

## **AMENDMENT TO AGREEMENT FOR SERVICES BETWEEN THE CITY OF FONTANA AND AMPAC BUSINESS CAPITAL**

This Amendment (“Amendment”) is made and entered into as of October 28, 2025, by and between the City of Fontana (the “City”) and AmPac Tri-State CDC doing business as AmPac Business Capital (“AmPac”), and amends the Agreement for Services between the City of Fontana and AmPac Business Capital, entered into as of March 1, 2024 (the “Agreement”).

**WHEREAS**, the City has established a Revolving Loan Fund (“RLF”) in the amount of Five Hundred Thousand Dollars (\$500,000.00) to provide entrepreneurs and small businesses within the City of Fontana with access to debt financing for the purposes of business growth; and

**WHEREAS**, the Parties desire to update and clarify the terms and conditions of the Agreement to reflect their mutual understanding and to refine the scope of services.

**NOW, THEREFORE**, in consideration of the mutual covenants and promises contained herein, and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged by the Parties, the Parties agree as follows:

### **1. ARTICLE 1. DEFINITIONS.**

- a. The following new Section 1.8 “Technical Assistance” is hereby added to the Agreement:

**“1.8 Technical Assistance.** Shall mean comprehensive, individualized support designed to facilitate the inception, expansion, and endurance of businesses for entrepreneurs participating in the RLF program. This encompasses, without limitation, professional coaching, educational resources, instrumental tools, and strategic advisory services focused upon financial viability, operational efficacy, and preparedness for capital investment.”

### **2. ARTICLE 2. TERMS.**

- a. Section 2.4 “Term” is hereby amended to read as follows:

**“2.4 Term.** The term (“Term”) of this Agreement shall be from April 9, 2024, to June 30, 2029. The term of this Agreement may be extended by mutual written agreement of the Parties.”

- b. Section 2.5 “Final Program Activity Report” is hereby amended to read as follows:

**“2.5 Final Program Activity Report.** One hundred eighty (180) days prior to the conclusion of this Agreement, AMPAC shall provide the City with a final Program Activity Report. This report shall be a comprehensive summary of all

Program Activity Reports submitted to the City under Section 3.2 throughout the term of this Agreement.”

### 3. ARTICLE 3. RESPONSIBILITIES OF AMPAC.

- a. Section 3.2 “Program Activity Report” of the Agreement is amended to read as follows:

**“3.2 Program Activity Report.** AmPac shall submit to the City’s Representative, at [mcarter@fontanaca.gov](mailto:mcarter@fontanaca.gov) a quarterly written report (“Program Activity Report”) within 10 (ten) business days after the last day of each calendar quarter, consisting of data metrics illustrating AmPac’s performance and progress with respect to the services delineated herein, including, without limitation, information and materials pertaining to the volume of business applications processed and funded through the City’s RLF, as well as comprehensive business loan servicing information. In addition to the foregoing, the Program Activity Report shall include the following data:

- Loan Application Disposition Date (including reason for decline, if applicable);
- Applicant Business Name;
- Applicant Business Address;
- Approved Loan Amount;
- Loan Funding Date;
- Borrower Ethnicity/Race (if provided);
- Borrower Gender (if provided);
- Borrower Veteran Status;
- Low-to-Moderate Income (“LMI”) Census Tract (based on business address);
- Number of Jobs Created or Retained;
- Number of Past Due Payments;
- Loan Status and Modification Details;
- Name of Defaulted Loans and Corresponding Loan Count; and
- Quarterly Amount of Principal and Interest Reallocated to the RLF Balance for New Loan Funding.

The Program Activity Report shall further incorporate copies of all (thirty-) 30-day and (sixty-) 60-day past due loan payment letters dispatched to borrowers, accompanied by proof of certified mailing of those letters. For any loan exceeding ninety (90) days past due, AmPac shall additionally generate and transmit a copy of the final Default Loan Package to the City of Fontana as part of this report.”

