 bps
2055	5.00%	4.87%							

Stifel pricing advantage example #2.

For our second example, we compare the Romoland School District CFD 2020-2 that Stifel underwrote and the City of Wildomar CFD 2022-2, underwritten by Raymond James. Both CFD bonds priced on the same day: March 20. As shown to the right, both CFDs had similar levels of conveyance and roughly had the same par amount. Despite the similar credit characteristics and transaction size, Romoland achieved much lower spreads (as many as 0.15% lower) than Wildomar. Additionally, Stifel was able to serialize maturities through 2036, or one more year than the Wildomar transaction.

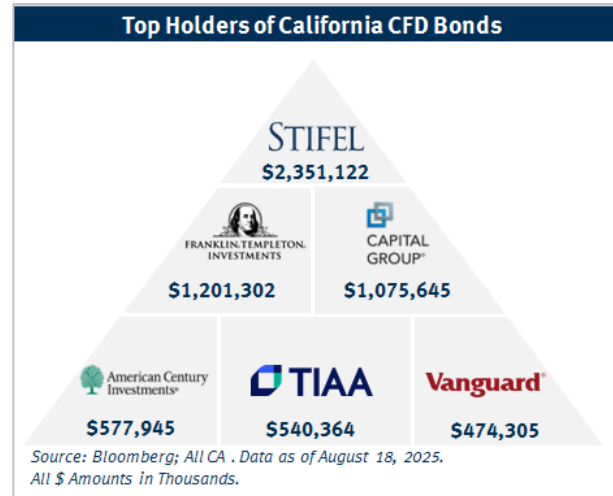
STIFEL PRICING ADVANTAGE EXAMPLE #3									
Issuer	Romoland SD CFD 2020-2				Wildomar CFD 2022-2				Stifel Pricing Benefit
(Issue)	Special Tax Bonds, Series 2025 \$8,300,000				Special Tax Bonds, Series 2025 \$7,490,000				
Par Amount									
VTL Convey.	VTL ratio: 11.4:1 Conveyance: 85%				VTL ratio: 7.2:1 Conveyance: 81%				
UW	STIFEL				RAYMOND JAMES				
Sale Date	March 20, 2025				March 20, 2025				
Year	Coupon	Yield	MMD	Spread	Coupon	Yield	MMD	Spread	
2025	5.00%	2.90%			5.00%	3.00%			
2026	5.00%	3.04%	2.62%	+42	5.00%	3.14%	2.62%	+52	-10 bps
2027	5.00%	3.15%	2.63%	+52	5.00%	3.30%	2.63%	+67	-15 bps
2028	5.00%	3.45%	2.67%	+78	5.00%	3.55%	2.67%	+88	-10 bps
2029	5.00%	3.60%	2.72%	+88	5.00%	3.70%	2.72%	+98	-10 bps
2030	5.00%	3.79%	2.80%	+99	5.00%	3.89%	2.80%	+109	-10 bps
2031	5.00%	3.87%	2.84%	+103	5.00%	4.00%	2.84%	+116	-13 bps
2032	5.00%	4.02%	2.89%	+113	5.00%	4.08%	2.89%	+119	-6 bps
2033	5.00%	4.10%	2.96%	+114	5.00%	4.14%	2.96%	+118	-4 bps
2034	5.00%	4.21%	3.06%	+115	5.00%	4.25%	3.06%	+119	-4 bps
2035	5.00%	4.27%	3.13%	+114	5.00%	4.30%	3.13%	+117	-3 bps
2036	5.00%	4.36%	3.18%	+118					
2040	5.00%	4.43%	3.47%	+96	5.00%	4.45%	3.47%	+98	-2 bps
2045	5.00%	4.66%	3.95%	+71	5.00%	4.70%	3.95%	+75	-4 bps
2050	5.00%	4.78%	4.09%	+69	5.00%	4.80%	4.09%	+71	-4 bps
2055	5.00%	4.85%	4.16%	+69	5.00%	4.85%	4.16%	+69	

D) MARKETING AND DISTRIBUTION CAPABILITIES

Include a description of your firm’s marketing and distribution capabilities as it relates to CFD Bonds.

Stifel is the only firm with direct access to all investors.

