City of Fontana

8437 Sierra Avenue
Fontana, CA 92335

Regular Agenda

Ord. No. 1988 Reso. No. 2026-032

Tuesday, May 26, 2026
2:00 PM

Steelworkers' Auditorium
8437 Sierra Avenue
Fontana, Ca. 92335

City Council Meeting

Acquanetta Warren - Mayor
Peter A. Garcia - Mayor Pro Tem
John B. Roberts - Council Member
Jesus "Jesse" Sandoval - Council Member
Phillip Cothran - Council Member
Germaine Key - City Clerk
Janet Koehler-Brooks, City Treasurer

Welcome to a meeting of the Fontana City Council.

Welcome to a meeting of the Fontana City Council. Meetings are held at the Steelworker's Auditorium 8437 Sierra Avenue, Fontana, CA 92335. To address the Council, please fill out a card located at the entrance to the right indicating your desire to speak on either a specific agenda item or under Public Communications and give it to the City Clerk. Your name will be called when it is your turn to speak. In compliance with Americans with Disabilities Act of 1990 (42 USC § 12132), the Steelworker's Auditorium is wheelchair accessible, and a portable microphone is available. Upon request, this agenda will be made available in appropriate alternative forms to persons with disabilities, as required by Section 12132 of the Americans with Disabilities Act of 1990. Any person with a disability who requires accommodation to participate in a meeting should direct such a request to the City Clerk's Office at (909) 350-7602 at least 48 hours before the meeting, if possible. Any public record, relating to an open session agenda item, that is distributed within 72 hours prior to the meeting is available for public inspection at the City Clerk's Office.

The City of Fontana is committed to ensuring a safe and secure environment for its residents to engage with the government. No oversized bags or backpacks (size limit of 14"x14"x6") will be allowed inside the Steelworker's Auditorium. All bags are subject to search. Face masks are prohibited in the Steelworker's Auditorium, but clear masks will be provided upon request to accommodate individuals with medical needs, ensuring their safety and well-being. Before entering the Steelworker's Auditorium, you may be subject to a metal detector screening. The City Manager retains the discretion to grant any exemptions. Fontana aims to provide safe buildings for our community members, employees, and visitors.

PUBLIC COMMUNICATION - CLOSED SESSION:

This is an opportunity for citizens to speak to the City Council for up to 3 minutes on the following Closed Session. The Mayor and City Council reserve the right to adjust this time limit based on the number of speakers who wish to address the Mayor and City Council.

A. Public Communications - Closed Session

CLOSED SESSION:

A. 1:30 P.M. CLOSED SESSION

A. 1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (a) Name of case: Inland Coalition for Immigrant Justice v. City of Fontana. 26-1023

CALL TO ORDER/ROLL CALL:

A. Call To Order/Roll Call:

INVOCATION/PLEDGE OF ALLEGIANCE:

A. Invocation/Pledge of Allegiance:

PUBLIC COMMUNICATIONS:

This is an opportunity for members of the public to address the City Council for up to three (3) minutes total on items either on the Agenda or items not on the Agenda, but within the City Council's jurisdiction. Note that Public Hearing items have individual and specific public input opportunities during the public hearing and testimony on those items will only be taken during the public hearing. The Council is prohibited by law from discussing or taking immediate action on non-agendized items. The Mayor and City Council reserve the right to adjust this time limit based on the number of speakers who wish to address the Mayor and City Council.

A. Public Communications

CONSENT CALENDAR:

All matters listed under CONSENT CALENDAR will be enacted by one motion in the form listed below. There will be no separate discussion on these items prior to the time Council votes on them, unless a member of the Council requests a specific item be removed from the Consent Calendar for discussion.

Approve Consent Calendar Items as recommended by staff.

A. Approval of Minutes **26-1022**

Approve the minutes of May 12, 2026, Regular City Council Meeting.

Attachments: Attachment No. 1- City Council Meeting Minutes 05-12-2026.pdf

B. Accept the Community Cleanup and Employment Pathway Grant Program from the California Department of Transportation. **26-0882**

1. Accept the grant award in the total amount of $300,000.00 for the City of Fontana Beautification with Empowerment Project.

2. Authorize the City Manager, or City Manager's designee, to enter into and transmit any documents necessary to ensure the City's timely receipt of the Clean CA Grant Program.

Attachments: Attachment No. 1- City of Fontana RGA.pdf
Attachment No. 2- CleanCA_RGA_CCEP_Checklist_Complete Set.pdf

C. Award Bid for Ralph M. Lewis Sports Park Artificial Turf Installation for Fields 5 & 6 (PW-26-180-SB). **26-0892**

1. Award bid and authorize the City Manager to enter into a construction contract with FieldTurf USA, Inc. for Ralph M. Lewis Sports Park Artificial Turf Installation for Fields 5 & 6 in the amount of $423,603.32 and

authorize a 10% contingency in the amount of $42,360.00 (PW-26-180 -SB).

2. Authorize the City Manager to enter into any related items on behalf of the City of Fontana for Ralph M. Lewis Sports Park Artificial Turf Installation for Fields 5 & 6 (PW-26-180-SB).

Attachments: Attachment No. 1- SubmissionDetail483884_FieldTurf.pdf
Exhibit-Location Exhibit RML Park.pdf

D. Award a bid Construction Contract for the Comprehensive Pavement Rehabilitation for High-Maintenance Segments Project (DE-26-100-SB) **26-0984**

1. Award bid and authorize the City Manager to enter into a construction contract with Matich Corporation for the construction of the Comprehensive Pavement Rehabilitation for High-Maintenance Segments Project in the amount of $2,025,911.00 and authorize a 10% contingency in the amount of $202,591.10 (DE-26-100-SB).

2. Approve and authorize the City Manager to enter into any and all utility agreements, utility easements, and subsequent agreements on behalf of the City of Fontana for the Comprehensive Pavement Rehabilitation for High-Maintenance Segments Project.

Attachments: Attachment No. 1- Bid Results High Maintenance.pdf
Attachment No. 2- Summary.pdf
Attachment No. 3- High Maintenance Segments Area Maps.pdf

E. Roadway Asset Services, LLC Pavement & Asset Management Data Collection Services **26-0985**

1. Authorize the Purchasing Division to utilize the HGACBuy Cooperative Purchasing Program for Pavement and Asset Management Services under Contract No.HP08-25, per Purchasing Policies and Procedures Manual 3.1.5 Non-Competitive Proposal - by Another Public Agency.

2. Authorize the City Manager to enter into a Professional Services Agreement with Roadway Asset Services, LLC, in the amount of $242,335.00 Pavement & Asset Management Services and any future amendments.

Attachments: Attachment No. 1- RAS- Fontana HGACBuy Fees (003).pdf

F. Award a Professional Services Agreement with Cordoba Corporation for Construction Management Services for the Regional Navigation Center Tenant Improvements Project **26-0986**

(SQ-43-DE-23-2)

1. Award and authorize the City Manager to enter into a Professional Services Agreement with Cordoba Corporation for Construction Management Services for the Regional Navigation Center Tenant Improvements Project in the amount of $535,771.00 (Request for Proposals SQ-43-DE-23-2).

2. Approve and authorize the City Manager to enter into any future amendments to the Professional Services Agreement.

Attachments: Attachment No. 1 - Vicinity Map.pdf
Attachment No. 2 - Ranking Matrix (CM Services; SQ-43-DE-23-2).docx
Attachment No. 3 - [Draft] Professional Services Agreement (CM; SQ-43-DE-23-2).pdf

G. Annual Ford Vehicle Purchase Order Contract, Service, and OEM Parts Contract (PW-26-157-SP) **26-0994**

Award bid (PW-26-157-SP) and authorize the vehicle purchases, service, and OEM parts for two (2) years with three (3) optional annual renewals to the following bidders:

1. Fairview Ford Sales, Inc.

2. UP Opco Fontana F Inc. (dba Sunrise Ford).

Attachments: Attachment No. 1- Bid Recap Letter PW-26-157-SP.pdf
Attachment No. 2 - Fairview Ford Notice of Award Letter-Vehicles Annual Purchase.pdf
Attachment No. 3 - US Opco Fontana Notice of Award Letter-Vehicles Annual Purchase.pdf
Attachment No. 4 - FONTANA DOCS 20001 (1).pdf

H. American Rescue Plan Act Expenditure Plan Quarterly Report **26-0995**

Receive and file the American Rescue Plan Act (ARPA) Expenditure Plan quarterly report.

Attachments: Attachment A - .pdf
Attachment B - .pdf

I. Police Department Monthly Information Update **26-1002**

Accept the Police Department monthly information update for March 2026.

Attachments: Attachment No. 1- March 2026 Report for City Council Rev2.pptx

PUBLIC HEARINGS:

To speak on Public Hearing Items, submit comments via e-mail at publiccomments@fontanaca.gov. In the subject of your e-mail please indicate whether you are in favor or opposition of the item. Comments must be received no later than 12:00 P.M. on the day of the meeting. Comments of no more than three (3) minutes will be read into the record at the appropriate time during the meeting. If you challenge in court any action taken concerning a Public Hearing item, you may be limited to raising only those issues you or someone else raised at the Public Hearing described in this notice or in written correspondence delivered to the City at, or prior to, the Public Hearing.

All Public Hearings will be conducted following this format:

(a) hearing opened
(b) written communication
(c) council/staff comments
(d) applicant comments (applicant not limited to 5 minutes)
(e) oral - favor
(f) oral - opposition
(g) hearing closed

A. **Master Case No. 26-0011 and Municipal Code Amendment No. 26-0002: Fontana Municipal Code amendments to Chapter 30 to modify standards for outdoor dining and parking standards in the downtown core, make revisions to the No Net Loss program, add definitions to differentiate vehicle parking from storage, clarify timing of entitlement applications, and modify the definition of accessory land uses, pursuant to a categorical exemption from the California Environmental Quality Act ("CEQA") in accordance with CEQA Guidelines Sections 15060(c), 15378, and 15061(B)(3).** **26-0851**

1. Find that the adoption of the proposed ordinances are categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c), 15378, and 15061(B)(3) (the common-sense exemption), and Sections No. 3.01, 3.22, and10.59 of the 2019 Local Guidelines for Implementing CEQA.

2. Waive full reading and introduce for first reading by title only **Ordinance No. 1988** entitled: "An Ordinance Of The City Council Of The City Of Fontana, California, Amending Multiple Sections Of The Fontana Municipal Code, Including Amendments To Article XV Pertaining To Provisions Of The No Net Loss Program Including Sections 30-966 Through 30-969 And Sections 30-971 And 30-972, Pursuant To A Categorical Exemption In Accordance With CEQA Guidelines Sections

15060(C), 15061(B)(3), And Section 15378.And Directing Staff To File A Notice Of Exemption. ”

3. Waive full reading and introduce for first reading by title only **Ordinance No. 1989** entitled: “An Ordinance Of The City Council Of The City Of Fontana, California, Amending Multiple Sections Of The Fontana Municipal Code, Including Amendments To Sec. 30-12 Pertaining To The Definition Of Accessory Use, Principal/Primary Use, Vehicle And Truck Storage And Vehicle And Truck Parking; Sec. 30-21 Pertaining To The Expiration Of Entitlement Applications; Sec. 30-360 Pertaining To Outdoor Dining In The Public Right-Of-Way In The Downtown Core; Sec. 30-371.2 Pertaining To Parking Requirements For Retail, Entertainment And Restaurant Uses In The Downtown Core; Sec. 30-390 To Correct Section References, Pursuant To A Categorical Exemption In Accordance With CEQA Guidelines Sections 15060(C), 15061(B)(3), And Section 15378.And Directing Staff To File A Notice Of Exemption. ”

Attachments: Attachment No. 1 - Ordinance for No Net Loss Program Amendment
Attachment No. 2 - Ordinance For Other Amendments
Attachment No. 3 - Planning Commission Packet
Attachment No. 4 - Planning Commission Minutes
Attachment No. 5 - Public Hearing Notice

B. Master Case No. 19-000016R1: Development Agreement No. 19-000002R1 - A request to approve the first amendment to the Goodman Logistics Center Fontana III Development Agreement to extend the term of the agreement and add sustainability features, finding that the project was adequately analyzed in the previously certified Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse [SCH] NO. 2019039071) and the subsequent addendum, determining pursuant to CEQA guidelines Section 15162, no subsequent or supplemental EIR is required and direct staff to file of Notie of Determination. **26-0927**

1. Determine that the development agreement amendment together with the underlying project were adequately analyzed in the previously certified Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2019039071), along with a subsequent March 2021 Addendum, and pursuant to CEQA Guidelines Sections 15162 and 15164, no subsequent or supplemental EIR is required because there are no substantial changes in the project or its circumstances, and no new information of substantial importance has been identified that would result in any new or more severe significant environmental impacts; and

2. Waive full reading and introduce for first reading by title only **Ordinance No. 1990** entitled: "An Ordinance of the City Council of the City of Fontana, California, Approving Development Agreement No 19-000002R1 for Assessor's Parcel Numbers: 0255-091-20, -23, -63, -64, and -65.

Attachments: Attachment No. 1 - Ordinance 1990
Attachment No. 2 - Planning Commission Packet
Attachment No. 3 - Draft Planning Commission Minutes
Attachment No. 4 - Public Hearing Notice

C. Master Case No. 23-0100R1: Development Agreement (AGR) No. 23-0085R1 and Master Case No. 23-100R2: Development Agreement (AGR) No. 23-0085R2 - a request to amend and restate the previously approved Development Agreement (DA) for the Citrus/Oleander Industrial Commerce Center Project to allocate the provision of public benefit fees among properties in a manner consistent with Planning Commission Resolution No. 2025-040. **26-0993**

Open the public hearings, receive public testimony, close the public hearings and by motion:

1. Determine that the recommended development agreement modifications are categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and,

2. Determine that the development agreement modifications together with the underlying project were adequately analyzed in the previously certified Citrus and Oleander Avenue at Santa Ana Avenue Project Environmental Impact Report (EIR) (State Clearinghouse No. 2022110389) and its subsequent Addendum, and pursuant to CEQA Guidelines Section 15162, no subsequent or supplemental EIR is required because there are no substantial changes in the project or its circumstances, and no new information of substantial importance has been identified that would result in any new or more severe significant environmental impacts; and

3. Waive full reading and introduce for first reading by title only **Ordinance No. 1991** entitled: "An Ordinance of the City Council of the City Of Fontana, California, Approving Development Agreement No 23-0085R1, as to Assessor's Parcel Number 0255-021-17"

4. Waive full reading and introduce for first reading by title only **Ordinance No. 1992** entitled: "An Ordinance of the City Council of the City of Fontana, California, Approving Development Agreement No 23-0085R2, as to Assessor's Parcel Numbers 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 AND 0255-011-25 thru 0255-011-32"

Attachments: Attachment No. 1-Ordinance Approving Acacia DA Amendment
Attachment No. 2-Ordinance Approving Palisades DA Amendment
Attachment No. 3 PC Packet
Attachment No. 4 Planning Commission Minutes
Attachment No. 5 Public Hearing Notice for Acacia DA Amendment
Attachment No. 6 Public Hearing Notice North Palisades DA Amendment

NEW BUSINESS:

A. New Business

A. Fiscal Year 2025-26 Third Quarter Budget Status Report **26-0967**

Approve the recommended Fiscal Year 2025-26 Third Quarter Budget adjustments.

Attachments: Attachment No. 1- Fiscal Year 2025-26 Third Quarter Budget Status Report - CITY.pdf

CITY MANAGER COMMUNICATIONS:

A. City Manager Communications

ELECTED OFFICIALS COMMUNICATIONS/REPORTS:

A. Elected Officials Communications/Reports

ADJOURNMENT:

A. Adjournment

Adjourn to the next Regular City Council Meeting on June 9, 2026 at 2:00 p.m. in the Steelworkers' Auditorium located at 8437 Sierra Avenue, Fontana, California.

8437 Sierra Avenue
Fontana, CA 92335

City of Fontana

Action Report

City Council Meeting

File #: 26-1023
Agenda #: A.

Agenda Date: 5/26/2026
Category: Closed Session

Closed Session

Tuesday, May 26, 2026

1:30 P.M.

Steelworkers' Auditorium

City Council

Acquanetta Warren, Mayor

Peter Garcia, Mayor Pro Tem

John Roberts, Council Member

Jesus "Jesse" Sandoval, Council Member

Phillip W. Cothran., Council Member

8437 Sierra Avenue
Fontana, CA 92335

File #: 26-1022
Agenda #: A.

Agenda Date: 5/26/2026
Category: Consent Calendar

FROM:
City Clerk

SUBJECT:
Approval of Minutes

RECOMMENDATION:
Approve the minutes of May 12, 2026, Regular City Council Meeting.

COUNCIL GOALS:

- Create and maintain a dynamic team by supporting the decisions of the majority once made.
- Create and maintain a dynamic team by communicating Goals and Objectives to all commissions and employees.

DISCUSSION:
The City Council will consider approval of the minutes of May 12, 2026, Regular City Council Meeting. The draft minutes are attached to this report for Council review and approval.

FISCAL IMPACT:
None.

MOTION:
Approve staff recommendation.

City of Fontana

8437 Sierra Avenue
Fontana, CA 92335

Minutes

Tuesday, May 12, 2026

2:00 PM

Steelworkers' Auditorium
8437 Sierra Avenue
Fontana, Ca. 92335

City Council Meeting

Acquanetta Warren - Mayor
Peter A. Garcia - Mayor Pro Tem
John B. Roberts - Council Member
Jesus "Jesse" Sandoval - Council Member
Phillip Cothran - Council Member
Germaine Key - City Clerk
Janet Koehler-Brooks, City Treasurer

CLOSED SESSION:

A. 1:30 P.M. CLOSED SESSION

The Closed Session meeting of the Fontana City Council scheduled for Tuesday, May 12, 2026, at the Steelworkers' Auditorium, 8437 Sierra Avenue, Fontana, CA 92335, was cancelled due to no update on the below closed session item.

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (a) Name of case: Inland Coalition for Immigrant Justice v. City of Fontana.

CALL TO ORDER/ROLL CALL:

A. 2:00 P.M. Call To Order/Roll Call:

The Regular Meeting of the Fontana City Council was held in the Steelworkers' Auditorium, 8437 Sierra Avenue, Fontana, CA 92335, on Tuesday, May 12, 2026.

Mayor Warren called the Regular City Council Meeting to order at 2:02 p.m.

ROLL CALL:

PRESENT: Mayor Warren, Mayor Pro Tem Garcia, Council Members Cothran, Roberts, and Sandoval.

City Treasurer Janet Koehler-Brooks and City Clerk Germaine Key were also present.

ABSENT: None

INVOCATION/PLEDGE OF ALLEGIANCE:

The invocation was given by Council Member Roberts, followed by the pledge of allegiance led by Council Member Cothran.

CLOSED SESSION ANNOUNCEMENT:

City Attorney Ruben Duran stated that the City Council did not meet in Closed Session as there was no longer a need to discuss the listed item. He also noted that members of the public present were informed of the cancellation and no public comments were received.

CEREMONIAL ITEMS/PRESENTATIONS:

A. Mayor Warren and City Council to proclaim the month of May 2026 as National Building and Safety Month

Mayor Warren and the City Council proclaimed the month of May 2026 as National Building and Safety Month. Permit Supervisor Ultima Andrews accepted.

B. Mayor Warren and City Council to proclaim May 4-10, 2026, as Professional Municipal Clerk's Week.

Mayor Warren and City Council proclaimed May 4-10, 2026, as Professional Municipal Clerk's Week. City Clerk Germaine Key accepted.

PUBLIC COMMUNICATIONS:

The following individuals spoke under public communications:

Asher Jones requested that Consent Calendar Item H be pulled from the agenda and spoke regarding homelessness, advocating for increased compassion, resources, housing assistance, and support services for unhoused individuals based on personal experience with transitional housing and disability-related challenges.

Adda called for the removal of a Parks, Community and Human Services Commissioner, citing alleged misconduct during a police-involved incident resulting in a death, and referenced ongoing investigations and legal action related to the case.

Grace, representing the People’s Council of Fontana, opposed Consent Calendar Item H, urging a “no” vote on the proposed opioid support services contract. She raised concerns about the provider’s religious affiliation and requested a legal review and competitive bidding before approval.

Vanessa Antekeier representing the Exchange Club of Fontana, invited the community to attend the upcoming Fontana Days Festival at Veterans Park, highlighting volunteer participation, family activities, and fundraising efforts supporting local youth scholarships and community programs.

Megan Brousseau President of Inland Empire Kids Outdoors, expressed concerns about the Cadiz Water Project’s sustainability, environmental impacts, and financial risk, and urged the City Council to proceed cautiously and consider alternative water supply options.

Danielle Holley, Executive Director of the Fontana Chamber of Commerce, provided a quarterly update highlighting new business engagement, networking events, workforce development efforts, and ongoing initiatives supporting local businesses, job seekers, and community partnerships.

John Pedroza called for the removal of a Parks, Community and Human Services

Commissioner, citing alleged misconduct during a police-involved incident resulting in a death, and referenced ongoing investigations and legal action related to the case.

CONSENT CALENDAR:

Prior to the motion, Mayor Warren announced that Item "O", titled "Initiation of Intention to Levy Assessments for Fiscal Year 2026–27 for Landscape and Lighting Maintenance Districts," was pulled from the Consent Calendar and continued to a future City Council meeting at staff's request to allow additional time to review and finalize information.

Item "H" and Item "M" were also pulled for discussion.

Item H:

Deputy City Manager Phil Burum provided the staff report and clarified that Item H relates to the Opioid Outreach Program funded through opioid settlement funds, which are required to be used for drug treatment, education, or awareness. He explained the program supports street outreach, health and service referrals, and related support services, and noted the item follows a competitive Request for Proposals (RFP) process with a recommendation to award a new contract after the prior agreement expired.

City Attorney Duran stated there are no legal concerns with Item H, noting the contract requires compliance with all applicable federal and state laws. Council Member Sandoval clarified his support for the item, stated he does not have ties to the referenced organization, and emphasized his belief in supporting community service providers regardless of religious affiliation. Mayor Warren added that participation in homeless and substance use services is voluntary and reiterated the City's commitment to providing supportive resources for individuals seeking assistance.

Item M:

Deputy City Manager Burum and Management Analyst I Johnathan Hernandez provided the staff report explained the vendor selection process for Item M, noting that six evaluators independently scored proposals based on criteria in the RFP, including case management, housing navigation, and peer support experience. Helping Hearts was selected based on its experience in homeless services and case management across the Inland Empire.

Council discussion focused on differences in staffing levels among applicants, with staff noting the selected provider emphasized experience and effectiveness over higher staffing numbers. The contract is for one year with an optional one-year renewal, with Council and staff emphasizing ongoing oversight, accountability, and the ability to evaluate performance before renewal.

ACTION: Motion was made by Council Member Sandoval, seconded by Council Member Roberts, and passed unanimously by a vote of 5-0 to approve Consent Calendar Items "A-N." The motion carried by the following vote: AYES: Warren, Garcia, Cothran, Roberts, and Sandoval; NOES: None; ABSTAIN: None; ABSENT: None

A. Approval of Minutes **26-0990**

Approve the minutes of April 28, 2026, Regular City Council Meeting.

B. Approve Final Change Order with Gentry General Engineering, Inc. and Final Acceptance for the Emergency Storm Drain Repair Work along Valley Boulevard Project **26-0828**

1. Authorize the City Manager to approve a change order with Gentry General Engineering, Inc. in the amount of $40,812.35, resulting in an increase of $14,965.35 for a total contract amount of $299,284.35.

2. Accept as complete the work performed by Gentry General Engineering for the Emergency Storm Drain Repair Work along Valley Boulevard.

C. Out-Of-Area Sewer Service Agreement (ANX No. 23-0002) between the City of Fontana and Milagros Perez for sewer service to be provided by the City of Fontana to 9629 Alder Avenue (APN: 0249-091-08), pursuant to a Statutory Exemption in accordance with CEQA Guidelines Section No 15268(b)(4). **26-0946**

1. Find that the project is exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section No. 15268(b)(4) (Ministerial Project, Utility Connection) and direct staff to file a Notice of Exemption; and,

2. Approve and authorize the City Manager to execute an Out-Of-Area Sewer Service Agreement (ANX No. 23-0002) with Milagros Perez for the provision of sewer service to an existing single-family residence located at 9629 Alder Avenue.

D. Approve Amendment No. 1 to Task Order No. 26 with TKE Engineering, Inc. for the Etiwanda-Slover Intersection Improvement Project **26-0960**

1. Approve and authorize the City Manager to enter into Amendment No. 1 to Task Order No. 26 with TKE Engineering, Inc. for the Etiwanda-Slover Intersection Improvement Project (SQ-87-DE-19) in the amount of $531,991.00 for a total task order amount of $576,991.00.

2. Authorize the City Manager to enter into any future amendments to the Task Order not exceeding $60,000.

E. Award a Professional Services Agreement for Design Services with AC Martin for the Children's STEAM Center at Lewis Library Project (DE-26-101-SP) **26-0962**

1. Award and authorize the City Manager to enter into a Professional Services Agreement with AC Martin for the Children's STEAM Center at Lewis Library Project in the amount of $864,451.00 (Request for

Proposals DE-26-101-SP).

2. Authorize the City Manager to execute any future amendments to the Professional Services Agreement not exceeding $87,000.

F. Award a Construction Contract for the Transportation Development Act (TDA) Catawba Avenue Safe Routes to School Project (Bid No. DE-26-73-SB) **26-0963**

1. Award bid and authorize the City Manager to enter into a construction contract with Kalban, Inc. for the construction of the Transportation Development Act (TDA) Catawba Avenue Safe Routes to School Project, in the amount of $783,471.00 and authorize a 10% contingency in the amount of $78,347.10 (Bid No. DE-26-73-SB).

2. Approve and authorize the City Manager to enter into any and all utility agreements, utility easements, and subsequent agreements on behalf of the City of Fontana for the Transportation Development Act (TDA) Catawba Avenue Safe Routes to School Project (Bid No. DE-26-73-SB).

G. Third Amendment to the Disposition and Development Agreement between the City of Fontana, Fontana Housing Authority and Fontana Courtplace I Housing Partners, L.P. **26-0965**

Acting as the City Council and the Housing Authority Board of Directors, jointly adopt **Resolution No. 2026-030 and Resolution No. HA 2026-002** entitled: "A JOINT RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA AND THE HOUSING AUTHORITY OF THE CITY OF FONTANA, APPROVING, PURSUANT TO A PREVIOUSLY ADOPTED MITIGATED NEGATIVE DECLARATION AND MITIGATION, MONITORING, AND REPORTING PROGRAM, A THIRD AMENDMENT TO THE DISPOSITION AND DEVELOPMENT AGREEMENT BETWEEN THE FONTANA HOUSING AUTHORITY, CITY OF FONTANA AND FONTANA COURTPLACE I HOUSING PARTNERS, L.P.; AND DIRECTING STAFF TO FILE A NOTICE OF DETERMINATION.

H. Approve an Agreement with The River's Edge Ranch for Opioid Support and Response Services **26-0966**

1. Award and authorize the City Manager to enter into an agreement with The River's Edge Ranch to provide Opioid Support and Response Services for one year in the amount of $310,104 (Bid No HD-26-159-SP) for the first year.

2. Approve and authorize the City Manager to enter into four (4) future one-year optional extensions to the agreement with The River's Edge Ranch for Opioid Support and Response Services not to exceed $2,000,000.

I. Approve a Task Order with LAE Associates, Inc. for the Building a Better Connected Inland Empire Project (Westgate at Cherry and Victoria Avenues) **26-0970**

1. Award and authorize the City Manager to enter into a Task Order Agreement with LAE Associates, Inc. for the Construction Management and Inspection Services of the Building a Better Connected Inland Empire Project (Westgate at Cherry and Victoria Avenues) (DE-24-195-SQ-12) in the amount of $949,235.00.

2. Authorize the City Manager to enter into any future amendments to the Task Orders for a total not to exceed $100,000.

J. Award a Professional Services Agreement for Construction Management Services with Griffin Structures for the City Hall Renovation Project - Phase II (SQ-43-DE-23-1) **26-0971**

1. Award and authorize the City Manager, or City Manager's designee, to enter into the Professional Services Agreement with Griffin Structures for the City Hall Renovation Project - Phase II in the amount of $1,465,000.00 (Request for Proposals SQ-43-DE-23-1).

2. Approve and authorize the City Manager, or City Manager's designee, to enter into future individual Professional Services Agreement Amendments not exceeding $100,000.00 for the City Hall Renovation Project - Phase II (Request for Proposals SQ-43-DE-23-1).

K. Approval of Final Map for Tract No. 18631 **26-0972**

Approve the Final Map for Tract No. 18631 located North of Foothill Boulevard along Oleander Ave and authorize the City Manager to enter into a Subdivision Agreement with the subdivider.

L. Adopt a Resolution of Intention to Vacate a Public Right-Of-Way Easement on Highland Avenue and Oleander Avenue, and Setting of Public Hearing Thereon **26-0977**

Adopt **Resolution No. 2026-031,** Resolution of the City Council of the City of Fontana, California, declaring its intention to vacate a Public Right-of-Way Easement over Highland Avenue and Oleander Avenue pursuant to Streets and Highways Code Section 8300 ET SEQ, and directing the City Clerk to administratively set a Hearing date, time and place, and publish and post required notices.

M. Award Interim Housing Support Services Operator Contract **26-0978**

1. Approve a proposal and authorize the City Manager to enter into an agreement with Helping Hearts of California, in the amount of $498,508.67 for Interim Housing Support Services Operator and Case Management Services at Path located at 17133 Valley Boulevard, Fontana, CA.

2. Approve and authorize the City Manager, or City Manager's designee, to execute all future amendments to the agreement with Helping Hearts of California for Interim Housing Support Services Operator and Case Management Services.

N. Approve Amendment No. 2 to Task Order No. 1 (DE-24-195-SQ) with Iteris for Traffic Plan Checking Services **26-0981**

1. Approve and authorize the City Manager to enter into Amendment No. 2 to Task Order No. 1 (DE-24-195-SQ) with Iteris for Traffic Plan Checking Services in the amount of $105,185.00, for a total task order amount of $195,185.00.

2. Approve and authorize the City Manager to enter into any future amendments to Task Order No. 2 in the amount not to exceed $10,000.00.

O. Initiation and Intention to Levy Assessments for 2026-27 for Landscape and Lighting Maintenance Districts **26-0983**

1. Adopt **Resolution No. 2026-032,** of the City of Fontana, California, Initiating Proceedings to Levy and Collect Assessment Within Landscape Maintenance District No. 1 for 2026-27 and Ordering the Preparation of the Engineer's Report Therefore.

2. Adopt **Resolution No. 2026-033**, of the City of Fontana, California, Declaring its Intention to Levy and Collect Assessments within Landscape Maintenance District No. 1 ("LMD #1") for 2026-27 and Giving Notice of and Setting the Time and Place of the Hearing on the Levy of the Proposed Assessment.

3. Adopt **Resolution No. 2026-034,** of the City of Fontana, California, Initiating Proceedings to Levy and Collect Assessment Within Landscape Maintenance District No. 2 for 2026-27 and Ordering the Preparation of the Engineer's Report Therefore.

4. Adopt **Resolution No. 2026-035,** of the City of Fontana, California, Declaring its Intention to Levy and Collect Assessments within Landscape Maintenance District No. 2 ("LMD # 2") for 2026-27 and Giving Notice of and Setting the Time and Place of the Hearing on the Levy of the Proposed Assessment.

5. Adopt **Resolution No. 2026-036,** of the City of Fontana, California, Initiating Proceedings to Levy and Collect Assessment Within Landscape Maintenance District No. 3 for 2026-27 and Ordering the Preparation of the Engineer's Report Therefore.

6. Adopt **Resolution No. 2026-037** of the City of Fontana, California, Declaring its Intention to Levy and Collect Assessments within Landscape Maintenance District No. 3 ("LMD # 3") for 2026-27 and Giving Notice of

and Setting the Time and Place of the Hearing on the Levy of the Proposed Assessment.

7. Adopt **Resolution No. 2026-038,** of the City of Fontana, California, Initiating Proceedings to Levy and Collect Assessment Within Landscape Maintenance District No. 3-1 for 2026-27 and Ordering the Preparation of the Engineer's Report Therefore.

8. Adopt **Resolution No. 2026-039,** of the City of Fontana, California, Declaring its Intention to Levy and Collect Assessments within Landscape Maintenance District No. 3-1 ("LMD # 3-1") for 2026-27 and Giving Notice of and Setting the Time and Place of the Hearing on the Levy of the Proposed Assessment.

9. Adopt **Resolution No. 2026-040,** of the City of Fontana, California, Initiating Proceedings to Levy and Collect Assessment Within Local Lighting Maintenance District No. 3 for 2026-27 and Ordering the Preparation of the Engineer's Report Therefore.

10. Adopt **Resolution No. 2026-041,** of the City of Fontana, California, Declaring its Intention to Levy and Collect Assessments within Local Lighting Maintenance District No. 3 ("LLMD # 3") for 2026-27 and Giving Notice of and Setting the Time and Place of the Hearing on the Levy of the Proposed Assessment.

PUBLIC HEARINGS:

Mayor Warren requested that Public Hearing Item "B" be heard prior to Public Hearing Item "A."

B. Appeal No. 26-0001: Request to overturn the Planning Commission's March 17, 2026 decision adopting a Categorical Exemption per Section 15332 (Class No. 32) and approving Tentative Parcel Map No. 18-000005 (TPM No. 19950), and Design Review No. 18-000010 - a request to split one (1) parcel into two (2) and for site and architectural approval for the development of two (2) new industrial commerce center buildings of 41,218 square feet and 30,767 square feet with associated site improvements on 3.98 acres located north of Hilton Drive and west of Hemlock Avenue, and identified as Assessor Parcel Numbers 1110-151-03. **26-0932**

Deny Appeal No. 26-0001, thereby upholding the Planning Commission's decision on March 17, 2026, approving, pursuant to a categorical exemption under California Environmental Quality Act (CEQA) Section No. 15332 (Class No. 32. Infill Development), Tentative Parcel Map No. 18-000005 (TPM No. 19950) and Design Review No. 18-000010 to split one (1) parcel into two (2) and for site and architectural approval for the development of two (2) new industrial commerce center buildings of 41,218 square feet and 30,767

square feet, with associated site improvements, on 3.98 acres located north of Hilton Drive and west of Hemlock Avenue, and identified as Assessor Parcel Numbers 1110-151-03.

Mayor Warren opened the public hearing and announced Public Hearing Item “B” would be continued to the June 23, 2026, City Council meeting.

Associate Planner Alexia Barberena provided the staff report.

City Clerk Key stated that two written public communications were received.

ACTION: Motion was made by Council Member Roberts, seconded by Council Member Cothran, and passed unanimously by vote of 5-0 to continue Public Hearing Item “B” to the June 23, 2026, City Council Meeting. The motion carried by the following vote: AYES: Warren, Garcia, Cothran, Roberts, and Sandoval; NOES: None; ABSTAIN: None; ABSENT: None

A. 2026 Action Plan; Substantial Amendments to 2025-2029 Consolidated Plan and 2025 Action Plan **26-0921**

1. Adopt the 2026 Action Plan.

2. Adopt the Substantial Amendment to the 2025-2029 Consolidated Plan.

3. Adopt the Substantial Amendment to the 2025 Action Plan.

Skipped to PH-B

Mayor Warren opened the public hearing.

City Clerk Key stated that no written public communications were received.

Housing & Homeless Services Analyst Jessica Haro provided the staff report.

With no one interested to speak in favor or opposition of this item Mayor Warren closed the Public Hearing.

ACTION: Motion was made by Council Member Cothran, seconded by Council Member Roberts, and passed unanimously by vote of 5-0 to approve Public Hearing Item “A.” The motion carried by the following vote: AYES: Warren, Garcia, Cothran, Roberts, and Sandoval; NOES: None; ABSTAIN: None; ABSENT: None

CITY MANAGER COMMUNICATIONS:

City Manager Matt Ballantyne did not have any comments.

ELECTED OFFICIALS COMMUNICATIONS/REPORTS:

City Clerk Key stated she had no comments and thanked Mayor Warren for adjourning the meeting in memory of her aunt.

City Treasurer Koehler-Brooks reported attending Music Under the Stars at the Mary Vagle Nature Center on Saturday and described the event as excellent.

Council Member Sandoval reported being away for a period due to travel supporting local high school students' performance at Carnegie Hall and later the passing of his mother, and expressed appreciation for condolences received. He also commented on the importance of following proper processes regarding the Parks Commissioner issue before forming conclusions. He congratulated his grandson Francisco for academic achievements and leadership program participation, and his daughter Cecelia for earning a bachelor's degree, and offered belated Mother's Day remarks honoring mothers.

Council Member Roberts congratulated Cecilia on her academic achievement and recognized the demands of balancing family responsibilities. He also noted he would be attending the upcoming wedding of Mayor Warren's daughter Aajee and expressed personal well-wishes.

Council Member Cothran congratulated local graduates and shared a personal note about his son's preschool graduation. He acknowledged a former fire chief in attendance and provided an update on citywide weed abatement efforts, noting crews are actively working in the south end ahead of peak fire season and will move to the north end soon. He also encouraged residents to maintain their properties to help reduce fire risk.

Mayor Pro Tem Garcia encouraged residents to visit Stage Red and highlighted upcoming events, including the Victrola Record Club and other live performances scheduled over the next few months. He noted the variety of programming available and encouraged community participation and support of downtown entertainment offerings.

Mayor Warren congratulated graduates and noted personal family celebrations, and reported attending the Southern California Association of Governments General Assembly meeting with Mayor Pro Tem Garcia to represent the City on regional housing and transportation policy. She highlighted progress at Stage Red and encouraged residents to use the City's recreation events guide. The Mayor also emphasized the importance of residents reporting issues directly to the City so staff can respond effectively, and noted ongoing efforts to maintain and improve quality of life, including parks, public safety, and collaboration with regional partners.

ADJOURNMENT:

Mayor Warren and the City Council led a moment of silence in memory of the following individual:

1. Germene Berry Stewart Garr

Mayor Warren adjourned the meeting at 3:02 p.m. to the Regular City Council Meeting on Tuesday, May 26, 2026, at 2:00 p.m. in the Steelworkers' Auditorium located at 8437 Sierra Avenue, Fontana, California.

_____

Christina Rudsell, CMC
Chief Deputy City Clerk

THE FOREGOING MINUTES WERE ADOPTED AND APPROVED BY THE FONTANA CITY COUNCIL ON MAY 26, 2026.

_____

Germaine Key
City Clerk

File #: 26-0882
Agenda #: B.

Agenda Date: 5/26/2026
Category: Consent Calendar

FROM:
Housing

SUBJECT:
Accept the Community Cleanup and Employment Pathway Grant Program from the California Department of Transportation.

RECOMMENDATION:
1. Accept the grant award in the total amount of $300,000.00 for the City of Fontana Beautification with Empowerment Project.

2. Authorize the City Manager, or City Manager's designee, to enter into and transmit any documents necessary to ensure the City's timely receipt of the Clean CA Grant Program.

COUNCIL GOALS:
- Promote economic development by concentrating on job creation.
- Concentrate on Inter-governmental relations by establishing partnerships and positive working relationships with other public agencies providing services to residents and local businesses.
- Concentrate on Inter-governmental relations by pursuing financial participation from county, state and federal governments.

DISCUSSION:
The Community Cleanup and Employment Pathway (CCEP) Grant Program is a signature initiative under the Clean California Program, administered by the California Department of Transportation (Caltrans). This grant program is designed to support litter abatement and public space beautification efforts on locally owned public right-of-way while creating workforce development opportunities for individuals facing barriers to employment.

Through competitive grants, the program provides funding to local agencies to conduct targeted litter cleanup and graffiti removal activities, complemented by educational and engagement efforts that foster community pride and long-term maintenance. The program places strong emphasis on serving disadvantaged and underserved communities and encourages local commitment through participation in the Clean California Community designation pledge.

A core component of this program is the creation of employment pathways through partnerships with workforce development organizations or use of existing employment development departments. These partnerships will connect justice-impacted individuals, those experiencing homelessness, at-risk youth, and others with meaningful job training and paid transitional employment opportunities

focused on litter abatement, landscaping, and environmental stewardship.

FISCAL IMPACT:
The fiscal impact associated with the approval of this item is an acceptance of the Community Cleanup and Employment Pathway Grant Program funds in the amount of the $300,000 awarded. The required budget adjustments will be included on the Q4 FY2025-2026 budget report in project 30200029-301 after acceptance by council.

MOTION:
Approve staff recommendation.

Clean California Local Grant Program (State)

Restricted Grant Agreement

This Restricted Grant Agreement (RGA), between the State of California acting by and through its Department of Transportation, referred to herein as **CALTRANS**, and the **City of Fontana**, hereinafter referred to as **AGENCY**, will commence on **April 15, 2026**, or upon approval by **CALTRANS**, whichever occurs later. This RGA is of no effect unless approved by **CALTRANS**. **AGENCY** shall not receive payment for work performed prior to approval of this RGA and before receipt of Notice to Proceed from **CALTRANS**. This RGA shall expire on **November 30, 2027**.

Recitals

1. Under this RGA, **CALTRANS** intends to convey State restricted grant funds to **AGENCY**, pursuant to Budget Act Line Item 2660-130-0001, who will implement the project pursuant to the attached Approved Grant Application and Amendment(s) to Grant Application, Attachment III under the terms, covenants, and conditions of this RGA.
2. **CALTRANS** and **AGENCY** intend that only funds that are authorized as restricted grants will be subject to this RGA, and that no funds that should be the subject of a Joint Powers Agreement, Interagency Agreement, or other non-grant agreement shall be subject to this RGA.
3. WHEREAS, the Clean CA Program, through its Clean CA Local Grants Program, is authorized under California Streets and Highways Code Section 91.41 to provide funding and resources to support local projects that advance the program's goals and objectives;
4. WHEREAS, California Streets and Highways Code Section 91.41 provides the legislative authority for the Clean CA Program to advance the following intent and objectives:
    a. Reduce Waste and Beautify Public Spaces: The primary goal of the program is to allocate grants to local and regional public agencies, transit agencies, and tribal governments to reduce waste and debris within public rights-of-way, tribal lands, parks, pathways, transit centers, and other public spaces. The program aims to enhance, rehabilitate, restore, or install measures to beautify and improve these public spaces.
    b. Improve Public Health and Community Placemaking: The program seeks to enhance public health, cultural connection, and community placemaking by improving public spaces for walking and recreation. By investing in the improvement of these spaces, it aims to create a positive and welcoming environment for the community.
    c. Promote Equity for Underserved Communities: The program places a strong emphasis on advancing equity for underserved communities.
    d. Support Sustainable Practices: The program encourages the implementation of sustainable practices in the beautification and enhancement of public spaces. This includes greening efforts, such as providing shade and reducing the urban heat island effect, as well as using native, low-water plants.
    e. Engage Local Communities: The program promotes community engagement by requiring project proposals to reflect community priorities. It encourages the involvement of local communities in the development and selection of projects to ensure they meet the needs and preferences of the affected population.
    f. Prohibit Displacement of Persons Experiencing Homelessness: The program prohibits

grants from funding projects that displace persons experiencing homelessness. This reflects the intention to address public space improvements without negatively impacting vulnerable populations.

g. Transparent and Efficient Grant Allocation: The program requires the program to issue a call for projects and announce grant awards. The guidelines for allocating grants must include project selection criteria and program evaluation metrics.

5. WHEREAS, the purpose of this RGA is to authorize Caltrans districts to enter into agreements with local agencies to support the development, implementation, and funding of local agencies partnership projects that align with the goals and priorities of the Clean CA Program and comply with California Streets and Highways Code Section 91.41;
6. WHEREAS, this RGA establishes a framework for Caltrans districts to provide financial contributions and other assistance to local agencies, fostering effective collaboration and coordination to deliver successful transit partnership projects;
7. WHEREAS, this RGA emphasizes transparency, objective evaluation, and fair allocation of resources, ensuring that projects scoring higher based on established criteria receive prioritization for funding and implementation;
8. WHEREAS, the Clean CA Program facilitates collaboration between Caltrans districts and local agencies to support litter abatement and public space beautification efforts on locally owned public right-of-way while creating workforce development opportunities for individuals facing barriers to employment that align with the goals and priorities of the Clean CA Program and comply with California Streets and Highways Code Section 91.41;
9. WHEREAS, the Clean CA Program, in partnership with Caltrans districts, seeks to enhance local right-of-way areas to address waste management challenges, graffiti mitigation, and public space beautification, thereby contributing to create cleaner, safer, and more equitable public spaces throughout California;
10. WHEREAS, the Clean CA Program, established by the State of California, is a transformative initiative which promotes sustainable transportation alternatives, reducing greenhouse gas emissions, and combatting climate change to improve the overall quality of life for residents and visitors of California;
11. WHEREAS, the Clean CA Program envisions a comprehensive approach to address transportation challenges, enhance transit infrastructure, and support local agencies in their efforts to create efficient, safe, and environmentally friendly transit options;
12. NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, the Parties enter into this RGA to advance the purpose and intent of the Clean CA transit initiative, harnessing the legislative authority provided under California Streets and Highways Code Section 91.41, and collaborating on transit partnership projects that contribute to a sustainable, innovative, and well-connected transportation network throughout the State of California.