- b. The following new Section 3.8 “Loan Origination” is hereby added to the Agreement:

**“3.8 Loan Origination.** AmPac shall be responsible for the initiation and origination of all loans under this Agreement. This responsibility includes, but is not limited to: (i) receiving, processing, and conducting the due diligence review of all loan applications; (ii) reviewing and evaluating applications for completeness and eligibility; (iii) ensuring that applicants meet all requirements and eligibility criteria as established by the City; and (iv) approving and granting loans in accordance with such requirements. All loan originations must utilize the standard documents provided in Exhibit B, attached hereto and incorporated herein, and any other required instruments. AmPac shall not alter, revise, or substitute any of the loan documents without the prior written approval of the City.”

- c. The following new Section 3.9 “Loan Modifications” is hereby added to the Agreement:

**“3.9 Loan Modifications.** Loan modifications may be requested by the borrower. The City reserves the right to approve or deny any such modification request. Any request for modification must be submitted in writing and shall acknowledge the borrower’s understanding that, for any approved modification, a charge of Three Hundred Fifty Dollars (\$350.00) shall be applicable for the generation of requisite new documents by AmPac, which shall be paid to AmPac concurrently with the signing of said documents, provided that the subject loan is not delinquent.”

- d. The following new Section 3.10 “Payments and Collection” is hereby added to the Agreement:

**“3.10 Payment Collection and Loan Servicing.** AmPac shall be responsible for the collection of monthly principal and interest payments from borrowers for the RLF. Such payments shall be made from the borrower’s business checking account. The preferred method of payment shall be Automated Clearing House (“ACH”) auto-debit, as duly authorized by the borrower; however, payments may also be accepted in the form of a certified check drawn from the borrower's business checking account.

If a payment made via ACH is rejected for any reason, the rejected payment shall be resubmitted for processing only once following the initial attempt. This resubmission shall occur within seven (7) business days of the original rejection. As part of their initial agreement with AmPac, the borrower shall agree to assume all fees borne by AmPac in connection with the collection of any returned payment.

If payment is not received within ten (10) business days of the payment due date, AmPac shall initiate collection efforts. AmPac shall retain servicing responsibility for the loan until the loan reaches ninety (90) days past due. When a loan reaches ninety (90) days past due, the City shall assume all further collection efforts. At that time, AmPac shall transmit the Default Loan Package to the City via certified mail, the contents of which are outlined in Section 3.11 of this Agreement.”

- e. The following new Section 3.11 “Default Loans” is hereby added to the Agreement:

**“3.11 Default Loans.** If a loan becomes ninety (90) days or more past due, AmPac shall reduce the amount of the borrower’s loan amount by the portion that remains unused. This unused portion shall be returned to the RLF balance to be reallocated to other borrowers. This reduction must take place before AmPac submits the Default Loan Package to the City. Following this, the City shall assume all further collection efforts. In the event of such a default, AmPac shall transmit the following comprehensive Default Loan Package (“Default Loan Package”) to the City for the purpose of further liquidation and collection efforts:

- All original loan documents;
- 30-day and 60-day letters of default with proof of certified mailing;
- Credit memo generated by AmPac pertaining to the loan;
- Approval memo generated by AmPac pertaining to the loan;
- Copies of all notes recorded within AmPac’s system; and
- A comprehensive printout of the loan’s history from AmPac’s system.

The loan agreement with the borrower shall include the provision that, if the loan reaches ninety (90) days past due, the borrower’s loan amount will be reduced by the amount of the loan that is unused by the borrower, and the borrower’s express agreement to this term shall be required.”

- f. The following new Section 3.11 “Technical Assistance” is hereby added to the Agreement:

**“3.11. Technical Assistance.** AmPac shall provide Technical Assistance to borrowers, as defined in Section 1.8 of this Agreement.”

#### 4. ARTICLE 4. RESPONSIBILITIES OF THE CITY.

- a. The following new Section 4.2 “Disbursement and Funding” is hereby added to the Agreement:

**“4.2 Disbursement and Funding.** The funds provided by the City for the RLF shall originate from its general fund. These funds will be disbursed to AmPac specifically for the purpose of facilitating RLF disbursements. Disbursements shall be made in increments of One Hundred Thousand Dollars (\$100,000.00),

following AmPac's submission of an invoice to the City, which shall be subject to the City's review and approval. This entire invoice and disbursement process shall comply with the City's purchasing guidelines."