Stifel provides the City with the only distribution network that sells bonds directly to the entire audience of investors for CFD bonds—both institutional and retail investors. Our distribution network includes one of the largest and most comprehensive fixed income sales platforms in the industry, including 14 municipal underwriters, 21 municipal sales specialists, 29 municipal traders, and approximately 250 corporate fixed-income sales professionals. Finally, unlike any of our competitors, Stifel has an active network of individual retail investors that buy land-secured bonds. Notably, as illustrated to the right, Stifel’s Private Client Group (PCG) currently holds over \$2.3 billion of California land-secured bonds, more than any single institutional investor. **Additionally, Stifel’s PCG retail holdings include 781 accounts holding over \$34 million of the City’s CFD Bonds!**



Retail investor marketing capabilities. Stifel’s retail system includes well over 2,000 sales executives who manage nearly \$340 billion of client assets. Our sales professionals are located in 38 offices throughout California, including offices in the Inland Empire in the cities of Murrieta, Palm Desert, and Redlands. As illustrated to the right, combined, these offices include 17 sales executives, over 13,500 retail accounts, and over \$2.6 billion of assets.






Track record of individual retail performance for Beaumont non-rated CFD bonds. We have generated an average of 100 individual retail orders totaling approximately 141% of total par offered.

Beaumont Non-Rated CFDs: Individual Retail Performance						
Sale Date	CFD	Par Amount	Total Retail (\$)	Orders to Par ¹	# Orders	Avg Order
03/26/25	CFD 2016-3 (Sundance)	\$6,580,000	\$11,210,000	170%	106	\$105,755
10/02/24	CFD 93-1 (Improvement Area 17D)	9,400,000	6,670,000	71%	70	95,286
01/09/24	CFD 2021-1 (Fairway Canyon)	14,550,000	12,585,000	86%	89	141,404
05/09/23	CFD 2016-3 (Sundance)	8,800,000	9,625,000	109%	119	80,882
09/09/20	CFD 2019-1	2,355,000	5,490,000	233%	107	51,308
06/03/20	CFD 93-1 (Improvement Area 8F)	12,780,000	3,685,000	29%	39	94,487
10/23/19	CFD 2016-4	4,185,000	11,940,000	<u>285%</u>	<u>169</u>	<u>70,651</u>
Averages				141%	100	\$91,396

1. Amount of individual retail investor orders divided by the par amount

E) REFERENCES

Provide the name, address and telephone number of three bond issuer references for whom the firm and assigned staff have carried out similar responsibilities to those contemplated under this RFP.

Jurupa Community Services District	City of Lake Elsinore	Hemet Unified School District
Steven Popelar Director of Finance (951) 685-7434 spopelar@jcsd.us 11201 Harrel Street, Jurupa Valley, CA 91752 	Jason Simpson City Manager (951) 674-3124 jsimpson@lake-elsinore.org 130 S. Main Street Lake Elsinore, CA 92530 	Darrin Watters Deputy Superintendent (951) 765-5100 dwatters@hemetusd.org 1791 W. Acacia Avenue Hemet, CA 92545 
Stifel client for more than 20 years Staff assigned: Tom and Kavin	Stifel client for more than 10 years Staff assigned: Tom and Kavin	Stifel client for more than 10 years Staff assigned: Tom and Kavin
CFD experience since 2020: 13 bond issues totaling \$235 million	CFD experience since 2020: 13 bond issues totaling \$184 million	CFD experience since 2020: 16 bond issues totaling \$185 million

II. Financing, Credit and Marketing Approach

A) FINANCING APPROACH

Please describe your approach to CFD financing engagements. Describe your firm’s approach to ensuring a high level of service delivery throughout the transaction process.

Our customer-centric approach. For each engagement, we strive to provide our issuer clients with unparalleled customer service and superior pricing execution, all the while easing administrative burden on staff. We provided a recent example with the Wastewater Refunding Bonds in our cover letter. As another example, on every one of the financing team calls, Stifel provided detailed market updates, to keep the team informed of current market trends and comparable bond financings. Additionally, prior to every bond sale, Stifel presented the municipal advisor with an analysis quantifying the impact of shortening the optional call provision by one year. While impossible to know where interest rates will be in the future, to the extent refundings are economic, aligning the call dates with other recently issued CFDs will give the City the opportunity to capture economies of scale. See the chart to the right for our general approach to CFD engagements.