Now, Therefore, based upon the terms, covenants, and conditions of this RGA, the parties agree as follows:

Section I

AGENCY Agrees:

To timely and satisfactorily complete all Project work described in **Attachment III** ("Project Work") within the project budget and in accordance with the items of this RGA.

Section II

CALTRANS Agrees:

That when conducting an audit of the costs claimed by **AGENCY** under the provisions of this RGA, to conduct the audit in accordance with applicable laws and regulations.

Section III

It Is Mutually Agreed:

1. Under this RGA, **CALTRANS** will convey State grant restricted funds to **AGENCY**, pursuant to Budget Act Line Item 2660-130-0001, and **AGENCY** will use the funds to only conduct the scope of work identified in this agreement and authorized by Streets and Highway Code section 91.41 The funds subject to this RGA must be identified as available to a public entity that is responsible for implementing the scope of work authorized under the Clean California Program in **CALTRANS**' budget, and **AGENCY** represents and warrants that it is a public entity that is responsible for implementing the scope of work authorized under the Clean California Program.
2. Under this restricted grant, funds may be only used for the purposes set forth in this RGA, **AGENCY** Resolution **(Attachment IV),** Approved Grant Application and Amendment(s) to Grant Application **(Attachment III)**, and the Grant Program Guidelines (**Attachment I**), and the funds may only be used for costs and expenses that are directly related to such purpose.
3. **AGENCY** shall perform all the duties and obligations described in **City of Fontana Beautification with Empowerment,** hereinafter "Project", subject to the terms and conditions of this RGA and Approved Grant Application and Amendment(s) to Grant Application **(Attachment III)**, which are attached hereto as **Attachment III**.
4. The resolution authorizing **AGENCY** to execute this RGA pertaining to the above-described Project is attached hereto as **Attachment IV**.
5. All services performed by **AGENCY** pursuant to this RGA shall be subject to and performed in accordance with California Streets and Highways Code §91.41 including, but not limited to, Government Code Section 14460(a)(1), as well as all applicable Federal, State, and Local laws, regulations, and ordinances, all applicable **CALTRANS** policies and procedures, and all applicable **CALTRANS** published manuals, including, but not limited to, the Grant Program Guidelines (**Attachment I**).

   California Government Code Section 14460(a)(1) provides: "The department **[CALTRANS]**, and external entities that receive state and federal transportation funds from the department, are spending those funds efficiently, effectively, economically, and in compliance with applicable state and Federal requirements. Those external entities include, but are not limited to, private for profit and nonprofit organizations, local transportation agencies, and other local agencies that receive transportation funds either through a contract with the department or through an agreement or grant administered by the department."

6. Project funding is as follows:

Fund Title	Fund Source	Dollar Amount
Clean California Funds	State General Fund (0001) Budget Item 2660-130-0001 State Program Code 20.30.010.900 FY 2025/26	$300,000.00
	Local Match/In-Kind	$0.00
	Total Project Costs	**$300,000.00**

For Caltrans Use Only

I hereby Certify upon my own personal knowledge that budgeted funds are available for encumbrance.			
Kam Wong	Kam Wong	5/8/2026	$300,000.00
Accounting Officer Printed Name	Accounting Officer Signature	Date	Amount Certified

7. This RGA is exempt from the legal review and approval by the Department of General Services, pursuant to Legal Opinions of the Attorney General: 58 Ops. Cal. Atty. Gen. 586 (1975), 63 Ops. Cal. Atty. Gen. 290 (1980), 74 Ops. Cal. Atty. Gen. 10 (1991), and 88 Ops. Cal. Atty. Gen. 56.
8. Notification of Parties
   a. **AGENCY's** Project Manager for Project is Valerie Gonzales (909) 350-6625.
   b. **CALTRANS'** District Partnership Liaison is Brandy Ybarra (909) 925-7529. "District Partnership Liaison" as used herein includes his/her designee.
   c. All notices herein provided to be given, or which may be given, by either party to the other, shall be deemed to have been fully given when made in writing and received by the parties at their respective addresses:

      City of Fontana
      Attention: Valerie Gonzales, Housing Manager
      Phone Number: (909) 350-6625
      Email: vgonzales@fontanaca.gov
      16860 Valencia Avenue
      Fontana, California 92335

      California Department of Transportation, District Partnership Liaison
      08/Clean California
      Attention: Brandy Ybarra, Analyst II
      Phone Number: (909) 925-7529
      Email: Barndy.Ybarra@dot.ca.gov

464 West 4th Street
San Bernardino, California 92401

9. Period of Performance

   a. Reimbursable work under this RGA shall begin no earlier than on **April 15, 2026**, following the written approval of **CALTRANS** and **AGENCY's** receipt of the Notice to Proceed letter of this RGA by **CALTRANS**. All reimbursable work shall terminate no later than **July 30, 2027**. Project closeout and final invoicing to **CALTRANS** must be submitted no later than **November 30, 2027**. Work incurred after **July 30, 2027,** will not be reimbursed. Payment shall be forfeit for any and all invoicing submitted to **CALTRANS** after **November 30, 2027**. Notwithstanding the foregoing, Caltrans will reimburse for actual close out costs incurred by **AGENCY** through **November 30, 2027** (which, in total, shall not exceed 5% of the grant award).

   b. If requested by the **CALTRANS District Partnership Liaison, AGENCY** will attend a kickoff meeting with **CALTRANS** to be scheduled within one (1) week from receipt of Notice to Proceed sent by **CALTRANS**.

10. Changes in Terms/Amendments

    This Agreement may only be amended or modified by mutual written agreement of the parties.

11. Cost Limitation

    a. The maximum total amount granted and reimbursable to **AGENCY** pursuant to this RGA by **CALTRANS** shall not exceed **$300,000.00**.

    b. It is agreed and understood that the Clean CA funds are limited to the amount granted. **CALTRANS** will only reimburse the cost of services actually incurred in accordance with the provisions of this RGA and as authorized by the **CALTRANS District Partnership Liaison** at or below that fund limitation established herein.

12. Termination

    a. **CALTRANS** reserves the right to terminate this RGA upon written notice to **AGENCY** at least 30 days in advance of the effective date of such termination in the event **CALTRANS** determines (at its sole discretion) that **AGENCY** failed to proceed with PROJECT Work in accordance with the terms of this RGA. In the event of termination for convenience, **CALTRANS** will reimburse **AGENCY** for all allowable, authorized, and non-cancelled costs up to the date of termination. **AGENCY** shall return any unused advance amounts which cannot be supported by eligible expenditure documentation.

    b. This RGA may be terminated by either party for any reason by giving written notice to the other party at least 30 days in advance of the effective date of such termination. In the event of termination for convenience, **CALTRANS** will reimburse **AGENCY** for all costs that are expressly allowable, pre-authorized in writing, and non-cancellable, up to the date of termination.

    c. **AGENCY** has 60 days after the Termination Date to submit accurate invoices to **CALTRANS** to make final allowable payments for Project costs in accordance with the terms of this RGA. Failure to submit invoices within this period of time shall result in a waiver by **AGENCY** of its right to reimbursement of expended costs. Costs that are reimbursed and later determined to be ineligible for reimbursement shall be returned by **AGENCY** to **CALTRANS**.

13. Budget Contingency Clause

    a. It is mutually agreed that if the US Congress or the State Legislature fail to appropriate or

allocate funds during the current year and/or any subsequent years covered under this RGA do not appropriate sufficient funds for the program, this RGA shall be of no further force and effect. In this event, **CALTRANS** shall have no liability to pay any funds whatsoever to **AGENCY** or to furnish any other considerations under this RGA and **AGENCY** shall not be obligated to perform any provisions of this RGA.

b. The certification of FY 2025/26 funds will be contingent upon the passage of the FY 2023/24 Budget. Payment for any work performed that is funded by FY 2023/24 will be delayed if the FY 2023/24 Budget is not signed by June 30, 2023. Pursuant to Government Code (GC), Section 926.10, no late payment penalty shall accrue during any time period for which no Budget Act in effect. If funding for any fiscal year is reduced or deleted by US Congress or State Legislature for purposes of this program, **CALTRANS** shall have the option to either terminate this RGA with no liability occurring to **CALTRANS** or offer an RGA Amendment to **AGENCY** to reflect reduced amount.

14. Payment and Invoicing

a. **AGENCY**, its contractors, subcontractors and sub-recipients, shall establish and maintain an accounting system and records that properly accumulate and segregate incurred Project costs and matching funds by line. The accounting system of **AGENCY**, its contractors, all subcontractors, and sub-recipients shall conform to Generally Accepted Accounting Principles (GAAP) and any standards specified by the source of funds, to enable the determination of incurred costs at interim points of completion, and to provide support for reimbursement payment vouchers or invoices.

b. The method of payment for this RGA will be based on the actual allowable costs that are incurred in accordance with the provisions of this RGA and in the performance of the Approved Grant Application and Amendment(s) to Grant Application **(Attachment III)**. **CALTRANS** will reimburse **AGENCY** for expended actual allowable direct costs, and including, but not limited to, labor costs, travel, and contracted consultant services costs incurred by **AGENCY** in performance of the Project Work. Indirect costs are reimbursable only if the **AGENCY** has identified the estimated indirect cost rate in **Attachment II** and an approved Indirect Cost Allocation Plan or an Indirect Cost Rate Proposal as set forth in **Section III–Cost Principles, Item 16d**. The total cost shall not exceed the cost reimbursement limitation set forth in **Section III–Cost Limitations, Item 11a**. Actual costs shall not exceed the estimated wage rates, labor costs, travel, and other estimated costs and fees set forth in **Attachment III** without an amendment to this RGA, as agreed between **CALTRANS** and **AGENCY**.

c. Reimbursement of **AGENCY** expenditures will be authorized only for those allowable costs actually incurred by **AGENCY** in accordance with the provisions of this RGA and in the performance of Project Work. **AGENCY** must not only have incurred the expenditures on or after the start date and the issuance of the Notice to Proceed letter for this RGA and before the Expiration Date but must have also paid for those costs to claim any reimbursement.

d. The **AGENCY** indirect cost rate must be approved in writing by the California Department of Transportation Independent Office of Audits and Investigations or federal cognizant agency before any reimbursement payment is made by **CALTRANS** to **AGENCY** for such cost.

e. Travel expenses and per diem rates are not to exceed the rate specified by the State of California Department of Human Resources for similar employees (i.e. non-represented employees) unless written verification is supplied that government hotel rates were not then commercially available to **AGENCY**, its subrecipients, contractors, and/or subcontractors, at the

time and location required as specified in the California Department of Transportation's Travel Guide Exception Process at the following link: https://travelpocketguide.dot.ca.gov/.

Also see website for summary of travel reimbursement rules.

f. **AGENCY** shall submit invoices to **CALTRANS** at least quarterly, but no more frequently than monthly, in arrears upon completion of project tasks, milestone and/or deliverables in accordance with the Project Timeline in **Attachment III** to the satisfaction of **CALTRANS District Partnership Liaison**

g. Invoices shall reference this RGA Number and shall be signed and submitted to **CALTRANS District Partnership Liaison**, as stated in **Section III–Notification of Parties, Item 8c**.

h. Invoices shall include the following information:

1) Names of the **AGENCY** personnel performing work

2) Dates and times of Project Work

3) Locations of Project Work

4) Itemized costs as set forth in **Attachment III**, including identification of each employee, contractor or subcontractor staff who provided services during the period of the invoice, the number of hours and hourly rates for each employee, contractor, sub-recipient or subcontractor staff member, authorized travel expenses with receipts, receipts for authorized materials or supplies, and contractor, subrecipient and subcontractor invoices.

5) **AGENCY** shall submit written progress reports with each set of invoices to allow **CALTRANS District Partnership Liaison** to determine if **AGENCY** is performing to expectations, is on schedule, is within funding cost limitations, to communicate interim findings, and to afford occasions for airing difficulties respecting special problems encountered so that remedies can be developed.

i. Incomplete or inaccurate invoices shall be returned to the **AGENCY** unapproved for correction. Failure to submit invoices on a timely basis may be grounds for termination of this RGA for material breach per Section III–Termination, Item 12.

j. **CALTRANS** will reimburse **AGENCY** for all allowable Project costs at least quarterly, but no more frequently than monthly, in arrears as promptly as **CALTRANS** fiscal procedures permit upon receipt of an itemized signed invoice.

k. The RGA Expiration Date refers to the last date for **AGENCY** to incur valid Project costs or credits and is the date this RGA expires. **AGENCY** has until **July 30, 2027,** to make final allowable payments to Project contractors or vendors, and November 30, 2027, to submit the Project's Final Report, as defined in Attachment I and a final invoice to **CALTRANS** for reimbursement for allowable Project costs. Any unexpended Project funds not invoiced by the 60th day from RGA Expiration Date will be reverted and will no longer be accessible to reimburse late Project invoices to contractor.

l. The final invoice will be paid upon submission by **AGENCY** to **CALTRANS** and acceptance by **CALTRANS** of the Final Delivery Report. Complete final delivery reports and invoices must be submitted to **CALTRANS** by **November 30, 2027**.

15. Quarterly Progress Reporting

a. AGENCY shall submit written quarterly progress reports to the **CALTRANS District**

Partnership Liaison to determine if **AGENCY** is performing to expectations, is on schedule, is within funding cost limitations, to communicate interim findings, and to afford occasions for airing difficulties respecting special problems encountered so that remedies can be developed.

16. Cost Principles

    a. **AGENCY** agrees to comply with Title 2, Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

    b. **AGENCY** agrees, and will assure that its contractors, sub-recipients, in-kind contributors, and subcontractors will be obligated to agree, that (a) Contract Cost Principles and Procedures, 48 CFR, Federal Acquisition Regulations System, Chapter 1, Part 31, et seq., shall be used to determine the allowability of individual Project cost items and (b) and (b) all parties shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Every sub-recipient receiving Project funds as a sub-recipient, contractor, or subcontractor under this RGA shall comply with Federal administrative procedures in accordance with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards to the extent applicable.

    c. Any Project costs for which **AGENCY** has received payment or credit that are determined by subsequent audit to be unallowable under 2 CFR, Part 200, and/or Part 48, Chapter 1, Part 31, are subject to repayment by **AGENCY** to **CALTRANS**. Should **AGENCY** fail to reimburse moneys due CALTRANS within 30 days of discovery or demand, or within such other period as may be agreed in writing between the parties hereto, **CALTRANS** is authorized to intercept and withhold future payments due **AGENCY** from **CALTRANS** or any third-party source, including, but not limited to, the State Treasurer, the State Controller or any other fund source.

    d. Prior to **AGENCY** seeking reimbursement of indirect costs, **AGENCY** must have identified estimated indirect cost rate in **Attachment II,** prepare and submit annually to **CALTRANS** for review and approval an indirect cost rate proposal and a central service cost allocation plan (if any) in accordance with 2 CFR, Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards and Chapter 5 of the Local Assistance Procedures Manual which may be accessed at: https://dot.ca.gov/-/media/dot-media/programs/local-assistance/documents/lapm/ch05.pdf

    e. **AGENCY** agrees and shall require that all its agreements with consultants and subrecipients contain provisions requiring adherence to this section in its entirety **except for section c**, **above**.

17. Americans with Disabilities Act

    By signing this Agreement, **AGENCY** assures **CALTRANS** that in the course of performing Project Work, it will fully comply with the applicable provisions of the Americans with Disabilities Act (ADA) of 1990, as amended, which prohibits discrimination on the basis of disability, as well as all applicable regulations and guidelines issued pursuant to the ADA (42 USC Section 12101 et seq.).

18. Iran Contracting Act

    AGENCY must complete and submit to **CALTRANS** the Iran Contracting Act Certification certifying

that it is not on the most current DGS list of Entities Prohibited from Contracting with Public Entities in California per the Iran Contracting Act, 2010 (https://www.dgs.ca.gov/PD/Resources/Page-Content/Procurement-Division-Resources-List-Folder/List-of-Ineligible-Businesses), before the Agreement has been executed, unless Agency or its contractor(s) is exempted from the certification requirement by Public Contract Code Section 2205(c) or (d). If claiming an exemption, the proposed Agency or its contractor(s) shall provide written evidence that supports an exemption under Public Contract Code Section 2203(c) or (d) before execution of the Agreement.

19. Indemnification

    a. Neither **CALTRANS** nor any officer or employee thereof is responsible for any injury, damage, or liability occurring by reason of anything done or omitted to be done by **AGENCY**, its officers, employees, agents, its contractors, its subrecipients, or its subcontractors under or in connection with any work, authority, or jurisdiction conferred upon **AGENCY** under this RGA. It is understood and agreed that **AGENCY** shall fully defend, indemnify, and save harmless **CALTRANS** and all of **CALTRANS**' officers and employees from all claims, suits, or actions of every name, kind, and description brought forth under, including, but not limited to, tortuous, contractual, likeness statutes under California Civil Code §§ 3344 and 3344.1, inverse condemnation, or other theories or assertions of liability occurring by reason of anything done or omitted to be done by **AGENCY**, its officers, employees, agents, contractors, subrecipients, or subcontractors under this RGA.

    b. **AGENCY** agrees to fully defend, indemnify, and save harmless **CALTRANS** and all of its officers and employees from any and all claims, lawsuits, or legal actions, including reasonable attorneys' fees and legal costs, relating to intellectual property claims arising from or related to the Project and/or any work procured under this RGA, including but not limited to claims based on (1) U.S. federal or state trademark infringement laws, (2) patent infringement laws (3) 17 U.S.C. §§ 101-810 (the Copyright Act of 1976, as modified), (4) 17 U.S.C. § 106A(a) (the Visual Artists Rights Act of 1990, "VARA"), (5) 17 U.S.C. § 113, (6) California Civil Code § 987 (the California Art Preservation Act), California Civil Code §989, or (7) any other rights arising under U.S. federal or state laws or under the laws of any other country that conveys rights and protections of the same nature as those conveyed under 17 U.S.C. §106A(a) and California Civil Code §987, including intellectual property claims arising from or related to breach of contract, inverse condemnation, conversion, and/or taking of property.

20. Nondiscrimination Clause (2 CCR 11105 Clause b)

    a. During the performance of this RGA, the **AGENCY**, its contractors, its subrecipients, and its subcontractors shall not deny the contract's benefits to any person on the basis of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status, nor shall they discriminate unlawfully against any employee or applicant for employment because of race, religious creed, color, national origin, ancestry, physical disability, mental disability, medical condition, genetic information, marital status, sex, gender, gender identity, gender expression, age, sexual orientation, or military and veteran status. **AGENCY** shall ensure that the evaluation and treatment of employees and applicants for employment are free of such discrimination.

    b. **AGENCY** shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code Sections 12900 et seq.), the regulations promulgated thereunder (California Code of

Regulations, Title 2, Sections 11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code Sections 11135-11139.5), and the regulations or standards adopted by **CALTRANS** to implement such article.

c. **AGENCY** shall permit access by representatives of the Department of Fair Employment and Housing and **CALTRANS** upon reasonable notice at any time during the normal business hours, but in no case less than 24 hours' notice, to such of its books, records, accounts, and all other sources of information and its facilities as said Department or **CALTRANS** shall require to ascertain compliance with this clause.

d. **AGENCY** and its contractors, its sub-recipients, and its subcontractors shall give written notice of their obligations under this clause to labor organizations with which they have a collective bargaining or other agreement.

e. **AGENCY** shall include the nondiscrimination and compliance provisions of this clause in all agreements with its sub-recipients, contractors, and subcontractors, and shall include a requirement in all agreements with all of same that each of them in turn include the nondiscrimination and compliance provisions of this clause in all contracts and subcontracts they enter into to perform work under this RGA.

21. Retention of Records/Audits

a. **AGENCY**, its contractors, subcontractors, and sub-recipients, agree to comply with Title 2, Code of Federal Regulations (CFR), Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards.

b. **AGENCY**, its contractors, subcontractors, and sub-recipients shall establish and maintain an accounting system and records that properly accumulate and segregate incurred Project costs and matching funds by line. The accounting system of **AGENCY**, its contractors, all subcontractors, and sub-recipients shall conform to Generally Accepted Accounting Principles (GAAP), enable the determination of incurred costs at interim points of completion, and provide support for reimbursement payment vouchers or invoices. All accounting records and other supporting papers of **AGENCY**, its contractors, subcontractors and sub-recipients connected with Project performance under this RGA shall be maintained for a minimum of three (3) years from the date of final payment to **AGENCY** and shall be held open to inspection, copying, and audit by representatives of **CALTRANS**, the California State Auditor, and auditors representing the federal government. Copies thereof will be furnished by **AGENCY**, its contractors, its subcontractors, and sub-recipients upon receipt of any request made by **CALTRANS** or its agents. In conducting an audit of the costs and match credits claimed under this RGA, **CALTRANS** will rely to the maximum extent possible on any prior audit of **AGENCY** pursuant to the provisions of State and **AGENCY** law. In the absence of such an audit, any acceptable audit work performed by **AGENCY's** external and internal auditors may be relied upon and used by **CALTRANS** when planning and conducting additional audits.

c. For the purpose of determining compliance with applicable State and **AGENCY** law in connection with the performance of **AGENCY's** contracts with third parties pursuant to Government Code Section 8546.7**, AGENCY**, **AGENCY's** sub-recipients, contractors, subcontractors, and **CALTRANS**, shall each maintain and make available for inspection all books, documents, papers, accounting records, and other evidence pertaining to the performance of such contracts, including, but not limited to, the costs of administering those various contracts. All of the above referenced parties shall make such materials available at their respective offices at all reasonable times during the entire Project period and for three

(3) years from the date of final payment to **AGENCY** under this RGA. **CALTRANS**, the California State Auditor, or any duly authorized representative of **CALTRANS** or the United States Department of Transportation, shall each have access to any books, records, and documents that are pertinent to a Project for audits, examinations, excerpts, and transactions, and **AGENCY** shall furnish copies thereof if requested.

d. **AGENCY**, its subrecipients, contractors, and subcontractors will permit access to all records of employment, employment advertisements, employment application forms, and other pertinent data and records by the State Fair Employment Practices and Housing Commission, or any other agency of the State of California designated by **CALTRANS**, for the purpose of any investigation to ascertain compliance with this RGA.

e. Additionally, all grants may be subject to a pre-award audit prior to execution of this RGA to ensure **AGENCY** has an adequate financial management system in place to accumulate and segregate reasonable, allowable and allocable costs.

f. Any contract with a contractor, subcontractor, or sub-recipient entered into as a result of this RGA shall contain all the provisions of this article.

22. Adjudication of Facts in Disputes

a. Any dispute concerning a question of fact arising under this RGA that is not disposed of by agreement shall be decided by the **CALTRANS** Contract Officer, who may consider any written or verbal evidence submitted by **AGENCY**. The **CALTRANS** Contract Officer shall issue a written decision within 30 days of receipt of the dispute. If **AGENCY** rejects the decision of the **CALTRANS** Contract Officer, **AGENCY** can pursue any and all remedies authorized by law. Neither party waives any rights to pursue remedies authorized by law.

b. Neither the pendency of a dispute nor its consideration by **CALTRANS** Contract Officer will excuse **AGENCY** from full and timely performance in accordance with the terms of this RGA.

23. Third-Party Contracts

a. **AGENCY** shall perform the work contemplated with resources available within its own organization and no portion of the work shall be contracted to a third party without prior written authorization by the **CALTRANS District Partnership Liaison** unless expressly included (subrecipient identified) in **Attachment III** as Project Work.

b. All State-government-funded procurements must be conducted using a fair and competitive procurement process. **AGENCY** may use its own procurement procedures as long as the procedures comply with the local **AGENCY's** laws, rules, and ordinances governing procurement and all applicable provisions of State law, including, without limitation, the requirement that the **AGENCY** endeavor to obtain at least three (3) competitive bids for solicitation of goods, services, and consulting services (see Part 2, Chapter 2, Articles 3 and 4 of the Public Contract Code); a qualifications-based solicitation process, for which statements of qualifications are obtained from at least three (3) qualified firms for architecture and engineering services (see Title 1, Division 5, Chapter 10 of the Government Code); and, the applicable provisions of the State Contracting Manual (SCM), Chapter 5, which are not inconsistent with this **Item 23, Third Party Contracts**. The SCM can be found and the following link: https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/State-Contracting.

c. Any contract entered into as a result of this RGA shall contain all the provisions stipulated in this RGA to be applicable to **AGENCY's** sub-recipients, contractors, and subcontractors. Copies of all agreements with sub-recipients, contractors, and subcontractors, must be submitted to the **CALTRANS District Partnership Liaison**.

d. **CALTRANS** does not have a contractual relationship with the **AGENCY's** subrecipients, contractors, or subcontractors, and the **AGENCY** shall be fully responsible for all work performed by its subrecipients, contractors, or subcontractors.

e. Prior authorization in writing by the **CALTRANS District Partnership Liaison** shall be required before **AGENCY** enters into any non-budgeted sub-agreement. **AGENCY** shall provide an evaluation of the necessity or desirability of incurring such costs. **AGENCY** shall retain all receipts for such purchases or services and shall submit them with invoices per **Section III–Payment and Invoicing**, **Item 14(h)(4)**, **above**.

f. Any contract entered into by **AGENCY** as a result of this RGA shall mandate that travel and per diem reimbursements and third-party contract reimbursements to subrecipients, contractors, and subcontractors, will be allowable as Project costs only after those costs are incurred and paid for by the subrecipients, contractors, and subcontractors. Travel expenses and per diem rates for subcontractors shall be reimbursed pursuant to **Section III–Payment and Invoicing**, **Item 14c**, **above**.

24. Drug-Free Workplace Certification

By signing this RGA, **AGENCY** hereby certifies under penalty of perjury under the laws of California that **AGENCY** will comply with the requirements of the Drug-Free Workplace Act of 1990 (Gov. Code Sections 8350 et seq.) and will provide a Drug-Free workplace by doing all of the following:

a. Publish a statement notifying employees that unlawful manufacture, distribution, dispensation, possession, or use of a controlled substance is prohibited and specifying actions to be taken against employees for violations, as required by Government Code Section 8355(a).

b. Establish a Drug-Free Awareness Program as required by Government Code Section 8355(a)(2) to inform employees about all of the following:

1) The dangers of drug abuse in the workplace.

2) The person's or organization's policy of maintaining a Drug-Free workplace.

3) Any available counseling, rehabilitation, and employee assistance programs.

4) Penalties that may be imposed upon employees for drug abuse violations.

c. Provide, as required by Government Code Section 8355(a)(3), that every employee who works on the proposed contract or grant:

1) Will receive a copy of the company's Drug-Free policy statement.

2) Will agree to abide by the terms of the company's statement as a condition of employment on the contract or grant.

d. Failure to comply with these requirements may result in suspension of payments under this RGA or termination of this RGA or both, and **AGENCY** may be ineligible for the award of any future state contracts if **CALTRANS** determines that any of the following has occurred: (1) **AGENCY** has made a false certification or, (2) **AGENCY** violates the certification by failing to

carry out the requirements as noted above.

25. Relationship of Parties

    It is expressly understood that this agreement is executed by and between two (2) independent governmental entities and is not intended to, and shall not be construed to, create the relationship of agent, servant, employee, partnership, joint venture or association, or any other relationship whatsoever other than that of an independent party.

26. State-Owned Data

    a. **AGENCY** agrees to comply with the following requirements to ensure the preservation, security, and integrity of State-owned data on portable computing devices and portable electronic storage media:

        1) Encrypt all State-owned data stored on portable computing devices and portable electronic storage media using government-certified Advanced Encryption Standard (AES) cipher algorithm with a 256-bit or 128-bit encryption key to protect **CALTRANS** data stored on every sector of a hard drive, including temp files, cached data, hibernation files, and even unused disk space.

        2) Data encryption shall use cryptographic technology that has been tested and approved against exacting standards, such as FIPS 140-2 Security Requirements for Cryptographic Modules.

        3) Encrypt, as described above, all State-owned data transmitted from one computing device or storage medium to another.

        4) Maintain confidentiality of all State-owned data by limiting data sharing to those individuals contracted to provide services on behalf of the State, and limit use of State information assets for State purposes only.

        5) Install and maintain current anti-virus software, security patches, and upgrades on all computing devices used during the course of the Agreement.

        6) Notify the **CALTRANS District Partnership Liaison** immediately of any actual or attempted violations of security of State-owned data, including lost or stolen computing devices, files, or portable electronic storage media containing State-owned data.

        7) Advise the owner of the State-owned data, the **AGENCY** Information Security Officer, and the **AGENCY** Chief Information Officer of vulnerabilities that may present a threat to the security of State-owned data and of specific means of protecting that State-owned data.

    b. **AGENCY** agrees to use the State-owned data only for State purposes under this Agreement.

    c. **AGENCY** agrees to not transfer State-owned data to any computing system, mobile device, or desktop computer without first establishing the specifications for information integrity and security as established for the original data file(s) (State Administrative Manual (SAM) Section 5335.1).

27. CALTRANS' Use of "Before" and "After" Project Photographs

    a. **AGENCY** acknowledges it provided a "Before" photograph of the Project with the **AGENCY**'s application for the Clean California Local Grant Program. **AGENCY** acknowledges and agrees it must provide an "After" photograph of the Project as part of the close out reporting process.
    b. **AGENCY** warrants it is the copyright owner of the "Before" and "After" Project photographs.
    c. Neither the "Before" nor "After" Project photographs shall include the faces of any

individuals.

d. **AGENCY** grants to **CALTRANS** an irrevocable, perpetual, royalty-free, sublicensable, unlimited, worldwide license to prepare derivative works, make, publish, display, and distribute two-dimensional reproductions and/or copies, digitally and in print, of the "Before" and "After" Project photographs, or derivatives thereof, for non-commercial purposes or any State government purposes. This includes, but is not limited to, reproductions used in brochures, media publicity, public outreach campaigns (including television and social media campaigns), education, and exhibition catalogues or other similar publication.
e. When applicable, **AGENCY** shall obtain and provide to **CALTRANS** any and all documentation **CALTRANS** reasonably determines is necessary or desirable to perfect the license described in this RGA to **CALTRANS**. This documentation shall be provided to **CALTRANS** within fifteen (15) days of written notice that this documentation is required.

28. Limited Grant of Rights to **CALTRANS** for Use of Educational Programming ("educational programming") Created or Produced for Project and Visual Art Located Outside of State Right-of-Way ("**Artwork**") Created or Produced for Project

a. Educational programming:

i. **AGENCY** shall obtain from any and all copyright owner(s) of educational programming a sublicensable, irrevocable, perpetual, royalty-free, unlimited, worldwide license to prepare derivative works, make, publish, display, and distribute two-dimensional reproductions and/or copies, digitally and in print, of the educational programming created or produced for Project under this RGA, or derivatives thereof, for non-commercial purposes or any State government purposes. This includes, but is not limited to, reproductions used in brochures, media publicity, public outreach campaigns (including television and social media campaigns), education, exhibition catalogues or other similar publication. **AGENCY** shall obtain any and all other intellectual property rights necessary to make this grant to **CALTRANS** as described in this RGA.

ii. **AGENCY** grants to **CALTRANS** an irrevocable, perpetual, royalty-free, sublicensable, unlimited, worldwide license to prepare derivative works, make, publish, display, and distribute two-dimensional reproductions and/or copies, digitally and in print, of the educational programming created or produced for Project under this RGA, or derivatives thereof, for non-commercial purposes or any State government purposes. This includes, but is not limited to, reproductions used in brochures, media publicity, public outreach campaigns (including television and social media campaigns), education, and exhibition catalogues or other similar publication.

iii. When applicable, **AGENCY** shall obtain and provide to **CALTRANS** any and all documentation **CALTRANS** reasonably determines is necessary or desirable to perfect the license or sublicense described in this RGA to **CALTRANS**. This documentation shall be provided to **CALTRANS** within fifteen (15) days of written notice that this documentation is required.

iv. To the extent any logos, including trademarks or service marks, belonging to third parties and/or the **AGENCY** are used on educational programming created or produced for Project under this RGA, **AGENCY** agrees to obtain and grant all necessary rights for **CALTRANS** to use and allow agents of **CALTRANS** to use the logos in connection with use of the educational programming for non-commercial purposes or State government purposes. This includes but is not limited to reproductions used in brochures, media publicity, public outreach

campaigns (including television and social media campaigns), education and exhibition catalogues or other similar publication. This documentation shall be provided to **CALTRANS** within fifteen (15) days of written notice that this documentation is required.

b. **Artwork**:

i. **AGENCY** shall obtain from the artist(s), or any other copyright owner(s) of **Artwork**, a sublicensable, irrevocable, perpetual, royalty-free, unlimited, worldwide license to prepare derivative works, make, publish, display, and distribute two-dimensional reproductions and/or copies, digitally and in print, of **Artwork** created or produced for Project under this RGA, or derivatives thereof, for non-commercial purposes or any State government purposes. This includes, but is not limited to, reproductions used in brochures, media publicity, public outreach campaigns (including television and social media campaigns), education, and exhibition catalogues or other similar publication. **AGENCY** shall obtain any and all other intellectual property rights necessary to make this grant to **CALTRANS** as described in this RGA.

ii. **AGENCY** grants to **CALTRANS** an irrevocable, perpetual, royalty-free, sublicensable, unlimited, worldwide license to prepare derivative works, make, publish, display, and distribute two-dimensional reproductions and/or copies, digitally and in print, of **Artwork** created or produced for Project under this RGA, or derivatives thereof, for non-commercial purposes or any State government purposes. This includes, but is not limited to, reproductions used in brochures, media publicity, public outreach campaigns (including television and social media campaigns), education, and exhibition catalogues or other similar publication.

iii. **AGENCY** shall obtain and provide to **CALTRANS** any and all documentation **CALTRANS** reasonably determines is necessary or desirable to perfect the license or sublicense described in this RGA to **CALTRANS**. This documentation shall be provided to **CALTRANS** within fifteen (15) days of written notice that this documentation is required.

29. Government Purpose Rights for Inventions

a. Inventions are any idea, methodologies, design, concept, technique, invention, discovery, improvement or development regardless of patentability made solely by **AGENCY** or jointly with the **AGENCY's** contractor, subcontractor and/or subrecipient during the term of this RGA and in performance of any work under this RGA, provided that either the conception or reduction to practice thereof occurs during the term of this RGA and in performance of work issued under this RGA.

b. **CALTRANS** will have Government Purpose Rights to any inventions created as a result of the Project. "Government Purpose Rights" are the unlimited, irrevocable, worldwide, perpetual, royalty-free, non-exclusive rights, and licenses to use, modify, reproduce, perform, release, display, create derivative works from, and disclose any said invention. "Government Purpose Rights" also include the right to release or disclose said invention(s) outside **CALTRANS** for any State government purpose and to authorize recipients to use, modify, reproduce, perform, release, display, create derivative works from, and disclose the invention(s) for any State government purpose. "Government Purpose Rights" do not include any rights to use, modify, reproduce, perform, release, display, create derivative works from, or disclose the invention(s)

for any commercial purpose.

30. Additional Intellectual Property Provisions

a. To the extent any intellectual property is created or produced for Project under this RGA, and not covered in other provisions of this RGA, **AGENCY** agrees to take reasonable steps to ensure that **CALTRANS** has the rights necessary to allow for use of the intellectual property in a fashion substantially similar to other rights for non-commercial uses and State government purposes described in this RGA.

b. If additional uses are reasonably determined to be needed by **CALTRANS** for public outreach purposes, **AGENCY** will obtain rights and grant **CALTRANS** and its agents said additional rights for use of the "Before" and "After" Project photos, **Artwork** created or produced for Project under this RGA, and educational programming created or produced for Project under this RGA. The grant will be an irrevocable, non-exclusive, perpetual, royalty-free, sublicensable, unlimited, worldwide license.

c. When requested to so do by **AGENCY**, all reproductions and/or copies by **CALTRANS** of "Before" or "After" Project photographs, educational programming, and **Artwork** shall contain a credit to the Artist/ Copyright owner(s) and a copyright notice in substantially the following form: © [Artist/Copyright owner's name, date of publication]. **AGENCY** bears sole responsibility to promptly notify **CALTRANS,** in writing**,** about instances where such accreditation is requested and provide the Artist/ Copyright owner's name and date of publication. **CALTRANS** will make reasonable efforts to affix the copyright notice in a timely manner.

d. Required disclaimer language for educational programming and **Artwork** created or produced for Project under this RGA.

i. Educational programming: **AGENCY** must place a disclaimer statement in a conspicuous manner on the educational programming created or produced for Project under this RGA a disclaimer that states the content of the educational programming does not reflect the official views or policies of **CALTRANS**. The educational programming does not constitute a standard, specification, or regulation.

ii. **Artwork**: **AGENCY** must place a disclaimer statement in a conspicuous manner on or in close proximately to the **Artwork** created or produced for Project under this RGA a disclaimer statement that the contents of the artwork do not reflect the official views or policies of **CALTRANS**.

e. Avoidance of Infringement: In performing work under this RGA, **AGENCY** and its employees agree to avoid designing or developing any items that infringe one or more patents or other intellectual property rights of any third party. If **AGENCY** or its employees becomes aware of any such possible infringement in the course of performing any work under this RGA, **AGENCY** or its employees shall immediately notify **CALTRANS** in writing.

f. **Contractors, Subcontractors, and Subrecipients:** Through contract with its sub-recipients, contractors, and subcontractors, **AGENCY** shall affirmatively bind by contract all of its contractors, subcontractors, subrecipients, and service vendors (hereinafter "**AGENCY's Contractor/Subcontractor/Subrecipient**") providing services under this RGA to conform to the provisions of paragraphs 31-33 of this RGA. In performing services under this RGA, **AGENCY's** Contractor/Subcontractor/Subrecipient shall agree to avoid designing or developing any items that infringe one (1) or more patents or other intellectual property rights of any third party. If **AGENCY's** Contractor/Subcontractor/Subrecipient becomes aware of any such possible

infringement in the course of performing any work under this RGA, **AGENCY's** Contractor/Subcontractor/Subrecipient shall immediately notify the **AGENCY** in writing, and **AGENCY** will then immediately notify **CALTRANS** in writing.

31. Visual Art Located on California State Right-of-Way

AGENCY agrees if Project involves visual art located on California State right-of-way, Project must be submitted and adhere to **CALTRANS**' most current Transportation Art Proposal process, policies, guidelines, and requirements. Information regarding **CALTRANS**' Transportation Art program can be found at https://dot.ca.gov/programs/design/lap-landscape-architecture-and-community-livability/lap-liv-j-transportation-art. **AGENCY** bears sole responsibility for ensuring that any Project will be timely submitted through **CALTRANS**' Transportation Art Proposal process, approved, and installed prior to any deadlines as required by this RGA.

a. **AGENCY** acknowledges that funds provided by **CALTRANS** under this RGA shall not be used for maintenance outside of the project time limits as provided in this RGA.

b. **AGENCY** acknowledges that the **CALTRANS**' Transportation Art Proposal process requires, among other things, **CALTRANS** ownership of any tangible visual final artwork, an unlimited, irrevocable copyright assignment to **CALTRANS** of the final artwork, and waiver of moral rights under California Civil Code § 987 (the California Art Preservation Act) and 17 U.S.C. § 106A(a) (the Visual Artists Rights Act of 1990, "VARA") of the final artwork.

c. **AGENCY** acknowledges that any submittal to the **CALTRANS**' Transportation Art Proposal process includes restrictions on the type of work that can be located on California State right-of-way.

32. Assumption of Risk and Indemnification Regarding Exposure to Environmental Health Hazards

In addition to, and not a limitation of, **AGENCY's** indemnification obligations contained elsewhere in this Agreement, **AGENCY** hereby assumes all risks of the consequences of exposure of **AGENCY's** employees, agents, Subcontractors, Subcontractors' employees, and any other person, firm, or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, to any and all environmental health hazards, local and otherwise, in connection with the performance of this Agreement. Such hazards include, but are not limited to, bodily injury and/or death resulting in whole or in part from exposure to infectious agents and/or pathogens of any type, kind or origin. **AGENCY** also agrees to take all appropriate safety precautions to prevent any such exposure to **AGENCY's** employees, agents, Subcontractors, Subcontractors' employees, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement. **AGENCY** also agrees to indemnify and hold harmless **CALTRANS**, the State of California, and each and all of their officers, agents and employees, from any and all claims and/or losses accruing or resulting from such exposure. Except as provided by law, **AGENCY** also agrees that the provisions of this paragraph shall apply regardless of the existence or degree of negligence or fault on the part of **CALTRANS**, the State of California, and/or any of their officers, agents and/or employees.

33. Mandatory Organic Waste Recycling

It is understood and agreed that pursuant to Public Resources Code Sections 42649.8 et seq., if **AGENCY** or its subcontractor generates two (2) cubic yards or more of organic waste or commercial solid waste per week, **AGENCY** or its subcontractor shall arrange for organic waste or commercial waste recycling services that separate/source organic waste for organic waste

recycling. **AGENCY** shall provide proof of compliance, i.e. organic waste recycling services or commercial waste recycling services that separate/source organic waste recycling, upon request from **CALTRANS District Partnership Liaison**

34. Project Close Out/Closeout Report

    a. **AGENCY** will provide a final close out report to the **CALTRANS District Partnership Liaison** no later than November 30, 2027.

       CALTRANS reserves the right to inspect the project location prior to approving the final invoice and closeout report.

    b. **CALTRANS** reserves the right to withhold final payment to **AGENCY** pending receipt and approval of the final closeout report by the **CALTRANS District Partnership Liaison**.

    c. Payments shall be forfeit if invoices are submitted after **November 30, 2027**.

35. ADA Compliance

    All entities that provide electronic or information technology or related services that will be posted online by **CALTRANS** must be in compliance with Government Code Sections 7405 and 11135 and the Web Content Accessibility Guidelines (WCAG) 2.0 or subsequent version, published by the Web Accessibility Initiative of the World Wide Web Consortium at a minimum Level AA success. All entities will respond to and resolve any complaints/deficiencies regarding accessibility brought to their attention.

36. Prevailing Wages and Labor Code Compliance

    AGENCY shall comply with any and all applicable labor and prevailing wage requirements in Labor Code Sections 1720 through 1815 and implementing regulations for any public works or maintenance contracts and subcontracts executed for the **AGENCY**'s work on or for the Project.

37. In the event of any inconsistency between the provisions which constitute this RGA, the following order of precedence shall apply:

    I. This Restricted Grant Agreement (as amended);
    II. The **CALTRANS** Local Grant Program Guidelines;
    III. Approved Indirect Cost Rate (if applicable);
    IV. Approved Grant Application (as amended); and
    V. **AGENCY** Resolution.

38. Survival

    AGENCY's representations, the indemnification provisions in paragraph 21, intellectual property provisions in paragraphs 30, 31, 32, and 33, and all other provisions which by their inherent character establish ongoing obligations shall remain in full force and effect, regardless of any expiration and/or termination of this RGA.

39. Sanctions

    No agreements under this RGA shall be made with individuals and/or entities that are determined to be a target of sanctions by the State of California while such sanctions are in

effect.

Section IV

Attachments:

The following attachments are incorporated into and are made a part of this RGA by this reference and attached hereto.

I. Clean CA Community Cleanup and Employment Pathway (CCEP) Grant Program Guidelines
II. Approved Indirect Cost Rate (N/A)
III. Approved Grant Application and Amendment(s) to Grant Application (if applicable)
IV. **AGENCY** Resolution

In Witness Whereof, the parties hereto have executed this RGA on the day and year first herein above written:

AGENCY NAME

By:

Printed Name:

Title:

Date:

CALTRANS DISTRICT PARTNERSHIP LIAISON
CLEAN CALIFORNIA PROGRAM

By:

Printed Name:
Brandy Ybarra

Title:
Analyst II

Date:

CALIFORNIA DEPARTMENT OF TRANSPORTATION
CLEAN CALIFORNIA PROGRAM

By:

Printed Name:
Walter Yu

Title:
Clean California Program Director

Date:

Community Cleanup and Employment Pathway Grants

PROGRAM GUIDELINES

Clean CA Program
Summer 2025

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Introduction

The Community Cleanup and Employment Pathway (CCEP) Grant Program is a signature initiative under the Clean California Program, administered by the California Department of Transportation (Caltrans). This grant program is designed to support litter abatement and public space beautification efforts on locally owned public right-of-way while creating workforce development opportunities for individuals facing barriers to employment.

Through competitive grants, the program provides funding to local agencies (including federally recognized tribal governments) to conduct targeted litter cleanup and graffiti removal activities, complemented by educational and engagement efforts that foster community pride and long-term maintenance. The program places strong emphasis on serving disadvantaged and underserved communities (as identified in Section 4.1 of grant application template) and encourages local commitment through participation in the Clean California Community designation pledge[1].

A core component of this program is the creation of employment pathways through partnerships with workforce development organizations or use of existing employment development departments. These partnerships will connect justice-impacted individuals, those experiencing homelessness, at-risk youth, and others with meaningful job training and paid transitional employment opportunities focused on litter abatement, landscaping, and environmental stewardship.

Program Objectives

- **Litter and Graffiti Abatement:** Support sustained litter cleanup and graffiti removal on local right-of-way.
- **Workforce Development:** Create transitional employment and training opportunities for vulnerable populations either through partnerships with workforce development organizations or use of existing employment development departments.
- **Equity and Inclusion:** Prioritize disadvantaged communities and support pathways to community self-sufficiency.
- **Sustainable Community Engagement:** Promote public education and anti-littering campaigns. Take the online Clean California Community designation pledge to ensure sustainability and long-term impact.

By integrating cleanup, workforce development, and community engagement, the CCEP Grant Program seeks to create cleaner, safer, and more equitable public spaces throughout California.