## 5. ARTICLE 5. COMPENSATION.

- a. It is hereby acknowledged and agreed by both Parties that the original Agreement contained an inaccuracy in the terms for compensation for the services. To correct this, the Parties agree that Section 5.1 of the Agreement shall be amended to read as follows:

"5.1. AmPac's compensation for the services rendered under this Agreement shall comprise a one-time payment of Fifteen Thousand Dollars (\$15,000.00), representing three percent (3%) of the Five Hundred Thousand Dollar (\$500,000.00) RLF principal amount. This compensation is solely for the servicing of this specific Five Hundred Thousand Dollar \$500,000.00 RLF allocation.

In the event that an additional Five Hundred Thousand Dollars (\$500,000.00) is added to the RLF, AmPac shall receive an additional one-time payment of Fifteen Thousand Dollars (\$15,000.00), representing three percent (3%) of the Five Hundred Thousand Dollar (\$500,000.00) RLF principal amount increase, for the servicing of that additional allocation, subject to the same terms and conditions set forth in this Agreement.

The compensation described herein shall constitute the full, sole, and exclusive compensation to AmPac from the City for services rendered and obligations fulfilled under this Agreement. AmPac shall not be entitled to any additional payment, reimbursement, or compensation of any kind from the City."

Both Parties shall initial this Section to confirm their mutual agreement and acceptance of the revised compensation terms.

\_\_\_\_\_  
AmPac Initials

\_\_\_\_\_  
City Initials

## 6. ARTICLE 6. GENERAL PROVISIONS.

- a. Section 6.1 "Termination of Agreement" is hereby amended to read as follows:

"6.1 **Termination of Agreement.** The City may terminate this Agreement without cause by providing sixty (60) days' written notice to AmPac. The notice shall specify the effective date of termination, which shall be no less than sixty (60) days from the date of the notice. In the event of such termination, AmPac shall be compensated only

for services performed through the effective date of termination. Upon termination, AmPac shall return all undistributed funds under the RLC, as well as all documents and materials related to this Agreement.”

- b. The following new Section 6.24 “Ownership of Documents” is hereby added to the Agreement:

**“6.24 Ownership of Documents.** All reports, documents, data, records, and other materials prepared or obtained by AmPac in connection with this Agreement shall be the sole property of the City. Upon termination or expiration of this Agreement, AmPac shall promptly deliver all such materials to the City, including any copies in AmPac’s possession, custody, or control.”

- c. The following new Section 6.25 “Exhibits” is hereby added to the Agreement:

**“6.25 Exhibits.** All exhibits attached hereto are hereby incorporated into and made a part of this Agreement as if fully set forth herein.”

**7. EXHIBIT A.**

Exhibit A to the Agreement is hereby modified as set forth in the attached Exhibit A-1, which is incorporated herein by reference. Exhibit A-1 reflects only the specific amendments to Exhibit A, and all other provisions of Exhibit A shall remain unchanged and in full force and effect.

**8. FULL FORCE AND EFFECT.**

Except as expressly modified by this Amendment, all other terms, covenants, conditions, and provisions of the Agreement shall remain in full force and effect.

**9. COUNTERPARTS.**

This Amendment may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

[Signature page follows]

**IN WITNESS WHEREOF**, the Parties have caused this Amendment to the Agreement for Services Between the City of Fontana and AmPac Tri-State CDC DBA AmPac Business Capital to be executed on the date set forth above.

CITY OF FONTANA

By: \_\_\_\_\_  
City Manager

ATTEST:

By: \_\_\_\_\_  
City Clerk

APPROVED AS TO FORM:

By: \_\_\_\_\_  
City Attorney

AMPAC TRI-STATE CDC DBA AMPAC  
BUSINESS CAPITAL

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

## EXHIBIT A-1

- a. Exhibit A, Section B.1, “Business Coverage Ratio” is hereby amended and retitled as “Business Debt Coverage Ratio,” and shall read as follows:

**“Business Debt Coverage Ratio:** the Annual Funds Available to Service Debt (defined as Net Earnings + Depreciation and/or Amortization + Debt Interest Expense, or ‘EBITDA’) must be sufficient to cover the total principal and interest payments for the subject debt and all other debt obligations as of the fiscal year-end (“FYE”) period of business operations. This ratio is expressed as EBITDA divided by Total Principal & Interest (EBITDA/Total P&I) and must be at least 1.0:1.0.”