Our General Approach to Engagements:

- Providing general market and CFD landscape updates on every call
- Review and provide comments on legal documents, preliminary official statement and other documents
- Staff report assistance
- Participation with City Council presentations
- Retail marketing campaigns
 - Regularly create ads to publicize upcoming bond sales
- Call feature analysis to maximize future flexibility with minimal penalty

B) MARKET STRATEGY

The City requires a minimum value-to-lien of 4:1 for CFD financings and has typically executed financings at fairly high levels of conveyance and value-to-lien ratios above 7:1. Briefly describe your marketing strategy and any marketing challenges in light of current market conditions and the typical characteristics of the City’s CFD Bonds. What investors would you target for the City’s CFD Bonds and why?

Using the proposed CFD 2023-1 bonds as an example, we provide our thoughts on credit, marketing, and structure below in light of current market conditions.

Our understanding of CFD 2023-1 (various credit observations)

Development transformation of Fairway Canyon. CFD 2023-1 covers a portion of the community known as Fairway Canyon, which is a 985-acre master-planned community planned for up to 3,300 dwelling units. In 2019, an estimated 1,600 homes had been constructed (48%) and by 2024, that number had shot up to an estimated 2,350 (71%). As CFD 2023-1 nears completion (see below), Fairway Canyon does not appear to be far off from full build-out.

Likely at full build-out of CFD 2023-1 by the time of this proposal. CFD 2023-1 is comprised of two improvement areas: 1, which consists of 132 homes developed by DR Horton, and 2, which consists of 287 homes developed by Meritage Homes (master developer). As of the date of this proposal, both improvement areas are likely at build-out and fully conveyed to individual homeowners. By the looks of the aerial below, there does not appear to be any remaining development in the CFD. The high level of development and conveyance has translated to strong value to lien ratios of roughly 15:1 for each improvement area.

Proximity to transportation and schools. CFD 2023-1 is close in proximity to two major freeways: Interstate 10 (to the north of the CFD) and State Route 60 (just south of the CFD). The nearest schools are Tournament Hills Elementary and Summerwind Trails, both of which are a short drive from the CFD. We note the future development site of planning areas 20A, B, C, and D, which will comprise 429 homes and a school.



Our marketing strategy: prioritize retail, leverage institutional interest to increase competition to generate the lowest borrowing cost

Given the estimated size of the bonds (~\$9 million), our marketing strategy will be to prioritize ‘mom and pop’ (orders up to \$250,000) and high net worth retail investors (orders greater than \$250,000). We will also look to target institutions that have been active for the larger term bonds to maximize investor demand.

Individual retail marketing

- *Update MuniBond, our proprietary credit database:* Our research/credit department will input credit details on our proprietary credit database *MuniBond*, to provide our sales team with ample time for credit review, ask the banking team questions, and determine which accounts would likely participate.
- *Early discussions with Stifel retail sales professionals:* Our bankers will help educate retail sales professionals in our nearby Inland Empire offices; expanding those discussions to professionals statewide that regularly put in client orders for non-rated CFD bond financings.
- *Target investors holding Beaumont CFD bonds:* As mentioned, our retail base already holds \$34 million of the City’s land-secured debt. Given their familiarity of the credit, they will be an important investor segment.
- *Distribute mailers and ads:* Similar to what is shown to the right.



Institutional marketing

- *Early discussions with our underwriting desk:* We find it helpful to debrief our underwriters on the credit and structure weeks before we post the Preliminary Official Statement.
- *Early discussions with high yield fund credit analysts:* It would be helpful to engage credit analysts of large active buyers (e.g. Franklin and Invesco) and educate them on the CFD’s credit, highlighting the full build-out status, high value to lien ratios, among other credit strengths.