[1] https://cleanca.com/designation/

Eligible Entities

For the purposes of the CCEP Grant Program, eligible entities will be defined as:

- **Local Governments** – Cities, counties, and special districts responsible for community services and maintenance.
- **Transit Agencies** – Public transportation agencies with jurisdiction over facilities or right-of-way that intersect with cleanup needs.
- **Tribal Governments** – Federally recognized tribes.
- **Joint Applications** – Partnerships among the above entities, including collaborations with community-based organizations, workforce development boards, educational institutions, or local nonprofits, are encouraged and eligible.

Eligible Expenses

Eligible expenses may include, but are not limited to:

- **Staff Time**: Local agency staff time directly related to proposal delivery is eligible. This includes staff time for developing and administering contracts, program management, and coordination with community-based organizations.
- **Travel Costs**: Reasonable and necessary travel costs that are directly related to proposal implementation (e.g., site visits, stakeholder engagement, workforce coordination) are eligible.
- **Materials and Supplies**: Tools, equipment, safety gear, and cleanup supplies needed for community cleanup activities.
- **Workforce Development Costs**: Training, certification, stipends, or wages directly tied to workforce development opportunities for program participants.
- **Public Outreach and Education**: Costs related to promoting cleanup events, workforce opportunities, and community engagement.

Caltrans District Partnerships

The Caltrans districts possess in-depth knowledge of the local context and unique challenges, making them invaluable enablers to support grant applicants in proposal identification, development, and implementation processes. They are encouraged to foster strong partnerships with local agencies to ensure seamless coordination and efficient proposal delivery. By leveraging their expertise and collaborating closely with stakeholders, districts can support local agencies in effectively address challenges related to waste management, graffiti, and aesthetic appeal in urban areas, ultimately beautifying public spaces within their districts.

Proposals

Objectives

The grant proposal is the foundation for securing funding under the CCEP Grant Program. The proposal must demonstrate how the applicant will use grant funding to meet the program's core objectives through locally led, community-driven efforts. Proposals should clearly articulate the public benefit of the proposed activities, particularly in disadvantaged or underserved communities.

Applicants are expected to:

- Identify litter abatement and graffiti removal needs in specific areas of local right-of-way.
- Detail a plan for workforce development, including partnerships with workforce organizations and strategies for engaging vulnerable populations.
- Commit to community engagement strategies and educational outreach that promote long-term cleanliness and civic pride.
- Demonstrate alignment with the Clean California Community designation pledge. The pledge is not required to apply for or receive funding.
- Provide a sustainable approach to maintaining the public space improvements achieved through the grant.

Each proposal must be comprehensive, feasible, and results-driven, ensuring that awarded funding leads to measurable environmental, social, and economic impacts in the applicant's community.

Evaluation Criteria

Applications will be submitted by local agencies to their respective Caltrans district coordinators, then evaluated and scored competitively by the Clean CA Program based on the criteria listed below. Applications that score highest across these categories will be prioritized for funding.

1. Community Need and Impact (15 points)

- Demonstrates a clear need for litter abatement and graffiti removal, including information such as description of the history of the area, prior efforts to address the issues and how this grant will make a difference.

- Identifies underserved or disadvantaged areas where the proposal will be implemented.
- Outlines benefits to public health, safety, environmental quality, and community aesthetics.

2. Workforce Development Strategy (15 points)

- Includes a detailed plan for engaging and employing vulnerable populations.
- Establishes partnerships with workforce development organizations (e.g., BCOE Back 2 Work, Center for Employment Opportunities (CEO), Chrysalis or similar) or leverage existing employment departments.
- Provides evidence of transitional employment (as measured by participants who are able to find long-term employment), training, and pathways to long-term job placement.

3. Community Engagement and Education (15 points)

- Describes plans for community input, public education, and volunteer participation.
- Commits to youth education, anti-littering outreach, or (encouraged but not mandatory) participation in the Clean California Community designation program.

4. Long-Term Sustainability and Maintenance (15 points)

- Outlines a long-term plan to fund the maintenance of cleaned and beautified spaces.
- Includes partnerships, volunteer programs, or recurring community events in alignment with the Clean CA community designation pledge.
- Describes infrastructure or policy measures to prevent future littering.

5. Clean California Community Designation Pledge (10 points)

- Applicant has taken or plans to take the Clean California Community pledge.
- Demonstrates commitment to meeting at least 10 of the 15 designation criteria.

6. Proposal Feasibility and Readiness (10 points)

- Provides a detailed implementation schedule.
- Demonstrates capacity to manage the proposal, including procurement, reporting, and oversight.

7. Matching Funds and Leveraged Resources (10 points)

- Describes how matching funds (cash or in-kind) will support and expand proposal activities.
- Ensures that match contributions are additive and not part of existing baseline cleanup operations.

8. Disadvantaged or Under-served Community (10 points)

Applicants will be required to include supporting documentation (e.g., CalEnviroScreen map outputs, local demographic data, or letters from community organizations) to demonstrate that the proposed project serves a disadvantaged or under-served community. The following criteria will be recognized as indicators of disadvantaged or under-served communities (see grant proposal template for details):

- Median Household Income
- CalEnviroScreen 4.0
- Free or Reduced-Price School Meals
- Healthy Places Index
- Native American Tribal Lands

Application Submissions

- The Clean CA grant program proposal template must be used for submitting the proposal. Ensure that all sections of the template are completed comprehensively and provide sufficient detail to support the evaluation and decision-making process.
- Local agencies, in collaboration with districts, complete the template and submit comprehensive proposals.
- Each proposal submitted for consideration must include a letter of support from the Caltrans district that is submitting the proposal. The letter of support should demonstrate the district's endorsement to the proposal. It will serve as evidence of the district's collaboration and partnership with local agencies, ensuring seamless coordination and efficient proposal delivery. The inclusion of the letter will help validate the proposal's feasibility and foster confidence in the successful implementation of the proposal.

Outreach and Partnership

District-Level Engagement

- Caltrans district staff will serve as on-the-ground liaisons to promote the program locally, identify high-need areas, and encourage eligible applicants to submit proposals.
- District coordinators will collaborate with grant applicants to build partnerships aligned with the program's objectives.

Encouraging Clean California Community Pledges

- As part of the outreach effort, Caltrans will actively promote the Clean California Community designation pledge, encouraging applicants to take the pledge during the grant application process.
- The Clean CA Program to provide technical assistance as needed to help communities understand the benefits of designation and complete the pledge requirements.

Through strategic outreach and strong partnerships, Caltrans will ensure that the grant program reaches a diverse range of communities and delivers equitable opportunities to participate in the Clean California mission.

Selection and Notification

1. **Proposal Review and Evaluation:**

    - Clean CA Program reviews all proposals against qualitative evaluation criteria outlined in the guidelines.

    - Proposals are assessed for alignment with waste management, graffiti mitigation, aesthetics and equity objectives.

2. **Proposal Selection:**

    - Clean CA Program selects proposals based on evaluation results and criteria alignment. High-priority proposals that benefit underserved communities are prioritized.

3. **Proposal Award Notification:**

    - Clean CA Program notifies Caltrans districts of the selected proposals by email. Districts inform the corresponding local agencies about their grant award. Debriefs will be provided upon request to applicants who were not awarded a grant.

Schedule

Milestone	Date
Program Launch & Public Outreach Begins	July 1, 2025
Grant Guidelines Finalized & Published	August 15, 2025
Call for Proposals Opens	September 15, 2025
Proposal Submission Deadline	November 3, 2025
Application Review and Scoring	November–December 2025
Award Notifications Issued	January 15, 2026
Grant Agreements Executed	February–March 2026
Proposal Implementation Period Begins	April 1, 2026
Quarterly Progress Check-In (Reporting Due)	April 2026-April 2027
Proposal Implementation Period Ends	April 1, 2027
Final Reports and Closeout Due	November 1, 2027

Funding Mechanism

The funding mechanism for the CCEP proposals involves a restricted grant agreement (RGA) between the Caltrans district and the grant recipient (local agency, including federally recognized tribe) which is a legal mechanism that outlines the terms and conditions of the financial commitments for the awarded grant funding . It serves as a formal contract that establishes the roles and responsibilities of each party in the CCEP proposal.

The agreement includes the following elements:

- Proposal Scope: The RGA defines the scope of the proposal, detailing the specific improvements and enhancements to be undertaken within the local right-of-way.

- Funding Commitment: It outlines the financial contributions, specifying the amount that Caltrans will provide for the proposal and any in-kind contribution from the grant applicant.

- Timeline and Milestones: The agreement sets forth a clear timeline for proposal development, implementation, , and completion, including key milestones to be achieved during each phase.

- Roles and Responsibilities: It outlines the roles and responsibilities of the Caltrans district and the local agency in the proposal's execution, ensuring seamless coordination and cooperation.

- Compliance and Reporting: The RGA may include requirements for compliance with relevant regulations, reporting on proposal progress, and any necessary documentation and record-keeping.

- Dispute Resolution: In the event of any disputes or disagreements, the RGA may outline a mechanism for resolving issues between the Caltrans district and the local agency.

Matching Funds / In-Kind Contributions

The CCEP Grant Program is designed to reduce financial barriers for local agencies, nonprofits, and community-based organizations. As such, no cash match requirement is imposed on applicants. However, applicants are encouraged to identify and document in-kind contributions and other non-state resources that will help maximize the impact of state funds.

Eligible In-Kind Contributions may include:

- Staff time dedicated to project planning, implementation, or coordination.
- Volunteer labor associated with cleanup events, outreach, or community engagement.
- Donated materials or equipment used directly in cleanup or beautification activities.
- Facilities and meeting space contributed for trainings, workforce activities, or project planning.
- Complementary programs or services provided by partner agencies or organizations that directly support grant objectives.

Program Expectations:

- In-kind contributions are not required to apply for or receive funding.
- Applicants who provide in-kind support should quantify contributions where possible (e.g., estimated dollar value of staff time, equipment, or materials).
- In-kind contributions will be considered during proposal evaluation as evidence of community commitment, partnership strength, and project sustainability.
- Documentation of in-kind contributions should be included in the proposal budget narrative at the time of application and reported during proposal implementation.

Funding Disbursement

Grant awards will be issued as reimbursable agreements, not lump sum payments.

- Reimbursable Basis: Grantees will be required to incur and document eligible expenses up front. Caltrans will then reimburse those expenses upon submission of proper invoices and supporting documentation.
- Invoicing: Invoices must include receipts, staff time records, or other documentation demonstrating that expenses are consistent with approved Caltrans Division of Local Assistance guidelines/template (Form LAP 5-A).
- Payment Timeline: Reimbursements will generally be processed within 45 days of receipt of a complete and accurate invoice package.
- Advance Payments: No advance or upfront lump sum disbursements will be provided under this program.

Performance Metrics

To ensure accountability and evaluate success, all grantees are required to track and report on key performance metrics aligned with the program's goals. These metrics will be tracked by grantees on templates provided by Caltrans to help measure the environmental, economic, and social impact of funded activities.

Environmental Impact Metrics

- Volume of litter and debris removed (in cubic yards or pounds with supporting documentation, e.g. weight/dump tickets and before/after photos)
- Square footage of graffiti abated (before/after photos)
- Number of litter cleanup events conducted (event attendance sheets and/or event flyers)
- Number of hard-to-recycle or bulky item collection events held (event attendance sheets and/or event flyers)

Workforce Development Metrics

- Number of individuals employed through workforce programs (with supporting documentation of individuals/crews employed, e.g. payroll logs)

- Hours of paid work experience and job training provided (with supporting documentation of individuals paid and training provided, e.g. payroll logs)
- Demographics of workforce participants (e.g., justice-involved, unhoused, at-risk youth)
- Number and percentage of participants securing long-term employment post-program

Community Engagement Metrics

- Number of community volunteers engaged (attendance sheets)
- Number of public outreach events or education campaigns implemented (event flyers / attendance sheets)
- Clean California Community pledge status and progress toward meeting designation criteria
- Number of community partnerships established (e.g., schools, businesses, nonprofits)

Sustainability and Maintenance Metrics

- Number of anti-litter infrastructure elements installed (e.g., bins, signage with supporting documentation, e.g. before/after photos)
- Planned frequency of cleanup and maintenance activities post-grant implementation
- Plan for ongoing community stewardship and long-term litter prevention practices post-grant implementation

Grantees will submit quarterly progress reports and a final close-out report at the end of the implementation period. These reports will summarize accomplishments, challenges, lessons learned, and include supporting documentation such as photographs, volunteer logs, and workforce data.

Clean CA Roles/Responsibilities

- Program Management: Responsible for overall program management and coordination of CCEP proposals statewide. Ensure that proposals align with the CalSTA objectives on climate action and meet the program's guidelines and priorities.

- Proposal Selection: Select proposals based on factors such as recognizing underserved communities, high litter areas known challenges for waste management, graffiti, and lack of aesthetic appeal in urbanized districts and local agencies which align with CCEP Program objectives.

- Proposal Oversight: Provide oversight and guidance throughout the proposal lifecycle. Review proposals, assess their feasibility and alignment with program objectives, and ensure that the proposals adhere to the guidelines and timelines.

- Technical Assistance: Provide technical assistance to grant applicants and recipients during the proposal planning and implementation phases. Provide expertise and support in areas such as graffiti abatement, employment pathways, litter abatement, beautification, , and climate action.

- Budget Management: Responsible for overseeing the allocation and management of funds for CCEP proposals. Ensure that budgetary requirements are met and that funds are appropriately allocated to prioritize high-visibility proposals with an urgency to be delivered within their respective districts.

- Monitoring and Evaluation: Monitor proposal progress, track milestones, and evaluate the effectiveness of implemented enhancements. Assess the impact of CCEP proposals on improving waste management practices, reducing graffiti, and enhancing the aesthetic appeal of local areas .

- Quarterly Reporting and Documentation: Maintain accurate records of proposal activities, including proposals, RGAs, progress reports, and proposal outcomes. Prepare periodic reports to communicate proposal status, achievements, and challenges to Caltrans leadership.

District Roles

Partnership Identification

- Stakeholder Engagement: Engage with local stakeholders, such as city officials, local agency representatives, community organizations, and advocacy groups, to foster partnerships and collaborations.

Project Management and Oversight

- Project Implementation: Monitor and facilitate the implementation of proposals according to the defined scope of work, schedule, and milestones.

- Communication and Coordination: Maintain regular communication and coordination with partner organizations to address any issues, provide guidance, and track progress.

- Performance Evaluation: Conduct periodic evaluations to assess project performance, identify any necessary adjustments, and ensure adherence to objectives and quality standards.

Reporting and Documentation

- Progress Updates: Maintain regular communication with the Clean CA Program on project status, achievements, challenges, and any adjustments made to the scope of work or schedule.

- Documentation Retention: Ensure proper documentation of all agreements, communication records, project plans, and reports for record-keeping and future reference.

- Performance Monitoring: Monitor the progress and performance of projects to ensure the allocated funds are being effectively utilized.

- Reporting: Require regular reporting from local/transit agencies on the implementation and outcomes of the funded projects, including progress updates and evaluation results.

- Data Collection: Coordinate with partners to collect relevant project data, metrics, and deliverables.

Invoice Verification (Reimbursement)

- **Ensure Compliance with RGA:** Confirm that submitted invoices align with the terms and conditions outlined in the RGA.

- **Validate Eligible Expenditures:** Review costs to ensure they are allowable under program guidelines, e.g., litter abatement, beautification, and employment pathway activities.

- **Confirm Completion of Work:** Verify that the work claimed in the invoice has been completed as described, including site visits or photographic documentation if required.

- **Check Supporting Documentation:** Ensure that all required backup materials (e.g., receipts, timesheets, contractor invoices) are included and accurate.

- **Monitor Project Progress:** Track milestones and deliverables to confirm that the project is on schedule and consistent with the approved scope.

- **Coordinate with Local Agencies:** Communicate with grantees to resolve discrepancies, request missing documentation, or clarify unclear charges.

- **Approve for Reimbursement**: Once verified, inform the Clean California Program to proceed with payment processing by Caltrans Accounting.

- **Report and Escalate Issues:** Flag any non-compliance, ineligible costs, or incomplete work for further review and potential corrective action.

Project Close-out Verification

- **Review Final Deliverables**: Confirm that all project components were completed as outlined in the original grant scope and agreement.

- **Verify Documentation Accuracy**: Ensure the closeout report includes complete and accurate records, e.g. before/after photos, receipts, payroll logs, and performance metrics.

- **Confirm Use of Funds:** Check that all expenditures align with approved budget categories and Clean CA eligibility requirements.

- **Assess Community Impact**: Evaluate whether the project met its stated goals (e.g., litter reduction, beautification, job creation) and delivered measurable benefits.

Stakeholder Engagement

- Community Outreach: Engage with local communities to provide updates on project progress, gather feedback, and address any concerns or inquiries related to the urbanized transit projects.

- Public Awareness: Promote the projects and their benefits to raise public awareness of their benefits, climate action goals, and improvements in active transportation, micro-mobility, and transit station aesthetics.

Grant Recipient Responsibilities

RGA Development

- Scope of Work: Collaborate with Caltrans district coordinator to define the scope of work for each proposal, including the specific activities, objectives, and desired outcomes.

- Schedule and Milestones: Work with Caltrans district coordinator to establish a comprehensive schedule with realistic milestones to ensure completion of all proposals. The schedule should consider proposal complexity, resource availability, and potential challenges that may arise during implementation.

- Resource Planning: Determine the necessary resources, including funding, personnel, equipment, and materials, required to execute the proposals successfully.

- Legal and Administrative Considerations: Ensure that all RGAs and cooperative agreements comply with Caltrans legal requirements and administrative procedures.

Proposal Management and Oversight

- Proposal Implementation: Monitor and facilitate the implementation of proposals according to the defined scope of work, schedule, and milestones.

- Communication and Coordination: Maintain regular communication and coordination with Caltrans district coordinator to address any issues, provide guidance, and track progress.

- Performance Evaluation: Conduct periodic evaluations to assess proposal performance, identify any necessary adjustments, and ensure adherence to objectives and quality standards.

Reporting and Documentation

- Progress Updates: Maintain regular communication with the Caltrans district coordinator and Clean CA Program on proposal status, achievements, challenges, and any adjustments made to the scope of work or schedule.

- Documentation Retention: Ensure proper documentation of all agreements, communication records, proposal plans, and reports for record-keeping and future reference.

- Performance Monitoring: Monitor the progress and performance of proposals to ensure the allocated funds are being effectively utilized.

- Quarterly Reporting: Complete quarterly reporting on the implementation and outcomes of the funded proposals, including progress updates and evaluation results.

- Data Collection: Collect relevant proposal data, metrics, and deliverables.

Final Vouchering and Project Close-out

- **Submit Final Documentation:** Provide a comprehensive close-out report detailing completed work, expenditures, and outcomes.

- **Include Proof of Completion:** Attach visual evidence (e.g., before/after photos), final deliverables, and any required certifications to demonstrate project completion.

- **Provide Financial Reconciliation:** Submit a final invoice with itemized costs and supporting documentation to reconcile total grant expenditures.

- **Address Scope and Budget Alignment:** Confirm that all activities and costs align with the approved project scope and budget in the RGA.

- **Respond to Caltrans Requests:** Be prepared to clarify, revise, or supplement the report if requested by Caltrans District Coordinators.

- **Submit Final Voucher Request:** Package the close-out report with the final payment request for review and approval by Caltrans.

Stakeholder Engagement

- Community Outreach: Engage with local communities to provide updates on proposal progress, gather feedback, and address any concerns or inquiries related to the urbanized CCEP proposals.

- Public Awareness: Promote the proposals and their benefits to raise public awareness of their benefits, climate action goals, and improvements in graffiti abatement, employment pathways, litter abatement , and local area aesthetics.

In addition, applicants are encouraged to include:

- **Community education campaigns** that highlight the impacts of litter, encourage behavior change, and promote responsible waste disposal.

- **Engagement strategies** such as school partnerships, volunteer events, and youth training that build long-term stewardship.

- **Collaboration with local businesses** to reduce litter at the source (e.g., convenience stores, fast food outlets, or transit hubs).

Clean CA Program
Community Cleanup and Employment Pathway (CCEP) Grant Proposal

I. PROJECT DESCRIPTION

CALTRANS DISTRICT	PROJECT TITLE	AGENCY NAME	AGENCY CONTACT NAME	PHONE NUMBER	EMAIL ADDRESS
8	**City of Fontana: Beautification with Empowerment**	**City of Fontana**	**Valerie Gonzales**	**909.350.6625**	**vgonzales@fontanaca.gov**
			Agency Contact Name (Secondary)	**Phone Number (Secondary)**	**Email Address (Secondary)**

1.2 PROJECT DESCRIPTION

The City of Fontana respectfully submits this funding request in the amount of $300,000 through the Clean California Community Clean Up and Enhancement Program (CCEP) to support a targeted litter and graffiti abatement initiative that directly serves high-need areas within the city. The goal of this project is to enhance the visual environment of public spaces, promote community pride, and create new part-time employment opportunities for local residents, particularly individuals engaged through the City's workforce development and homeless outreach efforts.

This proposed initiative will fund a dedicated abatement program consisting of two coordinated crews of part-time Public Works team members. The primary crew will include five (5) part-time staff, each working 20 hours per week over a one-year period, assigned to remove litter, address graffiti, and support general beautification efforts throughout the City's public rights-of-way, including sidewalks, medians, transit corridors, parks, intersections, and other high-traffic locations.

To expand service availability and improve consistency of coverage, the City will also establish a second crew by adding two (2) additional part-time positions. This secondary crew will operate on the days when the primary crew is not scheduled, allowing abatement and beautification services to be delivered four days per week. Together, these crews will provide broader geographic reach and more frequent maintenance, with priority given to areas within disadvantaged communities as identified by Caltrans equity metrics and documented local need.

The abatement crew will be supervised by one (1) Public Works Supervisor, who will oversee daily operations, coordinate transportation logistics, such as pickup and drop-off of crew members from The Pathway to Housing program and ensure quality control and efficient deployment of resources. To ensure compliance with CCEP requirements, one (1) in-office program staff member will be assigned to manage all reporting, invoicing, draw requests, and performance documentation associated with the grant.

The City's approach aligns closely with the priorities outlined in the CCEP guidelines and includes the following core elements:

- **Community-Led Cleanup Activities:** While the primary abatement work will be performed by City staff, the City will also coordinate a series of community-based volunteer events in parks, school-adjacent areas, and neighborhoods in need of support.

broader efforts to expand workforce pathways and provide transitional employment to underserved populations.

- **Collaborative Partnerships:** Fontana will continue to engage community-based organizations, neighborhood groups, and other local agencies to support recruitment, outreach, and cleanup coordination.
- **Cleanup of Public Spaces**: All work will focus on publicly maintained infrastructure and common areas, contributing to safer, cleaner neighborhoods and improved community perception.

Anticipated outcomes include the removal of significant volumes of litter and graffiti across priority zones, improved neighborhood conditions, enhanced community engagement, and the creation of meaningful employment opportunities. This program reflects the City of Fontana's ongoing commitment to environmental stewardship, public service, and inclusive economic development.

1.3 PURPOSE AND NEED

The City of Fontana remains committed to preserving and enhancing the quality of life for all residents by maintaining clean, safe, and vibrant neighborhoods. In recent years, however, the City has experienced a noticeable increase in litter accumulation, graffiti, and illegal dumping across several public corridors, particularly within areas identified as disadvantaged communities under state equity guidelines. These environmental issues have a direct impact on the health, safety, and perception of public spaces and continue to place added strain on existing Public Works operations.

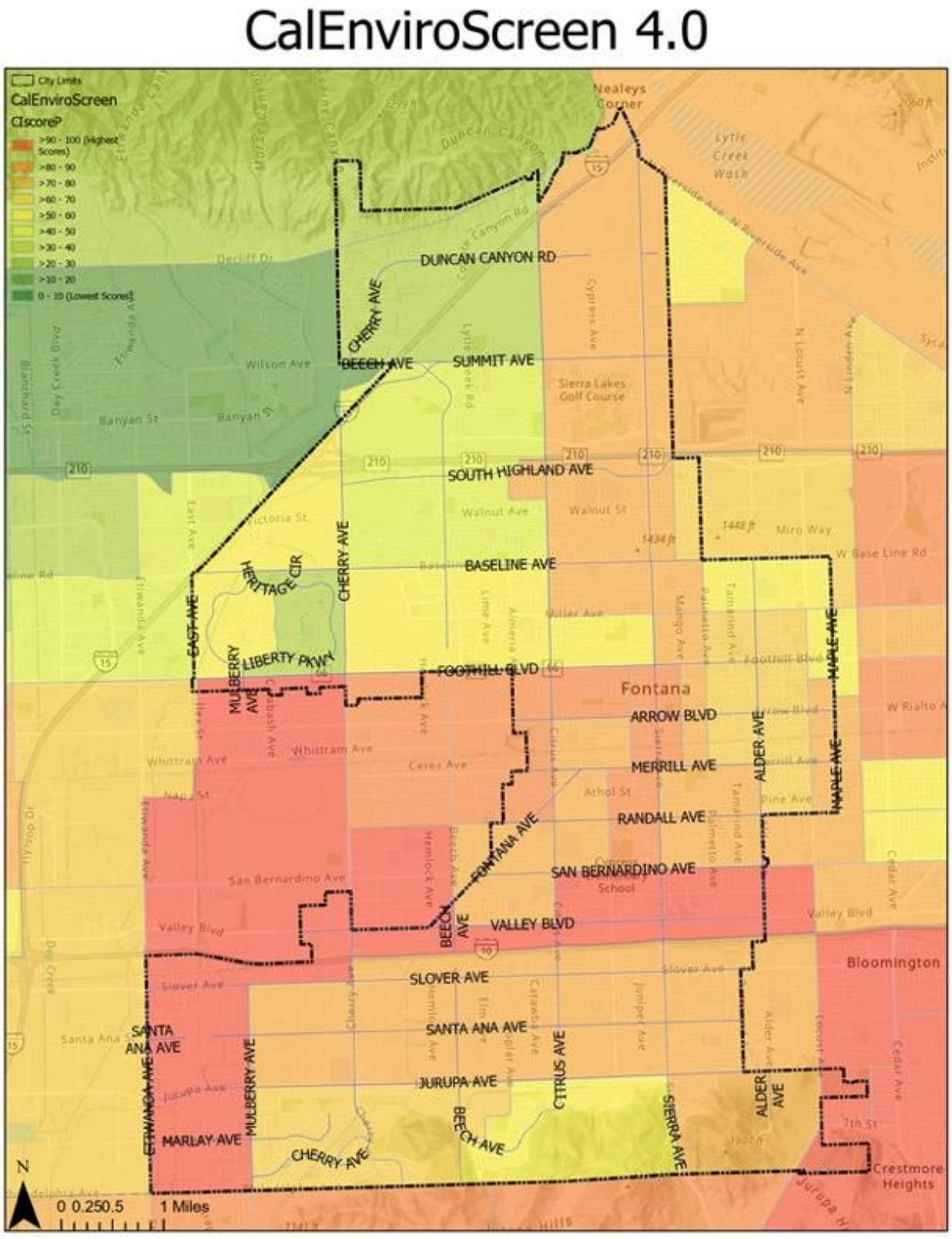
The proposed project responds to a clear and ongoing need. Fontana's high-growth population, coupled with expansive public infrastructure and corridors, creates a unique challenge when it comes to consistent maintenance. While the City continues to allocate resources toward routine cleanup and abatement efforts, current staffing levels are not sufficient to meet the volume and frequency of requests in certain high-need areas. This includes heavily trafficked roadways, transit stops, parks, school zones, and pedestrian walkways, where recurring litter and graffiti contribute to community concerns related to safety, appearance, and neighborhood pride.

In parallel with these environmental conditions, the City continues to advance its mission to create inclusive economic and employment opportunities. Through its Pathway to Housing program located at The Path, Fontana supports transitional housing participants with employment training for residents seeking re-entry or skill-building pathways. However, the City faces limitations in creating short-term, grant-funded positions that can serve both the public good and individual economic development. This project provides an opportunity to meet both of these challenges with a unified solution. By funding seven (7) part-time Public Works positions, the City can increase its capacity to perform targeted litter removal and graffiti abatement in priority zones, while also offering meaningful paid work experience to local residents. Participants will engage in structured work assignments, gain transferable skills, and contribute to a visible and tangible improvement in their own communities. The project further includes dedicated support from a Public Works Supervisor and a program management staff member, ensuring clear oversight and accountability.

Importantly, this initiative will complement other City-led revitalization and community engagement efforts. Cleaner streets and well-maintained corridors have a direct correlation with increased civic participation, safer walking environments, and stronger community morale. Residents and businesses alike benefit from the improved appearance and functionality of shared spaces. In summary, this project addresses two pressing needs in the City of Fontana: the need for enhanced environmental maintenance in underserved areas, and the need for expanded workforce opportunities that uplift individuals out of homelessness and contribute to neighborhood revitalization. The City is confident that

this program will support long-term public benefit and directly align with the values and priorities of the Clean California initiative.

1.4 MAP (Attachment A)



1.5 COST – Suggested Amount: $50,000 to $200,000 *Instructions: Provide a detailed cost estimate for each activity below and submit with Attachment E.*		
Activity	**Estimated Cost**	**Would applicant accept partial funding for this activity?**
Planning / Outreach	$ 0	☒ Yes ☐ No
Project Implementation – Employment (based on historic number of litter crews/staff)	$ 270,000.00	☒ Yes ☐ No
Project Implementation – Cleanup (based on historic quantities of litter collection)	$ 0	☒ Yes ☐ No
Matching Funds – In-Kind Contribution	$ 0	☒ Yes ☐ No
Other (Grant Administration/ Reporting Oversight)	$ 30,000	☒ Yes ☐ No
TOTAL	$ 300,000	☒ Yes ☐ No

Attachment E: Detailed Cost Estimate & Breakdown

City of Fontana
Clean California Community Clean Up & Enhancement Program (CCEP)
Total Grant Request: $300,000

1. Planning / Outreach

Estimated Cost: $0
While outreach is a vital part of this project, the City will leverage existing City resources to support public engagement and volunteer recruitment activities. These efforts will be supported through in-kind staff time and communication platforms already in use across City departments, including access to the City website, newsletter, and social media.

2. Project Implementation – Employment

Estimated Cost: $270,000
This is the core investment of the proposed project. Funds will support:

- Five (5) part-time Public Works staff members and one (1) Public Works Supervisor, working 20 hours per week for one year.
- Establish a second crew by adding two (2) part time positions to operate on the days the current crew is not scheduled to enable expanded service coverage four days per week.
- Priority hiring will go to individuals connected to Pathway to Housing program, the City's workforce re-entry and housing program.

- Wages, payroll taxes, onboarding, training, uniforms, and scheduling support are included in this cost.

These positions will be responsible for litter abatement, graffiti removal, and beautification in disadvantaged areas. This investment aligns with the City's dual commitment to environmental improvement and inclusive economic opportunity.

3. Project Implementation – Cleanup

Estimated Cost: $0
Cleanup materials (trash bags, gloves, graffiti removal kits, safety vests, etc.) will be provided through the City's existing Public Works inventory and general operating budget. This allows the City to maximize funding for employment without compromising operational quality. These in-kind materials support the direct work of the crew and will be tracked for reporting purposes.

4. Matching Funds – In-Kind Contribution

Estimated Cost: $0 (value provided in-kind)
While no direct grant funding is requested in this category, the City is contributing substantial **in-kind support** to the project, including:

- Oversight and coordination by City leadership and department heads.
- Use of City-owned trucks and equipment for field operations.
- Access to data tracking platforms and IT systems.
- Grant compliance, procurement, and HR coordination support.

These contributions strengthen the project's sustainability and ensure alignment with existing City operations.

5. Other – Grant Administration / Reporting Oversight

Estimated Cost: $30,000
This will fund our staff member who will oversee:

- Quarterly grant reporting to Caltrans.
- Invoice and draw request processing.
- Site documentation, program performance tracking, and data entry.
- Ongoing communication with field supervisors and finance staff.

This role ensures full compliance with Clean CA requirements and provides continuity and accountability from award through close-out.

Total Estimated Cost: $300,000

The City of Fontana is prepared to accept partial funding for any of the categories above and will adjust the scale of implementation accordingly. The requested funds are targeted to maximize

impact in disadvantaged neighborhoods while promoting workforce development, public safety, and civic pride.

1.6 SCHEDULE

Note: Project implementation should be completed by April 1, 2027 and final reports/close-out completed by October 31, 2027.

Milestone	Start Date	End Date
Planning & Community Engagement Begins	January 2026	2026
Hiring/Training Program Launch	—	—
Cleanup Activities Begin	April 2026	March 2027
Project Completion (By April 1, 2027)	—	2027
Project Close-out (By October 31, 2027)	—	2027

1.7 KNOWN CONCERNS OR RISKS

Known environmental concerns or risks	Known right-of-way concerns or risks
☒ No ☐ Yes	☒ No ☐ Yes

Planning and Community Engagement: The City will begin planning and stakeholder engagement in early 2026, including identifying cleanup zones, coordinating with local partners, and developing a schedule for community events and volunteer engagement efforts.

Training Launch: The Public Works Department, in partnership with The Path case management staff and the Human Resources Division, will coordinate recruitment, onboarding, and job-readiness training for all part-time abatement crew members.

Cleanup Activities: Litter removal and graffiti abatement will begin in April 2026 or sooner and continue on a regular schedule through 2027. Activities will focus on targeted public corridors and high-need areas, with progress tracked monthly.

Project Completion: All field work will be completed no later than April 1, 2027, in accordance with CCEP program requirements.

Close-Out and Reporting: Staff will finalize all fiscal and performance reporting, documentation of outcomes, and close-out procedures by October 31, 2027. The City will ensure timely and accurate submission of all required final reports to Caltrans.

This timeline allows for full execution of the program while meeting state requirements and maintaining accountability at every phase.

2 EVALUATION CRITERIA ALIGNMENT

2.1 EVALUATION CRITERIA ALIGNMENT

The City of Fontana is dedicated to providing clean, safe, and livable neighborhoods for all residents. This project reflects that commitment by addressing multiple Clean California priorities that includes litter abatement, workforce development, community engagement, and sustainability. Each of the following areas is integral to the City's implementation strategy.

Litter Abatement
This project directly responds to visible and recurring litter and graffiti issues across several key corridors within the City of Fontana. The proposed activities will target high-need public rights-of-way, including sidewalks, intersections, medians, and bus stops in neighborhoods identified as disadvantaged or disproportionately impacted by environmental neglect. Many of these locations experience persistent dumping, scattered debris, and tagging that undermines the health, safety, and appearance of community spaces.

Through the deployment of a seven-person part-time Public Works crew, supported by a dedicated supervisor, the City will conduct regular litter pickup and graffiti removal throughout the grant term. Crews will follow structured routes, with a focus on locations with frequent service calls, visual deterioration, and community complaints. These may include school-adjacent corridors, aging commercial districts, parks, and intersections with high pedestrian and transit use. Cleanup efforts will be carried out four days a week, with progress tracked through internal work logs, before-and-after photos, and mapped reporting. The goal is not only to remove waste, but also to restore a sense of dignity and pride in the public spaces that residents travel through daily. When paired with outreach efforts and public education, this work will elevate the City's broader beautification and safety initiatives.

Job Creation & Employment Pathways
One of the most critical components of this initiative is its focus on providing structured employment opportunities to individuals who are traditionally underrepresented in the workforce. The seven part-time Public Works positions created through this project will be filled by local residents from The Path, the City of Fontana's transitional housing and employment readiness program. These roles provide a first step into municipal employment, particularly for individuals navigating barriers such as limited work history, justice system involvement, or transitional housing. Participants will gain hands-on experience, receive job-readiness coaching from supervisors, and develop core soft skills such as punctuality, task tracking, and communication. The structure of the program, 20 hours per week over 12 months, allows participants to maintain outside responsibilities such as childcare, housing programs, or supplemental training while still earning a wage and contributing to the City's operations.

In addition to the field staff, the project includes funding for an in-office program coordinator who will manage performance metrics, compliance tracking, and administrative reporting. This role serves as a valuable internal career pathway as well, supporting professional development and capacity-building within City staff. By embedding workforce development directly into a public service model, this program aligns with the City's larger goal of expanding inclusive employment and preparing residents for long-term careers.

Community Engagement & Partnership
The City of Fontana recognizes that lasting change happens when residents, local organizations, and public agencies work together toward a shared goal. This project has been shaped in meeting with community partners who regularly engage with high-need populations, including transitional housing providers, neighborhood associations, and workforce training agencies. The City will work in collaboration with The Path and other partners to identify eligible participants, provide onboarding support, and share program updates. City staff will also seek feedback from community organizations

and residents on potential priority locations for cleanup, ensuring that the work aligns with lived experiences and on-the-ground concerns. This open channel of communication reinforces Fontana's ongoing commitment to transparency, accessibility, and responsiveness in local government.

Sustainability

While this project is designed as a one-year initiative under the Clean CA funding period, its impact is intended to last well beyond the grant term. The City has established multiple strategies to support long-term sustainability. First, the program builds workforce capacity by creating real pathways to future employment. Successful participants may become candidates for ongoing City positions, particularly within Public Works and Community Services. The experience and training gained during the program provide a foundation for future employment, either with the City or with other local employers. Second, the cleanup model can be absorbed into Fontana's broader maintenance operations. The data collected during this project, such as location hot spots and volume metrics, will inform future route planning and resource allocation for litter abatement.

Lastly, the partnerships developed through this effort will continue beyond the grant timeline. Relationships with workforce agencies, community-based organizations, and residents will remain valuable channels for civic engagement, local hiring, and volunteerism. The City will also explore opportunities to leverage in-kind support, sponsorships, and other state and federal grants to maintain program momentum. By combining immediate environmental improvements with long-term capacity-building, this project reflects the City of Fontana's commitment to thoughtful, inclusive, and sustainable public service.

3 COMMUNITY ENGAGEMENT

3.1 COMMUNITY ENGAGEMENT INFLUENCE

The City of Fontana takes pride in creating responsive, community-centered initiatives that reflect the needs and values of its residents. From the outset, this proposal was shaped by local input, neighborhood-level observations, and ongoing conversations with residents, workforce program participants, and community-based organizations. Through regular service requests, community meetings, and other feedback g, the City identified recurring concerns related to litter accumulation, graffiti, and a lack of accessible job opportunities, especially in underserved corridors.

This project responds directly to what residents have consistently asked for: cleaner streets, increased investment in public spaces, and job opportunities that create a pathway forward. Rather than relying solely on internal planning, the City prioritized feedback from those most impacted by environmental neglect and systemic barriers to employment. The result is a proposal that blends beautification with empowerment. During implementation, the City will maintain a strong commitment to two-way communication, transparency, and participation. Community engagement will not be treated as a one-time box to check, but as a sustained practice that supports accountability and shared ownership of outcomes.

Planned engagement activities include:

- **Partnership Circles:** The City will convene quarterly check-ins with local organizations including but not limited to staff from The Path, local workforce boards, housing programs, and other non-profit stakeholders to share progress updates and gather feedback. These conversations will help the City adjust route schedules, outreach materials, and staff support as needed.

Through these strategies, the City of Fontana ensures that community members are not only served, but involved. The cleanup crews will be visible reminders of progress, and the City will remain open to dialogue throughout the program. A formal Public Engagement Plan (Attachment B) is included with this proposal, detailing outreach methods, partnerships, timelines, and communication materials. Fontana's approach is rooted in inclusion, innovation, and impact, as this project reflects those values in every stage, from design through implementation.

4 UNDERSERVED or HISTORICALLY EXCLUDED COMMUNITIES

4.1 ANALYSIS

Is the project located in an underserved or historically excluded community?	What was the basis for determining if any part of project is located in or benefits an historically excluded community: (only check a box if in or partially in an historically excluded community)
☒ Yes ☐ No ☐ partially located in an underserved community	a. ☐ Median Household Income b. ☒ CalEnviroScreen 4.0 c. ☐ Free or Reduced-Price School Meals d. ☐ Healthy Places Index e. ☐ Native American Tribal Lands f. ☐ Other

4.2 BENEFITS TO UNDERSERVED or HISTORICALLY EXCLUDED COMMUNITY

The City of Fontana recognizes that the impacts of environmental neglect and economic hardship are not experienced equally across all neighborhoods. Certain areas, particularly those identified as disadvantaged by the California Healthy Places Index and CalEnviroScreen tools, have faced persistent challenges such as illegal dumping, graffiti, and underinvestment in public infrastructure. This project was intentionally designed to serve those very communities, delivering visible improvements, meaningful employment, and stronger pathways to long-term stability.

Job Access and Workforce Opportunity
One of the most direct benefits of this initiative is the creation of paid part-time employment opportunities for residents who have historically faced barriers to the workforce. These positions, offered through the City's Public Works Department in partnership with The Path, Fontana's homelessness and workforce readiness program, prioritize individuals with justice involvement, unstable housing histories, or gaps in traditional employment. For many participants, this project will represent their first formal connection to municipal work, providing real-world experience, a supportive structure, and transferable skills that can be carried into future career paths. In doing so, the project serves as both a short-term income opportunity and a stepping stone toward long-term employment.

Cleaner, Safer Public Spaces
The City's approach to litter abatement and graffiti removal goes beyond simple beautification. When streets are clean, walkways are safe, and bus stops are maintained, communities experience increased public safety, mobility, and wellness. Target areas for cleanup were selected based on service request data, resident feedback, and proximity to public transit, schools, and parks, ensuring that the most vulnerable areas receive attention first. By focusing resources where the need is greatest, the City aims to reverse visible signs of neglect and support a safer daily experience for pedestrians, children, seniors, and families.

Civic Pride and Community Stewardship
Restoring dignity to public spaces is not just about what the City can do, but it's about creating a culture where residents feel empowered to care for their neighborhoods. Through these efforts, the City will foster a renewed sense of community pride. This visibility sends a powerful message that every resident has a stake in the future of their community, and that collective action leads to lasting change.

Connection to Public Resources and Services
Throughout implementation, the City will use this project as a platform to connect residents with additional services, including housing assistance, job training, mental health resources, and City-sponsored programs. Crew members hired through The Path will be connected to wraparound services to support long-term success. Engagement events will double as outreach touchpoints, where residents can not only help beautify their neighborhoods, but also learn about how to report illegal dumping, access housing support, or connect with other City departments. This multi-layered approach reflects Fontana's mission to serve the whole person and build systems of access and inclusion.
In summary, this project is a targeted investment in people and places that have long been underrepresented in funding and attention. It combines equity-driven employment with visible environmental improvements and deeper civic engagement, making it a model for inclusive, community-led revitalization.

5 LETTER OF SUPPORT

5.1 LETTER OF SUPPORT

Instructions: Attach signed letters from Caltrans district (where proposal is located) endorsing the project.

6 ADDITIONAL ATTACHMENTS

6.1 SUPPLEMENTAL MATERIALS

Instructions – Attach any applicable documents as follows:

- ***Attachment A**: Project / Data Maps*
- ***Attachment B**: Public Engagement Plan*
- ***Attachment C**: Existing Site Photos*
- ***Attachment D**: Letters of Support*
- ***Attachment E**: Cost Breakdown & Estimate*
  - *Break down expenses by category (e.g., staff time, equipment, materials, outreach, etc.)*
  - *Briefly explain the purpose of each cost to demonstrate alignment with project goals.*

Prepared by:

1-13-26

Valerie Gonzales — Date
Housing Development Manager
City of Fontana

Approval Recommended by:

Brandy Ybarra 1/15/2026

District Clean CA Grant Coordinator — Date

Approved by:

Clean California Program Director — Date

Instructions – Attach any applicable documents as follows:

- ***Attachment A**: Project / Data Maps*
- ***Attachment B**: Public Engagement Plan*
- ***Attachment C**: Existing Site Photos*
- ***Attachment D**: Letters of Support*
- ***Attachment E**: Cost Breakdown & Estimate*
    - *Break down expenses by category (e.g., staff time, equipment, materials, outreach, etc.)*
    - *Briefly explain the purpose of each cost to demonstrate alignment with project goals.*

Attachment B – Public Engagement Plan

City of Fontana
Clean California Community Clean Up & Enhancement Program (CCEP)

1. Purpose of Engagement

The City of Fontana recognizes that community involvement is essential to the success and long-term impact of beautification and litter abatement projects. This engagement plan outlines how the City will inform, involve, and collaborate with residents, stakeholders, and community organizations throughout the planning, implementation, and reporting phases of the proposed Clean CA project.

2. Goals of Public Engagement

- Ensure local stakeholders are aware of the project and understand its goals.
- Provide opportunities to share input on cleanup priorities and locations.
- Encourage active participation through volunteer events and community service opportunities.
- Build lasting trust and transparency through consistent communication and visibility.
- Celebrate community contributions and elevate positive public narratives.

3. Engagement Activities & Timeline

Engagement Activity	Description	Timeline
Partnership Circles (Quarterly Check-Ins)	Host quarterly roundtables with partners from The Path, workforce boards, CBOs, and city departments to assess project progress and gather feedback.	Apr 2026 – Apr 2027
Social Media & City Website Updates	Regular project highlights, photos, cleanup stats, and workforce stories shared via City of Fontana platforms.	Monthly
Council & Commission Briefings	Provide updates at Mayor's Advisory Council and other relevant Commissions	Periodic
Community Recognition Features	Spotlight participants and volunteers on social media and City publications, highlighting their impact and contributions.	Jun 2026 – Apr 2027

4. Community Partners Involved

- Pathway to Housing Program
- Nonprofits focused on homelessness efforts
- Mayor's Advisory Council on Homelessness

5. Outreach Methods

- City website banner and project updates
- Monthly newsletter
- Posts and updates on official City of Fontana social media accounts

6. Language Access & Accessibility

All materials will be provided in both English and Spanish, and accessible versions will be made available for individuals with visual impairments. Outreach efforts will ensure engagement across diverse demographics.

