

# MUTUAL TERMINATION AGREEMENT

*City Hall / Development Services Office Solar PPA*

*8353 Sierra Avenue / 3528 Sierra Avenue, Fontana, California*

This Mutual Termination Agreement (this “**Agreement**”) is entered into as of August \_\_, 2026 (the “**Effective Date**”), by and between the City of Fontana, a California municipal corporation (the “**City**”), and Fontana Solar Project 2019, LLC, a Delaware limited liability company (“**Seller**”). The City and Seller are referred to collectively as the “**Parties**” and individually as a “**Party**.”

## RECITALS

- A. The City and General Electric International Inc. entered into that certain Solar Power Purchase Agreement dated January 31, 2019 (the “PPA”), and a related Solar Energy System Lease Agreement on January 11, 2019 (the “Site Lease,” and together with the PPA and any related easements, license, or access agreements entered into in connection therewith, the “Agreements”), each relating to the solar photovoltaic system installed at 8353 Sierra Avenue and 3528 Sierra Avenue (hereinafter, the (“City Hall” or the “Property”), Fontana, California (the “System”).
- B. On July 10, 2019, the Agreements were subsequently assigned to Fontana Solar Project 2019, LLC, which is now the Seller under the PPA and the Tenant under the Site Lease. Such assignment was made in accordance with the assignment provisions of the Agreements as Fontana Solar Project 2019, LLC is a successor entity and qualified solar operator with comparable experience in operating and maintaining photovoltaic system solar systems and the financial capability to perform the obligations contemplated under the Agreements.
- C. The City has vacated or is vacating the Property, demolition activities have commenced and are being performed by the City or its contractors, and the City has elected to retain the canopy/carport portion of the System at the Property.
- D. The Parties agree that the applicable Purchaser’s Termination Payment under Exhibit 5 of the PPA, based on termination in Contract Year 6, is Four Hundred Ninety Thousand Nineteen Dollars (\$490,019).
- E. The Parties desire to mutually terminate the Agreements and document the disposition of the System at the Property on the terms set forth below.

**NOW, THEREFORE**, for good and valuable consideration, the receipt and sufficiency of which are acknowledged, the Parties agree as follows:

1. Termination. Effective as of August \_\_, 2026 (the “Termination Effective Date”), the Agreements are mutually terminated and shall be of no further force or effect, except for the obligations under this Agreement and any provisions of the Agreements that by their terms expressly survive termination.
2. Termination Payment. Within thirty (30) days after the Termination Effective Date, and subject to the City’s receipt of the fully executed and recordable instruments described in Section 8 and written lender releases/lien waivers in a form reasonably acceptable to the City, the City shall pay Seller Four Hundred

Ninety Thousand Nineteen Dollars (\$490,019) by wire transfer in immediately available funds to the account designated by Seller in writing. The Termination Payment is paid under the PPA for early termination and does not, by itself, transfer title to any portion of the System. Notwithstanding the foregoing, the Parties acknowledge and agree that the Termination Payment, together with the Parties' mutual agreements and obligations under this Agreement, constitutes good and valuable consideration for the transactions contemplated herein, including the transfer of the retained equipment under Section 3.

3. Canopy/Carport Transfer. Effective upon Seller's receipt of the Termination Payment, Seller gives, grants, remises, releases, quitclaims, and surrenders to the City all of Seller's right, title, and interest in and to the canopy/carport portion of the System, including all associated equipment, components, improvements, and related rights AS IS, WHERE IS, WITH ALL FAULTS, and without representation or warranty of any kind, except as expressly provided herein. Seller represents and warrants that as of the transfer date, the canopy/carport portion of the System is free and clear of all liens, mortgages, security interests, and encumbrances attributable to Seller or its lenders. Furthermore, Seller hereby assigns and transfers to City all of Seller's right, title, and interest in and to any existing, unexpired third-party manufacturer, installer, or equipment warranties, guarantees, operating manuals, as-built drawings relating to the canopy/carport equipment. Seller shall execute any documentation reasonably requested by the City or applicable manufactures to effectuate such assignment. From and after the Termination Effective Date, the City assumes all ownership, operation, maintenance, safety, utility, interconnection, warranty, tax, environmental attribute, and liability obligations relating to the canopy/carport equipment, including obtaining or modifying any Southern California Edison permission-to-operate, interconnection, metering, or closeout documentation in the City's name.

4. Rooftop Equipment; City-Performed Demolition. The Parties acknowledges that demolition of the Property and removal of the rooftop portion of the System is being performed by the City or its contractors without Seller's involvement. The Seller hereby abandons, releases and relinquishes to the City all of Seller's right, title, and interest in and to the rooftop portion of the System equipment, and the City accepts such rooftop System equipment solely for the removal, demolition, scrapping, and disposal of such System equipment. The City waives any roof restoration, roof warranty inspection, patching, or similar restoration obligations that would otherwise apply following System removal.

