

**MEMORANDUM OF UNDERSTANDING CONCERNING THE REPAYMENT
OF A LOAN ISSUED FROM THE CITY OF FONTANA GENERAL FUND ACCOUNT
TO THE STAGE RED ENTERPRISE ACCOUNT FOR THE OPERATIONS OF STAGE
RED FONTANA**

This Memorandum of Understanding (“**MOU**”) is made and entered into this 22nd day of October 2024 (“Effective Date”) for the repayment of a seven hundred fifty thousand dollar (\$750,000.00) inter-city loan (“Loan”) from the City of Fontana General Fund (“General Fund”) to the Stage Red Enterprise Fund (“Stage Red Account”).

RECITALS

WHEREAS, on the City of Fontana (“City”) acquired the Center Stage Theater at the location of 8463 Sierra Avenue; and

WHEREAS, on June 15, 2024, the City launched Stage Red Fontana (“Stage Red”) to invest in the City’s infrastructure by creating and promoting community through people, parks and programs; and

WHEREAS, on March 12, 2024 the Fontana City Council (“City Council”) approved a Five hundred thousand dollar (\$500,000.00) loan from the General Fund to the Stage Red Account for operational purposes; and

WHEREAS, on July 16, 2024 City Council approved an additional loan from the General Fund to the Stage Red Account for two hundred fifty thousand dollars (\$250,000) for operational purposes and consultant fees, for a total loan amount of seven hundred fifty thousand dollars (\$750,000) (herein after “Loan”); and

WHEREAS, the City intends that repayment of the Loan commence five (5) years from the Effective Date; and

WHEREAS, the City desires to enter into this Memorandum Of Understanding (“MOU”) to implement a repayment schedule for the Loan.

TERMS

NOW, THEREFORE, the Parties agree as follows:

1. Incorporation of Recitals. The Recitals set forth above are true, correct and incorporated herein by this reference.
2. Purpose of MOU. The purpose of this MOU is to outline the terms and conditions of the five hundred thousand dollar (\$500,000) loan issued on March 12, 2024 and the two hundred fifty thousand dollar (\$250,000) loan issued on July 17, 2024, for a total amount of seven hundred

fifty thousand (\$750,000.00), from the General Fund to the Stage Red Account for operational purposes.

3. Term. This MOU shall commence on the Effective Date and expire on June 30, 2038. The Term may be extended by written amendment.
4. Repayment Provisions. On or before June 30, 2038, the Stage Red Account shall fully repay the Loan by tendering to the General fund the sum of seven hundred and fifty thousand dollars (\$750,000.00), which shall be delivered in the form of ten (10) cashier's checks made payable to City of Fontana- General fund in accordance with the following payment schedule:

On or before June 30, 2029	Payment due: \$75,000.00
On or before June 30, 2030	Payment due: \$75,000.00
On or before June 30, 2031	Payment due: \$75,000.00
On or before June 30, 2032	Payment due: \$75,000.00
On or before June 30, 2033	Payment due: \$75,000.00
On or before June 30, 2034	Payment due: \$75,000.00
On or before June 30, 2035	Payment due: \$75,000.00
On or before June 30, 2036	Payment due: \$75,000.00
On or before June 30, 2037	Payment due: \$75,000.00
On or before June 30, 2038	Payment due: \$75,000.00

5. Acknowledgement of Payment in Full. When the sum of seven hundred fifty thousand dollars (\$750,000.00) is paid in accordance with Paragraph 4, the Loan will be fully repaid and no other sum for interest, penalties, fees or any other purposes will be due.
6. Deferment. Repayment terms as described in Paragraph 4, may be deferred to a later date to if such deferment is made in writing on or before the corresponding scheduled payment date provided.
7. Modification. The terms of this MOU may be modified if made in writing. No oral understanding or agreement not incorporated herein shall be binding.
8. Entirety of Contract. This MOU constitutes the entire agreement relating to the subject of this MOU and supersedes all previous agreements, promises, representations, understandings, whether written or oral, with respect to the subject matter thereof.

9. Severability. If any provision of this agreement is held to be illegal, invalid, or unenforceable, that provision shall be fully severable, and this agreement shall be construed and enforced as if the illegal, invalid, or unenforceable provision were never a part of the agreement; the remaining provisions shall remain in full force and effect and shall not be affected by the illegal, invalid, or unenforceable provision or by its severance; and in lieu of such illegal, invalid, or unenforceable provision, there shall be added automatically as part of this agreement, a provision as similar in its terms to the illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

[SIGNATURES ON NEXT PAGE]

[SIGNATURE PAGE TO AGREEMENT]

CITY OF FONTANA GENERAL FUND

Jessica Brown
Chief Financial Office
Finance

STAGE RED ENTERPRISE FUND

Phillip Burum
Deputy City Manager
Development Services

CITY OF FONTANA

Matthew Ballantyne
City Manager