7. Documentation & Reporting

The City will document all outreach activities, participation numbers, feedback collected, and media used. Engagement outcomes will be summarized in interim and final project reports submitted to Caltrans, with visual documentation included (photos, attendance sheets, flyers, etc.).

8. Contact Information

Public Works Department
City of Fontana
8353 Sierra Avenue, Fontana, CA 92335
Tel: (909) 350-6760

Attachment C – Existing Site Photos

JEWELRY
&LO
AN
OPEN
7DAYS

OPEN
Cali Curves
COLOMBIAN FAJAS
We best in
SHAPEWEAR
Cali Curves
COLOMBIAN FAJA

566

FOR
SALE
#REALESTATEPEDRO

EVEN

PARKING
ONLY
VAN
ACCESSIBLE
MINIMUM
FINE $250

815-5165

CLOTHES
& SHOES

LLR

PULL
PULL

Attachment E – Cost Breakdown & Estimate

Applicant Name: City of Fontana
Project Title: Clean California Community Clean Up & Enhancement Program (CCEP)
District: _____
Date: _____

1. Summary of Estimated Project Costs

Cost Category	Description of Activities / Deliverables	Estimated Cost ($)	Funding Source	Eligible / In-Kind
A. Direct Labor Costs	Staff or crew time directly related to project implementation (cleanup, workforce training, coordination).	$270,000	Clean California CCEP Grant	Eligible
B. Workforce Development Partners	Costs for partnerships with workforce organizations (e.g., training programs, stipends, supervision).	$0		Eligible
C. Cleanup and Beautification Materials	Litter collection supplies, disposal fees, landscaping or greening materials, safety equipment.	$0		Eligible
D. Equipment Rental / Use	Temporary use or rental of vehicles, tools, or heavy equipment directly used for project activities.	$0		Eligible
E. Outreach and Engagement	Community engagement events, educational campaigns, signage, printed materials, translation, youth outreach.	$0		Eligible
F. Project Administration (Direct)	Direct administrative work tied to project delivery, including reporting, documentation, and coordination.	$30,000	Clean California CCEP Grant	Eligible (Limited to ≤10%)
G. In-Kind Contributions	Volunteer labor, donated materials, facilities, or services.	$0	Local / Partner	In-Kind
H. Other Direct Costs	Any other eligible direct costs (specify).	$0		Eligible
TOTAL ESTIMATED PROJECT COST		**$300,000**	Clean California CCEP Grant	

2. Cost Estimate Narrative

1. Outreach and Engagement

Estimated Cost: $0
While outreach is a vital part of this project, the City will leverage existing City resources to support public engagement and volunteer recruitment activities. These efforts will be supported through in-kind staff time and communication platforms already in use across City departments, including access to the City website, newsletter, and social media.

2. Direct Labor Costs

Estimated Cost: $270,000
This is the core investment of the proposed project. Funds will support:

- **Five (5) part-time Public Works staff members and one (1) Public Works Supervisor,** working 20 hours per week for one year.
- Establish a second crew by adding two (2) part time positions to operate on the days the current crew is not scheduled to enable expanded service coverage four days per week.
- Priority hiring will go to individuals connected to Pathway to Housing program, the City's workforce re-entry and housing program.
- Wages, payroll taxes, onboarding, training, uniforms, and scheduling support are included in this cost.

These positions will be responsible for litter abatement, graffiti removal, and beautification in disadvantaged areas. This investment aligns with the City's dual commitment to environmental improvement and inclusive economic opportunity.

3. Cleanup & Beautification Materials

Estimated Cost: $0
Cleanup materials (trash bags, gloves, graffiti removal kits, safety vests, etc.) will be provided through the City's existing Public Works inventory and general operating budget. This allows the City to maximize funding for employment without compromising operational quality. These in-kind materials support the direct work of the crew and will be tracked for reporting purposes.

4. In-Kind Contributions

Estimated Cost: $0 (value provided in-kind)
While no direct grant funding is requested in this category, the City is contributing substantial **in-kind support** to the project, including:

- Oversight and coordination by City leadership and department heads.
- Use of City-owned trucks and equipment for field operations.
- Access to data tracking platforms and IT systems.
- Grant compliance, procurement, and HR coordination support.

These contributions strengthen the project's sustainability and ensure alignment with existing City operations.

5. Project Administration -- Direct

Estimated Cost: $30,000
This will fund our **staff member** who will oversee:

- Quarterly grant reporting to Caltrans.
- Invoice and draw request processing.
- Site documentation, program performance tracking, and data entry.
- Ongoing communication with field supervisors and finance staff.

This role ensures full compliance with Clean CA requirements and provides continuity and accountability from award through close-out.

Total Estimated Cost: $300,000

The City of Fontana is prepared to accept partial funding for any of the categories above and will adjust the scale of implementation accordingly. The requested funds are targeted to maximize impact in disadvantaged neighborhoods while promoting workforce development, public safety, and civic pride.

---

3. Funding Sources

Funding Source	Type	Amount ($)	Status (Confirmed / Pending)
Clean California CCEP Grant Request	State	$300,000	Pending
Local Agency Contribution	Local	$0	[ ] Confirmed [ ] Pending
Workforce Partner Contribution	In-Kind	$0	[ ] Confirmed [ ] Pending
Other Source (Specify)		$0	[ ] Confirmed [ ] Pending
TOTAL		**$300,000**	

---

4. Schedule of Expenditures

Note: Fields are pre-populated in italics as examples for consideration.

Project Phase	Description of Activities	Estimated Start / End Dates	Estimated Expenditure ($)
Phase 1: Project Initiation	*Finalize agreement, hire crew, procure materials*	January 2026-March 2027	$0
Phase 2: Implementation	*Conduct cleanup events, training, and beautification*	April 2026 - March 2027	$270,000
Phase 3: Public Engagement	*Outreach, education, and community reporting*	2026	$0
Phase 4: Reporting and Close-Out	*Final reports, outcomes documentation*	October 2027	$30,000
TOTAL			**$300,000**

---

5. Cost Certification

By signing below, the applicant certifies that:

- All costs are **reasonable, necessary, and directly related** to proposal / project delivery.
- No indirect or overhead expenses are included.
- All in-kind and partner contributions have been accurately represented.
- The applicant agrees to maintain cost documentation for audit purposes in compliance with CCEP guidelines.

Authorized Signature: _____
Title: HOUSING DEVELOPMENT MANAGER
Date: 1-13-26

Clean California CCEP Program
Restricted Grant Agreement Package Checklist

Complete Restricted Grant Agreement (RGA) packages shall be submitted through email to the Caltrans District CC Grant Coordinator. Documents listed below for Agencies submittal are to be in pdf format. It is recommended that each document be submitted as a one PDF containing all documents. Submittal will all be via email, no mailed copies of the RGA will be accepted.

The Final RGA Executed packages, once executed by Caltrans, will be returned to Agency and will include the following;

- Fully Executed RGA's signed by both the Agency and Caltrans
- CCEP Guidelines
- Approved Indirect Cost Rate (if applicable)
- Approved Grant Proposal Application

District: 8
Agency Name: City of Fontana

Project Name: City of Fontana Beautification with Empowerment

Agency shall submit to Caltrans District CC Grant Coordinator the following:

- RGA's signed by agency authorized signatory
- Approved Indirect Cost Rate (if applicable)
- Grant Application signed by agency authorized signatory
- Completed RGA Checklist

Directions:

Awardee shall complete the following checklist. Once checklist is complete, the document shall be flattened prior to submittal to the Caltrans District CC Grant Coordinator as part of the signed RGA package.

1. All Restricted Grant Agreement packages must include a completed Payee Data Record (STD 204) prior to grant agreement execution, to be submitted via email to Payee.Data.Records@dot.ca.gov. Have you submitted the Payee Data Record (STD 204) and cc'd your District CC Grant Coordinator?
   ☑ Yes ☐ N/A-one is on file already

2. If seeking reimbursement for indirect costs attach the approved Indirect Cost Rate sheet prior to grant agreement execution. Have you attached the approved indirect cost rate sheet?
   ☐ Yes ☑ N/A

3. Is Agency seeking for reimbursement payments to be electronically transferred directly to the Agency's designated banking account using an electronic funds transfer? If yes, have you submitted the Electronic Funds Transfer (EFT) Enrollment Form FA 2656 to Caltrans' Division of Accounting?
   ☑ Yes ☐ N/A

4. Has Agency attached the Grant Application, including all applicable amended documents and attachments, and signed by the individual identified as the Agency legal authority?
   ☑ Yes

5. All Restricted Grant Agreement packages must include this RGA Checklist. Have you completed this RGA checklist?
   ☑ Yes

Matthew C. Ballantyne

_____	_____	_____
Local Agency Contact Name	Local Agency Signature	Date

To Be Completed by Caltrans District CC Grant Coordinator

I, the Catrans District CC Grant Coordinator for the above referenced project, have reviewed the submitted RGA package from the Agency. I have confirmed all items identified for submittal to CC Managers listed above are complete and have been submitted.

☐ Yes

District CC Grant Coordinator Name: _____ Date: _____

Print Form Reset Form

101

STATE OF CALIFORNIA – DEPARTMENT OF FINANCE

PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)

STD 204 (Rev. 03/2021)

Section 1 – Payee Information

NAME (This is required. Do not leave this line blank. Must match the payee's federal tax return)

City of Fontana

BUSINESS NAME, DBA NAME or DISREGARDED SINGLE MEMBER LLC NAME (If different from above)

Housing Department

MAILING ADDRESS (number, street, apt. or suite no.) (See instructions on Page 2)

8353 Sierra Avenue

CITY, STATE, ZIP CODE	E-MAIL ADDRESS
Fontana, CA	mballantyne@fontanaca.gov

Section 2 – Entity Type

Check one (1) box only that matches the entity type of the Payee listed in Section 1 above. (See instructions on page 2)

- ☐ **SOLE PROPRIETOR / INDIVIDUAL**
- ☐ **SINGLE MEMBER LLC** *Disregarded Entity owned by an individual*
- ☐ **PARTNERSHIP**
- ☐ **ESTATE OR TRUST**

CORPORATION (see instructions on page 2)

- ☐ **MEDICAL** *(e.g., dentistry, chiropractic, etc.)*
- ☐ **LEGAL** *(e.g., attorney services)*
- ☐ **EXEMPT** *(e.g., nonprofit)*
- ☒ **ALL OTHERS**

Section 3 – Tax Identification Number

Enter your Tax Identification Number (TIN) in the appropriate box. The TIN must **match** the name given in Section 1 of this form. Do not provide more than one (1) TIN. The TIN is a 9-digit number. **Note:** Payment will not be processed without a TIN.

- For **Individuals**, enter SSN.
- If you are a **Resident Alien**, and you do not have and are not eligible to get an SSN, enter your ITIN.
- Grantor Trusts (such as a Revocable Living Trust while the grantors are alive) may not have a separate FEIN. Those trusts must enter the individual grantor's SSN.
- For **Sole Proprietor or Single Member LLC (disregarded entity), in which the sole member is an individual**, enter SSN (ITIN if applicable) or FEIN (FTB prefers SSN).
- For **Single Member LLC (disregarded entity), in which the sole member is a business entity**, enter the owner entity's FEIN. Do not use the disregarded entity's FEIN.
- For all other entities including LLC that is taxed as a corporation or partnership, estates/trusts (with FEINs), enter the entity's FEIN.

Social Security Number (SSN) or Individual Tax Identification Number (ITIN)

___ ___ ___ - ___ ___ - ___ ___ ___ ___

OR

Federal Employer Identification Number (FEIN)

9 5 - 6 0 0 4 7 7 0

Section 4 – Payee Residency Status (See instructions)

☒ **CALIFORNIA RESIDENT** – Qualified to do business in California or maintains a permanent place of business in California.

☐ **CALIFORNIA NONRESIDENT** – Payments to nonresidents for services may be subject to state income tax withholding.

☐ No services performed in California

☐ Copy of Franchise Tax Board waiver of state withholding is attached.

Section 5 – Certification

I hereby certify under penalty of perjury that the information provided on this document is true and correct. Should my residency status change, I will promptly notify the state agency below.

NAME OF AUTHORIZED PAYEE REPRESENTATIVE	TITLE	E-MAIL ADDRESS
Matthew C. Ballantyne	City Manager	mballantyne@fontanaca.gov

SIGNATURE	DATE	TELEPHONE *(include area code)*
	3/31/2026	909-350-7654

Section 6 – Paying State Agency

Please return completed form to:

STATE AGENCY/DEPARTMENT OFFICE	UNIT/SECTION	
CALTRANS	2197	
MAILING ADDRESS	**FAX**	**TELEPHONE** *(include area code)*
464 West 4th Street		(909) 925-7529

CITY	STATE	ZIP CODE	E-MAIL ADDRESS
San Bernardino	CA	92401	Brandy.Ybarra@dot.ca.gov

STATE OF CALIFORNIA – DEPARTMENT OF FINANCE

PAYEE DATA RECORD

(Required when receiving payment from the State of California in lieu of IRS W-9 or W-7)

STD 204 (Rev. 03/2021)

GENERAL INSTRUCTIONS

Type or print the information on the Payee Data Record, STD 204 form. Sign, date, and return to the state agency/department office address shown in Section 6. Prompt return of this fully completed form will prevent delays when processing payments.

Information provided in this form will be used by California state agencies/departments to prepare Information Returns (Form1099).
NOTE: Completion of this form is optional for Government entities, i.e. federal, state, local, and special districts.

A completed Payee Data Record, STD 204 form, is required for all payees (non-governmental entities or individuals) entering into a transaction that may lead to a payment from the state. Each state agency requires a completed, signed, and dated STD 204 on file; therefore, it is possible for you to receive this form from multiple state agencies with which you do business.

Payees who do not wish to complete the STD 204 may elect not to do business with the state. If the payee does not complete the STD 204 and the required payee data is not otherwise provided, payment may be reduced for federal and state backup withholding. Amounts reported on Information Returns (Form 1099) are in accordance with the Internal Revenue Code (IRC) and the California Revenue and Taxation Code (R&TC).

Section 1 – Payee Information

Name – Enter the name that appears on the payee's federal tax return. The name provided shall be the tax liable party and is subject to IRS TIN matching (when applicable).

- Sole Proprietor/Individual/Revocable Trusts – enter the name shown on your federal tax return.
- Single Member Limited Liability Companies (LLCs) that is disregarded as an entity separate from its owner for federal tax purposes - enter the name of the individual or business entity that is tax liable for the business in section 1. Enter the DBA, LLC name, trade, or fictitious name under Business Name.
- Note: for the State of California tax purposes, a Single Member LLC is not disregarded from its owner, even if they may be disregarded at the Federal level.
- Partnerships, Estates/Trusts, or Corporations – enter the entity name as shown on the entity's federal tax return. The name provided in Section 1 must match to the TIN provided in section 3. Enter any DBA, trade, or fictitious business names under Business Name.

Business Name – Enter the business name, DBA name, trade or fictitious name, or disregarded LLC name.
Mailing Address – The mailing address is the address where the payee will receive information returns. Use form STD 205, Payee Data Record Supplement to provide a remittance address if different from the mailing address for information returns, or make subsequent changes to the remittance address.

Section 2 – Entity Type

If the Payee in Section 1 is a(n)...	THEN Select the Box for...
Individual • Sole Proprietorship • Grantor (Revocable Living) Trust disregarded for federal tax purposes	Sole Proprietor/Individual
Limited Liability Company (LLC) owned by an individual and is disregarded for federal tax purposes	Single Member LLC-owned by an individual
Partnerships • Limited Liability Partnerships (LLP) • and, LLC treated as a Partnership	Partnerships
Estate • Trust (other than disregarded Grantor Trust)	Estate or Trust
Corporation that is medical in nature (e.g., medical and healthcare services, physician care, nursery care, dentistry, etc. • LLC that is to be taxed like a Corporation and is medical in nature	Corporation-Medical
Corporation that is legal in nature (e.g., services of attorneys, arbitrators, notary publics involving legal or law related matters, etc.) • LLC that is to be taxed like a Corporation and is legal in nature	Corporation-Legal
Corporation that qualifies for an Exempt status, including 501(c) 3 and domestic non-profit corporations.	Corporation-Exempt
Corporation that does not meet the qualifications of any of the other corporation types listed above • LLC that is to be taxed as a Corporation and does not meet any of the other corporation types listed above	Corporation-All Other

Section 3 – Tax Identification Number

The State of California requires that all parties entering into business transactions that may lead to payment(s) from the state provide their Taxpayer Identification Number (TIN). The TIN is required by R&TC sections 18646 and 18661 to facilitate tax compliance enforcement activities and preparation of Form 1099 and other information returns as required by the IRC section 6109(a) and R&TC section 18662 and its regulations.

Section 4 – Payee Residency Status

Are you a California resident or nonresident?

- A corporation will be defined as a "resident" if it has a permanent place of business in California or is qualified through the Secretary of State to do business in California.
- A partnership is considered a resident partnership if it has a permanent place of business in California.
- An estate is a resident if the decedent was a California resident at time of death.
- A trust is a resident if at least one trustee is a California resident.
  - For individuals and sole proprietors, the term "resident" includes every individual who is in California for other than a temporary or transitory purpose and any individual domiciled in California who is absent for a temporary or transitory purpose. Generally, an individual who comes to California for a purpose that will extend over a long or indefinite period will be considered a resident. However, an individual who comes to perform a particular contract of short duration will be considered a nonresident.

For information on Nonresident Withholding, contact the Franchise Tax Board at the numbers listed below:
Withholding Services and Compliance Section: 1-888-792-4900 E-mail address: wscs.gen@ftb.ca.gov
For hearing impaired with TDD, call: 1-800-822-6268 Website: www.ftb.ca.gov

Section 5 – Certification

Provide the name, title, email address, signature, and telephone number of individual completing this form and date completed. In the event that a SSN or ITIN is provided, the individual identified as the tax liable party must certify the form. Note: the signee may differ from the tax liable party in this situation if the signee can provide a power of attorney documented for the individual.

Section 6 – Paying State Agency

This section must be completed by the state agency/department requesting the STD 204.

Privacy Statement

Section 7(b) of the Privacy Act of 1974 (Public Law 93-579) requires that any federal, state, or local governmental agency, which requests an individual to disclose their social security account number, shall inform that individual whether that disclosure is mandatory or voluntary, by which statutory or other authority such number is solicited, and what uses will be made of it. It is mandatory to furnish the information requested. Federal law requires that payment for which the requested information is not provided is subject to federal backup withholding and state law imposes noncompliance penalties of up to $20,000. You have the right to access records containing your personal information, such as your SSN. To exercise that right, please contact the business services unit or the accounts payable unit of the state agency(ies) with which you transact that business.

All questions should be referred to the requesting state agency listed on the bottom front of this form.

Clean CA Program
Community Cleanup and Employment Pathway (CCEP) Grant Proposal

I. PROJECT DESCRIPTION

CALTRANS DISTRICT	PROJECT TITLE	AGENCY NAME	AGENCY CONTACT NAME	PHONE NUMBER	EMAIL ADDRESS
8	**City of Fontana: Beautification with Empowerment**	**City of Fontana**	**Valerie Gonzales**	**909.350.6625**	**vgonzales@fontanaca.gov**
			Agency Contact Name (Secondary)	**Phone Number (Secondary)**	**Email Address (Secondary)**

1.2 PROJECT DESCRIPTION

The City of Fontana respectfully submits this funding request in the amount of $300,000 through the Clean California Community Clean Up and Enhancement Program (CCEP) to support a targeted litter and graffiti abatement initiative that directly serves high-need areas within the city. The goal of this project is to enhance the visual environment of public spaces, promote community pride, and create new part-time employment opportunities for local residents, particularly individuals engaged through the City's workforce development and homeless outreach efforts.

This proposed initiative will fund a dedicated abatement program consisting of two coordinated crews of part-time Public Works team members. The primary crew will include five (5) part-time staff, each working 20 hours per week over a one-year period, assigned to remove litter, address graffiti, and support general beautification efforts throughout the City's public rights-of-way, including sidewalks, medians, transit corridors, parks, intersections, and other high-traffic locations.

To expand service availability and improve consistency of coverage, the City will also establish a second crew by adding two (2) additional part-time positions. This secondary crew will operate on the days when the primary crew is not scheduled, allowing abatement and beautification services to be delivered four days per week. Together, these crews will provide broader geographic reach and more frequent maintenance, with priority given to areas within disadvantaged communities as identified by Caltrans equity metrics and documented local need.

The abatement crew will be supervised by one (1) Public Works Supervisor, who will oversee daily operations, coordinate transportation logistics, such as pickup and drop-off of crew members from The Pathway to Housing program and ensure quality control and efficient deployment of resources. To ensure compliance with CCEP requirements, one (1) in-office program staff member will be assigned to manage all reporting, invoicing, draw requests, and performance documentation associated with the grant.

The City's approach aligns closely with the priorities outlined in the CCEP guidelines and includes the following core elements:

- **Community-Led Cleanup Activities:** While the primary abatement work will be performed by City staff, the City will also coordinate a series of community-based volunteer events in parks, school-adjacent areas, and neighborhoods in need of support.

broader efforts to expand workforce pathways and provide transitional employment to underserved populations.

- **Collaborative Partnerships:** Fontana will continue to engage community-based organizations, neighborhood groups, and other local agencies to support recruitment, outreach, and cleanup coordination.
- **Cleanup of Public Spaces**: All work will focus on publicly maintained infrastructure and common areas, contributing to safer, cleaner neighborhoods and improved community perception.

Anticipated outcomes include the removal of significant volumes of litter and graffiti across priority zones, improved neighborhood conditions, enhanced community engagement, and the creation of meaningful employment opportunities. This program reflects the City of Fontana's ongoing commitment to environmental stewardship, public service, and inclusive economic development.

1.3 PURPOSE AND NEED

The City of Fontana remains committed to preserving and enhancing the quality of life for all residents by maintaining clean, safe, and vibrant neighborhoods. In recent years, however, the City has experienced a noticeable increase in litter accumulation, graffiti, and illegal dumping across several public corridors, particularly within areas identified as disadvantaged communities under state equity guidelines. These environmental issues have a direct impact on the health, safety, and perception of public spaces and continue to place added strain on existing Public Works operations.

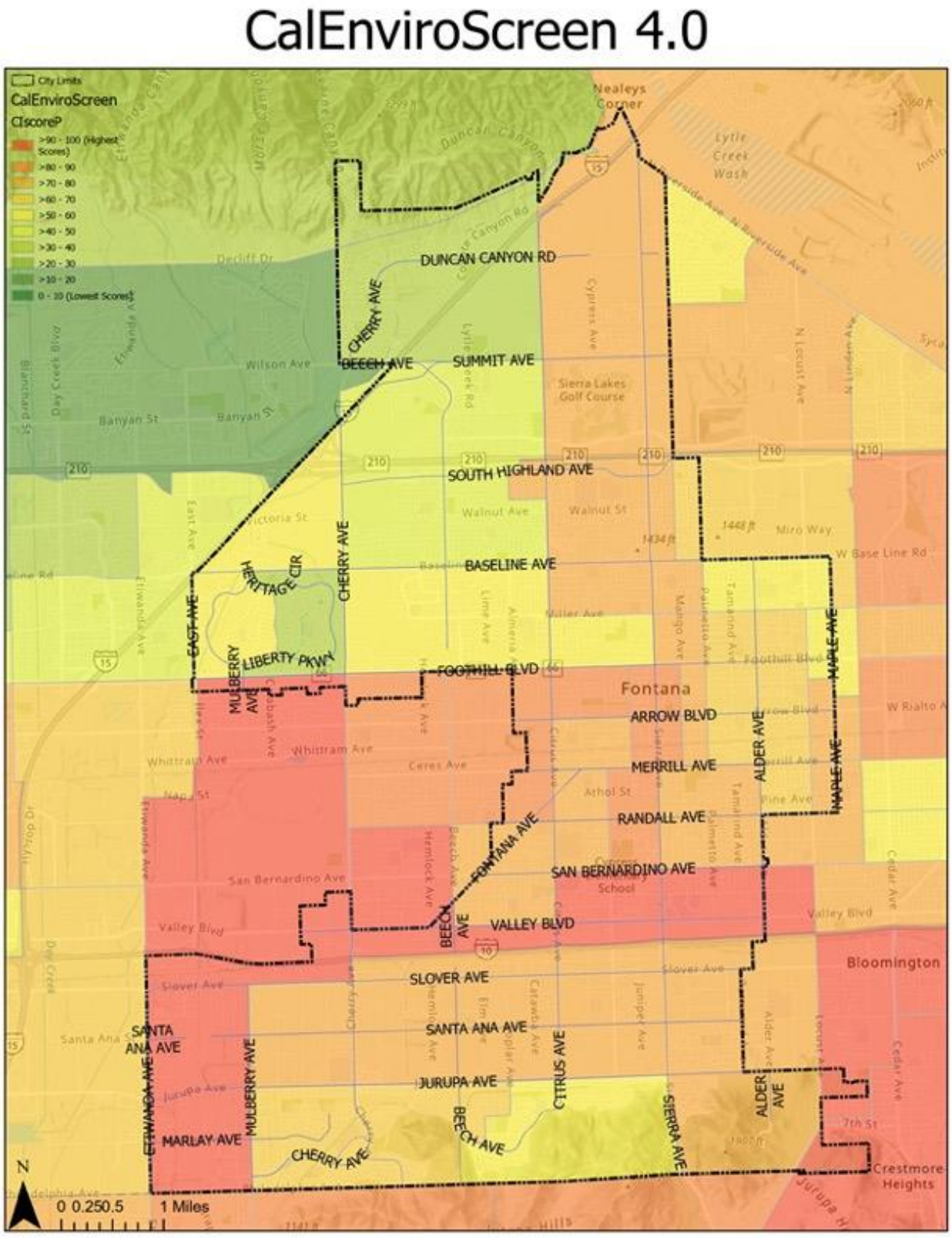
The proposed project responds to a clear and ongoing need. Fontana's high-growth population, coupled with expansive public infrastructure and corridors, creates a unique challenge when it comes to consistent maintenance. While the City continues to allocate resources toward routine cleanup and abatement efforts, current staffing levels are not sufficient to meet the volume and frequency of requests in certain high-need areas. This includes heavily trafficked roadways, transit stops, parks, school zones, and pedestrian walkways, where recurring litter and graffiti contribute to community concerns related to safety, appearance, and neighborhood pride.

In parallel with these environmental conditions, the City continues to advance its mission to create inclusive economic and employment opportunities. Through its Pathway to Housing program located at The Path, Fontana supports transitional housing participants with employment training for residents seeking re-entry or skill-building pathways. However, the City faces limitations in creating short-term, grant-funded positions that can serve both the public good and individual economic development. This project provides an opportunity to meet both of these challenges with a unified solution. By funding seven (7) part-time Public Works positions, the City can increase its capacity to perform targeted litter removal and graffiti abatement in priority zones, while also offering meaningful paid work experience to local residents. Participants will engage in structured work assignments, gain transferable skills, and contribute to a visible and tangible improvement in their own communities. The project further includes dedicated support from a Public Works Supervisor and a program management staff member, ensuring clear oversight and accountability.

Importantly, this initiative will complement other City-led revitalization and community engagement efforts. Cleaner streets and well-maintained corridors have a direct correlation with increased civic participation, safer walking environments, and stronger community morale. Residents and businesses alike benefit from the improved appearance and functionality of shared spaces. In summary, this project addresses two pressing needs in the City of Fontana: the need for enhanced environmental maintenance in underserved areas, and the need for expanded workforce opportunities that uplift individuals out of homelessness and contribute to neighborhood revitalization. The City is confident that

this program will support long-term public benefit and directly align with the values and priorities of the Clean California initiative.

1.4 MAP (Attachment A)



1.5 COST – Suggested Amount: $50,000 to $200,000 *Instructions: Provide a detailed cost estimate for each activity below and submit with Attachment E.*		
Activity	**Estimated Cost**	**Would applicant accept partial funding for this activity?**
Planning / Outreach	$ 0	☒ Yes ☐ No
Project Implementation – Employment (based on historic number of litter crews/staff)	$ 270,000.00	☒ Yes ☐ No
Project Implementation – Cleanup (based on historic quantities of litter collection)	$ 0	☒ Yes ☐ No
Matching Funds – In-Kind Contribution	$ 0	☒ Yes ☐ No
Other (Grant Administration/ Reporting Oversight)	$ 30,000	☒ Yes ☐ No
TOTAL	$ 300,000	☒ Yes ☐ No

Attachment E: Detailed Cost Estimate & Breakdown

City of Fontana
Clean California Community Clean Up & Enhancement Program (CCEP)
Total Grant Request: $300,000

1. Planning / Outreach

Estimated Cost: $0
While outreach is a vital part of this project, the City will leverage existing City resources to support public engagement and volunteer recruitment activities. These efforts will be supported through in-kind staff time and communication platforms already in use across City departments, including access to the City website, newsletter, and social media.

2. Project Implementation – Employment

Estimated Cost: $270,000
This is the core investment of the proposed project. Funds will support:

- Five (5) part-time Public Works staff members and one (1) Public Works Supervisor, working 20 hours per week for one year.
- Establish a second crew by adding two (2) part time positions to operate on the days the current crew is not scheduled to enable expanded service coverage four days per week.
- Priority hiring will go to individuals connected to Pathway to Housing program, the City's workforce re-entry and housing program.

- Wages, payroll taxes, onboarding, training, uniforms, and scheduling support are included in this cost.

These positions will be responsible for litter abatement, graffiti removal, and beautification in disadvantaged areas. This investment aligns with the City's dual commitment to environmental improvement and inclusive economic opportunity.

3. Project Implementation – Cleanup

Estimated Cost: $0
Cleanup materials (trash bags, gloves, graffiti removal kits, safety vests, etc.) will be provided through the City's existing Public Works inventory and general operating budget. This allows the City to maximize funding for employment without compromising operational quality. These in-kind materials support the direct work of the crew and will be tracked for reporting purposes.

4. Matching Funds – In-Kind Contribution

Estimated Cost: $0 (value provided in-kind)
While no direct grant funding is requested in this category, the City is contributing substantial **in-kind support** to the project, including:

- Oversight and coordination by City leadership and department heads.
- Use of City-owned trucks and equipment for field operations.
- Access to data tracking platforms and IT systems.
- Grant compliance, procurement, and HR coordination support.

These contributions strengthen the project's sustainability and ensure alignment with existing City operations.

5. Other – Grant Administration / Reporting Oversight

Estimated Cost: $30,000
This will fund our staff member who will oversee:

- Quarterly grant reporting to Caltrans.
- Invoice and draw request processing.
- Site documentation, program performance tracking, and data entry.
- Ongoing communication with field supervisors and finance staff.

This role ensures full compliance with Clean CA requirements and provides continuity and accountability from award through close-out.

Total Estimated Cost: $300,000

The City of Fontana is prepared to accept partial funding for any of the categories above and will adjust the scale of implementation accordingly. The requested funds are targeted to maximize

impact in disadvantaged neighborhoods while promoting workforce development, public safety, and civic pride.

1.6 SCHEDULE

Note: Project implementation should be completed by April 1, 2027 and final reports/close-out completed by October 31, 2027.

Milestone	Start Date	End Date
Planning & Community Engagement Begins	January 2026	2026
Hiring/Training Program Launch	—	—
Cleanup Activities Begin	April 2026	March 2027
Project Completion (By April 1, 2027)	—	2027
Project Close-out (By October 31, 2027)	—	2027

1.7 KNOWN CONCERNS OR RISKS

Known environmental concerns or risks	Known right-of-way concerns or risks
☒ No ☐ Yes	☒ No ☐ Yes

Planning and Community Engagement: The City will begin planning and stakeholder engagement in early 2026, including identifying cleanup zones, coordinating with local partners, and developing a schedule for community events and volunteer engagement efforts.

Training Launch: The Public Works Department, in partnership with The Path case management staff and the Human Resources Division, will coordinate recruitment, onboarding, and job-readiness training for all part-time abatement crew members.

Cleanup Activities: Litter removal and graffiti abatement will begin in April 2026 or sooner and continue on a regular schedule through 2027. Activities will focus on targeted public corridors and high-need areas, with progress tracked monthly.

Project Completion: All field work will be completed no later than April 1, 2027, in accordance with CCEP program requirements.

Close-Out and Reporting: Staff will finalize all fiscal and performance reporting, documentation of outcomes, and close-out procedures by October 31, 2027. The City will ensure timely and accurate submission of all required final reports to Caltrans.

This timeline allows for full execution of the program while meeting state requirements and maintaining accountability at every phase.

2 EVALUATION CRITERIA ALIGNMENT

2.1 EVALUATION CRITERIA ALIGNMENT

The City of Fontana is dedicated to providing clean, safe, and livable neighborhoods for all residents. This project reflects that commitment by addressing multiple Clean California priorities that includes litter abatement, workforce development, community engagement, and sustainability. Each of the following areas is integral to the City's implementation strategy.

Litter Abatement
This project directly responds to visible and recurring litter and graffiti issues across several key corridors within the City of Fontana. The proposed activities will target high-need public rights-of-way, including sidewalks, intersections, medians, and bus stops in neighborhoods identified as disadvantaged or disproportionately impacted by environmental neglect. Many of these locations experience persistent dumping, scattered debris, and tagging that undermines the health, safety, and appearance of community spaces.

Through the deployment of a seven-person part-time Public Works crew, supported by a dedicated supervisor, the City will conduct regular litter pickup and graffiti removal throughout the grant term. Crews will follow structured routes, with a focus on locations with frequent service calls, visual deterioration, and community complaints. These may include school-adjacent corridors, aging commercial districts, parks, and intersections with high pedestrian and transit use. Cleanup efforts will be carried out four days a week, with progress tracked through internal work logs, before-and-after photos, and mapped reporting. The goal is not only to remove waste, but also to restore a sense of dignity and pride in the public spaces that residents travel through daily. When paired with outreach efforts and public education, this work will elevate the City's broader beautification and safety initiatives.

Job Creation & Employment Pathways
One of the most critical components of this initiative is its focus on providing structured employment opportunities to individuals who are traditionally underrepresented in the workforce. The seven part-time Public Works positions created through this project will be filled by local residents from The Path, the City of Fontana's transitional housing and employment readiness program. These roles provide a first step into municipal employment, particularly for individuals navigating barriers such as limited work history, justice system involvement, or transitional housing. Participants will gain hands-on experience, receive job-readiness coaching from supervisors, and develop core soft skills such as punctuality, task tracking, and communication. The structure of the program, 20 hours per week over 12 months, allows participants to maintain outside responsibilities such as childcare, housing programs, or supplemental training while still earning a wage and contributing to the City's operations.

In addition to the field staff, the project includes funding for an in-office program coordinator who will manage performance metrics, compliance tracking, and administrative reporting. This role serves as a valuable internal career pathway as well, supporting professional development and capacity-building within City staff. By embedding workforce development directly into a public service model, this program aligns with the City's larger goal of expanding inclusive employment and preparing residents for long-term careers.

Community Engagement & Partnership
The City of Fontana recognizes that lasting change happens when residents, local organizations, and public agencies work together toward a shared goal. This project has been shaped in meeting with community partners who regularly engage with high-need populations, including transitional housing providers, neighborhood associations, and workforce training agencies. The City will work in collaboration with The Path and other partners to identify eligible participants, provide onboarding support, and share program updates. City staff will also seek feedback from community organizations

and residents on potential priority locations for cleanup, ensuring that the work aligns with lived experiences and on-the-ground concerns. This open channel of communication reinforces Fontana's ongoing commitment to transparency, accessibility, and responsiveness in local government.

Sustainability

While this project is designed as a one-year initiative under the Clean CA funding period, its impact is intended to last well beyond the grant term. The City has established multiple strategies to support long-term sustainability. First, the program builds workforce capacity by creating real pathways to future employment. Successful participants may become candidates for ongoing City positions, particularly within Public Works and Community Services. The experience and training gained during the program provide a foundation for future employment, either with the City or with other local employers. Second, the cleanup model can be absorbed into Fontana's broader maintenance operations. The data collected during this project, such as location hot spots and volume metrics, will inform future route planning and resource allocation for litter abatement.

Lastly, the partnerships developed through this effort will continue beyond the grant timeline. Relationships with workforce agencies, community-based organizations, and residents will remain valuable channels for civic engagement, local hiring, and volunteerism. The City will also explore opportunities to leverage in-kind support, sponsorships, and other state and federal grants to maintain program momentum. By combining immediate environmental improvements with long-term capacity-building, this project reflects the City of Fontana's commitment to thoughtful, inclusive, and sustainable public service.

3 COMMUNITY ENGAGEMENT

3.1 COMMUNITY ENGAGEMENT INFLUENCE

The City of Fontana takes pride in creating responsive, community-centered initiatives that reflect the needs and values of its residents. From the outset, this proposal was shaped by local input, neighborhood-level observations, and ongoing conversations with residents, workforce program participants, and community-based organizations. Through regular service requests, community meetings, and other feedback g, the City identified recurring concerns related to litter accumulation, graffiti, and a lack of accessible job opportunities, especially in underserved corridors.

This project responds directly to what residents have consistently asked for: cleaner streets, increased investment in public spaces, and job opportunities that create a pathway forward. Rather than relying solely on internal planning, the City prioritized feedback from those most impacted by environmental neglect and systemic barriers to employment. The result is a proposal that blends beautification with empowerment. During implementation, the City will maintain a strong commitment to two-way communication, transparency, and participation. Community engagement will not be treated as a one-time box to check, but as a sustained practice that supports accountability and shared ownership of outcomes.

Planned engagement activities include:

- **Partnership Circles:** The City will convene quarterly check-ins with local organizations including but not limited to staff from The Path, local workforce boards, housing programs, and other non-profit stakeholders to share progress updates and gather feedback. These conversations will help the City adjust route schedules, outreach materials, and staff support as needed.

Through these strategies, the City of Fontana ensures that community members are not only served, but involved. The cleanup crews will be visible reminders of progress, and the City will remain open to dialogue throughout the program. A formal Public Engagement Plan (Attachment B) is included with this proposal, detailing outreach methods, partnerships, timelines, and communication materials. Fontana's approach is rooted in inclusion, innovation, and impact, as this project reflects those values in every stage, from design through implementation.

4 UNDERSERVED or HISTORICALLY EXCLUDED COMMUNITIES

4.1 ANALYSIS

Is the project located in an underserved or historically excluded community?	What was the basis for determining if any part of project is located in or benefits an historically excluded community: (only check a box if in or partially in an historically excluded community)
☒ Yes ☐ No ☐ partially located in an underserved community	a. ☐ Median Household Income b. ☒ CalEnviroScreen 4.0 c. ☐ Free or Reduced-Price School Meals d. ☐ Healthy Places Index e. ☐ Native American Tribal Lands f. ☐ Other

4.2 BENEFITS TO UNDERSERVED or HISTORICALLY EXCLUDED COMMUNITY

The City of Fontana recognizes that the impacts of environmental neglect and economic hardship are not experienced equally across all neighborhoods. Certain areas, particularly those identified as disadvantaged by the California Healthy Places Index and CalEnviroScreen tools, have faced persistent challenges such as illegal dumping, graffiti, and underinvestment in public infrastructure. This project was intentionally designed to serve those very communities, delivering visible improvements, meaningful employment, and stronger pathways to long-term stability.

Job Access and Workforce Opportunity
One of the most direct benefits of this initiative is the creation of paid part-time employment opportunities for residents who have historically faced barriers to the workforce. These positions, offered through the City's Public Works Department in partnership with The Path, Fontana's homelessness and workforce readiness program, prioritize individuals with justice involvement, unstable housing histories, or gaps in traditional employment. For many participants, this project will represent their first formal connection to municipal work, providing real-world experience, a supportive structure, and transferable skills that can be carried into future career paths. In doing so, the project serves as both a short-term income opportunity and a stepping stone toward long-term employment.

Cleaner, Safer Public Spaces
The City's approach to litter abatement and graffiti removal goes beyond simple beautification. When streets are clean, walkways are safe, and bus stops are maintained, communities experience increased public safety, mobility, and wellness. Target areas for cleanup were selected based on service request data, resident feedback, and proximity to public transit, schools, and parks, ensuring that the most vulnerable areas receive attention first. By focusing resources where the need is greatest, the City aims to reverse visible signs of neglect and support a safer daily experience for pedestrians, children, seniors, and families.

Civic Pride and Community Stewardship
Restoring dignity to public spaces is not just about what the City can do, but it's about creating a culture where residents feel empowered to care for their neighborhoods. Through these efforts, the City will foster a renewed sense of community pride. This visibility sends a powerful message that every resident has a stake in the future of their community, and that collective action leads to lasting change.

Connection to Public Resources and Services
Throughout implementation, the City will use this project as a platform to connect residents with additional services, including housing assistance, job training, mental health resources, and City-sponsored programs. Crew members hired through The Path will be connected to wraparound services to support long-term success. Engagement events will double as outreach touchpoints, where residents can not only help beautify their neighborhoods, but also learn about how to report illegal dumping, access housing support, or connect with other City departments. This multi-layered approach reflects Fontana's mission to serve the whole person and build systems of access and inclusion.
In summary, this project is a targeted investment in people and places that have long been underrepresented in funding and attention. It combines equity-driven employment with visible environmental improvements and deeper civic engagement, making it a model for inclusive, community-led revitalization.

5 LETTER OF SUPPORT

5.1 LETTER OF SUPPORT

Instructions: Attach signed letters from Caltrans district (where proposal is located) endorsing the project.

6 ADDITIONAL ATTACHMENTS

6.1 SUPPLEMENTAL MATERIALS

Instructions – Attach any applicable documents as follows:

- ***Attachment A**: Project / Data Maps*
- ***Attachment B**: Public Engagement Plan*
- ***Attachment C**: Existing Site Photos*
- ***Attachment D**: Letters of Support*
- ***Attachment E**: Cost Breakdown & Estimate*
  - *Break down expenses by category (e.g., staff time, equipment, materials, outreach, etc.)*
  - *Briefly explain the purpose of each cost to demonstrate alignment with project goals.*

Prepared by:

1-13-26

Valerie Gonzales — Date
Housing Development Manager
City of Fontana

Approval Recommended by:

District Clean CA Grant Coordinator — Date

Approved by:

Clean California Program Director — Date

Instructions – Attach any applicable documents as follows:

- ***Attachment A**: Project / Data Maps*
- ***Attachment B**: Public Engagement Plan*
- ***Attachment C**: Existing Site Photos*
- ***Attachment D**: Letters of Support*
- ***Attachment E**: Cost Breakdown & Estimate*
    - *Break down expenses by category (e.g., staff time, equipment, materials, outreach, etc.)*
    - *Briefly explain the purpose of each cost to demonstrate alignment with project goals.*

Attachment B – Public Engagement Plan

City of Fontana
Clean California Community Clean Up & Enhancement Program (CCEP)

1. Purpose of Engagement

The City of Fontana recognizes that community involvement is essential to the success and long-term impact of beautification and litter abatement projects. This engagement plan outlines how the City will inform, involve, and collaborate with residents, stakeholders, and community organizations throughout the planning, implementation, and reporting phases of the proposed Clean CA project.

2. Goals of Public Engagement

- Ensure local stakeholders are aware of the project and understand its goals.
- Provide opportunities to share input on cleanup priorities and locations.
- Encourage active participation through volunteer events and community service opportunities.
- Build lasting trust and transparency through consistent communication and visibility.
- Celebrate community contributions and elevate positive public narratives.

3. Engagement Activities & Timeline

Engagement Activity	Description	Timeline
Partnership Circles (Quarterly Check-Ins)	Host quarterly roundtables with partners from The Path, workforce boards, CBOs, and city departments to assess project progress and gather feedback.	Apr 2026 – Apr 2027
Social Media & City Website Updates	Regular project highlights, photos, cleanup stats, and workforce stories shared via City of Fontana platforms.	Monthly
Council & Commission Briefings	Provide updates at Mayor's Advisory Council and other relevant Commissions	Periodic
Community Recognition Features	Spotlight participants and volunteers on social media and City publications, highlighting their impact and contributions.	Jun 2026 – Apr 2027

4. Community Partners Involved

- Pathway to Housing Program
- Nonprofits focused on homelessness efforts
- Mayor's Advisory Council on Homelessness

5. Outreach Methods

- City website banner and project updates
- Monthly newsletter
- Posts and updates on official City of Fontana social media accounts

6. Language Access & Accessibility

All materials will be provided in both English and Spanish, and accessible versions will be made available for individuals with visual impairments. Outreach efforts will ensure engagement across diverse demographics.

7. Documentation & Reporting

The City will document all outreach activities, participation numbers, feedback collected, and media used. Engagement outcomes will be summarized in interim and final project reports submitted to Caltrans, with visual documentation included (photos, attendance sheets, flyers, etc.).