Our structuring recommendations (based on market conditions as of August 29 and an estimated amortization schedule assuming \$9 million of par amount)

Maturity structure: Serial structure through 2037; more than any other recent comparable transaction; captures the yield curve steepness

Coupon structure: 5.0% coupon structure throughout

Serial bonds to appeal to mom-and-pop retail investors; **significantly lower spreads than our competitor’s recent CFD sales**

Term bonds to appeal to both retail and institutional investors; **Franklin has been the active institutional investors for non-rated CFD credits recently**

Stifel's Structuring Recommendations							
Year	Maturity	Structure	Par Amount	Coupon	Yield	MMD	Spread
1	9/1/2026	Serial Bonds	\$120,000	5.00%	2.68%	2.18%	+50
2	9/1/2027	Serial Bonds	120,000	5.00%	2.85%	2.20%	+65
3	9/1/2028	Serial Bonds	130,000	5.00%	3.01%	2.21%	+80
4	9/1/2029	Serial Bonds	135,000	5.00%	3.19%	2.24%	+95
5	9/1/2030	Serial Bonds	140,000	5.00%	3.42%	2.37%	+105
6	9/1/2031	Serial Bonds	150,000	5.00%	3.70%	2.55%	+115
7	9/1/2032	Serial Bonds	160,000	5.00%	3.87%	2.72%	+115
8	9/1/2033	Serial Bonds	165,000	5.00%	4.00%	2.85%	+115
9	9/1/2034	Serial Bonds	175,000	5.00%	4.20%	3.05%	+115
10	9/1/2035	Serial Bonds	185,000	5.00%	4.37%	3.22%	+115
11	9/1/2036	Serial Bonds	190,000	5.00%	4.56%	3.41%	+115
12	9/1/2037	Serial Bonds	190,000	5.00%	4.56%	3.41%	+115
15	9/1/2040	Term Bonds	870,000	5.00%	4.84%	3.89%	+95
20	9/1/2045	Term Bonds	1,350,000	5.00%	5.09%	4.39%	+70
25	9/1/2050	Term Bonds	1,730,000	5.00%	5.16%	4.56%	+60
30	9/1/2055	Term Bonds	<u>3,380,000</u>	5.00%	5.21%	4.61%	+60
Total Par			\$9,000,000				

Observations about the land-secured market vis-à-vis the City's upcoming bond sales

Since 2023, Stifel has sold land-secured bonds for the cities of Beaumont, Lake Elsinore, Menifee and Temecula, the school districts of Menifee, Hemet, Jurupa, San Jacinto and Romoland, and the special districts of Jurupa Community Services District and Eastern Municipal Water District, among others. ***In fact, we have sold nearly 2 out of every 3 non-rated land-secured bond issues in Riverside County during this time***, which has kept us in regular dialogue with investors about real estate market conditions in the county. Based on our experience, we are finding that, despite a relatively weaker real-estate market compared to previous years (exemplified by increased developer concessions such as interest rate buydowns), the market for residential land-secured bonds remains strong, particularly for credits that are substantially developed and conveyed. Given the City's prudent policies and best practices to issuing land secured debt (e.g. high development/conveyance thresholds for issuing bonds, strong value to lien ratios, etc.), we do not foresee any challenges to any of the City's upcoming CFD bond sales.

III. Regulatory/Compliance

A) POTENTIAL CONFLICTS OF INTEREST

Please list any potential conflicts of interest your firm may have in acting as an underwriter for the City.

Given the information available, there appear to be no conflicts or perceivable conflicts.

B) LEGAL DISCLOSURE – INVESTIGATION

Has your firm and/or any of its principals ever been the subject of any investigation relating to the municipal industry by the SEC, NASD, NYSE or any other State or Federal organization that oversees, regulates, licenses or is otherwise responsible for the municipal industry?

Stifel is an investment banking and securities firm providing investment services to individuals and institutional clients, investment banking, and related services including the day-to-day purchase and sale of securities. Stifel is a wholly-owned subsidiary of Stifel Financial Corp. (SF). In the normal course of business, at any given time, Stifel is subject to a number of claims and disputes, as well as regulatory matters including examinations, reviews, investigations, or formal actions. All required disclosures of material litigation and regulatory matters are made in Stifel Financial Corp.'s public filings with the SEC and other regulatory authorities, such as its Form 10-K and the most recent Form 10-Q filed with the U.S. Securities and Exchange Commission (the "SEC"), 8-K's, and in other regulatory filings, such as Form B/D, as amended. You are further referred to the FINRA website, where you can access Broker Check reports for Stifel, Nicolaus & Company, Incorporated which may be located with the following hyperlink: <http://brokercheck.finra.org/Firm/Summary/793>. This contains the regulatory reports on Stifel's disciplinary disclosures.