Notwithstanding anything in Section 4 or Section 7 to the contrary, and surviving the Termination Effective Date and mutual release herein, Seller shall defend, indemnify, and hold harmless the City from and against any third-party claims, mechanic's liens, stop notices, or encumbrances filed against or affecting the rooftop System or City property arising out of or related to work, equipment, or agreements performed or entered into by or on behalf of Seller prior to the Termination Effective Date.

5. Utility Closeout; Cooperation. The Parties shall cooperate to terminate or transfer the existing Southern California Edison permission-to-operate and interconnection arrangements as appropriate for the retained canopy/carport equipment and the abandoned rooftop equipment, including providing reasonable access and information as needed. Seller shall execute and deliver to City all required SCE interconnection transfer, cancellation, or closeout forms within ten (10) days following the Termination Effective Date. The City shall be responsible for any utility costs associated with transfer or termination of the interconnection for retained equipment. The obligations set forth in this Section shall survive the termination of this Agreement and Seller shall defend, indemnify, and hold harmless the City from and

against any utility penalties, lost credits, or third-party fees resulting directly from Seller's failure to timely perform its obligations hereunder.

6. Final Reconciliation. The Parties confirm that, to the best of their knowledge, all amounts due under the PPA through the Termination Effective Date have been paid in full.

7. Mutual Release and Waiver of Section 1542.

(a) Effective upon Seller's receipt of the Termination Payment and completion of the canopy/carport transfer under Section 3, each Party releases the other Party, together with its affiliates, officers, directors, employees, agents, successors, and assigns, from all claims arising out of or relating to the Agreements and occurring on or before the Termination Effective Date. This release does not apply to: (a) obligations under this Agreement (including, without limitation, Seller's warranty provisions in Section 3 and indemnity obligations under Section 4) ; (b) any indemnification, confidentiality, or other obligation of the Agreements that survives by its terms; (c) fraud or intentional misconduct; (d) third-party claims; or (e) any claim that cannot be released by law.

(b) Waiver of Section 1542. Each Party hereby states that it is such Party's intention in executing this Agreement that the same shall be effective as a bar to each and every claim, demand, cause of action, obligation, damage, liability, charge, attorneys' fees and costs herein above released. The Parties hereby expressly waive and relinquish all rights and benefits, if any, arising under the provisions of Section 1542 of the Civil Code of the State of California which provides:

**A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her would have materially affected his or her settlement with the debtor or released party.**

8. Recorded Instruments. If any memorandum of lease, easement, non-disturbance agreement, fixture filing, or other instrument was recorded or filed in connection with the Agreements, the Parties shall cooperate to execute and record an appropriate termination or release instrument promptly following the Termination Effective Date. The obligations set forth in this Section shall survive the termination of this Agreement until they have been fully performed.

9. Authority. The City represents that it has obtained or will obtain before execution all approvals required to enter into this Agreement, including any City Council authorization required for the canopy/carport transfer, and that the City signatory is authorized to bind the City. Seller represents that Fontana Solar Project 2019, LLC is the current Seller and Tenant under the Agreements and the authorized payee for the Termination Payment, and that the Seller signatory is authorized to execute this Agreement.

10. Miscellaneous. This Agreement is governed by the laws of the State of California, without regard to conflicts-of-law principles. This Agreement may be executed in counterparts, each of which is deemed an original, and all of which together constitute one instrument. Electronic signatures and delivery by PDF or DocuSign are effective as originals. This Agreement constitutes the Parties' entire agreement regarding the termination of the Agreements and disposition of the System, and supersedes the City's termination notice dated April 20, 2026 and any prior informal correspondence regarding termination. Seller shall

provide written wire instructions within ten (10) days after the Effective Date, and such written wire instructions are administrative in nature and do not amend or modify this Agreement.

*[SIGNATURE PAGE FOLLOWS]*

IN WITNESS WHEREOF, the Parties have executed this Agreement as of the Effective Date first written above.

**CITY OF FONTANA**

a California municipal corporation

By: \_\_\_\_\_

Name: Matthew Ballantyne

Title: City Manager

Attest:

\_\_\_\_\_  
Germaine Key, City Clerk

Approve As to Form

\_\_\_\_\_  
Ruben Duran, City Attorney

**FONTANA SOLAR PROJECT 2019, LLC**

a Delaware limited liability company

By: \_\_\_\_\_

Name: Eric Pollock

Title: President