8. Contact Information

Public Works Department
City of Fontana
8353 Sierra Avenue, Fontana, CA 92335
Tel: (909) 350-6760

Attachment C – Existing Site Photos

JEWELRY
&LO
AN
OPEN
7DAYS

OPEN
Cali Curves
COLOMBIAN FAJAS
We best in
SHAPEWEAR
Cali Curves
COLOMBIAN FAJA

566

FOR
SALE
#REALESTATEPEDRO

EVEN

PARKING
ONLY
VAN
ACCESSIBLE
MINIMUM
FINE $250

815-5165

CLOTHES
& SHOES

LLR

PULL
PULL

Attachment E – Cost Breakdown & Estimate

Applicant Name: City of Fontana
Project Title: Clean California Community Clean Up & Enhancement Program (CCEP)
District: _____
Date: _____

1. Summary of Estimated Project Costs

Cost Category	Description of Activities / Deliverables	Estimated Cost ($)	Funding Source	Eligible / In-Kind
A. Direct Labor Costs	Staff or crew time directly related to project implementation (cleanup, workforce training, coordination).	$270,000	Clean California CCEP Grant	Eligible
B. Workforce Development Partners	Costs for partnerships with workforce organizations (e.g., training programs, stipends, supervision).	$0		Eligible
C. Cleanup and Beautification Materials	Litter collection supplies, disposal fees, landscaping or greening materials, safety equipment.	$0		Eligible
D. Equipment Rental / Use	Temporary use or rental of vehicles, tools, or heavy equipment directly used for project activities.	$0		Eligible
E. Outreach and Engagement	Community engagement events, educational campaigns, signage, printed materials, translation, youth outreach.	$0		Eligible
F. Project Administration (Direct)	Direct administrative work tied to project delivery, including reporting, documentation, and coordination.	$30,000	Clean California CCEP Grant	Eligible (Limited to ≤10%)
G. In-Kind Contributions	Volunteer labor, donated materials, facilities, or services.	$0	Local / Partner	In-Kind
H. Other Direct Costs	Any other eligible direct costs (specify).	$0		Eligible
TOTAL ESTIMATED PROJECT COST		**$300,000**	Clean California CCEP Grant	

2. Cost Estimate Narrative

1. Outreach and Engagement

Estimated Cost: $0
While outreach is a vital part of this project, the City will leverage existing City resources to support public engagement and volunteer recruitment activities. These efforts will be supported through in-kind staff time and communication platforms already in use across City departments, including access to the City website, newsletter, and social media.

2. Direct Labor Costs

Estimated Cost: $270,000
This is the core investment of the proposed project. Funds will support:

- **Five (5) part-time Public Works staff members and one (1) Public Works Supervisor,** working 20 hours per week for one year.
- Establish a second crew by adding two (2) part time positions to operate on the days the current crew is not scheduled to enable expanded service coverage four days per week.
- Priority hiring will go to individuals connected to Pathway to Housing program, the City's workforce re-entry and housing program.
- Wages, payroll taxes, onboarding, training, uniforms, and scheduling support are included in this cost.

These positions will be responsible for litter abatement, graffiti removal, and beautification in disadvantaged areas. This investment aligns with the City's dual commitment to environmental improvement and inclusive economic opportunity.

3. Cleanup & Beautification Materials

Estimated Cost: $0
Cleanup materials (trash bags, gloves, graffiti removal kits, safety vests, etc.) will be provided through the City's existing Public Works inventory and general operating budget. This allows the City to maximize funding for employment without compromising operational quality. These in-kind materials support the direct work of the crew and will be tracked for reporting purposes.

4. In-Kind Contributions

Estimated Cost: $0 (value provided in-kind)
While no direct grant funding is requested in this category, the City is contributing substantial **in-kind support** to the project, including:

- Oversight and coordination by City leadership and department heads.
- Use of City-owned trucks and equipment for field operations.
- Access to data tracking platforms and IT systems.
- Grant compliance, procurement, and HR coordination support.

These contributions strengthen the project's sustainability and ensure alignment with existing City operations.

5. Project Administration -- Direct

Estimated Cost: $30,000
This will fund our **staff member** who will oversee:

- Quarterly grant reporting to Caltrans.
- Invoice and draw request processing.
- Site documentation, program performance tracking, and data entry.
- Ongoing communication with field supervisors and finance staff.

This role ensures full compliance with Clean CA requirements and provides continuity and accountability from award through close-out.

Total Estimated Cost: $300,000

The City of Fontana is prepared to accept partial funding for any of the categories above and will adjust the scale of implementation accordingly. The requested funds are targeted to maximize impact in disadvantaged neighborhoods while promoting workforce development, public safety, and civic pride.

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3. Funding Sources

Funding Source	Type	Amount ($)	Status (Confirmed / Pending)
Clean California CCEP Grant Request	State	$300,000	Pending
Local Agency Contribution	Local	$0	[ ] Confirmed [ ] Pending
Workforce Partner Contribution	In-Kind	$0	[ ] Confirmed [ ] Pending
Other Source (Specify)		$0	[ ] Confirmed [ ] Pending
TOTAL		**$300,000**	

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4. Schedule of Expenditures

Note: Fields are pre-populated in italics as examples for consideration.

Project Phase	Description of Activities	Estimated Start / End Dates	Estimated Expenditure ($)
Phase 1: Project Initiation	*Finalize agreement, hire crew, procure materials*	January 2026-March 2027	$0
Phase 2: Implementation	*Conduct cleanup events, training, and beautification*	April 2026 - March 2027	$270,000
Phase 3: Public Engagement	*Outreach, education, and community reporting*	2026	$0
Phase 4: Reporting and Close-Out	*Final reports, outcomes documentation*	October 2027	$30,000
TOTAL			**$300,000**

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5. Cost Certification

By signing below, the applicant certifies that:

- All costs are **reasonable, necessary, and directly related** to proposal / project delivery.
- No indirect or overhead expenses are included.
- All in-kind and partner contributions have been accurately represented.
- The applicant agrees to maintain cost documentation for audit purposes in compliance with CCEP guidelines.

Authorized Signature: _____
Title: HOUSING DEVELOPMENT MANAGER
Date: 1-13-26

File #: 26-0892
Agenda #: C.

Agenda Date: 5/26/2026
Category: Consent Calendar

FROM:
Public Works

SUBJECT:
Award Bid for Ralph M. Lewis Sports Park Artificial Turf Installation for Fields 5 & 6 (PW-26-180-SB).

RECOMMENDATION:
1. Award bid and authorize the City Manager to enter into a construction contract with FieldTurf USA, Inc. for Ralph M. Lewis Sports Park Artificial Turf Installation for Fields 5 & 6 in the amount of $423,603.32 and authorize a 10% contingency in the amount of $42,360.00 (PW-26-180-SB).

2. Authorize the City Manager to enter into any related items on behalf of the City of Fontana for Ralph M. Lewis Sports Park Artificial Turf Installation for Fields 5 & 6 (PW-26-180-SB).

COUNCIL GOALS:
- Invest in the City's infrastructure (streets, sewers, parks, etc.) by maintaining and improving the city's existing infrastructure.

DISCUSSION:
The artificial turf fields at Ralph M. Lewis Sports Park were last replaced in 2015. Since then, the original 8-year warranty period has expired, and they are nearing the end of their expected service life.

On April 14, 2026, the City Council approved the purchase of new replacement artificial turf materials for fields 5 & 6 at Ralph M. Lewis Sports Park. The installation of those materials requires a competitive process. This contract (PW-26-180-SB) is for the labor and installation of those materials and includes the removal and proper disposal of the existing artificial turf. These fields are scheduled to be replaced in July 2026 to avoid conflicts with scheduled games.

On April 30, 2026, at 2:00pm, the bids for this contract were opened. A total of two (2) bids were received. The apparent low bidder (Greenfield Landscaping) bid was determined non-responsive and was rejected. FieldTurf USA, Inc. submitted a bid in the amount of $423,603.32. After reviewing the bid responses, Purchasing Division and Public Works staff have determined FieldTurf USA, Inc. to be the lowest responsive and responsible bidder. The engineer's estimate was $422,000.00.

FISCAL IMPACT:
The total fiscal impact for this contract is $465,963.32. Funding is included in the Fiscal Year 2025-2026 operating budget in Org# 60437000.8130.

MOTION:
Approve Staff Recommendation

Submission

Bidder Details

Vendor Name	FieldTurf Inc., USA
Address	175 N Industrial Blvd NE Calhoun, Georgia 30701 United States
Respondee	Dino Di Maulo
Respondee Title	Project Manager
Phone	514-375-2577
Email	dino.dimaulo@fieldturf.com
Vendor Type	
License #	
CADIR	

Submission Detail

Submission Format	Electronic
Submitted	04/29/2026 2:51 PM (PDT)
Delivery Method	
Responsive	
Submission Status	Submitted
Confirmation #	483884

Respondee Comment

Buyer Comment

Attachments

Sending Cashier's Check as Bid Security

File Title	File Name	File Type
PW-26-180-SB Ralph M. Lewis Artifical Turf - FIELDTURF BID PACKAGE 04.30.26.pdf	PW-26-180-SB Ralph M. Lewis Artifical Turf - FIELDTURF BID PACKAGE 04.30.26.pdf	General Attachment Bid Bond

Subcontractors

No Subcontractors

Line Items

Discount Terms No Discount

Item #	Item Code	Type	Item Description	UOM	QTY	Unit Price	Line Total	Response	Comment
Section 1							**$423,603.32**		
1			**Ralph M. Lewis Sports Park Artificial Turf – Field 5**	**LS**	**1**	**$209,757.04**	**$209,757.04**	**Yes**	
2			**Ralph M. Lewis Sports Park Artificial Turf – Field 6**	**LS**	**1**	**$213,846.28**	**$213,846.28**	**Yes**	

Line Item Subtotals

Section Title	Line Total
Section 1	**$423,603.32**
Grand Total	**$423,603.32**

Curtis Ave.
Field #6
Field #5
Citrus Ave.
Ralph M. Lewis
Sports Complex
6198 Citrus Ave.
Fontana, CA 92336
Sierra Lakes Pkwy.
City of Fontana, San Bernardino County, Bureau of Land Mana

8437 Sierra Avenue
Fontana, CA 92335

City of Fontana

Action Report

City Council Meeting

File #: 26-0984
Agenda #: D.

Agenda Date: 5/26/2026
Category: Consent Calendar

FROM:
Engineering

SUBJECT:
Award a bid Construction Contract for the Comprehensive Pavement Rehabilitation for High-Maintenance Segments Project (DE-26-100-SB)

RECOMMENDATION:
1. Award bid and authorize the City Manager to enter into a construction contract with Matich Corporation for the construction of the Comprehensive Pavement Rehabilitation for High-Maintenance Segments Project in the amount of $2,025,911.00 and authorize a 10% contingency in the amount of $202,591.10 (DE-26-100-SB).

2. Approve and authorize the City Manager to enter into any and all utility agreements, utility easements, and subsequent agreements on behalf of the City of Fontana for the Comprehensive Pavement Rehabilitation for High-Maintenance Segments Project.

COUNCIL GOALS:
- To invest in the City's infrastructure (streets, sewers, parks, etc.) by maintaining and improving the city's existing infrastructure.
- To invest in the City's infrastructure (streets, sewers, parks, etc.) by providing for the development of new infrastructure.
- To invest in the City's infrastructure (streets, sewers, parks, etc.) by focusing on relief of traffic congestion.

DISCUSSION:
The City of Fontana's 7-Year Pavement Management Plan includes the streets associated with the Comprehensive Pavement Rehabilitation for High-Maintenance Segments Project ("Project"). The proposed improvements for this Project include full depth asphalt removal and replacement, mill and overlay, and reconstruction of non-ADA compliant curb ramps. This project will improve ride quality, increase pavement service life, and enhance the safety of both vehicular and pedestrian traffic.

On April 16, 2026, the bids for this project were opened. A total of five (5) bids were received ranging from $2,025,911.00 to $2,555,268.90. The Engineer's Estimate was $2,723,516.00. After reviewing the proposed bid documents and performing reference checks, Engineering staff has determined Matich Corporation to be the lowest responsive and responsible bidder in the amount of $2,025,911.00.

FISCAL IMPACT:
The fiscal impact associated with the approval of this item is $2,025,911.00 for the full term of the construction and $202,591.10 for construction contingency, for a total of $2,228,502.10. These amounts are included in the Fiscal Year 2025-26 budget, in 37604103-601-B-8330 and 37604103-601-B-8331 respectively.

MOTION:
Approve staff recommendation.

Bid Results

Comprehensive Pavement Rehabilitation for High-Maintenance Segments

DE-26-100-SB

1. Matich Corporation San Bernardino, CA	$2,025,911.00
2. Sequel Contractors, Inc. Santa Fe Springs, CA	$2,334,314.85
3. R.J. Noble Company Orange, CA	$2,369,329.95
4. Gentry Brothers, Inc. Irwindale, CA	$2,411,058.40
5. All American Asphalt Corona, CA	$2,555,268.90

Submission

Bidder Details

Vendor Name	Matich Corporation
Address	1596 Harry Sheppard Blvd. San Bernardino, California 92408 United States
Respondee	Jason Jones
Respondee Title	Vice President of Estimating
Phone	909-382-7400
Email	Jjones@matichcorp.com
Vendor Type	CADIR
License #	149783
CADIR	1000004260

Submission Detail

Submission Format	Electronic
Submitted	04/16/2026 1:49 PM (PDT)
Delivery Method	
Responsive	
Submission Status	Submitted
Confirmation #	480998

Respondee Comment

Buyer Comment

Attachments

File Title	File Name	File Type
Matich Corp Bid Proposal FINAL.pdf	Matich Corp Bid Proposal FINAL.pdf	Proposal Documents to Upload
Matich Corp Bid Bond Signed and Notarized.pdf	Matich Corp Bid Bond Signed and Notarized.pdf	Bid Bond

Subcontractors

Showing 4 Subcontractors

Name & Address	Desc	License Num	CADIR	Amount	Type
AMERICAN ASPHALT SOUTH,INC. 2990 Myers Street Riverside, California 92503	Slurry Seal	784969-A	1000000645	$32,552.00	
Cal Stripe Inc. 2040 East Steel Road Colton, California 92324	Striping	685387	1000001100	$51,745.00	
EBS Utilities Adjusting Inc. 1345 Quarry St. #101 Corona, California 92879	Manholes	932798	1000004286	$35,615.00	
Pavement Rehab Company 22711 E. La Palma Ave. Yorba Linda, California 92887	Crack Seal and Concrete	1051374	1000064823	$307,500.00	

Line Items

Discount Terms No Discount

Item #	Item Code	Type	Item Description	UOM	QTY	Unit Price	Line Total	Response	Comment
Schedule1:ElmAvenuePavementRehabilitationfromSouthEndtoSan BernardinoAvenue							$669,657.00		
1	1		Project Notifications (Section 3-14)	LS	1	$7,400.00	$7,400.00	Yes	
2	2		Mobilization	LS	1	$82,700.30	$82,700.30	Yes	
3	3		Temporary Traffic Control	LS	1	$31,000.00	$31,000.00	Yes	
4	4		Grind AC Pavement 2" Min. Per City of Fontana STD. 1008 and Per Detail "O"	SF	56618	$0.33	$18,683.94	Yes	
5	5		Remove 4 1/2" depth of existing AC and native material then compact to 95%	SF	89460	$0.83	$74,251.80	Yes	
6	6		Remove AC Dike	LF	140	$5.20	$728.00	Yes	
7	7		Remove all Weeds And Vegetation From Pavement Surface And Cracks. Clean and Seal all Cracks 1/8" Wide or Greater Using Hot Applied Crack Sealant, Fog Seal, and Weed Kill Per Project Specifications.	SF	250	$11.00	$2,750.00	Yes	
8	8		Construct 2" Type "C3C" HMA PG 70-10 Pavement.	SF	146078	$1.12	$163,607.36	Yes	
9	9		Construct 2 1/2" Type "B" HMA PG 70-10 Pavement.	SF	89460	$1.36	$121,665.60	Yes	
10	10		Construct 6" AC Dike per City of Fontana Std. 1007	LF	130	$32.00	$4,160.00	Yes	
11	11		Remove Existing ADA ramp and Construct curb return access ramp per city of Fontana std. 1003, dwg. 1. All inclusive BCR to ECR to include asphalt paving, detectable warning surface, curb and gutter, cross gutter, spandrel (As applicable), ramp and walk (6' depth), and up to 10' per side transition sidewalk panels to be included when needed for ADA compliance. Includes sawcut and full depth removal of AC and Base Material. Construct AC Pavement (Slot Pavement)	EA	14	$10,200.00	$142,800.00	Yes	
12	12		Relocate Existing Sign	EA	1	$410.00	$410.00	Yes	
13	13		Install Redwood Header Per Detail "Q" On Sheet 27	LF	70	$40.00	$2,800.00	Yes	
14	14		Adjust Existing Manhole to Grade per Contract Documents and COF Std. 3014	EA	5	$1,900.00	$9,500.00	Yes	
15	15		Signing, Striping, and Pavement Markers Complete per Contract Plans (Ref. Section-E; Includes Removal and Installation of Signing & Striping, Detector Loops)	LS	1	$7,200.00	$7,200.00	Yes	
Schedule2:PoplarAvenuePavementRehabilitationfromSanBernardinoAvenue toEndofSchool							$437,675.00		
16	16		Project Notifications (Section 3-14)	LS	1	$6,400.00	$6,400.00	Yes	
17	17		Mobilization	LS	1	$64,000.48	$64,000.48	Yes	
18	18		Temporary Traffic Control	LS	1	$22,500.00	$22,500.00	Yes	
19	19		Grind AC Pavement 2" Min. Per City of Fontana STD. 1008 and Per Detail "O"	SF	4646	$0.49	$2,276.54	Yes	
20	20		Remove 4" depth of existing AC and native material then compact to 95%	SF	69770	$0.92	$64,188.40	Yes	
21	21		Remove Curb and Gutter	LF	15	$26.00	$390.00	Yes	
22	22		Remove AC/PCC Driveway	SF	855	$5.20	$4,446.00	Yes	
23	23		Relocate Existing Sign	EA	3	$410.00	$1,230.00	Yes	
24	24		Remove Sidewalk	SF	155	$5.20	$806.00	Yes	
25	25		Construct 2" Type "C3C" HMA PG 70-10 Pavement.	SF	74416	$1.13	$84,090.08	Yes	
26	26		Construct 2" Type "B" HMA PG 70-10 Pavement.	SF	69770	$1.10	$76,747.00	Yes	
27	27		Construct 8" Curb and Gutter Per City of Fontana Std. 1000	LF	15	$77.00	$1,155.00	Yes	
28	28		Construct 8" PCC Commercial Driveway Per City of Fontana Std. 1001	SF	855	$20.60	$17,613.00	Yes	
29	29		Remove Existing ADA ramp and Construct curb return access ramp per city of Fontana std. 1003, dwg. 1. All inclusive BCR to ECR to include asphalt paving, detectable warning surface, curb and gutter, cross gutter, spandrel (As applicable), ramp and walk (6' depth), and up to 10' per side transition sidewalk panels to be included when needed for ADA compliance. Includes sawcut and full depth removal of AC and Base Material. Construct AC Pavement (Slot Pavement)	EA	6	$10,200.00	$61,200.00	Yes	
30	30		Relocate Existing Sign	EA	3	$410.00	$1,230.00	Yes	
31	31		Construct 4" PCC Sidewalk Per City Of Fontana Std. 1006	SF	155	$15.50	$2,402.50	Yes	
32	32		Adjust Existing Manhole to Grade per Contract Documents and COF Std. 3014	EA	8	$1,900.00	$15,200.00	Yes	
33	33		Contractor Shall Coordinate With The School Regarding The Replacement Of The Railroad Gate Wheel Path. All Existing Gate Track Components Shall Be Protected, And No Disruption To Gate Operation Is Permitted.	EA	2	$1,800.00	$3,600.00	Yes	
34	34		Signing, Striping, and Pavement Markers Complete per Contract Plans (Ref. Section-E; Includes Removal and Installation of Signing & Striping, Detector Loops)	LS	1	$8,200.00	$8,200.00	Yes	
Schedule 3: Citron Avenue Pavement Rehabilitation from Alder Avenue to Laurel							$222,115.00		
35	35		Project Notifications (Section 3-14)	LS	1	$5,800.00	$5,800.00	Yes	
36	36		Mobilization	LS	1	$46,000.42	$46,000.42	Yes	
37	37		Temporary Traffic Control	LS	1	$14,700.00	$14,700.00	Yes	
38	38		Grind AC Pavement 2" Min. Per City of Fontana STD. 1008 and Per Detail "O"	SF	1661	$0.60	$996.60	Yes	
39	39		Remove 4" depth of existing AC and native material then compact to 95%	SF	40440	$0.79	$31,947.60	Yes	

40	40		Remove Cross Gutter	LF	40	$77.00	$3,080.00	Yes	
41	41		Remove AC Dike	LF	55	$16.60	$913.00	Yes	
42	42		Remove Redwood	LF	35	$14.60	$511.00	Yes	
43	43		Construct 2" Type "C3C" HMA PG 70-10 Pavement.	SF	42101	$1.18	$49,679.18	Yes	
44	44		Construct 2" Type "B" HMA PG 70-10 Pavement.	SF	40440	$1.13	$45,697.20	Yes	
45	45		Construct 6" AC Dike per City of Fontana STD. 1007	LF	50	$50.00	$2,500.00	Yes	
46	46		Construct 8" PCC Cross Gutter Per City of Fontana STD. 1013.	LF	65	$206.00	$13,390.00	Yes	
47	47		Install Redwood Header Per Detail "Q" on Sheet 25	LF	70	$40.00	$2,800.00	Yes	

Item #	Item Code	Type	Item Description	UOM	QTY	Unit Price	Line Total	Response	Comment
48	48		Signing, Striping, and Pavement Markers Complete per Contract Plans (Ref. Section-E; Includes Removal and Installation of Signing & Striping, Detector Loops)	LS	1	$4,100.00	$4,100.00	Yes	
Schedule4:JurupaAvenuePavementRehabilitationfromEtiwandaAvenueto MulberryAvenue							$696,464.00		
49	49		Project Notifications (Section 3-14)	LS	1	$6,200.00	$6,200.00	Yes	
50	50		Mobilization	LS	1	$64,000.20	$64,000.20	Yes	
51	51		Temporary Traffic Control	LS	1	$44,000.00	$44,000.00	Yes	
52	52		Grind AC Pavement 2" Min. Per City of Fontana STD. 1008 and Per Detail "O" on Sheet 26	SF	353170	$0.17	$60,038.90	Yes	
53	53		Construct 2" AC Overlay Per City of Fontana STD. 1008 and Per Detail "O"	SF	353170	$1.12	$395,550.40	Yes	
54	54		Remove Existing ADA ramp and Construct curb return access ramp per city of Fontana std. 1003, dwg. 1. All inclusive BCR to ECR to include asphalt paving, detectable warning surface, curb and gutter, cross gutter, spandrel (As applicable), ramp and walk (6' depth), and up to 10' per side transition sidewalk panels to be included when needed for ADA compliance. Includes sawcut and full depth removal of AC and Base Material. Construct AC Pavement (Slot Pavement)	EA	3	$10,200.00	$30,600.00	Yes	
55	55		Crack Fill and Apply Type II Slurry Seal	SF	101725	$0.42	$42,724.50	Yes	
56	56		Adjust Existing Manhole to Grade per Contract Documents and COF Std. 3014	EA	4	$1,900.00	$7,600.00	Yes	
57	57		Coordinate with IEUA to replace existing manhole covers per current standard. Contractor shall obtain a 'no fee' permit from IEUA	EA	15	$450.00	$6,750.00	Yes	
58	58		Signing, Striping, and Pavement Markers Complete per Contract Plans (Ref. Section-E; Includes Removal and Installation of Signing & Striping, Detector Loops)	LS	1	$39,000.00	$39,000.00	Yes	

Line Item Subtotals

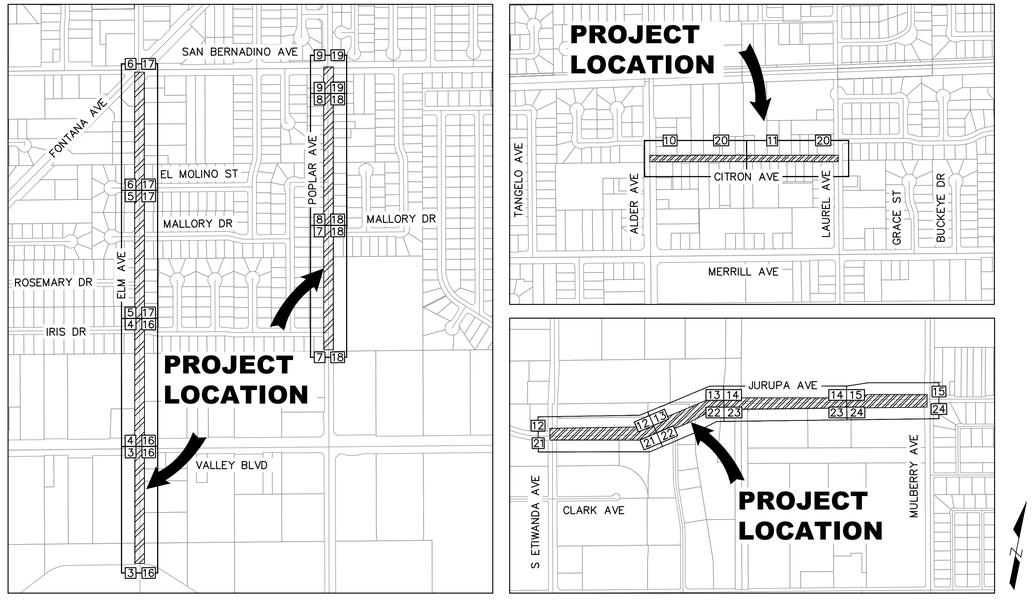
Section Title	Line Total
Schedule1:ElmAvenuePavementRehabilitationfromSouthEndtoSan BernardinoAvenue	$669,657.00
Schedule2:PoplarAvenuePavementRehabilitationfromSanBernardinoAvenue toEndofSchool	$437,675.00
Schedule 3: Citron Avenue Pavement Rehabilitation from Alder Avenue to Laurel	$222,115.00
Schedule4:JurupaAvenuePavementRehabilitationfromEtiwandaAvenueto MulberryAvenue	$696,464.00
Grand Total	$2,025,911.00

CITY OF FONTANA

COMPREHENSIVE PAVEMENT REHABILITATION FOR HIGH-MAINTENANCE SEGMENTS

GENERAL NOTES

1. ALL WORK SHALL BE IN ACCORDANCE WITH THESE PLANS, THE CITY OF FONTANA STANDARD PLANS, THE CONTRACT PROVISIONS AND THE STANDARD SPECIFICATIONS FOR PUBLIC WORKS CONSTRUCTION ("GREEN BOOK"). ALL REFERENCE SPECIFICATIONS AND STANDARDS SHALL BE THE LATEST EDITION UNLESS OTHERWISE NOTED.
2. WHEN A TECHNICAL CONFLICT IS FOUND TO EXIST IN THE CONTRACT DOCUMENTS THAT CAN NOT BE RESOLVED BY REFERENCE TO PRECEDENCE PROVISIONS IN THE "GREEN BOOK", THE CONTRACTOR SHALL IMMEDIATELY REPORT SAID CONFLICT TO THE CITY ENGINEER FOR RESOLUTION.
3. ALL MATERIALS AND METHODS ARE SUBJECT TO THE APPROVAL OF THE CITY ENGINEER.
4. CONSTRUCTION PERMITS SHALL BE OBTAINED FROM THE CITY OF FONTANA COMMUNITY DEVELOPMENT DEPARTMENT, ENGINEERING DIVISION PRIOR TO THE START OF ANY WORK. INSPECTION COORDINATION SHALL BE REQUESTED AT LEAST TWO WORKING DAYS PRIOR TO THE START OF ANY WORK IN PUBLIC RIGHT-OF-WAY WITHIN THE CITY LIMITS. CALL (909) 350-7610.
5. THE CONTRACTOR SHALL CONFORM TO ALL TRAFFIC CONTROL POLICIES, METHODS AND PROCEDURES DESCRIBED IN THE STATE OF CALIFORNIA MANUAL OF TRAFFIC CONTROLS, LATEST NON-METRIC EDITION UNLESS OTHERWISE DIRECTED BY THE CITY TRAFFIC ENGINEER.
6. IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO MAINTAIN BARRICADES, DELINEATORS OR OTHER TRAFFIC CONTROL DEVICES AT ALL TIMES.
7. THE CONTRACTOR SHALL OBTAIN A PERMIT TO PERFORM EXCAVATION OR TRENCH WORK FOR TRENCHES 5 FEET OR GREATER IN DEPTH FROM THE CALIFORNIA STATE DIVISION OF INDUSTRIAL SAFETY.
8. THE WALLS AND FACES OF ALL EXCAVATIONS GREATER THAN FIVE (5) FEET IN DEPTH SHALL BE GUARDED BY SHORING, SLOPING OF THE GROUND OR OTHER APPROVED MEANS PURSUANT TO THE REQUIREMENTS OF THE DIVISION OF INDUSTRIAL SAFETY OF THE STATE OF CALIFORNIA. TRENCHES LESS THAN FIVE (5) FEET SHALL ALSO BE GUARDED WHEN THE POTENTIAL EXISTS FOR GROUND MOVEMENT.
9. NO MATERIAL OR EQUIPMENT SHALL BE STORED IN THE PUBLIC RIGHT OF WAY WITHOUT OBTAINING A SEPARATE PERMIT FOR THAT PURPOSE.
10. THE LOCATIONS OF UTILITIES SHOWN HAVE BEEN DETERMINED FROM AVAILABLE INFORMATION, HOWEVER, IT SHALL BE THE RESPONSIBILITY OF THE CONTRACTOR TO DETERMINE, IN THE FIELD, THE TRUE LOCATION AND ELEVATION OF ANY EXISTING UTILITIES, AND TO EXERCISE PROPER PRECAUTION TO AVOID DAMAGE THERETO. THE CONTRACTOR SHALL CONTACT UNDERGROUND SERVICE ALERT AT 1-800-227-2600 TWO WORKING DAYS BEFORE EXCAVATION.
11. THE CONTRACTOR SHALL COORDINATE CONSTRUCTION WITH ALL UTILITY COMPANIES INCLUDING, BUT NOT LIMITED TO, GAS, TELEPHONE, ELECTRIC, CABLE TELEVISION, LANDSCAPING, LANDSCAPE IRRIGATION, DOMESTIC WATER, RECLAIMED WATER, SEWER, STORM DRAIN, FLOOD CONTROL AND CALTRANS. ALL UTILITY COMPANIES SHALL BE GIVEN TWO WORKING DAYS NOTICE PRIOR TO WORK AROUND THEIR FACILITIES.
12. THE CONTRACTOR SHALL NOT OPERATE ANY FIRE HYDRANT OR WATER MAIN VALVES WITHOUT APPROPRIATE AGENCY AUTHORIZATION. CONTRACTOR SHALL COORDINATE WITH THE APPROPRIATE WATER COMPANY FOR VALVE OPERATION AND WATER REQUIREMENTS.
13. CURVE DATA REFERS TO THE FACE OF CURB.
14. STATIONING REFERS TO THE CENTERLINE OF STREETS EXCEPT WHERE OTHERWISE NOTED.
15. ADEQUATE CONSTRUCTION CONTROL STAKES SHALL BE SET BY THE ENGINEER TO ENABLE THE CONTRACTOR TO CONSTRUCT THE WORK TO THE PLAN GRADES. THE CONTRACTOR SHALL BE RESPONSIBLE FOR THE PRESERVATION OF BENCHMARKS AND CONSTRUCTION CONTROL STAKING DURING CONSTRUCTION.
16. THE CONTRACTOR SHALL NOT DISTURB EXISTING SURVEY MONUMENTS, MONUMENT TIES OR BENCH MARKS WITHOUT PRIOR NOTIFICATION TO THE CITY ENGINEER.
17. REMOVAL AND REPLACEMENT OF EXISTING SURVEY CONTROL, INCLUDING SURVEY MONUMENTS, MONUMENT TIES AND BENCH MARKS, SHALL BE DONE BY A REGISTERED CIVIL ENGINEER OR LICENSED LAND SURVEYOR. SURVEY MONUMENTS THAT WILL BE DESTROYED AS A RESULT OF THIS CONSTRUCTION SHALL BE REPLACED. THE CONTRACTOR SHALL NOTIFY THE ENGINEER ONE WEEK PRIOR TO CONSTRUCTION SO THAT TIES TO MONUMENTS CAN BE ESTABLISHED FOR LATER REPLACEMENT OF THE MONUMENT.
18. THE CONTRACTOR SHALL MAINTAIN ACCESS FOR LOCAL RESIDENTS AND BUSINESSES AT ALL TIMES. A MINIMUM 12 FOOT LANE SHALL BE MAINTAINED AT ALL TIMES IN THE CONSTRUCTION AREA FOR RESIDENTS AND EMERGENCY VEHICLES.
19. THE CONTRACTOR SHALL PROVIDE AND MAINTAIN AN EFFECTIVE MEANS OF DUST CONTROL, INCLUDING ADEQUATE WATERING, AT ALL TIMES.
20. ALL GRADING OPERATIONS SHALL BE DISCONTINUED WHEN SUSTAINED WIND VELOCITIES EXCEED 25 MILES PER HOUR.
21. THE CONTRACTOR SHALL NOT CAUSE ANY EXCAVATED MATERIAL, MUD, SILT OR DEBRIS TO BE DEPOSITED ONTO PUBLIC OR PRIVATE PROPERTY ADJACENT TO THE RIGHT OF WAY DURING CONSTRUCTION WITHOUT PRIOR WRITTEN APPROVAL.
22. NO TRENCH BACKFILL SHALL TAKE PLACE WITHOUT PRIOR APPROVAL OF THE CITY INSPECTOR.
23. A GEOTECHNICAL ENGINEER SHALL CERTIFY ALL BACKFILL COMPACTION. FAILURE TO OBTAIN THE REQUIRED DENSITY SHALL REQUIRE RE-WORKING OF THAT PORTION OF THE WORK UNTIL THE SPECIFIED DENSITY IS OBTAINED.
24. CARE SHOULD BE TAKEN TO PREVENT GRADES, DITCHES, AND SWALES FROM UNDERMINING STREET IMPROVEMENTS. UPON INSPECTION OF THE SITE, THE CITY ENGINEER MAY REQUIRE TEMPORARY NON-ERODEABLE SWALES ENTERING OR LEAVING IMPROVEMENTS.
25. THE FINAL LOCATION AND WIDTH OF DRIVEWAY APPROACH APRONS SHALL BE APPROVED AT THE TIME OF CONSTRUCTION AND SHALL CONFORM TO THE CITY OF FONTANA STANDARD DETAILS.
26. ALL EXPOSED CONCRETE SURFACES SHALL CONFORM IN GRADE, COLOR AND FINISH TO MATCH EXISTING CONCRETE.
27. THE SEWER CONTRACTOR SHALL STAMP AN "S" IN THE FACE OF THE CURB AT THE LOCATION OF THE SEWER LATERAL.
28. NO CONCRETE SHALL BE PLACED UNTIL THE FORMS AND REINFORCING STEEL HAVE BEEN PLACED, INSPECTED AND APPROVED.
29. ALL UNDERGROUND UTILITIES SHALL BE INSTALLED, TESTED AND APPROVED PRIOR TO PAVING OF STREETS.
30. PAVEMENT STRUCTURAL SECTIONS SHOWN ARE MINIMUM AND SUBJECT TO REVISION AND APPROVAL OF THE CITY ENGINEER AS DETERMINED BY SOILS TESTS TAKEN AFTER COMPLETION OF ROUGH GRADING.
31. ALL MANHOLES, CLEANOUT FRAMES, COVERS AND VALVE BOXES SHALL BE RAISED TO FINISHED GRADE BY THE PAVING CONTRACTOR UPON COMPLETION OF PAVING.
32. UPON COMPLETION OF CONSTRUCTION, CONTRACTOR SHALL RESTORE ALL SIGNING, STRIPING, BARRICADES, AND OTHER TRAFFIC CONTROL DEVICES TO THE SATISFACTION OF THE CITY TRAFFIC ENGINEER.
33. CONTRACTOR SHALL RELOCATE AND/OR REPLACE LANDSCAPING, SPRINKLERS AND SIDEWALKS AFFECTED BY THE CONSTRUCTION TO THE SATISFACTION OF THE CITY ENGINEER.
34. AS-BUILT DRAWINGS SHALL BE PROVIDED BY THE CONTRACTOR TO THE ENGINEER OF RECORD, WHO SHALL PROVIDE RECORD DRAWINGS TO THE CITY ENGINEER.



VICINITY & SHEET INDEX MAP
N.T.S

SHEET INDEX		
Sheet Number	Sheet Description	Sheet Title
1	TITLE SHEET	TITLE SHEET
2	CONSTRUCTION NOTES AND SECTIONS	CONSTRUCTION NOTES AND SECTIONS
3	ELM AVENUE	STA 8+88.00 TO STA 18+00.00
4	ELM AVENUE	STA 18+00.00 TO STA 27+00.00
5	ELM AVENUE	STA 27+00.00 TO STA 36+00.00
6	ELM AVENUE	STA 36+00.00 TO STA 44+50.00
7	POPLAR AVENUE	STA 10+10.92 TO STA 19+00.00
8	POPLAR AVENUE	STA 19+00.00 TO STA 28+00.00
9	POPLAR AVENUE	STA 28+00.00 TO STA 29+96.06
10	CITRON AVENUE	STA 10+00.00 TO STA 19+00.00
11	CITRON AVENUE	STA 19+00.00 TO STA 23+17.00
12	JURUPA AVENUE	STA 10+00.00 TO STA 26+00.00
13	JURUPA AVENUE	STA 26+00.00 TO STA 42+00.00
14	JURUPA AVENUE	STA 42+00.00 TO STA 58+00.00
15	JURUPA AVENUE	STA 58+00.00 TO STA 64+13.26
16	SIGNING AND STRIPING GENERAL NOTES	SIGNING AND STRIPING GENERAL NOTES
17	ELM AVENUE SIGNING & STRIPING	STA 10+00.00 TO STA 29+00.00
18	ELM AVENUE SIGNING & STRIPING	STA 29+00.00 TO STA 44+50.00
19	POPLAR AVENUE SIGNING & STRIPING	STA 10+00.00 TO STA 28+00.00
20	POPLAR AVENUE SIGNING & STRIPING	STA 28+00.00 TO STA 29+96.06
21	CITRON AVENUE SIGNING & STRIPING	STA 10+00.00 TO STA 23+17.00
22	JURUPA AVENUE SIGNING & STRIPING	STA 10+00.00 TO STA 26+00.00
23	JURUPA AVENUE SIGNING & STRIPING	STA 26+00.00 TO STA 42+00.00
24	JURUPA AVENUE SIGNING & STRIPING	STA 42+00.00 TO STA 58+00.00
25	JURUPA AVENUE SIGNING & STRIPING	STA 58+00.00 TO STA 64+13.26
26	CURB RAMPS AND DRIVEWAY DETAILS	DETAILS
27	CURB RAMPS AND DRIVEWAY DETAILS	DETAILS
28	CURB RAMPS AND DRIVEWAY DETAILS	DETAILS
29	CURB RAMPS AND DRIVEWAY DETAILS	DETAILS
30	CURB RAMPS AND DRIVEWAY DETAILS	DETAILS

NOTE TO CONTRACTOR

1. CONTRACTOR SHALL RAISE OR LOWER ALL VALVE BOXES WITHIN THE PAVEMENT LIMITS SHALL BE LOCATED, PROTECTED, AND ADJUSTED TO MATCH THE FINISHED PAVEMENT SURFACE. VALVE BOXES DAMAGED DURING CONSTRUCTION SHALL BE REPAIRED OR REPLACED AT NO ADDITIONAL COST TO THE OWNER. CONTRACTOR TO COORDINATE ADJUSTMENTS WITH UTILITY COMPANIES PRIOR TO PAVING.
2. CONTRACTOR SHALL ASSUME THERE IS AN EXISTING SEWER CLEANOUT LOCATED BENEATH THE PAVEMENT SURFACE WITHIN THE PROJECT LIMITS. THE CONTRACTOR SHALL EXERCISE CAUTION DURING ALL MILLING, PAVING, AND DEMOLITION OPERATIONS IN THE SUSPECTED AREA. IF ENCOUNTERED, THE CLEANOUT SHALL BE PROTECTED IN PLACE AND LEFT ACCESSIBLE. ANY DAMAGE TO THE CLEANOUT CAUSED BY CONSTRUCTION ACTIVITIES SHALL BE REPAIRED OR REPLACED BY THE CONTRACTOR AT NO ADDITIONAL COST TO THE AGENCY. THE CONTRACTOR SHALL NOTIFY THE ENGINEER IMMEDIATELY UPON DISCOVERY OF THE CLEANOUT TO VERIFY CONDITION AND LOCATION.

UTILITY PROVIDERS

AT&T
3939 E. CORONADO ST.
ANAHEIM, CA 92807
TEL: (714)237-6155

CROWN CASTLE
226 N. LINCOLN AVE.
CORONA, CA 92882
TEL: (866)-985-4168

VERIZON
16695 SIERRA LAKES PKWY.
FONTANA, CA 92336
TEL: (800)225-5499

FONTANA WATER CO.
15966 ARROW ROUTE
FONTANA, CA 92335
TEL: (909)822-2201

HP COMMUNICATIONS
13341 TEMESCAL
CANYON RD, CORONA,
CA 92883
TEL: (951)572-1200

SOUTHERN CALIFORNIA GAS CO.
9781 SIERRA AVE.
FONTANA, CA 92335
TEL: (800)427-2200

SCE
SOUTHERN CALIFORNIA EDISON
7951 REDWOOD AVE.
FONTANA, CA 92336
TEL: (909)357-6116

BASIS OF BEARINGS

THE BASIS OF BEARINGS FOR THIS SURVEY IS THE CALIFORNIA STATE PLANE COORDINATE SYSTEM,
CCS83, ZONE 5, BASED LOCALLY ON CONTROL STATIONS EWPP, MLFP, AND NOCO NAD 83(CSRS2017.5) EPOCH 2011 AS SHOWN HEREON. ALL BEARINGS SHOWN HEREON ARE GRID. ALL DISTANCES SHOWN ARE GROUND. GRID DISTANCES, MAY BE OBTAINED BY MULTIPLYING THE GROUND DISTANCE BY A COMBINATION FACTOR OF 0.99994780. CALCULATIONS ARE MADE AT CP 207 WITH COORDINATES OF:
N:1847214.13, E: 6720462.026, USING AN ELEVATION OF 1053.16.

LEGEND

- —(ELEV)— EXISTING CONTOUR
- EXISTING DRAINAGE SYSTEM
- S EXISTING SEWER
- W EXISTING WATER
- EXISTING RIGHT-OF-WAY
- EXISTING IMPROVEMENTS
- EXISTING CENTER LINE
- EXISTING PROPERTY LINE
- T EXISTING COMMUNICATIONS
- OHD EXISTING OVERHEAD
- IRR EXISTING IRRIGATION
- GAS EXISTING GAS
- E EXISTING ELECTRICAL
- ELEV PROPOSED CONTOUR
- PROPOSED IMPROVEMENTS
- PROPOSED EDGE OF PAVEMENT
- PROPOSED FLOWLINE
- REDWOOD HEADER
- PROPOSED STRIPING
- PROPOSED STRIPING
- PROPOSED STRIPING
- PROPOSED GRIND & OVERLAY
- PROPOSED AC PAVEMENT
- PROPOSED CRACK FILL AND TYPE II SLURRY SEAL

ABBREVIATIONS

C&G	CURB & GUTTER
℄	CENTER LINE
EP	EDGE OF PAVEMENT
FS	FINISHED SURFACE
FL	FLOWLINE
HP	HIGH POINT
R/W	RIGHT OF WAY
TC	TOP OF CURB
BCR	BEGIN CURB RETURN
ECR	END CRUB RETURN

DIGALERT
DIAL BEFORE YOU DIG — TWO WORKING DAYS BEFORE YOU DIG
TOLL FREE: 811 WWW.DIGALERT.ORG
A PUBLIC SERVICE BY UNDERGROUND SERVICE ALERT

REV.	REVISION DESCRIPTION	DATE	ENGR.	APPR.	DATE

BENCHMARK:
1018.06 NAVD 88

METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA (MWDSC) B.M. UF 629 1992. LOCATED 0.55 MILE SOUTH FROM THE INTERSECTION OF SLOVER AVENUE AND POPLAR AVENUE, 155 FEET SOUTH OF SANTA ANA AVENUE, 33 FEET WEST OF POPLAR AVENUE AT THE NORTHEAST CORNER OF A 9 FOOT CATCH BASIN. A STANDARD MWDSC 3-1/4" ALUMINUM DISK SET 1 FOOT WEST OF CURB FACE.