C) LEGAL DISCLOSURE – LITIGATION

Has your firm and/or any of its principals ever been involved in any litigation, arbitration, disciplinary or other actions arising from the firms underwriting, management or handling of municipal securities?

See our response to question B above.

APPENDIX A: ABBREVIATED SPECIAL TAX BONDS DEAL LIST

Par Value Issuer Issue	\$14,550,000 City of Beaumont CFD 2021-1 Special Tax Bonds	\$5,090,000 City of Lake Elmore CFD 2006-4 Special Tax Bonds	\$6,895,000 Lake Elmore USD CFD 2017-2 Special Tax Bonds	\$4,145,000 Hemet USD Special Tax Bonds	\$12,695,000 Temecula PFA CFD 20-01 Special Tax Bonds	\$8,510,000 Williams-Hart USD CFD 2021-1 Special Tax Bonds	\$3,065,000 Lake Elmore USD CFD 2005-6 Special Tax Bonds	\$3,350,000 Escuderos CFD 2022-1 Special Tax Bonds	\$3,875,000 Junipua Community Services District CFD 56 Special Tax Bonds	\$24,870,000 City of Fontana CFD 111 Special Tax Bonds	\$8,375,000 City of Dixon CFD 2019-1 Special Tax Bonds	\$71,800,000 Hemet Unified School District CFD 2022-2 Special Tax Bonds
Sale Date	January 9, 2024	January 23, 2024	February 13, 2024	February 27, 2024	February 28, 2024	March 15, 2024	March 27, 2024	April 16, 2024	May 1, 2024	May 2, 2024	May 21, 2024	May 22, 2024
Maturity	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread	Coupon Yield Spread
2025	5.000 2.900 18	5.000 3.050 15	5.000 2.990 13	5.000 2.960 12	5.000 2.940 8	5.000 2.990 6	5.000 3.090 0	5.000 3.310 2	5.000 3.330 0	5.000 3.330 2	5.000 3.330 14	5.000 3.331 17
2026	5.000 2.970 44	5.000 3.140 45	5.000 3.130 41	5.000 3.040 36	5.000 3.020 34	5.000 3.060 32	5.000 3.210 27	5.000 3.340 22	5.000 3.330 14	5.000 3.310 14	5.000 3.331 17	5.000 3.325 6
2027	5.000 3.070 88	5.000 3.230 85	5.000 3.210 66	5.000 3.120 61	5.000 3.100 51	5.000 3.140 49	5.000 3.290 42	5.000 3.360 36	5.000 3.340 33	5.000 3.310 31	5.000 3.330 37	5.000 3.320 26
2028	5.000 3.150 108	5.000 3.320 83	5.000 3.310 81	5.000 3.220 61	5.000 3.200 76	5.000 3.180 67	5.000 3.320 67	5.000 3.390 51	5.000 3.390 49	5.000 3.390 51	5.000 3.390 49	5.000 3.420 45
2029	5.000 3.350 110	5.000 3.450 100	5.000 3.460 100	5.000 3.390 95	5.000 3.350 91	5.000 3.310 86	5.000 3.410 87	5.000 3.580 80	5.000 3.380 80	5.000 3.470 84	5.000 3.700 81	5.000 3.630 69
2030	5.000 3.450 120	5.000 3.600 115	5.000 3.610 115	5.000 3.540 110	5.000 3.540 110	5.000 3.530 110	5.000 3.540 105	5.000 3.750 100	5.000 3.820 100	5.000 3.840 104	5.000 3.890 102	5.000 3.840 92
2031	5.000 3.510 125	5.000 3.690 125	5.000 3.710 125	5.000 3.620 118	5.000 3.640 120	5.000 3.610 118	5.000 3.690 120	5.000 3.880 110	5.000 3.890 110	5.000 3.910 114	5.000 4.020 116	5.000 4.010 110
2032	5.000 3.600 130	5.000 3.750 130	5.000 3.760 130	5.000 3.660 128	5.000 3.670 130	5.000 3.670 128	5.000 3.720 132	5.000 3.950 116	5.000 3.950 116	5.000 3.970 120	5.000 4.090 122	5.000 4.070 116
2033	5.000 3.630 135	5.000 3.810 135	5.000 3.780 130	5.000 3.690 123	5.000 3.710 125	5.000 3.700 125	5.000 3.760 125	5.000 3.930 119	5.000 3.960 115	5.000 3.980 119	5.000 4.090 122	5.000 4.070 116
2034	5.000 3.640 133	5.000 3.810 132	5.000 3.810 130	5.000 3.720 123	5.000 3.720 123	5.000 3.710 123	5.000 3.790 125	5.000 3.980 121	5.000 3.980 121	5.000 4.010 119	5.000 4.100 122	5.000 4.080 116
2035				5.000 3.850 125	5.000 3.850 125							
2039	5.000 4.100 125	5.000 4.120 119	5.000 4.220 123	5.000 4.180 123	5.000 4.160 121	5.000 4.150 123		5.000 4.410 111		5.000 4.380 112	5.000 4.410 117	
2040												
2042							5.000 4.450 120				5.000 4.560 120	5.000 4.510 112
2044	5.000 4.340 121	5.000 4.480 119	5.000 4.550 125	5.000 4.500 123	5.000 4.520 125	5.000 4.480 117			5.000 4.470 110	5.000 4.740 113		
2046								5.000 4.800 103		5.000 4.870 103	5.000 4.890 108	
2049	5.000 4.580 121	5.000 4.720 119	5.000 4.790 125	5.000 4.720 121	5.000 4.730 122	5.000 4.720 117	5.000 4.780 118		5.000 4.970 101	5.000 4.960 103		
2054	5.000 4.670 122	5.000 4.800 119	5.000 4.850 123	5.000 4.790 120	5.000 4.790 120	5.000 4.800 117	5.000 4.850 117	5.000 4.910 101		5.000 4.970 101	5.000 4.880 106	5.000 4.830 99



