

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF BEAUMONT, ACTING AS THE LEGISLATIVE BODY OF CITY OF BEAUMONT COMMUNITY FACILITIES DISTRICT NO. 2021-1 (FAIRWAY CANYON), DETERMINING THE NECESSITY TO INCUR BONDED INDEBTEDNESS WITHIN THE COMMUNITY FACILITIES DISTRICT AND CALLING ELECTIONS THEREIN

Intent of the Parties and Findings

(i) On April 20, 2021, the City Council (the “City Council”) of the City of Beaumont, California (the “City”) adopted Resolution No. 2021-20 (the “Resolution of Intention”) stating its intention to form City of Beaumont Community Facilities District No. 2021-1 (Fairway Canyon) (the “Community Facilities District”) pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (the “Act”); and

(ii) On April 20, 2021, the City Council also adopted Resolution No. 2021-21 stating its intention to incur bonded indebtedness within the proposed Community Facilities District in an amount not to exceed \$19,500,000 to finance: (1) the purchase, construction, expansion, improvement or rehabilitation of improvements identified in Exhibit B to the Resolution of Intention, including all furnishings, equipment and supplies related thereto and certain development impact fees that are to be used by the City to construct infrastructure (collectively, the “Facilities”) and (2) the incidental expenses to be incurred in financing the Facilities and forming and administering the Community Facilities District (the “Incidental Expenses”); and

(iii) Notice was published as required by law relative to the intention of the City Council to form the proposed Community Facilities District and to incur bonded indebtedness for the Community Facilities District; and

(iv) On June 1, 2021, the City Council opened a noticed public hearing to determine whether it should proceed to form the Community Facilities District, issue bonds to pay for the Facilities and Incidental Expenses and to authorize a rate and method of apportionment of a special tax for the Community Facilities District to be levied within the Community Facilities District for the purposes described in the Resolution of Intention; and

(v) At said public hearing all persons desiring to be heard on all matters pertaining to the formation of the Community Facilities District, the levy of a special tax and the issuance of bonds to pay for the cost of the proposed Facilities and Incidental Expenses were heard and a full and fair hearing was held; and

(vi) Subsequent to such hearing the City Council adopted a resolution establishing the Community Facilities District (the “Resolution of Formation”); and

(vii) The City Council desires to make the necessary findings to incur bonded indebtedness for the Community Facilities District, to declare the purpose for said indebtedness, and to authorize the submittal of certain propositions to the voters of the Community Facilities District,

being the owners of land within the Community Facilities District, all as authorized and required by law;

NOW, THEREFORE, the City Council of the City of Beaumont, California, acting for and on behalf of the City and the Community Facilities District, does resolve, declare, determine and order as follows:

SECTION 1. It is necessary to incur bonded indebtedness of the Community Facilities District in one or more series in a maximum aggregate principal amount not to exceed \$19,500,000.

SECTION 2. The indebtedness is to be incurred for the purpose of financing the costs of purchasing, constructing, modifying, expanding, improving, or rehabilitating the Facilities, as described in the Resolution of Intention and the Resolution of Formation, financing the Incidental Expenses, and carrying out the powers and purposes of the Community Facilities District, including, but not limited to, financing the costs of selling the bonds, establishing and replenishing bond reserve funds and paying remarketing, credit enhancement and liquidity facility fees (including such fees for instruments which serve as the basis of a reserve fund in lieu of cash), administrative expenses and other expenses of the type authorized by Section 53345.3 of the Act.

SECTION 3. The whole of the property within the Community Facilities District, other than property exempted from the special tax pursuant to the provisions of the rate and method of apportionment attached to the Resolution of Formation as Exhibit B, shall pay for the bonded indebtedness of the Community Facilities District pursuant to the levy of the special tax in the Community Facilities District authorized by the Resolution of Formation.

SECTION 4. The maximum term of the bonds to be issued shall in no event exceed forty (40) years.

SECTION 5. The bonds shall bear interest at the rate or rates not to exceed the maximum interest rate permitted by law, payable annually or semiannually, or in part annually and in part semiannually, except the first interest payment may be for a period of less than six months, with the actual rate or rates and times of payment to be determined at the time or times of sale thereof.

SECTION 6. The bonds may bear a variable or fixed interest rate, provided that such variable rate or the fixed rate shall not exceed the maximum rate permitted by Section 53531 of the California Government Code, or any other applicable provision of law limiting the maximum interest rate on the bonds.

SECTION 7. Pursuant to Section 53351 of the Act, a special election is hereby called for the Community Facilities District on the proposition of incurring the bonded indebtedness for the Community Facilities District. The proposition relative to incurring bonded indebtedness for the Community Facilities District shall be in the form set forth in Exhibit A to the Resolution of Formation. The election in the Community Facilities District on the proposition of incurring bonded indebtedness shall be consolidated with the elections and on the propositions to levy a special tax and to establish an appropriations limit for the Community Facilities District, which propositions shall be in the form set forth in Exhibit A to the Resolution of Formation.

SECTION 8. The date of the consolidated special elections for the Community Facilities District shall be June 1, 2021, or such later date as is consented to by the City Clerk of the City of

Beaumont (the “City Clerk”) and the owners of land within the Community Facilities District. The elections shall be conducted by the City Clerk. Except as otherwise provided by the Act, the elections shall be conducted in accordance with the provisions of law regulating elections of the City insofar as such provisions are determined by the City Clerk to be applicable. The City Clerk is authorized to conduct the elections following the adoption of the Resolution of Formation and this resolution; and all ballots shall be received by, and the City Clerk shall close the elections by, 10:00 p.m. on the election day; provided the elections shall be closed at such earlier time as all qualified electors have voted as provided in Section 53326(d) of the Act. It is hereby found that there are no registered voters within the territory of the Community Facilities District and, pursuant to Section 53351(j) of the Act, the ballots for the special elections shall be distributed in person or by mail with return postage prepaid to the landowners of record within the Community Facilities District as of the close of the June 1, 2021 hearing regarding the formation of the Community Facilities District. Each landowner shall have one vote for each acre or portion thereof that he, she or it owns within the Community Facilities District, as provided in Section 53326 of the Act.

SECTION 9. This Resolution shall be effective upon its adoption.

PASSED, APPROVED and ADOPTED this 1st day of June, 2021.

Mike Lara, Mayor

I, Stephen Mehlman, City Clerk of the City of Beaumont, do hereby certify that the foregoing Resolution was passed and adopted at a regular meeting of the City Council of the City of Beaumont held on the 1st day of June, 2021, by the following vote:

AYES:

NOES:

ABSENT:

ABSTAINED:

ATTEST:

Stephen Mehlman, City Clerk