PREPARED BY:

1861 West Redlands Blvd.
Redlands, CA 92373
P:909.890.1255
F:909.890.0995
ERSG INC.COM
Engineering Resources of Southern California

REGISTERED PROFESSIONAL ENGINEER — TRENTON C BRUDIN — No. 90924 — CIVIL — STATE OF CALIFORNIA

PREPARED UNDER THE SUPERVISION OF:
TRENTON C. BRUDIN
R.C.E. NO. 90924 EXPIRES 3-31-26
8/12/2025
DATE

CITY OF FONTANA, CALIFORNIA
COMPREHENSIVE PAVEMENT REHABILITATION FOR HIGH-MAINTENANCE SEGMENTS

DRAWN BY: GR	TITLE SHEET	SCALE: AS SHOWN
DESIGNED BY: KH/LA		DATE: 2/12/2026
CHECKED BY: LA	APPROVED BY: CIA LAM KIM, PUBLIC WORKS DIRECTOR/CITY ENGINEER DATE: 02-24-26 R.C.E. 62296	DRAWING NO.: 6596 1/30

T:\PROJECTS\860250031.005 - FONTANA - PAVEMENT REHABILITATION AND STREET IMPROVEMENT PROJECT - HOT SPOTS\DESIGN\CAD\DELIVERABLES\STREET PLANS\0-005-TITLE SHT.DWG 11/3/2025 3:57 PM GRODRIGUEZ

File #: 26-0985
Agenda #: E.

Agenda Date: 5/26/2026
Category: Consent Calendar

FROM:
Public Works

SUBJECT:
Roadway Asset Services, LLC Pavement & Asset Management Data Collection Services

RECOMMENDATION:

1. Authorize the Purchasing Division to utilize the HGACBuy Cooperative Purchasing Program for Pavement and Asset Management Services under Contract No.HP08-25, per Purchasing Policies and Procedures Manual 3.1.5 Non-Competitive Proposal - by Another Public Agency.

2. Authorize the City Manager to enter into a Professional Services Agreement with Roadway Asset Services, LLC, in the amount of $242,335.00 Pavement & Asset Management Services and any future amendments.

COUNCIL GOALS:

- Invest in the City's infrastructure (streets, sewers, parks, etc.) by maintaining and improving the city's existing infrastructure.
- Invest in the City's infrastructure (streets, sewers, parks, etc.) by providing for the development of new infrastructure.

DISCUSSION:
The City of Fontana Public Works Department is responsible for maintaining approximately 1,406.46 lane miles of roadway infrastructure, including pavement, striping, pavement markings, as well as a citywide inventory of traffic signs necessary to ensure safe and efficient traffic operations for motorists, pedestrians, and cyclists. Proper maintenance of these critical transportation assets is essential to preserving public safety, supporting efficient traffic flow, protecting the City's infrastructure investment, and ensuring compliance with applicable state and federal roadway visibility and retro reflectivity standards.

As part of the City's continued commitment to proactive infrastructure management, staff recommends retaining Roadway Asset Services, LLC (RAS) to perform a comprehensive, citywide right-of-way asset inventory and pavement condition assessment utilizing advanced automated data collection technology.

The proposed scope of work includes windshield and field-based assessments of all City-maintained traffic signs, pavement striping, pavement legends, and roadway pavement conditions, providing a complete linear assessment of the City's roadway network. Using high-resolution imagery, geospatial

mapping, and automated condition evaluation methods, roadway assets will be assessed for retro reflectivity performance, physical condition, placement, visibility, and compliance with Federal and California Manual on Uniform Traffic Control Devices (MUTCD) standards.

In addition, RAS will conduct a comprehensive pavement condition survey, calculating industry-recognized conditions including Pavement Condition Index (PCI), Overall Condition Index (OCI), and Pavement Quality Index (PQI). These standardized performance metrics will provide the Engineering and Public Works Departments with objective, defensible data necessary to evaluate pavement conditions, identify deterioration trends, and prioritize maintenance and rehabilitation activities. This information will be critical to the continued pavement improvements that are part of the city's 7-year pavement program.

All collected asset data, imagery, and condition assessments will be integrated directly into the City’s asset management software, creating a centralized infrastructure database that will support ongoing maintenance operations and long-term planning.

This assessment will provide the City with a verified baseline inventory of roadway assets while establishing a defensible compliance program for federal and state retro reflectivity requirements. The resulting data will allow staff to identify assets nearing the end of their service life, prioritize replacement and rehabilitation efforts, allocate resources more effectively, and implement data-driven maintenance strategies.

The information collected through this effort will support:

- Proactive pavement preservation and roadway maintenance planning
- Prioritization of capital improvement projects based on measurable asset conditions
- Improved coordination between pavement, striping, signing, and utility work
- Long-term budgeting, maintenance forecasting, and lifecycle cost management
- Development of rotating maintenance schedules based on asset performance
- Enhanced ability to pursue external funding opportunities with documented condition data, Reduction of redundant work through coordination with CIP paving schedules

The completed inventory will serve as a living database and critical planning tool for the Public Works and Engineering Departments, providing the technical expertise and data-driven tools necessary to make informed infrastructure investment decisions, maximize the service life of roadway assets, improve operational efficiency, ensure regulatory compliance, and enhance the long-term safety, reliability, and sustainability of Fontana’s transportation infrastructure.

The HGAC Buy Cooperative Purchasing Program created the Houston-Galveston Area Council and is the largest of 24 Councils of Governments in the State of Texas. Products and services are contracted after having been subjected to either a competitive bid or competitive proposal process.

FISCAL IMPACT:
The fiscal impact associated with the approval of this item is $242,335.00 and has been included in the 2025-26 adopted budget in accounts 60437000-8130 $50,290.00, and 60437100-8130 $192,045.00.

MOTION:
Approve staff recommendation.

HGACBuy	CONTRACT PRICING WORKSHEET For Catalog & Price Sheet Type Purchases	Contract No.:	HP08-25	Date Prepared:	4/23/2026

This Worksheet is prepared by Contractor and given to End User. If a PO is issued, both documents MUST be faxed to H-GAC @ 713-993-4548. Therefore please type or print legibly.

Buying Agency:	City of Fontana, CA	**Contractor:**	Roadway Asset Services, LLC
Contact Person:	Kyle Scribner	**Prepared By:**	Bart Williamson, CEO
Phone:	(909)350-6530	**Phone:**	(210) 837-5249
Fax:		**Fax:**	
Email:	kscribner@fontanaca.gov	**Email:**	bwilliamson@roadwayassetservices.com

Catalog / Price Sheet Name:	**HP08-25_Response_Price_List_Form (RAS)_JUN25**
General Description of Product:	**Pavement & Asset Management Services**

A. Catalog / Price Sheet Items being purchased - Itemize Below - Attach Additional Sheet If Necessary

Quan	Item No	Service Description	Unit Pr	Total
1	1	Project Initiation and Administration	$ 2,000.00	$ 2,000.00
1	2	GIS Centerline Identification & GPS Network Creation	$ 2,425.00	$ 2,425.00
1	3	Field Setup & Mobilization	$ 6,750.00	$ 6,750.00
700	4	Collect Paved Road Network	$ 90.00	$ 63,000.00
700	5	Modified ASTM D6433 [PCI] RoadTRIPTM AI with 100% Rating	$ 40.00	$ 28,000.00
1	6	Virtual RAS Data Reviews	$ 1,500.00	$ 1,500.00
588	7	Pavement Width Verifications	$ 12.00	$ 7,056.00
1	Data-1	Software Data Import: Pavement Condition & Attributes (OpenGov)	$ 10,000.00	$ 10,000.00
588	Alt-13	Management Section Spatial Optimization	$ 8.00	$ 4,704.00
1	Data-3	Software (OpenGov) Parameters Configuration for Multi-Year Analysis	$ 20,000.00	$ 20,000.00
1	Alt-7	Pavement Report with 1 Round of Multi-Year Budget Scenarios	$ 8,700.00	$ 8,700.00
1176	ROW-7	Pavement Marking Inventory	$ 16.50	$ 19,404.00
1176	ROW- 8	Pavement Striping Inventory	$ 16.50	$ 19,404.00
1176	ROW-1	Sign and Support Inventory	$ 42.00	$ 49,392.00
			$ -	$ -
			Total From Other Sheets, If Any:	
		RAS will bill lump sum based on percent complete for each task item	**Subtotal A:**	$ 242,335.00

B. Unpublished Options, Accessory or Service items - Itemize Below - Attach Additional Sheet If Necessary

(Note: Unpublished Items are any which were not submitted and priced in contractor's bid.)

Quan	Description	Unit Pr	Total
			$ -
			$ -
			$ -
			$ -
		Total From Other Sheets, If Any:	
		Subtotal B:	$ -

Check: Total cost of Unpublished Options (B) cannot exceed 25% of the total of the Base Unit Price plus Published Options (A+B).	**For this transaction the percentage is:**	0%

C. Other Allowances, Discounts, Trade-Ins, Freight, Make Ready or Miscellaneous Charges

	Subtotal C:	$ -

Delivery Date:		**D. Total Purchase Price (A+B+C):**	$ 242,335.0

File #: 26-0986
Agenda #: F.

Agenda Date: 5/26/2026
Category: Consent Calendar

FROM:
Engineering

SUBJECT:
Award a Professional Services Agreement with Cordoba Corporation for Construction Management Services for the Regional Navigation Center Tenant Improvements Project (SQ-43-DE-23-2)

RECOMMENDATION:
1. Award and authorize the City Manager to enter into a Professional Services Agreement with Cordoba Corporation for Construction Management Services for the Regional Navigation Center Tenant Improvements Project in the amount of $535,771.00 (Request for Proposals SQ-43-DE-23 -2).

2. Approve and authorize the City Manager to enter into any future amendments to the Professional Services Agreement.

COUNCIL GOALS:
- To provide a diverse range of housing types and levels of affordability while addressing homelessness in the community by promoting diverse range of housing projects and levels of affordability.

- To provide a diverse range of housing types and levels of affordability while addressing homelessness in the community by address Homelessness through proactive programs, including the efforts of the COAST and MET teams.

- To invest in the City's infrastructure (streets, sewers, parks, etc.) by maintaining and improving the city's existing infrastructure.

- To invest in the City's infrastructure (streets, sewers, parks, etc.) by creating and promoting community through people, parks, and programs.

DISCUSSION:
The City of Fontana's Capital Improvement Program Budget includes the Regional Navigation Cetner Tenant Improvements Project ("Project").The proposed tenant improvements will provide for conversion of the existing industrial facility located at 11109 Jasmine St., Fontana, CA 92337 into a Regional Navigation Center, which is intended to house chronically homeless individuals in small dormitory-style living quarters, as well as provide individual living units for those that require less intensive care. Improvements to the facility will consist of the construction of meeting and office spaces for the general use of the occupants and for counseling services, group and individual living

spaces, a reception lobby, a commercial kitchen, food storage, restrooms, showers/baths, laundry rooms, a dining hall, recreation areas, and all associated electrical, plumbing, HVAC, technology and site improvements required. It is estimated that the facility will house up to two hundred (200) chronically homeless individuals in small dormitory-style living quarters and provide individuals living units for those that require less intensive care.

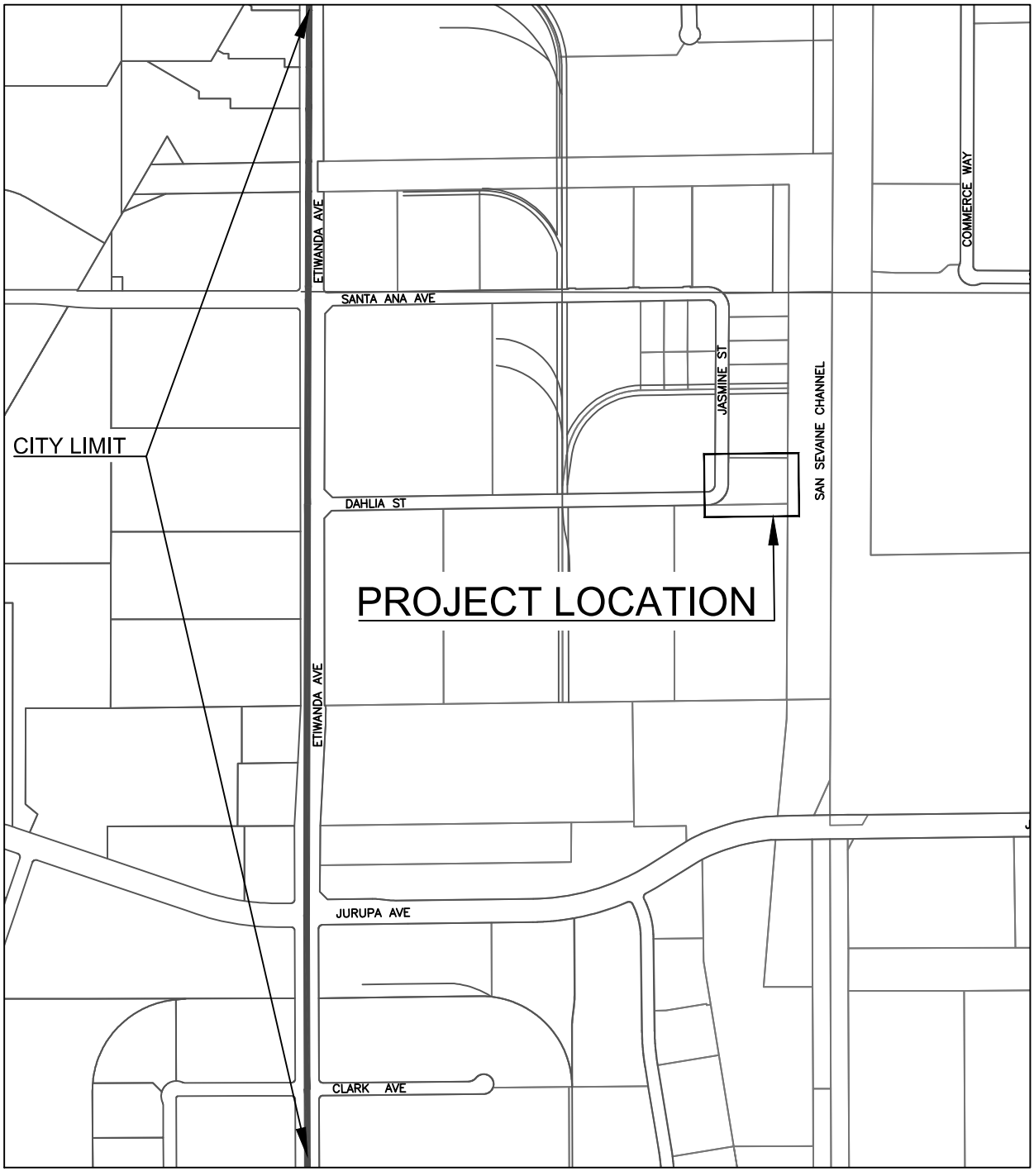
On March 12, 2026, the City issued a Request for Proposals (RFP) for Construction Management Services to six (6) prospective bidders through the Purchasing Office. Five (5) prospective bidders downloaded the RFP documents. On April 2, 2026, proposals were received from three (3) firms interested in providing construction management services for the project. The proposals received ranged from $535,771.00 to $1,022,500.00 for all phases, and were evaluated and ranked in accordance with City policies and procedures.

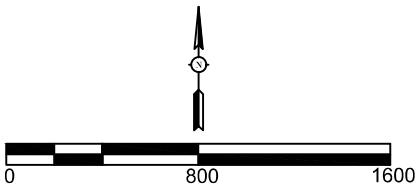
Based on evaluations, staff recommend approval of a Professional Services Agreement with Cordoba Corporation of Ontario, CA, due to their experience, available staffing and detailed approach to construction management. The total not-to-exceed amount of the Professional Services Agreement is $535,771.00.

FISCAL IMPACT:
The fiscal impact associated with the approval of this item is $535,771.00 for the full term of the Professional Services Agreement and is included in the FY 2025-26 budget in 37600084-601-A-8130.

MOTION:
Approve staff recommendation.

REGIONAL NAVIGATION CENTER TENANT IMPROVEMENT PROJECT





SCALE 1:800

Ranking Matrix

Regional Navigation Center Project

Construction Management Services RFP

SQ-43-DE-23-2

Firm	Rank
Cordoba Corporation Ontario, CA	1
Griffin Structures, Inc. Irvine, CA	2
Transtech Engineers, Inc. Chino, CA	3

CITY OF FONTANA
PROFESSIONAL SERVICES AGREEMENT
SQ-43-DE-23-2

This Agreement is made and entered into as of May 26, 2026 by and between the City of Fontana, a public agency organized and operating under the laws of the State of California with its principal place of business at 8353 Sierra Avenue, Fontana, California 92335 ("City"), and Cordoba Corporation, a Corporation with its principal place of business at 3105 Sedona Court, Ontario, California 91764 (hereinafter referred to as "Consultant"). City and Consultant are sometimes individually referred to as "Party" and collectively as "Parties" in this Agreement.

RECITALS

A. City is a public agency of the State of California and is in need of professional services for the following project:

Regional Navigation Center Tenant Improvements Project (hereinafter referred to as "the Project").

B. Consultant is duly licensed and has the necessary qualifications to provide such services.

C. The Parties desire by this Agreement to establish the terms for City to retain Consultant to provide the services described herein.

AGREEMENT

NOW, THEREFORE, IT IS AGREED AS FOLLOWS:

1. Services.

Consultant shall provide the City with the services described in the Scope of Services attached hereto as Exhibit "A."

2. Compensation.

a. Subject to paragraph 2(b) below, the City shall pay for such services in accordance with the Schedule of Charges set forth in Exhibit "B."

b. In no event shall the total amount paid for services rendered by Consultant under this Agreement exceed the sum of **$535,771.00 [Five Hundred Thirty-Five Thousand Seven Hundred Seventy-One and No Cents]**. This amount is to cover all printing and related costs, and the City will not pay any additional fees for printing expenses. Periodic payments shall be made within 30 days of receipt of an invoice which includes a detailed description of the work performed. Payments to Consultant for work performed will be made on a monthly billing basis.

3. Additional Work.

If changes in the work seem merited by Consultant or the City, and informal consultations with the other party indicate that a change is warranted, it shall be processed in the following manner: a letter outlining the changes shall be forwarded to the City by Consultant with a statement of estimated changes in fee or time schedule. An amendment to this Agreement shall

be prepared by the City and executed by both Parties before performance of such services, or the City will not be required to pay for the changes in the scope of work. Such amendment shall not render ineffective or invalidate unaffected portions of this Agreement.

4. Maintenance of Records.

Books, documents, papers, accounting records, and other evidence pertaining to costs incurred shall be maintained by Consultant and made available at all reasonable times during the contract period and for four (4) years from the date of final payment under the contract for inspection by City.

5. Term

The term of this Agreement shall be from **May 26, 2026** to **November 26, 2028**, unless earlier terminated as provided herein. The Parties may, by mutual, written consent, extend the term of this Agreement if necessary to complete the Project. Consultant shall perform its services in a prompt and timely manner within the term of this Agreement and shall commence performance upon receipt of written notice from the City to proceed ("Notice to Proceed"). The Notice to Proceed shall set forth the date of commencement of work.

6. Delays in Performance.

a. Neither City nor Consultant shall be considered in default of this Agreement for delays in performance caused by circumstances beyond the reasonable control of the non-performing party. For purposes of this Agreement, such circumstances include but are not limited to, abnormal weather conditions; floods; earthquakes; fire; epidemics; war; riots and other civil disturbances; strikes, lockouts, work slowdowns, and other labor disturbances; sabotage or judicial restraint.

b. Should such circumstances occur, the non-performing party shall, within a reasonable time of being prevented from performing, give written notice to the other party describing the circumstances preventing continued performance and the efforts being made to resume performance of this Agreement.

7. Compliance with Law.

a. Consultant shall comply with all applicable laws, ordinances, codes and regulations of the federal, state and local government, including Cal/OSHA requirements.

b. If required, Consultant shall assist the City, as requested, in obtaining and maintaining all permits required of Consultant by federal, state and local regulatory agencies.

c. If applicable, Consultant is responsible for all costs of clean up and/ or removal of hazardous and toxic substances spilled as a result of his or her services or operations performed under this Agreement.

8. Standard of Care

Consultant's services will be performed in accordance with generally accepted professional practices and principles and in a manner consistent with the level of care and skill ordinarily exercised by members of the profession currently practicing under similar conditions.

9. Assignment and Subconsultant

Consultant shall not assign, sublet, or transfer this Agreement or any rights under or interest in this Agreement without the written consent of the City, which may be withheld for any reason. Any attempt to so assign or so transfer without such consent shall be void and without legal effect and shall constitute grounds for termination. Subcontracts, if any, shall contain a provision making them subject to all provisions stipulated in this Agreement. Nothing contained herein shall prevent Consultant from employing independent associates, and subconsultants as Consultant may deem appropriate to assist in the performance of services hereunder.

10. Independent Contractor

Consultant is retained as an independent contractor and is not an employee of City. No employee or agent of Consultant shall become an employee of City. The work to be performed shall be in accordance with the work described in this Agreement, subject to such directions and amendments from City as herein provided.

11. Insurance. Consultant shall not commence work for the City until it has provided evidence satisfactory to the City it has secured all insurance required under this section. In addition, Consultant shall not allow any subcontractor to commence work on any subcontract until it has secured all insurance required under this section.

a. Commercial General Liability

(i) The Consultant shall take out and maintain, during the performance of all work under this Agreement, in amounts not less than specified herein, Commercial General Liability Insurance, in a form and with insurance companies acceptable to the City.

(ii) Coverage for Commercial General Liability insurance shall be at least as broad as the following:

(1) Insurance Services Office Commercial General Liability coverage (Occurrence Form CG 00 01) or exact equivalent.

(iii) Commercial General Liability Insurance must include coverage for the following:

(1) Bodily Injury and Property Damage
(2) Personal Injury/Advertising Injury
(3) Premises/Operations Liability
(4) Products/Completed Operations Liability
(5) Aggregate Limits that Apply per Project
(6) Explosion, Collapse and Underground (UCX) exclusion deleted
(7) Contractual Liability with respect to this Agreement
(8) Property Damage
(9) Independent Contractors Coverage

(iv) The policy shall contain no endorsements or provisions limiting coverage for (1) contractual liability; (2) cross liability exclusion for claims or suits by one insured against another; (3) products/completed operations liability; or (4) contain any other exclusion contrary to the Agreement.

(v) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status using ISO endorsement forms CG 20 10 10 01 and 20 37 10 01, or endorsements providing the exact same coverage.

(vi) The general liability program may utilize either deductibles or provide coverage excess of a self-insured retention, subject to written approval by the City, and provided that such deductibles shall not apply to the City as an additional insured.

b. Automobile Liability

(i) At all times during the performance of the work under this Agreement, the Consultant shall maintain Automobile Liability Insurance for bodily injury and property damage including coverage for owned, non-owned and hired vehicles, in a form and with insurance companies acceptable to the City.

(ii) Coverage for automobile liability insurance shall be at least as broad as Insurance Services Office Form Number CA 00 01 covering automobile liability (Coverage Symbol 1, any auto).

(iii) The policy shall give City, its officials, officers, employees, agents and City designated volunteers additional insured status.

(iv) Subject to written approval by the City, the automobile liability program may utilize deductibles, provided that such deductibles shall not apply to the City as an additional insured, but not a self-insured retention.

c. Workers' Compensation/Employer's Liability

(i) Consultant certifies that he/she is aware of the provisions of Section 3700 of the California Labor Code which requires every employer to be insured against liability for workers' compensation or to undertake self-insurance in accordance with the provisions of that code, and he/she will comply with such provisions before commencing work under this Agreement.

(ii) To the extent Consultant has employees at any time during the term of this Agreement, at all times during the performance of the work under this Agreement, the Consultant shall maintain full compensation insurance for all persons employed directly by him/her to carry out the work contemplated under this Agreement, all in accordance with the "Workers' Compensation and Insurance Act," Division IV of the Labor Code of the State of California and any acts amendatory thereof, and Employer's Liability Coverage in amounts indicated herein. Consultant shall require all subconsultants to obtain and maintain, for the period required by this Agreement, workers' compensation coverage of the same type and limits as specified in this section.

d. Professional Liability (Errors and Omissions)

At all times during the performance of the work under this Agreement the Consultant shall maintain professional liability or Errors and Omissions insurance appropriate to its profession, in a form and with insurance companies acceptable to the City and in an amount indicated herein. This insurance shall be endorsed to include contractual liability applicable to this Agreement and shall be written on a policy form coverage specifically designed to protect against acts, errors or omissions of the Consultant. "Covered Professional Services" as designated in the policy must specifically include work performed under this Agreement. The policy must "pay on behalf of" the insured and must include a provision establishing the insurer's duty to defend.

e. Minimum Policy Limits Required

(i) The following insurance limits are required for the Agreement:

	Combined Single Limit
Commercial General Liability	$1,000,000 per occurrence/ $2,000,000 aggregate for bodily injury, personal injury, and property damage
Automobile Liability	$1,000,000 combined single limit
Employer's Liability	$1,000,000 per accident or disease
Professional Liability	$1,000,000 per claim and aggregate (errors and omissions)

(ii) Defense costs shall be payable in addition to the limits.

(iii) Requirements of specific coverage or limits contained in this section are not intended as a limitation on coverage, limits, or other requirement, or a waiver of any coverage normally provided by any insurance. Any available coverage shall be provided to the parties required to be named as Additional Insured pursuant to this Agreement.

f. Evidence Required

Prior to execution of the Agreement, the Consultant shall file with the City evidence of insurance from an insurer or insurers certifying to the coverage of all insurance required herein. Such evidence shall include original copies of the ISO CG 00 01 (or insurer's equivalent) signed by the insurer's representative and Certificate of Insurance (Acord Form 25-S or equivalent), together with required endorsements. All evidence of insurance shall be signed by a properly authorized officer, agent, or qualified representative of the insurer and shall certify the names of the insured, any additional insureds, where appropriate, the type and amount of the insurance, the location and operations to which the insurance applies, and the expiration date of such insurance.

g. Policy Provisions Required

(i) Consultant shall provide the City at least thirty (30) days prior written notice of cancellation of any policy required by this Agreement, except that the Consultant shall provide at least ten (10) days prior written notice of cancellation of any such policy due to

non-payment of premium. If any of the required coverage is cancelled or expires during the term of this Agreement, the Consultant shall deliver renewal certificate(s) including the General Liability Additional Insured Endorsement to the City at least ten (10) days prior to the effective date of cancellation or expiration.

(ii) The Commercial General Liability Policy and Automobile Policy shall each contain a provision stating that Consultant's policy is primary insurance and that any insurance, self-insurance or other coverage maintained by the City or any named insureds shall not be called upon to contribute to any loss.

(iii) The retroactive date (if any) of each policy is to be no later than the effective date of this Agreement. Consultant shall maintain such coverage continuously for a period of at least three years after the completion of the work under this Agreement. Consultant shall purchase a one (1) year extended reporting period A) if the retroactive date is advanced past the effective date of this Agreement; B) if the policy is cancelled or not renewed; or C) if the policy is replaced by another claims-made policy with a retroactive date subsequent to the effective date of this Agreement.

(iv) All required insurance coverages, except for the professional liability coverage, shall contain or be endorsed to provide a waiver of subrogation in favor of the City, its officials, officers, employees, agents, and volunteers or shall specifically allow Consultant or others providing insurance evidence in compliance with these specifications to waive their right of recovery prior to a loss. Consultant hereby waives its own right of recovery against City, and shall require similar written express waivers and insurance clauses from each of its subconsultants.

(v) The limits set forth herein shall apply separately to each insured against whom claims are made or suits are brought, except with respect to the limits of liability. Further the limits set forth herein shall not be construed to relieve the Consultant from liability in excess of such coverage, nor shall it limit the Consultant's indemnification obligations to the City and shall not preclude the City from taking such other actions available to the City under other provisions of the Agreement or law.

h. Qualifying Insurers

(i) All policies required shall be issued by acceptable insurance companies, as determined by the City, which satisfy the following minimum requirements:

(1) Each such policy shall be from a company or companies with a current A.M. Best's rating of no less than A:VII and admitted to transact in the business of insurance in the State of California, or otherwise allowed to place insurance through surplus line brokers under applicable provisions of the California Insurance Code or any federal law.

i. Additional Insurance Provisions

(i) The foregoing requirements as to the types and limits of insurance coverage to be maintained by Consultant, and any approval of said insurance by the City, is not intended to and shall not in any manner limit or qualify the liabilities and obligations otherwise assumed by the Consultant pursuant to this Agreement, including but not limited to, the provisions concerning indemnification.

(ii) If at any time during the life of the Agreement, any policy of insurance required under this Agreement does not comply with these specifications or is canceled and not replaced, City has the right but not the duty to obtain the insurance it deems necessary and any premium paid by City will be promptly reimbursed by Consultant or City will withhold amounts sufficient to pay premium from Consultant payments. In the alternative, City may cancel this Agreement.

(iii) The City may require the Consultant to provide complete copies of all insurance policies in effect for the duration of the Project.

(iv) Neither the City nor any of its officials, officers, employees, agents or volunteers shall be personally responsible for any liability arising under or by virtue of this Agreement.

j. Subconsultant Insurance Requirements. Consultant shall not allow any subcontractors or subconsultants to commence work on any subcontract until they have provided evidence satisfactory to the City that they have secured all insurance required under this section. Policies of commercial general liability insurance provided by such subcontractors or subconsultants shall be endorsed to name the City as an additional insured using ISO form CG 20 38 04 13 or an endorsement providing the exact same coverage. If requested by Consultant, City may approve different scopes or minimum limits of insurance for particular subcontractors or subconsultants.

12. Indemnification.

a. To the fullest extent permitted by law, Consultant shall defend (with counsel of City's choosing), indemnify and hold the City, its officials, officers, employees, volunteers, and agents free and harmless from any and all claims, demands, causes of action, costs, expenses, liability, loss, damage or injury of any kind, in law or equity, to property or persons, including wrongful death, in any manner arising out of, pertaining to, or incident to any acts, errors or omissions, or willful misconduct of Consultant, its officials, officers, employees, subcontractors, consultants or agents in connection with the performance of the Consultant's services, the Project or this Agreement, including without limitation the payment of all damages, expert witness fees and attorney's fees and other related costs and expenses. Consultant's obligation to indemnify shall not be restricted to insurance proceeds, if any, received by Consultant, the City, its officials, officers, employees, agents, or volunteers.

b. If Consultant's obligation to defend, indemnify, and/or hold harmless arises out of Consultant's performance of "design professional" services (as that term is defined under Civil Code section 2782.8), then, and only to the extent required by Civil Code section 2782.8, which is fully incorporated herein, Consultant's indemnification obligation shall be limited to claims that arise out of, pertain to, or relate to the negligence, recklessness, or willful misconduct of the Consultant, and, upon Consultant obtaining a final adjudication by a court of competent jurisdiction, Consultant's liability for such claim, including the cost to defend, shall not exceed the Consultant's proportionate percentage of fault.

13. California Labor Code Requirements.

a. Consultant is aware of the requirements of California Labor Code Sections 1720 et seq. and 1770 et seq., which require the payment of prevailing wage rates and the performance of other requirements on certain "public works" and "maintenance" projects

("Prevailing Wage Laws"). If the services are being performed as part of an applicable "public works" or "maintenance" project, as defined by the Prevailing Wage Laws, and if the total compensation is $1,000 or more, Consultant agrees to fully comply with such Prevailing Wage Laws. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claims, liabilities, costs, penalties or interest arising out of any failure or alleged failure to comply with the Prevailing Wage Laws. It shall be mandatory upon the Consultant and all subconsultants to comply with all California Labor Code provisions, which include but are not limited to prevailing wages (Labor Code Sections 1771, 1774 and 1775), employment of apprentices (Labor Code Section 1777.5), certified payroll records (Labor Code Sections 1771.4 and 1776), hours of labor (Labor Code Sections 1813 and 1815) and debarment of contractors and subcontractors (Labor Code Section 1777.1). The requirement to submit certified payroll records directly to the Labor Commissioner under Labor Code section 1771.4 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Section 1771.4.

b. If the services are being performed as part of an applicable "public works" or "maintenance" project, then pursuant to Labor Code Sections 1725.5 and 1771.1, the Consultant and all subconsultants performing such services must be registered with the Department of Industrial Relations. Consultant shall maintain registration for the duration of the Project and require the same of any subconsultants, as applicable. Notwithstanding the foregoing, the contractor registration requirements mandated by Labor Code Sections 1725.5 and 1771.1 shall not apply to work performed on a public works project that is exempt pursuant to the small project exemption specified in Labor Code Sections 1725.5 and 1771.1.

c. This Agreement may also be subject to compliance monitoring and enforcement by the Department of Industrial Relations. It shall be Consultant's sole responsibility to comply with all applicable registration and labor compliance requirements. Any stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor that affect Consultant's performance of services, including any delay, shall be Consultant's sole responsibility. Any delay arising out of or resulting from such stop orders shall be considered Consultant caused delay and shall not be compensable by the City. Consultant shall defend, indemnify and hold the City, its officials, officers, employees and agents free and harmless from any claim or liability arising out of stop orders issued by the Department of Industrial Relations against Consultant or any subcontractor.

14. Verification of Employment Eligibility.

By executing this Agreement, Consultant verifies that it fully complies with all requirements and restrictions of state and federal law respecting the employment of undocumented aliens, including, but not limited to, the Immigration Reform and Control Act of 1986, as may be amended from time to time, and shall require all subconsultants and sub-subconsultants to comply with the same.

15. Reserved.

16. Laws and Venue.

This Agreement shall be interpreted in accordance with the laws of the State of California. If any action is brought to interpret or enforce any term of this Agreement, the action shall be brought in a state or federal court situated in the County of San Bernardino, State of California.

17. Termination or Abandonment

a. City has the right to terminate or abandon any portion or all of the work under this Agreement by giving ten (10) calendar days written notice to Consultant. In such event, City shall be immediately given title and possession to all original field notes, drawings and specifications, written reports and other documents produced or developed for that portion of the work completed and/or being abandoned. City shall pay Consultant the reasonable value of services rendered for any portion of the work completed prior to termination. If said termination occurs prior to completion of any task for the Project for which a payment request has not been received, the charge for services performed during such task shall be the reasonable value of such services, based on an amount mutually agreed to by City and Consultant of the portion of such task completed but not paid prior to said termination. City shall not be liable for any costs other than the charges or portions thereof which are specified herein. Consultant shall not be entitled to payment for unperformed services, and shall not be entitled to damages or compensation for termination of work.

b. Consultant may terminate its obligation to provide further services under this Agreement upon thirty (30) calendar days' written notice to City only in the event of substantial failure by City to perform in accordance with the terms of this Agreement through no fault of Consultant.

18 Documents. Except as otherwise provided in "Termination or Abandonment," above, all original field notes, written reports, Drawings and Specifications and other documents, produced or developed for the Project shall, upon payment in full for the services described in this Agreement, be furnished to and become the property of the City.

19. Organization

Consultant shall assign Syed Raza, PE, as Project Manager. The Project Manager shall not be removed from the Project or reassigned without the prior written consent of the City.

20. Limitation of Agreement.

This Agreement is limited to and includes only the work included in the Project described above.

21. Notice

Any notice or instrument required to be given or delivered by this Agreement may be given or delivered by depositing the same in any United States Post Office, certified mail, return receipt requested, postage prepaid, addressed to:

CITY:	CONSULTANT:
City of Fontana	Cordoba Corporation
8353 Sierra Avenue	3105 Sedona Court
Fontana, California 92335	Ontario, CA 91764
Attn: Jeffrey Kim, Department of Engineering	Attn: Trevor Mason

and shall be effective upon receipt thereof.

22. Third Party Rights

Nothing in this Agreement shall be construed to give any rights or benefits to anyone other than the City and the Consultant.

23. Equal Opportunity Employment.

Consultant represents that it is an equal opportunity employer and that it shall not discriminate against any employee or applicant for employment because of race, religion, color, national origin, ancestry, sex, age or other interests protected by the State or Federal Constitutions. Such non-discrimination shall include, but not be limited to, all activities related to initial employment, upgrading, demotion, transfer, recruitment or recruitment advertising, layoff or termination.

24. Entire Agreement

This Agreement, with its exhibits, represents the entire understanding of City and Consultant as to those matters contained herein, and supersedes and cancels any prior or contemporaneous oral or written understanding, promises or representations with respect to those matters covered hereunder. Each Party acknowledges that no representations, inducements, promises or agreements have been made by any person which are not incorporated herein, and that any other agreements shall be void. This Agreement may not be modified or altered except in writing signed by both Parties hereto. This is an integrated Agreement.

25. Severability

The unenforceability, invalidity or illegality of any provision(s) of this Agreement shall not render the remaining provisions unenforceable, invalid or illegal.

26. Successors and Assigns

This Agreement shall be binding upon and shall inure to the benefit of the successors in interest, executors, administrators and assigns of each Party to this Agreement. However, Consultant shall not assign or transfer by operation of law or otherwise any or all of its rights, burdens, duties or obligations without the prior written consent of City. Any attempted assignment without such consent shall be invalid and void.

27. Non-Waiver

None of the provisions of this Agreement shall be considered waived by either Party, unless such waiver is specifically specified in writing.

28. Time of Essence

Time is of the essence for each and every provision of this Agreement.

29. City's Right to Employ Other Consultants

City reserves its right to employ other consultants, including engineers, in connection with this Project or other projects.

30. Prohibited Interests

Consultant maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for Consultant, to solicit or secure this Agreement. Further, Consultant warrants that it has not paid nor has it agreed to pay any company or person, other than a bona fide employee working solely for Consultant, any fee, commission, percentage, brokerage fee, gift or other consideration contingent upon or resulting from the award or making of this Agreement. For breach or violation of this warranty, City shall have the right to rescind this Agreement without liability. For the term of this Agreement, no director, official, officer or employee of City, during the term of his or her service with City, shall have any direct interest in this Agreement, or obtain any present or anticipated material benefit arising therefrom.

[SIGNATURES ON FOLLOWING PAGE]

SIGNATURE PAGE FOR PROFESSIONAL SERVICES AGREEMENT BETWEEN CITY OF FONTANA AND CORDOBA CORPORATION

CITY OF FONTANA

By: _____
Matthew C. Ballantyne
City Manager

Attest:

By: _____
Germaine McClellan Key
City Clerk

By: _____
Phillip Burum
Deputy City Manager

Approved as to form:

_____
Best Best & Krieger LLP
City Attorney

By: _____
Gia Kim
Public Works Director / City Engineer

IN COMPLIANCE WITH CONTRACT INSURANCE REQUIREMENTS

By: _____
Rakesha Voss
Human Resources & Risk Management Director

IN COMPLIANCE WITH PURCHASING AND CONTRACT ADMINISTRATION POLICIES/PROCEDURES

_____
Jessica Brown
Chief Financial Officer

_____
Purchasing Office

CORDOBA CORPORATION

By: _____
Michael J. Boomsma
Executive Vice President

EXHIBIT A
Scope of Services

WORK PLAN

The work plan is organized into the project's basic phases. A summary of typical work plan activities is provided (to comply with the page limits for this response). Our services are comprehensive; there is no facility type, situation, or requirement that we have not encountered. Cordoba Corporation is extremely proud of the work we have completed, and we ensure that our process and work plans are effective and efficient.

Design Phase / Start-up

Understanding that most of the design phase has already been completed or is substantially complete, our approach includes a detailed review of the designs. A complete understanding of the guidelines is essential for quality control. This upfront investment in understanding facilitates our coordination activities with design engineers, project managers, City staff, and other stakeholders as design issues arise during construction.

Concurrent with these reviews, the team will update our standard quality control plan to reflect the specifics of the Regional Navigation Center project.

Select Deliverables

- Quality control plan
- Meeting schedule developed

Pre-Construction

The Cordoba team's approach to advancing the project includes developing, refining, and monitoring project budgets. By detailing project elements early, information is available and shared. Document control processes are initiated, and procedures are promoted.

Pre-construction includes procurement activities. The Cordoba team has experience in supporting the entire bid process and will work with the City to augment or initiate existing processes. We have shown that a robust prequalification process saves time and money in the long run by identifying vendors with sufficient resources to complete their processes from the start. Bids and results are tracked and reported.

Select Deliverables

- Responsibilities and reporting structure are established
- Implement/augment procurement and prequalification as needed.
- Project requirements and standards definitions are established.

Construction Phase

As an owner's representative and construction manager, we ensure that all work is carried out in accordance with the Client's established plan and requirements. The following are key tasks that we typically undertake.

- Monitor contractors' work daily -- Monitoring begins with a CM team member attending the GC's daily huddle. This in-person presence is a required activity of our team. Activities include inspections and recording. Our field engineers take an average of 300 photos every day as part of the monitoring process.
- Quality control checklists are implemented because they help ensure that we are tracking all activities to meet the standards
- Enforce performance, scheduling, and notice requirements -- Each week, we receive an updated schedule that includes look-ahead and current updates. If there are slips, we issue a notice to the contractor requesting a recovery schedule.
- Monitor schedule and cost information for each contractor -- We monitor the schedule of completion and examine completed activities and percentages complete. A separate pay app meeting is held to review the activities directly with the

Select Deliverables

- Submittal log
- RFI log
- Meeting minutes
- Pay app reviews
- Photos
- Schedule updates
- Budget updates
- Drawing updates

contractor. These activities are maintained individually so that they can be carefully monitored and ensure that details are not lost.

- Ensure that any changes in the field are recorded on the as-built drawings, and that the as-built drawings are up to date -- Our team understands fully that we maintain custodial responsibility for these items and that they need to be monitored continuously. At each submission of a pay app, the IOR, pertinent agencies, and CM meet with the contractor to ensure that drawings and documentation are prepared correctly, on an ongoing basis, prior to project completion.
- Attend weekly job site meetings and prepare and circulate weekly job site minutes, as required -- Our experience is that different clients have different requirements for documentation. Even if client staff maintain the minutes, it is still our responsibility to ensure that the information is easily available, trackable, and maintained. We understand that it is the CM's custodial responsibility to document and maintain all project meeting minutes for the client.
- Evaluate and process payment applications with accuracy and appropriate documentation -- Each pay app that is submitted is audited. We collaborate with the IOR to verify the percentages reported. This includes all waivers, which are carefully documented.
- Evaluate, process, and track change order requests -- All change orders are evaluated for merit. Elements include conducting a fair cost estimate to ensure labor and material costs are accurate. It is our responsibility to monitor changes, which also correspond to the pay app process.
- Evaluate and track Requests for Information (RFIs) and responses and maintain an orderly RFI log -- When an RFI is received, we respond accordingly, generally evaluating it to determine who needs to respond. Responses to RFIs are also tracked in the as-built documents, so they become part of the formally archived documents.
- Maintain a submittal log and ensure they are sent in a timely manner -- We understand that it is imperative that submittals are tracked. Submittals with the potential to impact the schedule are prioritized.
- Report and advise proactively on potential schedule and budget variances and impact on schedules and budgets -- Controlling risk requires detailed and ongoing analysis. Each is tracked individually to align with the project's overall deliverables. We assess the risk and evaluate it against general conditions and a fair cost. Our approach includes prior agreement on labor and equipment costs at the start of the project, so there are essentially no unforeseen costs in those areas. Our team is adamant about tracking on a weekly forecast basis. This helps maintain transparency. Maintaining transparency in all situations ensures that schedule changes are anticipated and that the final delivery date is not a surprise.
- Recommend potential solutions to schedule and cost issues -- Our team evaluates each situation on a case-by-case basis. For example, changing an individual fixture may have a domino effect. It may impact other trades, such as electrical work. Further, by evaluating each individually, we are providing a solid risk assessment, impact, and overall cost that we present to the client.

- Evaluation and tracking –– We evaluate and process payment applications with accuracy and appropriate Documentation through the client's defined approval and retention process. Each submitted pay app is audited. We collaborate with the IOR to verify the percentages reported. This includes all waivers, which are carefully documented.
- Verification of inspections of the work in place by the Inspector of Record (IOR) supported by the Architect and Engineer of Record and CM –– Using established inspection, sampling, testing, and observational techniques, Cordoba's construction manager works to ensure everyone on the job site, including the general and subcontractors, are working together to ensure the quality of the work is completely in accordance with the contract documents.

Closeout

Deliverables
- Punch lists
- Final reports & documentation
- Warranties/ guarantees

- Work with client staff, architects, and consultants to develop lists of incomplete or unsatisfactory work (punch lists) –– As the contractor nears substantial completion, we hand over the combined punch list from the architect, IOR, and pertinent jurisdictions/agencies and provide it to the contractor. We typically provide 30 days for compliance.
- Submit necessary reports to local and state authorities in a timely manner to complete project closeout –– As an experienced CM firm, we understand the importance of tracking all necessary documents from the contractor, design team, and inspector to ensure compliance with the timeline. Our approach includes tracking the documents as activities are completed and submitted (rather than waiting). Final quality review takes place during closeout.
- Client walk–through(s) take place –– Checklists are used to ensure that the walk–through verifies completion or highlights outstanding items.
- Warranty walks are conducted.
- Warranties and guarantees are obtained and recorded.
- The handover process includes training and transfer of data to the designated city personnel.
- Project closeout documentation is finalized and recorded. All documents are prepared for the archive.
- Financial management and quality control. All items related to financial management and quality control are finalized and transmitted. This includes all reports pertaining to the project budget.
  - Change order reviews are documented and archived.
  - Payment verifications are completed.
  - Financial audits are conducted.
- A final risk management review is completed. All items that may have been identified as a risk are summarized and outcomes are reported.

EXHIBIT B

Schedule of Charges/Payments

Consultant will invoice City on a monthly cycle. Consultant will include with each invoice a detailed progress report that indicates the amount of budget spent on each task. Consultant will inform City regarding any out-of-scope work being performed by Consultant. This is a time-and-materials contract.

FEES

Cordoba uses our standard hourly rate schedule as the basis for our services. These are fully burdened rates to be used for basic time–and–materials (T&M) fee, based on our best estimate of the work required per the project scope. Cordoba is fully prepared to negotiate to a mutually beneficial outcome.