Fee Proposal to Underwrite the CFD 2023-1 Bonds

September 3, 2025

STIFEL | Public Finance

Photo: Stifel commissioned aerial of CFD 2023-1

FEE PROPOSAL

Include your not-to-exceed management fee, average takedown, and detailed out-of-pocket expenses for the 2025 Bonds.

Our successful land-secured business practice has always been predicated on requesting fair and market driven fees in return for unparalleled customer service and pricing execution. Over the last year, 13 non-rated land-secured financings with a par amount ranging from \$8 to \$12 million have priced, as illustrated below. Fees have ranged from \$11.06/bond to \$24.17/bond, with a weighted average fee of \$15.06/bond.

Fee Survey: California Non-Rated CFD Bonds Over the Last Year with Par Amount of \$8-12 Million				
Sale Date	Issuer	Project Name	Par Amount	\$/Bond
9/5/2024	Hemet USD	CFD No. 2021-6 IA No. 1	\$10,295,000	\$13.50
10/9/2024	City of Manteca	IA No. 2 CFD No. 2023-1 (Villa Tacino)	10,110,000	13.95
10/15/2024	California Muni Fin Auth	Special Tax Rev Bonds Bold Program	11,070,000	20.23
10/22/2024	City of Beaumont	CFD No. 93-1 IA No. 17D	9,400,000	12.75
11/21/2024	City of Folsom	CFD No. 23 (Folsom Ranch) IA No. 4	10,705,000	11.06
12/4/2024	EMWD	CFD No. 2022-95 (Nuevo Meadows)	9,715,000	12.50
2/4/2025	California Muni Fin Auth	CFD No. 2020-6 (County of Placer)	9,045,000	21.00
2/6/2025	Hemet USD	CFD No. 2021-5 IA No. 1	8,390,000	14.25
2/13/2025	City of Rancho Cordova	The Ranch CFD No. 2021-1 IA No. 2	10,880,000	11.89
3/20/2025	Romoland School District	CFD No. 2020-2 (Countryview)	8,300,000	14.65
5/20/2025	Moreno Valley USD	CFD No. 2023-1	8,535,000	11.89
6/4/2025	City of Mountain House	IA No. 6 of CFD No. 2024-1	8,750,000	15.00
8/6/2025	County of El Dorado	CFD No. 2024-1 (Heritage Village 11)	8,595,000	24.17
Weighted Average Fee				\$15.06

