

RESOLUTION NO. 2026-026

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA AUTHORIZING THE EXECUTION AND DELIVERY OF A LETTER OF CREDIT AGREEMENT AND AN ACQUISITION AND FUNDING AGREEMENT

WHEREAS, the City Council (the “City Council”) of the City of Fontana (the “City”) has, pursuant to the provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”), established City of Fontana Community Facilities District No. 117 (Southridge) (the “Community Facilities District”);

WHEREAS, it is anticipated that, in order to finance certain public facilities, the Community Facilities District will issue special tax bonds (the “Bonds”) secured by a special tax (the “Special Tax”) levied within the Community Facilities District;

WHEREAS, KB HOME Cal Management Services LLC, a Delaware limited liability company (the “Developer”), proposes to develop the property within the Community Facilities District;

WHEREAS, it is contemplated that the property within the Community Facilities District may be substantially undeveloped at the time the Bonds are issued and that, as a result, a significant portion of the Special Tax securing the Bonds would be levied on undeveloped property;

WHEREAS, in order to increase the credit quality of the Bond issue, the Community Facilities District may require, as a condition to the issuance of the Bonds, that the Developer provide a letter of credit securing the payment of the Special Tax levied on certain of such undeveloped property within the Community Facilities District;

WHEREAS, in order to evidence such requirement and the matters pertaining thereto, there has been prepared and presented to this meeting a form of Letter of Credit Agreement, by and between the Community Facilities District and the Developer (such Letter of Credit Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Letter of Credit Agreement”);

WHEREAS, the Developer proposes to construct, or cause to be constructed, certain of the public facilities proposed to be financed by the Community Facilities District pursuant to the Act, and the Community Facilities District proposes to purchase such public facilities from the Developer, title to which public facilities will be taken by the City;

WHEREAS, the Community Facilities District, the City and the Developer desire to provide for the priority in which Special Tax and proceeds of the Bonds are to be applied and certain other matters regarding the Community Facilities District, the Special Tax and the Bonds;

WHEREAS, in order to provide for such matters, there has been prepared and presented to this meeting a form of Acquisition and Funding Agreement by and among the Community Facilities District, the City and the Developer (such Acquisition and Funding Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the "Acquisition Agreement"); and

WHEREAS, the City Council is the legislative body of the Community Facilities District;

NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Fontana, California as follows:

Section 1. The Letter of Credit Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. Each of the Mayor of the City, and such other member of the City Council as the Mayor may designate, the City Manager of the City and the Chief Financial Officer, Finance Department, of the City, and such other officer or employee of the City as the City Manager may designate (the "Authorized Officers") is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Letter of Credit Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Letter of Credit Agreement by such Authorized Officer.

Section 2. The Acquisition Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Acquisition Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Acquisition Agreement by such Authorized Officer.

Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the City, to execute and deliver the Acquisition Agreement in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Acquisition Agreement by such Authorized Officer.

Section 3. All actions heretofore taken by the officers, employees and agents of the City with respect to the Letter of Credit Agreement and the Acquisition Agreement, or in connection with or related to any of the matters referred to herein, are hereby approved, confirmed and ratified.

Section 4. The officers, employees and agents of the City are hereby authorized and directed to take all actions and do all things that they, or any of them, may deem necessary or desirable to accomplish the purposes of this Resolution and not inconsistent with the provisions hereof.

Section 5. This Resolution shall take effect immediately upon its adoption.

APPROVED AND ADOPTED this 14th day of April 2026.

READ AND APPROVED AS TO LEGAL FORM:

City Attorney

I, Germaine Key, City Clerk of the City of Fontana, and Ex-Officio Clerk of the City Council, do hereby certify that the foregoing Resolution is the actual Resolution duly and regularly adopted by the City Council of said City at a regular meeting thereof, held on the 14th day of April 2026, by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

City Clerk of the City of Fontana

Mayor of the City of Fontana

ATTEST:

City Clerk