These are fully burdened rates. We use 1,950 hours as a maximum for a full year. All dollar amounts are negotiable.

Staffing	Fully Burdened Hourly Rate	Total Project Hours	Totals
Trevor Mason, Project Principal	In–kind	As–needed	$ 0
Brian Watt	$ 207	2,018	$ 417,726
Kenneth Thompson	$ 185	504	$ 93,240
Ann Villena	$ 170	71	$ 11,995
Farzam Fathi, Estimating	$ 170	15	$ 2,529
Duane Clark, Scheduling	$ 170	60	$ 10,281
		Total Fee	**$ 535,771**

Additional Costs

It is assumed that, when necessary, an office or trailer will be provided with desks, chairs, printers, internet access, power, and restrooms, as required by code, etc. If not, Cordoba can provide these accommodations as a reimbursable expense. The following items will be considered reimbursable expenses:

- Fees paid for securing approval of authorities having jurisdiction over the project when the city requests a construction manager to pay for such costs on its behalf.
- Shipping, overnight mail, postage, messenger, courier, and/or delivery services (but not including Cordoba's internal company or corporate required communication or reports, such as, but not limited to, timesheets, expense reports, inter–office memoranda, newsletters, etc.).
- Mileage for business travel (excluding travel from residence to the project site, the program, or Cordoba's home or branch offices) at the rate established by the Internal Revenue Service, and related parking and/or tolls.
- Out–of–town travel, to the extent approved in advance in writing.
- Field office trailer installation, furnishings, office equipment, custodial services, utilities, set–up, lease, tear–down, and demobilization expenses.
- Client–specific software for program management, scheduling, and any other specialized software required for the management of the project.
- Other items necessary for the performance of the Agreement, to the extent approved in advance in writing by the city.
- Outside printing and reproduction or reprographics costs.
- Internet access charges.
- Drinking water (if not provided).

File #: 26-0994
Agenda #: G.

Agenda Date: 5/26/2026
Category: Consent Calendar

FROM:
Public Works

SUBJECT:
Annual Ford Vehicle Purchase Order Contract, Service, and OEM Parts Contract (PW-26-157-SP)

RECOMMENDATION:
Award bid (PW-26-157-SP) and authorize the vehicle purchases, service, and OEM parts for two (2) years with three (3) optional annual renewals to the following bidders:

1. Fairview Ford Sales, Inc.

2. UP Opco Fontana F Inc. (dba Sunrise Ford).

COUNCIL GOALS:
- Practice sound fiscal management by living within our means while investing in the future.

DISCUSSION:
The Public Works/Engineering Department, Support Services Division is responsible for the purchase and maintenance of the city fleet, including the police department. The current fleet inventory is approximately 539 vehicles and equipment with vehicles encompassing sedans, pickup trucks, sport utility vehicles (SUV), electric, and police patrol units. The city approximately purchases 40 to 60 vehicles annually. This contract will go into effect July 1, 2026.

In accordance with the City's purchasing policies, the proposal for the above-named project was opened electronically at 2:00 p.m. on April 03, 2026. Two hundred and four (204) bidders were notified of the bid. Bid packets were downloaded/received by Twenty-five (25) vendors, and we received Three (3) bid responses. Four (4) Fontana vendors were notified. Two (2) Fontana vendor responses were received. After evaluating the vendor responses, the Purchasing Division is recommending Fairview Ford Sales, Inc., located in San Bernardino, CA, and UP Opco Fontana F Inc., located in Fontana, as they are the lowest, most responsive, and responsible bidders.

Currently, the city has Sunrise Ford under contract for Ford vehicles and police interceptor vehicles. Staff recommend expanding vehicle manufacturers and award the bid to two (2) bidders for vehicle purchases, service, and OEM parts be awarded to the bidders listed above. By awarding to multiple bidders, they will provide the city with better purchasing power and time savings of staff resources for obtaining vehicles. The bidders would also provide low mileage inventoried used vehicles, regardless of make for special operation assignments.

FISCAL IMPACT:
The fiscal impact associated with the approval of this item shall not exceed the annual amount of $5,821,300 approved in the Fleet Operations Fund 751 specifically 75137306-8319. Vehicles, service, and parts are all purchased throughout the fiscal year on an as-needed basis.

MOTION:
Approve staff recommendation.

April 13, 2026

TO: Eric Ninemire, Equipment Mechanic Supervisor
FROM: Elia Alvarez, Purchasing Buyer

SUBJECT: **RECAP OF BID PW-26-157-SP, VEHICLES – ANNUAL PURCHASES, SERVICES AND OEM PARTS CONTRACT.**

The Proposals for the above-named project were opened electronically at 2:00 P.M. on April 03, 2026. Two Hundred and Four (204) bidders were notified of the bid. Bid packets were downloaded/received by Twenty-five (25) vendors and we received Three (3) bid responses. Four (4) Fontana vendors were notified. Two (2) Fontana vendor responses were received. After evaluating the vendor responses, the Purchasing Division is recommending Fairview Ford Sales, Inc. located in San Bernardino, CA and UP Opco Fontana F Inc. located in Fontana as they are the lowest, most responsive, and responsible bidder.

If you agree with the Purchasing Division's recommendation, please forward, at your earliest convenience, an Action Report to Fontana City Council for their concurrence with the recommendation.

If you have any questions, please contact me at x6605.

cc: Purchasing File

FONTANA
CALIFORNIA

City of Fontana

Notice of Award

April 13, 2026

Fairview Ford Sales, Inc.
292 N. G St.
San Bernardino, CA 92410

Project Name: Vehicles - Annual Purchases, Services and OEM Parts Contract
City of Fontana's Project #: PW-26-157-SP

You are hereby notified that your proposal has been accepted. You are the successful bidder and will be awarded a Purchase Order contract.

In accordance with the contract Terms, you must comply with and complete the following conditions of this Notice of Award within 10 days.

1. Worker's compensation insurance
2. Commercial general liability insurance
3. Commercial auto liability and property insurance.
4. Professional liability insurance.
5. Name, title, and email address of account representative for this account.
6. Name, title, and email address of personnel authorized to sign/approve this contract.
7. Email address that purchase orders will be emailed to.
8. Completed ACH form – if wanted to be paid electronically.
9. Taxpayer ID and certification W-9.
10. Copy of City of Fontana business License.

Note: Insurance certificates must name City of Fontana as additional insured and be in the amounts specified in the bid specifications. With all endorsement forms.

Failure to comply with these conditions within the time specified will result in annulment of the award and forfeiture of the bid guarantee. Within 10 days after you comply with the foregoing conditions, the City of Fontana will issue you a purchase order.

Return by documents by email

Elia Alvarez
ealvarez@fontanaca.gov
City of Fontana

FONTANA
CALIFORNIA

City of Fontana

Notice of Award

April 13, 2026

US Opco Fontana F Inc.
16005 Valley Blvd.
2772 Marco Rd.
Fontana, CA 92335

Project Name: Vehicles - Annual Purchases, Services and OEM Parts Contract
City of Fontana's Project #: PW-26-157-SP

You are hereby notified that your proposal has been accepted. You are the successful bidder and will be awarded a Purchase Order contract.

In accordance with the contract Terms, you must comply with and complete the following conditions of this Notice of Award within 10 days.

1. Worker's compensation insurance
2. Commercial general liability insurance
3. Commercial auto liability and property insurance.
4. Professional liability insurance.
5. Name, title, and email address of account representative for this account.
6. Name, title, and email address of personnel authorized to sign/approve this contract.
7. Email address that purchase orders will be emailed to.
8. Completed ACH form – if wanted to be paid electronically.
9. Taxpayer ID and certification W-9.
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Note: Insurance certificates must name City of Fontana as additional insured and be in the amounts specified in the bid specifications. With all endorsement forms.

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Return by documents by email

Elia Alvarez
ealvarez@fontanaca.gov
City of Fontana

(SUBMIT ONLINE)

RATE SHEET

VEHICLES FOR ANNUAL PURCHASES, SERVICE AND OEM PARTS CONTRACT PW-26-157-SP

FACTORY ORDERED

ITEM	VEHICLE TYPE	DEALER MARK-UP OVER INVOICE
1.	2026 Sedan with Mid-Level Trim and V6 engine	$ 100-
2.	2026 EV Sedan with Mid -Level Trim	$ 100-
3.	2026 Hybrid Sedan with Mid-Level Trim	$ 100-
4.	2026 SUV Crossover with Mid-Level Trim	$ 100-
5.	2026 SUV EV Crossover with Mid-Level Trim	$ 100-
6.	2026 SUV with Mid-Level Trim and V6 engine	$ 100-
7.	2026 SUV EV with Mid-Level Trim	$ 100-
8.	2026 SUV Hybrid with Mid-Level Trim	$ 100-
9.	2026 Truck 11,999 GVWR & Below, Mid-Level trim	$ 100-
10.	2026 EV Truck 10,000 GVWR and below with Mid-Level Trim	$ 100-
11.	2026 Truck 12,000 to 19,999 GVWR, Mid-Level trim	$ 100-
12.	2026 Pursuit Rated SUV	$ 160-

COMMENTS:

(SUBMIT ONLINE)

VEHICLES FOR ANNUAL PURCHASES, SERVICE AND OEM PARTS CONTRACT PW-26-157-SP

DEALER INVENTORY

ITEM	VEHICLE TYPE	DEALER MARK-UP OVER INVOICE
1.	2026 Sedan with Mid-Level Trim and V6 engine	$ 100 —
2.	2026 EV Sedan with Mid -Level Trim	$ 100 —
3.	2026 Hybrid Sedan with Mid-Level Trim	$ 100 —
4.	2026 SUV Crossover with Mid-Level Trim	$ 100 —
5.	2026 SUV EV Crossover with Mid-Level Trim	$ 100 —
6.	2026 SUV with Mid-Level Trim and V6 engine	$ 100 —
7.	2026 SUV EV with Mid-Level Trim	$ 100 —
8.	2026 SUV Hybrid with Mid-Level Trim	$ 100 —
9.	2026 Truck 11,999 GVWR & Below, Mid-Level trim	$ 100 —
10.	2026 EV Truck 10,000 GVWR and below with Mid-Level Trim	$ 100 —
11.	2026 Truck 12,000 to 19,999 GVWR, Mid-Level trim	$ 100 —
12.	2026 Pursuit Rated SUV	$ 100 —

COMMENTS:

(SUBMIT ONLINE)

RATE SHEET

VEHICLES FOR ANNUAL PURCHASES, SERVICE AND OEM PARTS CONTRACT PW-26-157-SP

VEHICLE FEES

ITEM	VEHICLE FEE	PRICE
1.	New Vehicle Mark-Up Fee	$ 100-
2.	Used Vehicle Mark-Up Fee	$ 250-
3.	Delivery Fee (New & Used Vehicle)	$ N/C
4.	Specialty Bed Mark-Up Fee	$ 0-
5.	Document Processing Charge	$ 85-
6.	California Tire Fee (non-taxable)	$ 1.75
7.	Power Train Warranty (closest package available to 100,000 miles)	$ included

COMMENTS: Delivery of all New Vehicles is No charge
Delivery of used also No Charge

(SUBMIT ONLINE)

RATE SHEET

VEHICLES FOR ANNUAL PURCHASES, SERVICE AND OEM PARTS CONTRACT PW-26-157-SP

SERVICE AND OEM PARTS

The City of Fontana will utilize its contracted vendor for warranty as well as occasional "customer pay", repairs on its fleet of vehicles. OEM parts are also purchased on a routine basis for use by the City's Fleet Services Technicians. Please complete the following information on service and OEM parts pricing.

ITEM	DESCRIPTION	UOM	PRICE
1.	Hourly Labor Rate – Passenger Car	Per Hour	$ 195-
2.	Hourly Labor Rate - Truck	Per Hour	$ 195-
3.	Over-The-Counter Parts Purchase	N/A	% 10
4.	Parts with Service/Repair Cost		% 20
5.	Pick-Up Fee for Warranty/Repair Work		$ Ø
6.	Delivery Fee for Warranty/Repair Work		$ Ø

COMMENTS: Pickup + Delivery of all Parts and Vehicles is No Charge

File #: 26-0995
Agenda #: H.

Agenda Date: 5/26/2026
Category: Consent Calendar

FROM:
Finance

SUBJECT:
American Rescue Plan Act Expenditure Plan Quarterly Report

RECOMMENDATION:
Receive and file the American Rescue Plan Act (ARPA) Expenditure Plan quarterly report.

COUNCIL GOALS:

- Operate in a businesslike manner by improving services through the effective use of technology.
- Practice sound fiscal management by producing timely and accurate financial information.
- Practice sound fiscal management by living within our means while investing in the future.
- Practice sound fiscal management by emphasizing capital formation.
- Invest in the City's infrastructure (streets, sewers, parks, etc.) by maintaining and improving the city's existing infrastructure.
- Invest in the City's infrastructure (streets, sewers, parks, etc.) by providing for the development of new infrastructure.
- Invest in the City's infrastructure (streets, sewers, parks, etc.) by creating and promoting community through people, parks, and programs.

DISCUSSION:
The American Rescue Plan Act (ARPA) was signed into law on March 11, 2021, providing additional relief to address the continued impact of COVID-19 on the economy, public health, state and local governments, individuals, and businesses. ARPA funding of $1.9 trillion provided for $362 billion in flexible fiscal aid to state and local governments in America under the State & Local Fiscal Recovery Funds (SLFRF). The City of Fontana was allocated $50.3 million in ARPA SLFRF funds. The U.S. Department of the Treasury issued an Interim Final Rule in May 2021, and the Final Rule in January 2022, to implement the Coronavirus State and Local Fiscal Recovery Funds established under ARPA.

On March 8, 2022, the City Council approved the original ARPA Expenditure Plan (Plan). On September 13, 2022, the City Council subsequently approved a revised Plan which properly categorized existing projects per the Final Rule and eliminated projects that were determined to be ineligible. As all projects were determined eligible in concept for ARPA funding, staff has worked diligently with the City Attorney's office and HdL ECONSolutions ensuring that all project details met ARPA Final Rule requirements. Currently, all projects have received a final legal determination as to

their eligibility.

Current Plan

The current Plan reflects expenditures in four primary Federal Eligible Use Categories. and the table below reflects the current budget by category per the Treasury reporting requirements.

Federal Eligible Use Category Project	Current Plan
1) Public Health & Economic Response	
1.0 Public Health	2,388,561
2.0 Negative Economic Impacts	9,874,843
3.0 PH Negative Economic Impact Public Sector Capacity	16,327,675
2) Revenue Loss	
6.0 Revenue Replacement	10,000,000
3) Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200)	
7.0 Adminstrative	51,433
4) Water, Sewer, and Broadband Infrastructure	
5.0 Infrastucture	10,726,701
5) Premium Pay	
4.0 Premium Pay	887,901
To Be Determined	
Total Programmed	**50,257,113**
Available	**-**
Total Allocation	**50,257,113**

There are no proposed plan revisions for the current reporting period. All projects have been fully obligated meaning committed by contract, purchase order, or interagency agreement as required by Treasury Guidelines as of December 31, 2024. The city must expend all SLFRF funds by December 31, 2026.

Leveraged Projects

The original plan approved by Council included $18.0 million in projects under the Revenue Loss category. However, per the Final Rule, only $10.0 million in funding was available under the standard allowance, leaving $8.0 million in projects unfunded. To address this shortfall, the City identified ARPA-eligible projects that had initially been funded by the General Fund and reprogrammed them to be funded by ARPA instead. This reallocation freed up or leveraged General Fund resources, which were then used to cover the previously unfunded projects. The leveraged projects include a Police Department helicopter ($3.0 million) and various pavement rehabilitation projects ($5.0 million).

Plan Update

As of March 31, 2026, $48.38 million has been expended. Since all projects have been obligated as

of December 31,2024, no changes are expected at this time. Attachment B provides a brief update on each project.

FISCAL IMPACT:
There is no fiscal impact associated with the approval of this item.

MOTION:
Receive and file.

ATTACHMENT A

CITY OF FONTANA
AMERICAN RESCUE PLAN ACT (ARPA) EXPENDITURE PLAN UPDATE
AS OF MARCH 31, 2026

Federal Eligible Use Category Treasury Expenditure Category	Project	Current Plan	Proposed Plan	Estimated Expenditures as of 03/31/26
1) Public Health & Economic Response				
1.0 Public Health	Metrolink Station Security Cameras	66,411	66,411	66,411
	Ventilation Upgrade for City Facilities	2,322,150	2,322,150	2,322,150
2.0 Negative Economic Impacts	Fontana Forward Grant Program	190,786	190,786	190,786
	Homelessness Prevention Resources and Care Center	6,442,229	6,442,229	6,408,682
	Park Improvements	3,241,828	3,241,828	3,072,736
3.0 PH Negative Economic Impact Public Sector Capacity	Leveraged Project: Support Government Employment (hiring above the pre-pandemic baseline)	9,842,762	9,842,762	9,842,763
	Vaccine Bonus	526,986	526,986	526,986
	Leveraged Project: Accela	3,406,636	3,406,636	3,406,636
	Leveraged Project: Fontana 311	2,398,355	2,398,355	2,139,790
	Part-Time Employee Retention	152,936	152,936	152,936
2) Revenue Loss				
6.0 Revenue Replacement	Parking Structure		10,000,000	9,999,606
3) Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200)		10,000,000		
7.0 Adminstrative	Administrative Costs	51,433	51,433	51,433
4) Water, Sewer, and Broadband Infrastructure				
5.0 Infrastucture	Cypress Storm Drain Project	7,340,000	7,340,000	6,071,366
	Data Security & Threat Detection	157,927	157,927	157,927
	Endpoint Detection & Response Solution	154,806	154,806	154,806
	Fiber to City facilities	1,773,968	1,773,968	1,660,210
	Network Detection & Response Solution	-	-	-
	Septic to Sewer	500,000	500,000	471,770
	Storm Drain Infrastructure Masterplan	375,130	375,130	375,130
	Sewer Infrastructure Masterplan	424,870	424,870	424,781
5) Premium Pay				
	Public Safety Premium Pay	887,901	887,901	887,900
	Total	**50,257,113**	**50,257,113**	**48,384,804**
	Total Unappropriated Fund Balance		**-**	
	Total Allocation	**50,257,113**	**50,257,113**	

ATTACHMENT B

CITY OF FONTANA
AMERICAN RESCUE PLAN ACT (ARPA) EXPENDITURE PLAN UPDATE DETAIL
AS OF March 31, 2026

Project	Recommended Amount	Expended As of 03/31/26	Federal Use Category	Description	Est. Project Start Date	Est. Project End Date	Est. Project Cost	Project Update
Administrative Costs	51,433	51,433	Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200)	To cover the administrative direct and indirect costs associated with the ARPA program.	Complete	Complete	51,433	Administrative costs to cover the implementation and oversight of the City's ARPA Expenditure Plan. Costs include but are not limited to City staff time, consultant services including HdL, and City Attorney costs.
Cypress Storm Drain Project	7,340,000	6,071,366	Water, Sewer, and Broadband Infrastructure	Construction of a storm drain facility along Foothill Blvd between Sierra Ave and Cypress Ave and Cypress Ave between Foothill Blvd and Orange Way to connect to the newly constructed West Fontana Channel along the Metrolink railroad track. The project also includes landscaped median on Foothill Blvd, reconstruction of AC pavement, and ADA compliant sidewalks and curb ramps upgrades.	In progress	12/31/2026	26,200,000	The project will be constructed in two phases: - Phase 1 will be on Foothill Blvd between Sierra Ave and Cypress Ave, and on Cypress Ave between Foothill Blvd and Orange Way ($19.7 million) - Phase 2 will be on Cypress Ave between Miller Ave and Foothill Blvd and on Juniper Ave between Miller Ave and Foothill Blvd ($6.5 million) ARPA funds will be used towards the first phase. Phase 2 will be constructed once funding is identified in the future. The total project cost for Phase 1 is funded by ARPA, Local Measure I, Storm Drain, and Landscape. The project opened bid on April 18. The lowest bid came in higher than anticipated. Pending additional project funding allocation, the project has begun its construction with anticipated completion in late 2026.
Data Security & Threat Detection	157,927	157,927	Water, Sewer, and Broadband Infrastructure	A software suite that integrates with our servers and Office 365 to detect, report, and alert on permissions and activity to help detect unauthorized access.	Complete	Complete	157,927	Varonis DatAdvantage software suite was deployed and is currently in use to monitor the City's file servers and Office 365 environment. Approved via consent calendar during the June 28, 2022 City Council meeting. PO #22300174. Project is completed.
Endpoint/Network Detection & Response Solution	154,806	154,806	Water, Sewer, and Broadband Infrastructure	A technology solution that would help detect, alert, and potentially respond automatically to anomalous or malicious network activity on the City's network Network: A technology solution that would help detect, alert, and respond to unauthorized activity on the staff computers throughout the City. This would fill the gap between what anti-virus software will detect and our network defenses.	Complete	Complete	154,806	Combined with Network Detection and Response solution. Purchased Arctic Wolf Managed Detection and Response (MDR) solution to monitor network traffic to alert on malicious or suspicious activity. Approved via consent calendar during the June 14, 2022 City Council Meeting. PO # 22300235. Project is completed
Fiber to City facilities	1,773,968	1,660,210	Water, Sewer, and Broadband Infrastructure	This project would run City owned fiber to our 6 facilities with leased lines, 1police substation with a leased line, 4 of our larger parks that currently have no connectivity, and 1 police substation that currently has no connectivity. This would help facilitate the use of technology at the locations (Wi-Fi, security cameras, irrigation systems, etc.).	In progress	7/31/2026	1,773,968	Sites to be connected are: Palm Court Substation, Southridge Substation, Cypress Center, Don Day Center, Heritage Center, Jack Bulik Center, Martin Tudor Park, Mary Vagle Nature Center, Bill Martin Park, Central City Park, Ralph M. Lewis Sports Complex, South Fontana Park, and Veteran's Park. The project has been advertised and scheduled to open bid on May 7. The project has been started and substantially completed. Final acceptance anticipated in Summer 2026.

CITY OF FONTANA
AMERICAN RESCUE PLAN ACT (ARPA) EXPENDITURE PLAN UPDATE DETAIL
AS OF March 31, 2026

Project	Recommended Amount	Expended As of 03/31/26	Federal Use Category	Description	Est. Project Start Date	Est. Project End Date	Est. Project Cost	Project Update
Fontana Eats Grant Program	190,786	190,786	Public Health & Economic Response	Council approved program to grant Covid Impacted or disproportionate residents $100 to $600 depending on family size and income. On October 25, 2022, City Council approved the Fontana Eats food assistance program to provide a direct benefit to eligible households impacted by COVID-19. As of August 17, 2023, a total 406 households have received $103,512.81 in funding. In partnership with Fontana/s Social Work Action Group (SWAG) this total includes 35 individuals experiencing housing insecurities that received Fontana Eats funding as additional assistance while placed in local rapid housing.	Complete	Complete	190,786	Project details are being developed and will be presented to Council for consideration in September 2022. // Project Name Changed to: Fontana Eats // Council approved program to grant Covid Impacted or disproportionate residents $100 to $600 depending on family size and income // Total Applications Submitted: 225 // First 100 applicants to be funded mid-April. The sunset of the program commenced on or before September 30, 2023. Funds for the Fontana Eats program were exhausted, leaving a total amount of $83,440.00 remaining and any additional funds not expended after final billing from Usio Card Services, were reallocated to ARPA priority projects. This project has been completed.
Homelessness Prevention Resources and Care Center	6,442,229	6,408,682	Public Health & Economic Response	The design and construction of a homeless shelter to serve the homeless population of the City.	Leveraged	Leveraged	17,000,000	Additional funding of $9,000,000 is required and potential sources include: - County of San Bernardino-$5,000,000 - USHUD $4,000,000 Project will provide transitional housing and wrap around services (24 hour managed care) for up to 30 chronically homeless individuals as well as housing and appropriate support services for up to 16 families. This Includes the purchase of a Hotel, the Conversion Costs and 2 years of property management and utilities. Hotel has been purchased and the conversion has been completed with improvements being funded by other sources.
Leveraged Project: Support Government Employment (hiring above the pre-pandemic baseline)	9,842,763	9,842,763	Public Health & Economic Response	Per the Treasury Final Rule, the City may hire above the pre-pandemic baseline and use SLFRF funds to pay for payroll and covered benefits associated with the recipient increasing its number of budgeted FTEs up to 7.5 percent above its pre-pandemic baseline.	Complete	Complete	9,842,763	All costs associated with new positions approved by Council can be considered for this leveraged project, including but not limited to the new Police Department positions added in 2021-22 and 2022-23.
Metrolink Station Security Cameras	66,411	66,411	Public Health & Economic Response	Installation of 8 security cameras at the Fontana Metrolink station to help keep the area more secure. The station currently has no operational cameras, nor any City owned cameras.	Complete	Complete	66,411	Project is complete. Delays were due to supply chain issues.

CITY OF FONTANA
AMERICAN RESCUE PLAN ACT (ARPA) EXPENDITURE PLAN UPDATE DETAIL
AS OF March 31, 2026

Project	Recommended Amount	Expended As of 03/31/26	Federal Use Category	Description	Est. Project Start Date	Est. Project End Date	Est. Project Cost	Project Update
Leveraged Project: Accela	3,406,636	3,406,636	Public Health & Economic Response	This is a new project and it is recommended that it is funded in the amount of $3.6 million in an effort to leverage funds for projects originally requested in the Revenue Loss category.	Complete	Complete	3,406,636	In 2021 the Innovation and Technology Department began efforts to improve business processes in the land management and permitting systems. During the pandemic, it became clear that paper processes were no longer an effective way of serving our residents or business partners. The city wished to replace the existing solution with an improved digital solution to meet the needs of city employees, residents, and businesses. Over the course of a year, city staff reviewed processes and gathered requirements for a new solution. A new solution was selected in late 2021 to help improve processes in the land management and permitting system space. Throughout 2022 the IT department has continued to lead this project, working alongside almost every city department to ensure the new solution will be tailored to meet the city of Fontana's needs in this space. This project has been a 3-year effort, and we are now nearing the tail-end of the project. The new, improved solution will seamlessly connect with surrounding systems, assist customers with an easy-to-use interface, ensure city employees process requests in a consistent and efficient manner, and provide dynamic insights to internal operations. The new solution went live July 2023 and has required some improvements/enhancements. This project has been completed.
Leveraged Project: Fontana 311	2,398,355	2,139,790	Public Health & Economic Response	This is a new project and it is recommended that it is funded in the amount of $3.2 million in an effort to leverage funds for projects originally requested in the Revenue Loss category.	In Progress	12/1/2026	2,398,355	The City of Fontana developed and implemented the Fontana 311 system to improve communication and streamline services to its Residents and Businesses by bringing all customer interactions to one central location. The Fontana 311 system will be a one-stop shop for businesses and residents to file complaints, get answers to questions, keep residents informed and overall improve citizen engagement.The Innovation and Technology department led the project to develop this new system and was sponsored by our Communications and Marketing office. Throughout 2022 and 2023, there has been extensive work with almost every city department to ensure all city services are captured within the application. Residents will be able to call 311, use a website, or our 311 app to make that first request and then see it through to completion. The Fontana 311 system will allow staff to track requests from initiation to completion. Fontana 311 offers digital government services and makes interacting with government a much smoother process for our residents and businesses. The Fontana 311 system went live in February of 2023 and is now entering phase 2 of the project, which will bring an IVR with AI to assist our residents when they call for services. The project is in progress and is expected to be completed by December 2026.

CITY OF FONTANA
AMERICAN RESCUE PLAN ACT (ARPA) EXPENDITURE PLAN UPDATE DETAIL
AS OF March 31, 2026

Project	Recommended Amount	Expended As of 03/31/26	Federal Use Category	Description	Est. Project Start Date	Est. Project End Date	Est. Project Cost	Project Update
Park Improvements	3,241,828	3,072,736	Public Health & Economic Response	Improvements are being recommended at the following 11 parks: --Veteran's Park-installa+tion of ballfield dugout shade structures (Completed) - Veteran's West Park -installation of new ballfield backstops Construction (Completed) - Seville Park (installation of new ADA Inclusive playground structure (Completed) - Fernandez Park -(Completed) - Bill Martin Park -Ballfield dugout shade structures and Shade structures for spectator areas(Completed) - Northgate Park (installation of playground, shade structure and ADA inclusive playground equipment- (Completed)+A13:G13 - North Tamarind Park (installation of new jumbo park gazebo for large groups, a new ADA inclusive playground, shade structures, and rubber safety surfacing- (Completed) - Lemon Pepper Park (installation of playground shade structure(Completed) - Carmela Park (installation of playground shade structure (Completed) -Miller Park-Improvements (Completed) -Jack Bulik improvements (Completed)	Leveraged	Leveraged	3,241,828	Improvements are being recommended at the following 11 parks: --Veteran's Park-installation of ballfield dugout shade structures (Completed) - Veteran's West Park -installation of new ballfield backstops Construction (Completed) - Seville Park (installation of new ADA Inclusive playground structure (Completed) - Fernandez Park -(Completed) - Bill Martin Park -Ballfield dugout shade structures and Shade structures for spectator areas(Completed) - Northgate Park (installation of playground, shade structure and ADA inclusive playground equipment- (Completed) - North Tamarind Park (installation of new jumbo park gazebo for large groups, a new ADA inclusive playground, shade structures, and rubber safety surfacing- (Completed) - Lemon Pepper Park (installation of playground shade structure(Completed) - Carmela Park (installation of playground shade structure (Completed) -Miller Park-Improvements (Completed) -Jack Bulik improvements (Completed)
Parking Structure	10,000,000	9,999,606	Revenue Loss	The project will construct a new parking structure within the parking lot of the Fontana HR Office.	Complete	Complete	15,000,000	The proposed project is to be constructed within the existing parking lot of the City's Human Resources Department Building located at 8491 Sierra Avenue, Fontana, CA 92335, and shall consist of a 4-tier parking structure. Each tier will have a footprint of approximately 130 feet by 230 feet with two vehicular entrances, one along Learner Lane and the other along Wheeler Avenue. The City anticipates the structure to include 311 vehicular parking spaces and two elevators. The intent of the structure is to serve as both public and employee parking for the civic center campus. The Design-Build contract was approved by council on June 13, 2023. The construction has been completed and accepted by City Council in September, 2025.
Part-Time Employee Retention	152,936	152,936	Public Health & Economic Response	Project includes recruitment and retention bonuses for part-time personnel.	Complete	Complete	152,936	Project includes recruitment and retention bonuses for part-time personnel with a current allocation of $250,000.
Public Safety Premium Pay	887,901	887,901	Premium Pay	Project includes public safety retention bonuses which were previously categorized as Employee Retention/Incentive as Public Health & Economic Response.	Complete	Complete	887,901	Project includes public safety retention bonuses. Project is Complete
Septic to Sewer	500,000	471,770	Water, Sewer, and Broadband Infrastructure	The project will provide septic to sewer conversion in a disadvantaged communities (DAC) area in the city.	In Progress (Staff support only)	12/31/2025(staff will continue to change until county completes construction)	2,000,000	The City will create sewer mainline construction plans on Arrow Ave between Ilex Street and Beech Ave, Cherry Avenue from Arrow Blvd to Foothill Blvd, and Beech Avenue from Arrow Blvd to Foothill Blvd per the City's Master Plan of Sewer. The Design phase has been completed. The San Bernardino County will lead construction. Staff charges will continue during the construction.

CITY OF FONTANA
AMERICAN RESCUE PLAN ACT (ARPA) EXPENDITURE PLAN UPDATE DETAIL
AS OF March 31, 2026

Project	Recommended Amount	Expended As of 03/31/26	Federal Use Category	Description	Est. Project Start Date	Est. Project End Date	Est. Project Cost	Project Update
Storm Infrastructure Masterplan	375,130	375,130	Water, Sewer, and Broadband Infrastructure	For consultant provided services in order to develop a masterplan document to forecast future infrastructure needs.	Complete	Complete	375,130	Contract with David Evans and Associates. for $375,130 was approved on October 10, 2022. Contract is being funded by ARPA. Due to staff shortage in consultant, the expected date for Council workshop is September 2024.Contract has been completed.
Sewer Infrastructure Masterplan	424,870	424,781	Water, Sewer, and Broadband Infrastructure	Storm Drain and Sewer master plans update. With completed projects and various changes since the last update, the master plans are due for an update.	Complete	Complete	424,870	Contract with Albert A. Webb Associates, Inc. for $478,502 was approved on October 3, 2022. Contract is being funding by ARPA and $53,632 from Fund 702. An addendum for $40,000 is approved by the City Council from Fund 702 to provide more detailed analysis of the Downtown Area with the funds being drawn from the Sewer Capital Projects Fund. Due to additional scope of the project, the project will be ready for a Council workshop in September 2024. As of 10/20/2025 the Contract is complete. Expenditures are being reconciled for completeness.
Vaccine Bonus	526,986	526,986	Public Health & Economic Response	Project includes a citywide vaccine bonus.	Complete	Complete	526,986	Project includes a citywide vaccine bonus. Citywide Vaccine Bonus, 40 hours per full-time employee with a current allocation of $526,986. Project ended in December 31, 2022.
Ventilation Upgrade for City Facilities	2,322,150	2,322,150	Public Health & Economic Response	Upgrades to existing HVAC equipment to provide better protection to employees from Covid-19.	Complete	Complete	2,322,150	Project went out to bid and closed August 23, 2022. Bid responses are being evaluated by Purchasing and contract will be presented to council for consideration in September 2022. Installation began January 2023 and was completed July of 2023. There were a total of 990 air purifiers installed along with 200 air monitors in a total of 20 city buildings. Project is complete
Total	**50,257,114**	**48,384,804**						

8437 Sierra Avenue
Fontana, CA 92335

File #: 26-1002
Agenda #: I.

Agenda Date: 5/26/2026
Category: Consent Calendar

FROM:
Police Department

SUBJECT:
Police Department Monthly Information Update

RECOMMENDATION:
Accept the Police Department monthly information update for March 2026.

COUNCIL GOALS:

- Operate in a businesslike manner by creating a memorable customer experience with every interaction.
- Increase citizen involvement by informing the public about issues, program, and accomplishments.
- Concentrate on Inter-governmental relations by establishing partnerships and positive working relationships with other public agencies providing services to residents and local businesses.

DISCUSSION:
The March 2026 monthly information report has been completed. Once the report is accepted by the City Council it will be featured on the Department website.

FISCAL IMPACT:
There is no fiscal impact.

MOTION:
Approve staff recommendation.

POLICE DEPARTMENT MONTHLY REPORT

March 2026

KA1

NOTEWORTHY EVENTS

- Fontana Police participated in the Ar-Rahman Islamic Center Ramadan event by preparing dinner for over 300 members.
- COPE participated in Burrito and Badges at the Taco Man Restaurant.
- Lt. Kraut hosted the Area @ Area Commander Meeting at Almeria Middle School.
- Lt. Tracy Dills Graduated from the FBI National Academy.
- Fontana Police Department Special Operations recovered over 2100 pounds of methamphetamine and over 1000 fentanyl pills. Special Operations also recovered over 1.5 million dollars of stolen cargo from local businesses.
- Fontana Police participated in the Spring Street Market Night.
- ICAC arrested several individuals for sexual exploitation of minors.

Slide 2

KA1 Kevin Anderson, 2/9/2021

POLICE
POLICE
POLICE
POLICE

CITYWIDE

- Priority 1 response time- 4:25(Emergency calls like subject not breathing, shots fired, and other immediate risk to life/safety)
- Calls for service- 9,306
- Total arrests- 460
  - Hispanic- 299, White- 69 , Black- 69, All other races-23
- Total Group A Offenses- 591
  - Crimes Against Persons- 164
  - Crimes Against Property- 291
  - Crimes Against Society- 136

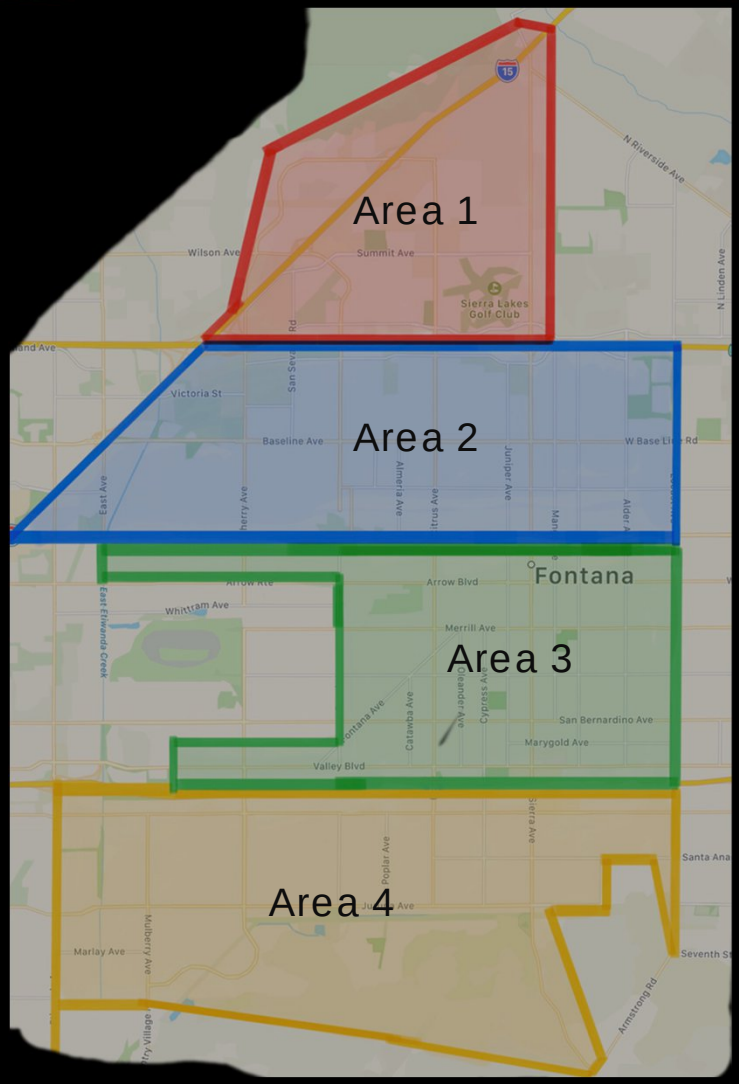
CITYWIDE

- Crimes Against Person- 164
  - Homicide- 2
  - Sex Offenses- 9
  - Assault- 137
  - Kidnapping- 4
  - Other- 12
- Crimes Against Property- 291
  - Robbery- 9
  - Burglary- 21
  - Larceny- 130
  - Destruction of Property- 37
  - Fraud- 30
  - Possession of Stolen Property- 24
  - Motor Vehicle Theft- 34
  - Other Miscellaneous Property Crimes- 6
- Crimes Against Society- 136
  - Drug and Paraphernalia Possession- 120
  - Possession of Child Pornography- 9
  - Possession of Weapons- 6
  - Other Miscellaneous Crimes- 1

CRIMES BY BEAT

- Police Department Beat system is NOT geographically the same as City Council representation Districts

- Beat 1- All area north of 210 Freeway
- Beat 2- All area south of 210 Freeway and north of Foothill
- Beat 3- All area south of Foothill and north of 10 Freeway
- Beat 4- All area south of the 10 Freeway



BEAT 1

AREA COMMANDER IS LIEUTENANT KYLE SLUSSER
EMAIL- KSLUSSER@FONTANACA.GOV
DESK- (909) 350-7716

- Total Group A Offenses- 56
- Crimes Against Persons- 10
- Crimes Against Property- 41
- Crimes Against Society- 5

BEAT 2

AREA COMMANDER IS LIEUTENANT MATT KRAUT
EMAIL- MKRAUT@FONTANACA.GOV
DESK- (909) 356-7142

- Total Group A Offenses- 162
- Crimes Against Persons- 56
- Crimes Against Property- 81
- Crimes Against Society- 25

BEAT 3

AREA COMMANDER IS LIEUTENANT ADAM CLABAUGH
EMAIL – ACLABAUGH@FONTANACA.GOV
DESK – (909) 350-7706

- Total Group A Offenses- 284

- Crimes Against Persons- 72
- Crimes Against Property- 110
- Crimes Against Society- 102

Beat 4

AREA COMMANDER IS LIEUTENANT KEITH ZAGORIN
EMAIL – KZAGORIN@FONTANACA.GOV
DESK – (909) 350-7707

- Total Group A Offenses- 89
- Crimes Against Persons- 26
- Crimes Against Property- 59
- Crimes Against Society- 4

ADDITIONAL USEFUL INFORMATION

- For more information regarding specific geographical crime data, visit www.crimemapping.com and enter your zip code
- Police Department information line- (909) 350-7740
- Police Department Dispatch non-emergency line- (909) 350-7700
- Anonymous crime reporting (909) 356-TIPS to leave a recorded message
- Report Graffiti on City Property- (909) 350-GONE
- Office of the Chief- (909) 350-7702 or mdorsey@fontanaca.gov

File #: 26-0851
Agenda #: A.

Agenda Date: 5/26/2026
Category: Public Hearing

FROM:
Planning Department

SUBJECT:
Master Case No. 26-0011 and Municipal Code Amendment No. 26-0002: Fontana Municipal Code amendments to Chapter 30 to modify standards for outdoor dining and parking standards in the downtown core, make revisions to the No Net Loss program, add definitions to differentiate vehicle parking from storage, clarify timing of entitlement applications, and modify the definition of accessory land uses, pursuant to a categorical exemption from the California Environmental Quality Act ("CEQA") in accordance with CEQA Guidelines Sections 15060(c), 15378, and 15061(B)(3).

RECOMMENDATION:
1. Find that the adoption of the proposed ordinances are categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c), 15378, and 15061(B)(3) (the common-sense exemption), and Sections No. 3.01, 3.22, and10.59 of the 2019 Local Guidelines for Implementing CEQA.

2. Waive full reading and introduce for first reading by title only **Ordinance No. 1988** entitled: "An Ordinance Of The City Council Of The City Of Fontana, California, Amending Multiple Sections Of The Fontana Municipal Code, Including Amendments To Article XV Pertaining To Provisions Of The No Net Loss Program Including Sections 30-966 Through 30-969 And Sections 30-971 And 30-972, Pursuant To A Categorical Exemption In Accordance With CEQA Guidelines Sections 15060(C), 15061(B)(3), And Section 15378.And Directing Staff To File A Notice Of Exemption. "

3. Waive full reading and introduce for first reading by title only **Ordinance No. 1989** entitled: "An Ordinance Of The City Council Of The City Of Fontana, California, Amending Multiple Sections Of The Fontana Municipal Code, Including Amendments To Sec. 30-12 Pertaining To The Definition Of Accessory Use, Principal/Primary Use, Vehicle And Truck Storage And Vehicle And Truck Parking; Sec. 30-21 Pertaining To The Expiration Of Entitlement Applications; Sec. 30-360 Pertaining To Outdoor Dining In The Public Right-Of-Way In The Downtown Core; Sec. 30-371.2 Pertaining To Parking Requirements For Retail, Entertainment And Restaurant Uses In The Downtown Core; Sec. 30-390 To Correct Section References, Pursuant To A Categorical Exemption In Accordance With CEQA Guidelines Sections 15060(C), 15061(B)(3), And Section 15378.And Directing Staff To File A Notice Of Exemption. "

COUNCIL GOALS:
- Promote economic development by establishing a quick, consistent development process.
- Promote economic development by being business friendly at all levels and striving to constantly improve the city's competitiveness.
- Concentrate on Inter-governmental relations by advocating Fontana's position in regional,

state, and federal organizations.

DISCUSSION:

BACKGROUND

The City of Fontana's Zoning and Development Code regulates the development of commercial, industrial and residential projects. Staff conducts ongoing reviews of the Municipal Code to determine where language within the code would benefit from updates, clarification, redefinition, or additions to help streamline and facilitate the development process and commercial business activity.

On April 21, 2026, the Planning Commission considered a request for an amendment to Chapter 30 regarding Municipal Code Amendment No. 26-0002. The Planning Commission voted unanimously to approve a resolution recommending that the City Council approve the proposed ordinance.

PROJECT DESCRIPTION

Municipal Code Amendment No. 26-0002 provides updates to Section 30 (Zoning and Development Code) as described below. A detailed list of the proposed amendments is provided within Exhibit "A" of the Ordinance.

ANALYSIS

The request includes the following modifications:

Outdoor dining in the downtown core - Modification of standards for outdoor dining in the public right-of-way in the downtown core to including minimum pedestrian path width, design standards, and permit requirements.

Parking standards in the downtown core - Modification to eliminate parking requirements for retail, entertainment and restaurant uses in the downtown core that are within 400 of City-owned public parking lots or structures.

Vehicle parking and storage - Addition of definitions for vehicle parking and vehicle storage to differentiate between the uses, which will provide clarity and uniformity in application by staff and applicants.

Application timing - Modification to entitlement processing timelines to clarify that entitlement applications that have not been deemed complete within 180 days will be closed/withdrawn.

Accessory and principal use definition - Modification of the definition of accessory and principal land uses to provide an objective proportion as it relates to floor or site area, which will provide clarity and uniformity in application by staff and applicants. These modifications relate only to Article 15 - No Net Loss Program, and have been placed in a standalone ordinance.