Assuming a sole managed public sale with a par amount of \$9 million, **Stifel proposes a not to exceed fee of \$11.14 per bond**, which is significantly lower than the weighted average fee shown above. Our proposal includes two components: a sales commission (or takedown) and miscellaneous expenses. The takedown is designed to compensate our sales professionals for marketing the bonds as aggressively as possible, ensuring the lowest borrowing cost. Underwriter’s counsel constitutes a large portion of our expenses. The remaining fees are attributable to continuing disclosure, IPREO, and other various issuance expenses.

Our competitors may submit a low bid when competing for the City’s business and we understand that may be enticing; however, we encourage the City and its municipal advisor to consider the complete package of services (e.g. customer service and pricing execution) when evaluating proposals. The advantages we provide will outweigh any nominal difference in fees.

As we do for every single transaction, we are more than happy to discuss and revisit our fee proposal with the City and its municipal advisor. We have appreciated the opportunity to serve the City for the past three years and hopefully we’ll have an opportunity to continue to show the City why so many local agencies put their trust in Stifel to serve as underwriter for their land-secured financing programs.

Fee Proposal Based on Par Amount of \$9 million		
Spread Details	\$/bond	Amount (\$)
Expenses	\$2.56	\$23,000
Average Takedown*	<u>8.58</u>	<u>77,225</u>
Total Proposed Stifel Fee	\$11.14	\$100,225
Expenses	\$/bond	Amount (\$)
Underwriter's Counsel	\$1.39	\$12,500
Continuing Disclosure Report	0.08	750
Out-of-Pocket/Marketing Expenses	0.49	4,416
Ipreo Bookrunning System	0.03	292
Ipreo Wire Fees	0.01	63
Ipreo Order Monitor/Dealer EOE	0.03	284
Blue Sky Survey	0.08	750
DTC Setup	0.11	975
CDIAC	0.25	2,250
CUSIP Numbers	<u>0.08</u>	<u>721</u>
Total Expenses	\$2.56	\$23,000

*Stifel kindly requests to adjust the takedown so long as the total fee does not exceed \$11.14/bond.

DISCLOSURE: As outlined in the SEC's Municipal Advisor Rule, Stifel is providing the attached material and all information and advice contained therein in response to a request for proposals or request for qualifications (the "RFP") by a municipal issuer or obligated person with respect to a specific issue of municipal securities. Stifel has not acted, and will not act, as your municipal advisor with respect to the issuance of the municipal securities that is the subject to the RFP.

Stifel is providing information and is declaring to the proposed municipal issuer and any obligated person that it has done so within the regulatory framework of MSRB Rule G-23 as an underwriter (by definition also including the role of placement agent) and not as a financial advisor, as defined therein, with respect to the referenced proposed issuance of municipal securities. The primary role of Stifel, as an underwriter, is to purchase securities for resale to investors in an arm's-length commercial transaction. Serving in the role of underwriter, Stifel has financial and other interests that differ from those of the issuer. The issuer should consult with its' own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent it deems appropriate.

These materials have been prepared by Stifel for the client or potential client to whom such materials are directly addressed and delivered for discussion purposes only. All terms and conditions are subject to further discussion and negotiation. Stifel does not express any view as to whether financing options presented in these materials are achievable or will be available at the time of any contemplated transaction. These materials do not constitute an offer or solicitation to sell or purchase any securities and are not a commitment by Stifel to provide or arrange any financing for any transaction or to purchase any security in connection therewith and may not be relied upon as an indication that such an offer will be provided in the future. Where indicated, this presentation may contain information derived from sources other than Stifel. While we believe such information to be accurate and complete, Stifel does not guarantee the accuracy of this information. This material is based on information currently available to Stifel or its sources and is subject to change without notice. Stifel does not provide accounting, tax or legal advice; however, you should be aware that any proposed indicative transaction could have accounting, tax, legal or other implications that should be discussed with your advisors and /or counsel as you deem appropriate.