- b. Exhibit A, Section B.1, “Interest Rate” is hereby amended to read as follows:

**“Interest Rate:** The Loan shall bear a fixed interest rate of six and one-half percent (6.5%) per annum. Of this interest income, five percent (5%) shall be re-allocated to the RLF, with the remaining one and one-half percent (1.5%) to be retained by AmPac as a loan origination fee for services provided to the borrowers as performed under this Agreement.

- c. Exhibit A, Section B.1, “Loan Fee” is hereby amended to read as follows:

**“Origination Fee:** An origination fee equal to one and one-half percent (1.5%) of the approved and funded loan amount shall be allocated to AmPac at the funding of the loan from loan proceeds. This fee shall be a line item in the sources and uses chart and will cover the expense to document, underwrite, close, and disburse the loan.”

- d. Exhibit A, Section B.1, “Payment Terms” is hereby amended to read as follows:

**“Payment Terms:** The Loan shall have a sixty (60) month fully amortized loan period, with no prepayment penalty.”

- e. The following new section B.5 is hereby added to Exhibit A:

**“Application Requirements:**

Applicants are required to complete a curated Loan Fund Pre-Course series, consisting of four (4) short courses available on-demand. These videos are prepared and provided by AmPac and/or City of Fontana. Upon completion of all four courses, each applicant will receive a certificate of completion and an email with direct instructions to schedule an appointment with an AmPac. Applicants shall compile the following items while taking the pre-course to have the



necessary documents readily available to meet with the AmPac. AmPac will assist each applicant in reviewing the application and ensuring that the use of funds is appropriate for the business growth.

**List of Required Documents:**

- Current Business License
- CA Statement of Information
- Sellers Permit (if applicable)
- CA Driver's License
- 2 years of Business Tax Returns
- 2 years' Personal Tax Returns
- 3 Months' Business bank statements
- 3 Months of Personal bank statements
- Debt schedule (list of all outstanding debt amounts and payment dates)
- Business Financial Statements
- Project Cost Detail
- Completion Certificate from Loan Fund Pre-Course

**Pre-Course Video Classes Defined:**

**Course Outline:**

- **Getting Started (4 minutes)**  
*Video Link:* <https://www.fontanaca.gov/3655/Fontana-Empowerment-Loan-Fund>  
*Description:* Description of required documents and Step by Step instructions of the application process.
- **Business Plans Advice for the Busy Small Business Owner (55 minutes)**  
*Video Link:* <https://vimeo.com/783360436>

*Description:* Knowing how to create a business plan is important for entrepreneurs. In this session, Diana White, gives tips for creating powerful business plans. Diana is the President of D.E.W. Business Solutions, LLC, a consulting firm, and the Executive Director of Moonshot at NACET.

- **Building (and Executing) Your Action Plan (33 minutes)**  
*Video Link:* <https://vimeo.com/480227798>

*Description:* We all want to set our companies on autopilot once in a while, but our business goals can't achieve themselves. Getting (and staying) on the right track takes careful thinking and hands-on strategy that spurs your team into action. Steve Thompson — CEO of operations consulting firm SteveZT and co-founder of The Surf Network — presents his webinar, "Building (and Executing) Your Action Plan." This talk will guide you through his tips for creating a plan that drives results.

- **5 Ways to Communicate Your Product/Service Authentically** (43 minutes)

*Video Link:* <https://vimeo.com/483627170>

*Description:* As a consumer, you're probably tired of all the sales pitches and ads flying at you each day. Your customers are, too. What businesses don't give enough of is authenticity, so when you know how to put your heart and soul into your sales, you have the potential to sell anything. According to Hailey Yatros — author, keynote speaker and owner of Conscious Coaching — the companies that excel are out to make a difference. Going back to why you started and connecting with people on an emotional level are the strategies that really sell.

**EXHIBIT B**  
**Origination Documents**

DRAFT