No Net Loss Program adjustments - Modifications to the No Net Loss Program to reduce the maximum number of units allowed to be included in the unit bank and replacing a required agreement with a memorandum to memorialize the use of units from the bank by development projects. Additional modifications include the elimination of the minimum development site size, the inclusion of the Form-Based Code zone in the allowable zoning districts where the banked units may be used and providing proportional reductions of certain development standards to incentive the use of the unit bank. These modifications relate only to Article 15 - No Net Loss Program, and have been

placed in a standalone ordinance.

In summary, the proposed amendments will provide for flexibility and streamlining of the City's Zoning and Development Code to facilitate desirable development within the City.

ENVIRONMENTAL REVIEW

The proposed ordinance is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c), 15378, and 15061(B)(3) (the common-sense exemption), and Sections No. 3.01, 3.22 and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the ordinance is covered by the rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and also by the common sense exemption which provides that, where it can be determined with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

ATTACHMENTS:

Attachment No. 1 - Ordinance for No Net Loss Program Amendment
Attachment No. 2 - Ordinance for All Other Amendments
Attachment No. 3 - Planning Commission Packet
Attachment No. 4 - Planning Commission Minutes
Attachment No. 5 - Public Hearing Notice

FISCAL IMPACT:

None.

MOTION:

Approve staff's recommendation.

ORDINANCE NO. 1988

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA, AMENDING ARTICLE XV PERTAINING TO PROVISIONS OF THE NO NET LOSS PROGRAM INCLUDING SECTIONS 30-966 THROUGH 30-969 AND SECTIONS 30-971 AND 30-972, PURSUANT TO A CATEGORICAL EXEMPTION IN ACCORDANCE WITH CEQA GUIDELINES SECTIONS 15060(C), 15061(B)(3), AND SECTION 15378 AND DIRECTING STAFF TO FILE A NOTICE OF EXEMPTION.

WHEREAS, pursuant to Government Code section 37100, the legislative body of a city may pass ordinances not in conflict with the Constitution and laws of the State or the United States; and

WHEREAS, Government Code sections 50022.1 to 50022.10 authorize a city to codify and recodify its ordinances; and

WHEREAS, through Municipal Code Amendment ("MCA") No. 26-0002, the City of Fontana ("City") desires to restate without substantive revision, amend and recodify certain ordinances codified in the Fontana Municipal Code ("FMC"); and

WHEREAS, the City of Fontana General Plan ("General Plan") includes policies and actions calling for numerous updates to the FMC; and

WHEREAS, Article XV. No Net Loss Program Sections 30-966 through 30-969 and Sections 30-971 and 30-972 are amended to modify program provisions related to allowable zoning district, minimum lot size, development standard application, unit bank capacity, and the memorialization of the use of the unit bank; and

WHEREAS, the amendments in MCA No. 26-0002 are consistent and compatible with the General Plan and are in line with goals, policies and objectives of the City, the Housing Element policies and the Zoning and Development Code; and

WHEREAS, the amendments in MCA No. 26-0002 are in conformity with appropriate land use practices and will establish appropriate development standards for the land use designations; and

WHEREAS, the amendments in MCA No. 26-0002 attached hereto as Exhibit "A" and incorporated herein by reference, will not be detrimental to the public health, safety and general welfare, nor will it adversely affect the orderly development of property; and

WHEREAS, on April 21, 2026, the Fontana Planning Commission ("Planning Commission") held a public meeting on MCA No. 26-0002 where it received evidence and

public testimony on the Code amendments and recommended that the Fontana City Council ("City Council") determine that the amendments are exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15060(c), 15378, and 15061(B)(3) (the common-sense exemption), and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA. in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and

WHEREAS, the Planning Commission carefully considered all information pertaining to the municipal code amendments, including the staff report, and all the information, evidence, and testimony presented at its public hearing on April 21, 2026; and

WHEREAS, on May 26, 2026, the City Council held a public hearing on MCA No. 26-0002 where City Council received evidence and public testimony pertaining to the Zoning and Development Code amendments and documentation from the Planning Commission's public hearing on April 21, 2026; and

WHEREAS, the City Council carefully considered all information pertaining to MCA No. 26-0002 that was presented at its public hearing on May 26, 2026; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred.

THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA DOES ORDAIN AS FOLLOWS:

Section 1. Recitals. The above recitals are true, correct and incorporated herein by reference.

Section 2. CEQA. The City Council hereby determines that the code amendments are exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15060(c), 15378, and 15061(B)(3) (the common-sense exemption) and Sections 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA. Staff is directed to file a Notice of Determination pursuant to the foregoing.

Section 3. Municipal Code Amendment Findings. The City Council hereby makes the following finding for MCA No. 26-0002 in accordance with Section 30-40 "Purpose" of the Fontana Zoning and Development Code:

Finding: **A Zoning and Development Code may be amended by changing the development standards (text) or zoning designation map boundaries of any zone whenever such an amendment is deemed necessary to protect or promote the public's health, safety or general welfare or when modification is viewed as**

appropriate in the context of generally accepted planning principles, surrounding land uses, and the General Plan.

Finding of Fact: The proposed Municipal Code Amendment will provide modifications to the No Net Loss Program, making it more feasible to utilize units deposited into the unit bank. The modifications will also ensure clarity and provide more assurances in the development process as it pertains to the utilization of the No Net Loss Program units. This will streamline the City's development requirements and processes while facilitating an increase in housing development. As such, it promotes the General Plan goals of adequate housing to meet the needs of all residents in Fontana.

Section 4. Development Code Amendment Approval. Based on the foregoing, the City Council hereby approves the amendments as set forth in MCA No. 26-0002, which is attached hereto as Exhibit "A" and incorporated herein by reference as fully set forth herein.

The City Council further stipulates that the ordinance adopting the amendments to the Zoning and Development Code, under MCA No. 26-0002, does not apply to development applications deemed complete by the City of Fontana Planning Department prior to the ordinance's effective date. The City Council also stipulates that any such completed pre-adoption applications not conforming to these amendments after the ordinance's effective date, once approved by the appropriate approving body, be granted legal non-conforming status, with all applications deemed complete on or after the ordinance's adoption being subject to its provisions.

Section 5. Effective Date/Publication. This Ordinance shall take effect thirty (30) days after the date of the adoption and prior to the expiration of fifteen (15) days from the passage thereof, shall be published by the City Clerk at least once in the Fontana Herald News, a local newspaper of the general circulation, published and circulated in the City of Fontana, and henceforth and thereafter the same shall be in full force and effect.

Section 6. Custodian of Records. The documents and materials that constitute the record of proceedings on which this Ordinance is based are located at the City Clerk's office located at 16860 Valencia Avenue, Fontana, CA 92335. The custodian or records is the City Clerk.

Section 7. Certification. The City Clerk of the City Council shall certify the adoption of this Ordinance.

Section 8. Severability. If any provision of this Ordinance or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application.

APPROVED AND ADOPTED this 9th day of June 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 Ordinance is the actual Ordinance adopted by the City Council and was introduced at a regular meeting on the 26th day of May 2026, and was finally passed and adopted not less than five days thereafter on the 9th day of June 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

“EXHIBIT A”

AMENDMENT TO FONTANA MUNICIPAL CODE CHAPTER 30
(*Additions shown in underline, deletions shown in ~~strikeout~~)

ARTICLE XV. NO NET LOSS PROGRAM

Sec. 30-965. Purpose and authority.

The City desires to ensure its compliance with Senate Bill 330 (SB330) and establish a no Net Loss Density Bonus Program for certain residential projects. This chapter provides, concurrent with the approval of any change in zone from a residential use to a less intensive or non-residential use, a density bonus will become available to project applicants subsequently seeking to develop property for residential use within the City. In doing so, the proposed Section will ensure that there is no net loss of residential capacity within the City as required by SB330.

On October 9, 2019, the California Legislature adopted SB330 which, among other things, adopted Government Code § 66300, declared a housing crisis in the State of California and imposed certain requirements designed to streamline the construction of new housing, and prevent the loss of existing housing and land available for future residential use, unless the City concurrently changes the development standards, policies, and conditions applicable to other areas of the affected jurisdiction to ensure no net loss in residential capacity. SB330 became effective on January 1, 2020.

Sec. 30-966. Definitions.

Except as otherwise expressly set forth herein, the following words and terms as used in this chapter shall have the following meanings:

Density Bonus. A density increase of up to those percentages above the otherwise maximum residential density as specified in this chapter.

~~*Density Bonus/Transfer Agreement.* A legally binding agreement between a developer of a Housing Development and the City containing such terms and conditions as determined by the City Attorney, which ensures that the requirements of this chapter are satisfied.~~

Density Bonus Units. Those residential units granted pursuant to the provisions of this chapter, that exceed the maximum residential density for the development site and that are available in the Unit Bank.

Director of Planning. The Director of Planning of the City of Fontana.

Housing Development. Construction projects consisting of five or more residential units or Lots, including single-family and multifamily, that are proposed to be constructed pursuant to this chapter.

Lot. (1) a Lot when shown as a delineated Lot of land with a number or other designation on a parcel map or tract map and not to be used for the common benefit of other Lots recorded in the Office of the County Recorder of San Bernardino County and

legally created under the Subdivision Map Act ; (2) a Lot of land held under separate ownership from adjacent property that constitutes a legal lot under applicable Law.

Maximum Residential Density. The maximum number of residential units permitted by the City's General Plan Land Use Element and Zoning and Development Code, applicable to the subject property at the time an application for the construction of a Housing Development is deemed complete by the City, excluding the additional units permitted by this chapter.

Unit Bank. The number of units available to the No Net Loss Program as a result of a change of zone from a residential use to a less intensive residential use or a non-residential use. The Director of Planning, or his or her designee, shall have the sole authority to administer and maintain the Unit Bank balances, credits and availability as he or she determines, which determination shall be final.

Sec. 30-967. Requirements.

The City shall grant a density bonus through the No Net Loss Program to projects which meet the following criteria:

~~(1) The project is on a parcel of at least one acre, or the applicant is processing an application concurrently with a parcel merger of two or more Lots or more which will create a Lot of not less than one-acre.~~

~~(2)~~(1) The project takes place in one of the following residential zones in the City:

a. Residential Estate (R-E).

b. Single-Family Residential (R-1).

c. Medium-Density Residential (R-2).

d. High-Density Residential (R-3).

e. Multi-Family Medium-High Residential (R-4).

f. Multi-Family/High Residential (R-5).

g. Residential Planned Community (R-PC).

h. Form-Based Code (FBC).

~~(3)~~(2) In determining the number of Density Bonus Units to be granted transferred) pursuant to this section, the maximum allowable residential density for the site shall be calculated as follows:

a. Multiplying the maximum density allowed under the applicable zoning designation and multiplying the result by 1.2 for a 20 percent density bonus. If the result, including the density bonus, contains a fraction of a unit, the number of allowable units shall be determined by rounding down to the nearest whole number if the fraction is below 0.5. Calculations containing fractions of 0.5 or above shall be rounded up.

b. Density bonuses in the No Net Loss Program can be combined with other density bonus programs as established in Article II, Division 25 - Density Bonus of the Fontana Municipal Code.

1. In no case shall the number of No Net Loss/Density Bonus Units awarded under the No Net Loss Program exceed the number of units in the Unit Bank.

2. In no case shall the number of No Net Loss/Density Bonus Units available in the Unit Bank exceed ~~2,200~~ 1,600 units.

~~(4)~~(3) A Density Bonus/Transfer Agreement shall be required for any project seeking a density bonus as part of the No Net Loss Density Bonus Program.

~~(5)~~(4) The Planning Department shall publish the available number of units available in the Unit Bank on the Planning Department's page on the City's website. The number of units available is expected to change periodically and, as such, any information contained on the City's website, or any other published source shall be considered draft for informational purposes only. Confirmation of the number of units available shall be made upon submittal of a development application, including the payment of appropriate fees.

Sec. 30-968. Types of bonuses allowed.

(a) Density Bonus. The density bonus allowed by this chapter shall consist of those density increases specified in Section 30-967 above the maximum residential density applicable to the site as of the date of the project land use permit application.

(b) Mixed use zoning allows the Housing Development to include nonresidential uses. Approval of mixed-use activities in conjunction with the No Net Loss program is permissible if authorized elsewhere under the Fontana Municipal Code and subject to those requirements. A density bonus will be granted only for the residential portion of a mixed use development.

Sec. 30-969. Development standards.

~~All development standards for the base zone and/or overlay district shall be met. Granting of a density bonus does not constitute approval of or grounds for modification or waiver of any development standard or other requirement of the Fontana Municipal Code.~~

A proportional adjustment (up to 20%) shall be allowed for the following development standards: building setbacks, minimum lot area and dimensions, and lot coverage.

Sec. 30-970. Processing of no net loss program requests.

An Application which proposes to change a land use designation or zoning ordinance to a less intensive use may request concurrent approval by the City Council to transfer the unit reduction to a No Net Loss Density Bonus Bank for the purpose of complying with SB330.

An Application which proposes to utilize units available in the No Net Loss Density Bonus Bank shall submit a density bonus transfer application in conjunction with the permit and entitlement application submittal package required for the project. A density

bonus transfer application pursuant to this chapter shall be processed along with the application for development. The process for obtaining preliminary approval of the Density Bonus Transfer Agreement, shall be as follows:

(1) Filing. An applicant proposing a Housing Development pursuant to this chapter shall submit a concurrent application for a Density Bonus Transfer Agreement as part of the submittal of any formal request for approval of a Housing Development. The application, whether a pre-application or a formal application, shall include:

(2) A general description of the proposed project, general plan description, applicable zoning, maximum possible density permitted under the current zoning and general plan description and such other information as is necessary.

(3) A calculation of the density bonus allowed pursuant to this division.

(4) A statement detailing the number of density bonus units being proposed over and above the number of units normally permitted by the applicable zoning and general plan description.

(5) City review of and action on the applicant's proposal for a density bonus shall occur concurrently with the processing of any other required entitlements, if any. The fact that another required entitlement might be subject to discretionary approval does not subject the application for a density bonus/transfer under this section to discretionary approval; they will merely be processed at the same time.

Sec. 30-971. No net loss program density bonus ~~agreement~~ memorandum.

(a) The terms of the ~~draft~~ density bonus/transfer ~~agreement (Agreement)~~ shall be ~~reviewed and revised~~ documented ~~as appropriate~~ in a project memorandum requested by the applicant and issued by the Director of Planning ~~and the City Attorney for final approval~~. ~~(b)At a minimum, t~~The ~~Agreement~~ memorandum shall include ~~the following:(1) T~~the total number of units, both permitted and available through the density bonus/transfer, proposed within the Housing Development.~~;~~

~~(2) A schedule for completion and occupancy of the units; and~~

~~(3) A description of remedies for breach of the Agreement by either party.~~

(b) A project that qualifies for a unit bank density bonus and complies with all other objective development standards inclusive of those standards modified by the No Net Loss program shall have its unit bank request processed ministerially by the City within 30 days of the City's receipt of written correspondence indicating that the project seeks a unit bank density bonus.

Sec. 30-972. Implementation.

(a) The provisions of this chapter shall be administered by the Planning Department.

(b) Projects requesting density bonus/transfer through this No Net Loss Program are subject to processing through the requirements in this chapter.

(c) A project that qualifies and uses a unit bank density bonus and complies with all other objective development standards shall be considered consistent with local objective development standards for the purpose of any applicable state law.

ORDINANCE NO. 1989

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA, AMENDING MULTIPLE SECTIONS OF THE FONTANA MUNICIPAL CODE, INCLUDING AMENDMENTS TO SEC. 30-12 PERTAINING TO THE DEFINITION OF ACCESSORY USE, PRINCIPAL/PRIMARY USE, VEHICLE AND TRUCK STORAGE AND VEHICLE AND TRUCK PARKING; SEC. 30-21 PERTAINING TO THE EXPIRATION OF ENTITLEMENT APPLICATIONS; SEC. 30-360 PERTAINING TO OUTDOOR DINING IN THE PUBLIC RIGHT-OF-WAY IN THE DOWNTOWN CORE; SEC. 30-371.2 PERTAINING TO PARKING REQUIREMENTS FOR RETAIL, ENTERTAINMENT AND RESTAURANT USES IN THE DOWNTOWN CORE; SEC. 30-390 TO CORRECT SECTION REFERENCES, PURSUANT TO A CATEGORICAL EXEMPTION IN ACCORDANCE WITH CEQA GUIDELINES SECTIONS 15060(C), 15061(B)(3), AND SECTION 15378.AND DIRECTING STAFF TO FILE A NOTICE OF EXEMPTION.

WHEREAS, pursuant to Government Code section 37100, the legislative body of a city may pass ordinances not in conflict with the Constitution and laws of the State or the United States; and

WHEREAS, Government Code sections 50022.1 to 50022.10 authorize a city to codify and recodify its ordinances; and

WHEREAS, through Municipal Code Amendment ("MCA") No. 26-0002, the City of Fontana ("City") desires to restate without substantive revision, amend and recodify certain ordinances codified in the Fontana Municipal Code ("FMC"); and

WHEREAS, the City of Fontana General Plan ("General Plan") includes policies and actions calling for numerous updates to the FMC; and

WHEREAS, Section 30-12. – List of definitions. is amended to modify the definition of primary/principal land use and accessory land use and to add definitions for vehicle and truck storage and vehicle and truck parking; and

WHEREAS, Section 30-21. – Expiration of application. is amended to correct a reference to the Planning Department and Director of Planning and remove the statement that inactivity is required to withdraw entitlement applications that have not been deemed complete within 180 days of submittal; and

WHEREAS, Section 30-360. – Special use regulations. is amended to modify the standards and permit requirements for outdoor dining in the downtown core; and

WHEREAS, Section 30-371.2. Sierra core. is amended to eliminate the parking requirement for retail, entertainment and restaurant uses in the downtown core located within 400 feet of a City-owned parking lot or structure; and

WHEREAS, Section 30-390. Off-street parking and loading standards. is amended correct a section reference; and

WHEREAS, the amendments in MCA No. 26-0002 are consistent and compatible with the General Plan and are in line with goals, policies and objectives of the City, the Housing Element policies and the Zoning and Development Code; and

WHEREAS, the amendments in MCA No. 26-0002 are in conformity with appropriate land use practices and will establish appropriate development standards for the land use designations; and

WHEREAS, the amendments in MCA No. 26-0002 attached hereto as Exhibit "A" and incorporated herein by reference, will not be detrimental to the public health, safety and general welfare, nor will it adversely affect the orderly development of property; and

WHEREAS, on April 21, 2026, the Fontana Planning Commission ("Planning Commission") held a public meeting on MCA No. 26-0002 where it received evidence and public testimony on the Code amendments and recommended that the Fontana City Council ("City Council") determine that the amendments are exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15060(c), 15378, and 15061(B)(3) (the common-sense exemption), and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA. in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and

WHEREAS, the Planning Commission carefully considered all information pertaining to the municipal code amendments, including the staff report, and all the information, evidence, and testimony presented at its public hearing on April 21, 2026; and

WHEREAS, on May 26, 2026, the City Council held a public hearing on MCA No. 26-0002 where City Council received evidence and public testimony pertaining to the Zoning and Development Code amendments and documentation from the Planning Commission's public hearing on April 21, 2026; and

WHEREAS, the City Council carefully considered all information pertaining to MCA No. 26-0002 that was presented at its public hearing on May 26, 2026; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred.

THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA DOES ORDAIN AS FOLLOWS:

Section 1. Recitals. The above recitals are true, correct and incorporated herein by reference.

Section 2. CEQA. The City Council hereby determines that the code amendments are exempt pursuant to the California Environmental Quality Act (CEQA) Guidelines Sections 15060(c), 15378, and 15061(B)(3) (the common-sense exemption) and Sections 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA. Staff is directed to file a Notice of Determination pursuant to the foregoing.

Section 3. Municipal Code Amendment Findings. The City Council hereby makes the following finding for MCA No. 26-0002 in accordance with Section 30-40 "Purpose" of the Fontana Zoning and Development Code:

Finding: **A Zoning and Development Code may be amended by changing the development standards (text) or zoning designation map boundaries of any zone whenever such an amendment is deemed necessary to protect or promote the public's health, safety or general welfare or when modification is viewed as appropriate in the context of generally accepted planning principles, surrounding land uses, and the General Plan.**

Finding of Fact: The proposed Municipal Code Amendments will clarify and streamline the City's development requirements and processes while facilitating housing, commercial development and supporting the business community. As such, they promote the General Plan goals of adequate housing to meet the needs of all residents in Fontana and promoting a diversified economy.

Section 4. Development Code Amendment Approval. Based on the foregoing, the City Council hereby approves the amendments as set forth in MCA No. 26-0002, which is attached hereto as Exhibit "A" and incorporated herein by reference as fully set forth herein.

The City Council further stipulates that the ordinance adopting the amendments to the Zoning and Development Code, under MCA No. 26-0002, does not apply to development applications deemed complete by the City of Fontana Planning Department prior to the ordinance's effective date. The City Council also stipulates that any such completed pre-adoption applications not conforming to these amendments after the ordinance's effective date, once approved by the appropriate approving body, be granted legal non-conforming status, with all applications deemed complete on or after the ordinance's adoption being subject to its provisions.

Section 5. Effective Date/Publication. This Ordinance shall take effect thirty (30) days after the date of the adoption and prior to the expiration of fifteen (15) days from the passage thereof, shall be published by the City Clerk at least once in the Fontana Herald News, a local newspaper of the general circulation, published and circulated in the City of Fontana, and henceforth and thereafter the same shall be in full force and effect.

Section 6. Custodian of Records. The documents and materials that constitute the record of proceedings on which this Ordinance is based are located at the City Clerk's office located at 16860 Valencia Avenue, Fontana, CA 92335. The custodian or records is the City Clerk.

Section 7. Certification. The City Clerk of the City Council shall certify the adoption of this Ordinance.

Section 8. Severability. If any provision of this Ordinance or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application.

APPROVED AND ADOPTED this 9th day of June 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 Ordinance is the actual Ordinance adopted by the City Council and was introduced at a regular meeting on the 26th day of May 2026, and was finally passed and adopted not less than five days thereafter on the 9th day of June 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

"EXHIBIT A"

AMENDMENT TO FONTANA MUNICIPAL CODE CHAPTER 30
(*Additions shown in underline, deletions shown in ~~strikeout~~)

Article I. – GENERAL PROVISIONS AND DEFINITIONS

Sec. 30-12. – List of definitions.

Accessory dwelling unit means a residential dwelling unit that provides independent living facilities: including permanent provisions for living, sleeping, eating, cooking, and sanitation, for one or more persons.

(1) An accessory dwelling unit may be located within a legally established primary dwelling or legally established accessory structure. The existing space of a legally established primary dwelling means the space within the building envelope of the dwelling, which includes basements, attics, and garages, accessory structures.

(2) An accessory dwelling unit could also include an efficiency unit, as defined in California Health and Safety Code § 17958.1, and a manufactured home, as defined in California Health and Safety Code § 18007.

Accessory use means a use of land, building, or portion thereof which is subordinate to the principal use of the land or building and located on the same lot with such principal use. Accessory uses occupy a maximum of 35% of the overall floor area or site area (for outdoor land uses), whichever is less.

Acreage, gross means all land within a defined area, including private ownerships and future public rights-of-way, easements, etc.

…

Pre-zoning means the act of designating, in advance of annexation, the district to be applicable to a site upon subsequent annexation of that site to the City of Fontana.

Primary/principal use means a use which acts as the main function of a site as it relates to intensity, square footage, activity and/or traffic generation. Primary/principal uses occupy a minimum of 65% of the overall floor area or site area (for outdoor land uses).

Private club means a building and related facilities owned or operated by a corporation, association, or group of individuals established for the fraternal, social, educational, recreational or cultural enrichment of its members and not primarily for profit, and whose members meet certain prescribed qualifications for membership and pay dues.

…

Parking structure means a structure used for the parking of vehicles where parking is accommodated on two or more levels.

Parking, vehicle and truck means leaving a vehicle temporarily at/on an off-street facility designed and designated primarily for the parking of empty commercial vehicles, trailers, trucks and buses. Vehicle and truck parking does not include leaving vehicle overnight.

Parks, public means an open space intended for public recreational use which is operated by the City.

…

Statuary, retail sales. See "nursery."

Storage, vehicle and truck means leaving a vehicle at/on an off-street facility designed and designated primarily for leaving vehicles overnight.

Structure means anything constructed or built. An edifice or building of any kind, or any piece of work artificially built up or composed of parts joined together in some definite manner.

…

Remainder of section to remain unchanged

Sec. 30-21. - Expiration of application.

If the applicant does not provide the information and materials necessary for a pending application to be deemed complete within 180 days after written notification of incompleteness ~~and there has been no activity on the project~~, the application shall expire and be deemed withdrawn. The Director of ~~Community Development~~ Planning may grant one 180-day extension provided the request is made in writing prior to the expiration date. Planning ~~Division~~ Department may refund any unexpended portion of the application fee. After expiration of the application or extension, if granted, a new application, including fees, plans, exhibits, and other materials will be required to commence processing of any project on the same property. The Director shall provide written notice to the applicant and shall also notify the applicant of the opportunity for appeal.

Sec. 30-360. Special use regulations.

…

(c) *Outdoor dining in the public right-of-way.* The purpose of the regulations and standards in this section are to allow increased business and pedestrian traffic, encourage appropriate outdoor dining opportunities within public rights-of-way and to ensure that the space used for outdoor dining within the public right-of-way will service a public purpose. This section does not apply to outdoor dining on private property.

(1) *Location permitted.* Outdoor dining areas within the public right-of-way are permitted on all commercially utilized properties, provided all development standards are met.

(2) *Permits required.* ~~It shall be unlawful for any business to use the public sidewalk and/or public right-of-way for outdoor dining without first obtaining a valid minor use permit and encroachment permit.~~

a. Minor outdoor dining. Outdoor dining projecting no more than four feet from the building façade where the restaurant entry is located and meeting all design and operational standards shall obtain an encroachment permit from the City Engineer.

b. Major outdoor dining. Outdoor dining projecting more than four feet from the building façade where the restaurant entry is located and meeting all design and operational standards shall obtain a minor use permit from the Planning Department and an encroachment permit from the City Engineer.

(3) ~~Establishment of an outdoor dining area shall require site plan review and permit issuance.~~ Any person or business wishing to operate an outdoor dining area shall apply for a permit by submitting the following to the City:

a. The ~~site~~ floorplan for the proposed outdoor dining area shall include the following:

1. Chairs, tables, umbrellas, planters, signs and any other fixtures and furnishings to be included in the outdoor dining operation.

2. The applicants primary eating establishment or food court and the proposed circulation to and from the outdoor dining area, as well as pedestrian circulation at the perimeter of the outdoor dining area.

3. The public sidewalk or public right-of-way to be occupied with dimensions of the entire sidewalk or right-of-way and the clearance proposed for pedestrian access.

4. ~~Names of and m~~Main entrances to the businesses immediately adjacent to the applicant's eating establishment.

b. Specifications and photographs of all proposed chairs, tables, umbrellas, signs, railings railing connections to the public sidewalk or right-of-way and the adjacent building, or other furnishing.

(4) *Design standards for outdoor dining area.*

a. The outdoor dining area shall be designed to facilitate sit-down dining activity through the utilization of chairs and tables. It shall also be compact and shall be clearly delineated to promote a visual relationship between the dining area and the surrounding pedestrian areas.
    1. Minor outdoor dining areas shall not project further than four feet from the building façade.

b. Sidewalk clearance. Outdoor dining is permitted only where the sidewalk is wide enough to adequately accommodate both the usual~~ly~~ pedestrian traffic in the area and the operation of the proposed activity. A clear, continuous pedestrian path not less than five (5) feet in width shall be required for unimpeded pedestrian circulation outside of the outdoor dining area. The minimum width of said pedestrian path may be increased by the City Engineer in areas requiring public utility access. Pedestrian path means a continuous, obstruction-free sidewalk area between the outside boundary of the dining area and any obstruction including, but not limited to, parking meters, street trees, landscaping, streetlights, bus benches, public art, and curb lines.

c. Restaurant entry clearance. No outdoor dining area shall be located to block access either to or from a building. A minimum unobstructed clearance which extends two feet to either side of both door jambs shall be maintained.

d. Corner locations. Where an outdoor dining area is located on a corner, the outdoor dining area shall not be permitted within three feet of the corner of the building, along both frontages. Where an outdoor dining area is located adjacent to a driveway or an alley, the outdoor dining area shall not be permitted within five feet of the driveway or alley. These requirements may be modified at the discretion of the City Engineer or Director of Planning in locations where the sidewalk adjacent to the proposed outdoor dining area is wider than usual, where the perimeter of the building has an unusual configuration, or where public safety is at risk.

e. Floor level. The floor of the outdoor dining area shall be at the same level as the sidewalk, and no alterations to the sidewalk or coverings on the sidewalk shall be permitted, unless expressly approved by the City Engineer.

f. ~~The permittee shall not expand its outdoor dining area onto the sidewalk frontage of an adjacent business.~~ Music Restricted. Musical instruments or sound reproduction systems are not permitted in outdoor dining areas.

g. Adjacent business restriction. An outdoor dining area may be located directly adjacent to another outdoor dining area. No separation between outdoor dining areas shall apply. No permittee shall expand their outdoor dining area onto the sidewalk frontage of an adjacent business.

h. Parking area restriction. In no case shall an outdoor dining area be located directly to parking, unless separated by a landscape barrier at least four feet deep and three feet high.

i. The design and appearance of all proposed improvements or furniture, including, but not limited to, tables, chairs, benches, umbrellas, and planters, to be placed in the sidewalk dining area shall present a coordinated and concerted theme and shall be compatible with the appearance and design of the principal building.

j. A perimeter barrier shall be provided for the outdoor dining area. However, no barrier shall be required if the applicant proposes to limit the outdoor dining area to one row of tables and chairs abutting the wall of the establishment and if no alcohol will be served outside.

k. All barriers shall complement the building façade as well as any street furniture and shall be between 24 inches and 36 inches in height.

l. Barriers shall be removable. Barriers need not be removed each evening or night, but shall be capable of being removed, if needed, using recessed sleeves and posts, or by wheels that can be locked into place.

m. Barriers shall be able to withstand inclement weather and 100 pounds of horizontal force at the top of the barriers when in their fixed positions.

n. Objects placed on the sidewalk shall not interfere with or obstruct line-of-sight and shall maintain a clear sight triangle.

o. Any umbrellas, heater, or similar feature used in an outdoor dining area shall be safely secured. All heaters shall be in compliance with applicable fire code.

p. Outdoor lighting fixtures shall complement the style of the site. Lighting fixtures shall not create glare to pedestrians on the adjacent right-of-way and shall illuminate only the outdoor dining area. Outdoor lighting may be installed on the façade of the building or in the dining area in front of the façade.

q. Signage advertising alcohol products on umbrellas shall be prohibited.

(5) *Parking.* Space used for outdoor dining in the public right-of-way shall not be added to the gross square footage of the food service establishment when calculating parking requirements.

(6) *Standards of operation.*

a. The management of the eating establishment shall be responsible for operating the outdoor dining area and shall not delegate or assign the responsibility.

b. Hours of operation for the outdoor dining areas are to coincide with those of the associated indoor restaurant. When the establishment ceases serving food for the day, further seating in the outdoor dining area shall be prohibited and the outdoor dining area shall close when the patrons already seated in it leave.

c. The operator shall not permit the following outside of the building: food preparation, utensils, glasses, napkins, and condiments on unoccupied tables, busing service stations, or trash and garbage storage. All exterior surfaces within the outdoor dining area shall be easily cleaned and shall be kept clean at all times by the permittee.

d. The permittee shall maintain the outdoor dining area and the adjoining street, curb, gutter, and sidewalk in a neat, clean, and orderly condition at all times. This shall include all tables, chairs, benches, displays, or other appurtenances placed in the public right-of-way. Provisions shall be made for trash receptacles to service the sidewalk dining area. The operator shall remove the debris to a closed receptacle. No debris shall be swept, washed, or blown into the sidewalk, gutter or street.

e. Awnings and umbrellas shall be kept clean and in good condition at all times. Umbrellas shall not advertise alcohol products.

f. Musical instruments or sound reproduction systems are permitted in outdoor dining areas but shall be maintained at sufficiently low volumes so as not to adversely affect the neighboring businesses, residents, or users of the public right-of-way beyond the outdoor dining area, or in violation of the City of Fontana Noise Ordinance.

g. Fixtures and equipment approved by the City pursuant to an outdoor dining area permit may remain in and on the sidewalk during such time that an outdoor dining permit is in effect.

h. Upon revocation or termination of an outdoor dining permit, all fixtures and equipment shall immediately be removed from the sidewalk, and the sidewalk returned to its original condition.

i. ~~No bar serving alcohol shall be allowed in the outside dining area.~~ Alcohol service.

1. Minor outdoor dining. No alcohol shall be allowed in the outdoor dining area.

2. Major outdoor dining. Alcohol may be served in the outdoor dining area provided the area is enclosed and meets all other standards of the California Alcohol Beverage Control.

(7) *Special closures.* The City of Fontana shall have the right and power, acting through the City Manager or his/her designee, to prohibit the operation of an outdoor dining area at any time because of anticipated or actual problems or conflicts in the use of the sidewalk or right-of-way area. Such problems or conflicts may arise from, but are not limited, festivals, parades, marches and similar events, repairs and widening of the streets or sidewalks, or emergencies occurring in the area. To the extent possible, the permittee shall be given prior notice of any time period during which the operation of the outdoor dining area or the outdoor dining area shall be prohibited by the City.

…

Remainder of section to remain unchanged.

Sec. 30-371.2. Sierra core.

The Sierra core is the commercial core of Fontana and functions as the city center. Uses include a mixture of commercial, retail, entertainment, office, and residential.

Building placement shall be close to the streets and integrated within the pedestrian realm. Architectural features should provide shade and variation in building design.

…

Parking

	Required Spaces
Residential	1.25 per unit
Nonresidential Uses Under 6,000 Square Feet	No parking required
Nonresidential Uses Over 6,000 Square Feet	50% of the requirements in the Zoning Code (30-685.A)
Retail, Entertainment and Restaurant Uses ~~Over 6,000 Square Feet~~ Within 400 Feet of City-Owned Public Parking Lot or Structure	No parking required

…

All other portions of the section to remain unchanged.

Sec. 30-390. Off-street parking and loading standards.

(a) *Off-street parking standards.*

(1) Off-street parking requirements shall be set forth in Division ~~5~~ 4, which outlines the development standards by zoning district.

(2) Off-street parking dimensions shall be as set forth in Table 30-390.A.—Off-Street Parking Dimensions below. Any type of stall not listed shall refer to Section 30-606 of the Zoning and Development Code.

Table 30-390.A.—Off-Street Parking Dimensions

Type of Stall	Minimum Size (feet)
Standard	9 × 18
Garage/Carport	10 × 20
Parallel	8 × 21
Compact	8 × 16
Tandem	9 × 35
30°	9 × 17
45°	9 × 18
60°	9 × 21

The remainder of the section to remain unchanged.

File #: 26-0850
Agenda #: PH-C

Agenda Date: 4/21/2026
Category: Public Hearing

FROM:
Planning Department

TITLE:
Master Case No. 26-0011 and Municipal Code Amendment No. 26-0002: Fontana Municipal Code amendments to Chapter 30 to modify standards for outdoor dining and parking standards in the downtown core, make revisions to the No Net Loss program, add definitions to differentiate vehicle parking from storage, clarify timing of entitlement applications, and modify the definition of accessory land uses, pursuant to a categorical exemption from the California Environmental Quality Act ("CEQA") in accordance with CEQA Guidelines Sections 15060(c), 15378, and 15061(B)(3).

RECOMMENDATION:
Based on information on the staff report staff recommends that the Planning Commission adopt Resolution No. PC 2026-___; and,

1. Determine that the Ordinance is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and,

2. Approve a resolution recommending that the City Council adopt an Ordinance for Municipal Code Amendment (MCA) No. 26-0002 to amend Chapter 30 of the Municipal Code.

APPLICANT:
City of Fontana
8353 Sierra Avenue
Fontana, CA 92335

LOCATION:
Citywide

REQUEST:
Municipal Code Amendment (MCA) No. 26-0002 to amend multiple sections of the Zoning and Development Code, to revise standards for outdoor dining, and parking standards in the downtown core, make adjustments to the No Net Loss program, add definitions to differentiate vehicle parking from storage, clarify timing of entitlement applications, and modify the definition of accessory land uses.

PROJECT PLANNER:
Cecily Session-Goins, Associate Planner

BACKGROUND INFORMATION:
The City of Fontana Zoning and Development Code regulates the development of commercial, industrial, and residential projects. Staff conducts ongoing reviews of the municipal code to determine where language within the code would benefit from updates, clarification, and/or redefinition to help streamline zoning and facilitate the development process.

PROJECT DESCRIPTION:
The City initiated Municipal Code Amendment No. 26-0002 to update Chapter 30 (Zoning and Development Code) as summarized below; a detailed list of the proposed amendments is provided within Exhibit "A" of the Planning Commission Resolution provided as Attachment No. 1.

ANALYSIS:
Outdoor dining in the downtown core - Modification of standards for outdoor dining in the public right-of-way in the downtown core to including minimum pedestrian path width, design standards, and permit requirements.

Parking standards in the downtown core - Modification to eliminate parking requirements for retail, entertainment and restaurant uses in the downtown core that are within 400 of City-owned public parking lots or structures.

No Net Loss Program adjustments - Modifications to the No Net Loss Program to reduce the maximum number of units allowed to be included in the unit bank and replacing a required agreement with a memorandum to memorialize the use of units from the bank by development projects. Additional modifications include the elimination of the minimum development site size, the inclusion of the Form-Based Code zone in the allowable zoning districts where the banked units may be used, and providing proportional reductions of certain development standards to incentive the use of the unit bank.

Vehicle parking and storage - Addition of definitions for vehicle parking and vehicle storage to differentiate between the uses, which will provide clarity and uniformity in application by staff and applicants.

Application timing - Modification to entitlement processing timelines to clarify that entitlement applications that have not been deemed complete within 180 days will be closed/withdrawn.

Accessory and principal use definition - Modification of the definition of accessory and principal land uses to provide an objective proportion as it relates to floor or site area, which will provide clarity and uniformity in application by staff and applicants.

In summary, the proposed amendments will provide for flexibility and streamlining of the City's Zoning and Development Code to facilitate desirable development within the City.

MOTION:
Approve staff's recommendation

ATTACHMENTS:
Attachment No. 1 - Planning Commission Resolution/Exhibit A
Attachment No. 2 - Notice of Exemption
Attachment No. 3 - Public Hearing Notice

RESOLUTION NO. PC 2026 -____

A RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF FONTANA, CALIFORNIA, RECOMMENDING THAT THE FONTANA CITY COUNCIL ADOPT AN ORDINANCE APPROVING AMENDMENTS TO MULTIPLE SECTIONS OF THE FONTANA MUNICIPAL CODE, INCLUDING AMENDMENTS TO SEC. 30-12 PERTAINING TO THE DEFINITION OF ACCESSORY USE, PRINCIPAL/PRIMARY USE, VEHICLE AND TRUCK STORAGE AND VEHICLE AND TRUCK PARKING; SEC. 30-21 PERTAINING TO THE EXPIRATION OF ENTITLEMENT APPLICATIONS; SEC. 30-360 PERTAINING TO OUTDOOR DINING IN THE PUBLIC RIGHT-OF-WAY IN THE DOWNTOWN CORE; SEC. 30-371.2 PERTAINING TO PARKING REQUIREMENTS FOR RETAIL, ENTERTAINMENT AND RESTAURANT USES IN THE DOWNTOWN CORE; SEC. 30-390 TO CORRECT SECTION REFERENCES; ARTICLE XV PERTAINING TO PROVISIONS OF THE NO NET LOSS PROGRAMM INCLUDING SECTIONS 30-966 THROUGH 30-969 AND SECTIONS 30-971 AND 30-972, PURSUANT TO A CATEGORICAL EXEMPTION IN ACCORDANCE WITH CEQA GUIDELINES SECTIONS 15060(C), 15061(B)(3), AND SECTION 15378.

WHEREAS, pursuant to Government Code section 37100, the legislative body of a city may pass ordinances not in conflict with the Constitution and laws of the State or the United States; and

WHEREAS, Government Code sections 50022.1 to 50022.10 authorize a city to codify and recodify its ordinances; and

WHEREAS, through Municipal Code Amendment ("MCA") No. 26-0002, the City of Fontana ("City") desires to restate without substantive revision, amend and recodify certain ordinances codified in the Fontana Municipal Code ("FMC"); and

WHEREAS, the General Plan includes policies and actions calling for numerous updates to the FMC; and

WHEREAS, Section 30-12. – List of definitions. is amended to modify the definition of primary/principal land use and accessory land use and to add definitions for vehicle and truck storage and vehicle and truck parking; and

WHEREAS, Section 30-21. – Expiration of application. is amended to correct a reference to the Planning Department and Director of Planning and remove the statement that inactivity is required to withdraw entitlement applications that have not been deemed complete within 180 days of submittal; and

WHEREAS, Section 30-360. – Special use regulations. is amended to modify the standards and permit requirements for outdoor dining in the downtown core; and

WHEREAS, Section 30-371.2. Sierra core. is amended to eliminate the parking requirement for retail, entertainment and restaurant uses in the downtown core located within 400 feet of a City-owned parking lot or structure; and

WHEREAS, Section 30-390. Off-street parking and loading standards. is amended correct a section reference; and

WHEREAS, Article XV. No Net Loss Program Sections 30-966 through 30-969 and Sections 30-971 and 30-972 are amended to modify program provisions related to allowable zoning district, minimum lot size, development standard application, unit bank capacity, and the memorialization of the use of the unit bank; and

WHEREAS, the Fontana Planning Commission ("Planning Commission") recommends that the Fontana City Council ("City Council") determine that the amendments are categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA. Furthermore, Planning Commission recommends that City Council finds that the amendments are nonetheless exempt from the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and

WHEREAS, on April 21, 2026, the Planning Commission carefully considered all information pertaining to the municipal code amendments, including the staff report, and all the information, evidence, and testimony presented at its public hearing on April 21, 2026; and

WHEREAS, the amendments are consistent with the General Plan, and that the updates are in line with goals, policies and objectives of the City; the Housing Element policies and the Zoning and Development Code; and

WHEREAS, the amendments will be in conformity with best land use practices and will establish appropriate development standards for the land use designations; and

WHEREAS, the amendments to the FMC are attached hereto as Exhibit "A" and incorporated herein by this reference; and

WHEREAS, the amendments will not be detrimental to the public health, safety, and general welfare, will not adversely affect the orderly development of property, will better express the City's policies, and will generally promote good land use planning and regulation; and

WHEREAS, all other legal prerequisites to the adoption of this Resolution have occurred.

NOW, THEREFORE, the Planning Commission RESOLVES as follows:

Section 1. Recitals. The above recitals are true, correct and incorporated herein by reference.

Section 2. CEQA. The Planning Commission hereby recommends that the City Council determine that this ordinance is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA, that this Ordinance is nonetheless exempt from the requirements of CEQA in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment. Where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Section 3. Municipal Code Amendment. The Planning Commission hereby makes the following finding for MCA No. 26-0002 in accordance with Section 30-45(b) "Hearing-Planning Commission" development code amendments of the Fontana Zoning and Development Code:

Finding: **The proposal substantially promotes the goals of the City's general plan.**

Finding of Fact: The proposed Municipal Code Amendments will clarify and streamline the City's development requirements and processes while facilitating housing, commercial development and supporting the business community. As such, they promote the General Plan goals of adequate housing to meet the needs of all residents in Fontana and promoting a diversified economy.

Section 4. Recommendation of Approval. Based on the foregoing, the Planning Commission hereby recommends that the City Council adopt an ordinance approving MCA No. 26-0002 to amend multiple sections of the FMC as indicated in Exhibit "A" which is attached hereto and incorporated herein by reference.

Section 5. Resolution Regarding Custodian of Record: The documents and materials that constitute the record of proceedings on which this Resolution has been based are located at the Planning Department, 8353 Sierra Avenue, Fontana, CA 92335. This information is provided in compliance with Public Resources Code section 21081.6.

Section 6. Certification. The Secretary of the Planning Commission shall certify to the adoption of this Resolution.

Section 7. Effective Date. This Resolution shall become effective immediately

upon its adoption.

Section 8. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect any other provisions or applications of this Resolution that can be given effect without the invalid provision or application.

APPROVED AND ADOPTED by the Planning Commission of the City of Fontana, California, at a regular meeting held on this 21st day of April 2026.
City of Fontana

_____
Joseph Armendarez, Chairperson

ATTEST:

I, Torrie Lozano, Secretary of the Planning Commission of the City of Fontana, California, do hereby certify that the foregoing resolution was duly and regularly adopted by the Planning Commission at a regular meeting thereof, held on the 21st day of April 2026, by the following vote, to-wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Torrie Lozano, Secretary

“EXHIBIT A”

AMENDMENT TO FONTANA MUNICIPAL CODE CHAPTER 30
(*Additions shown in underline, deletions shown in ~~strikeout~~)

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Article I. – GENERAL PROVISIONS AND DEFINITIONS

Sec. 30-12. – List of definitions.

Accessory dwelling unit means a residential dwelling unit that provides independent living facilities: including permanent provisions for living, sleeping, eating, cooking, and sanitation, for one or more persons.

(1) An accessory dwelling unit may be located within a legally established primary dwelling or legally established accessory structure. The existing space of a legally established primary dwelling means the space within the building envelope of the dwelling, which includes basements, attics, and garages, accessory structures.
(2) An accessory dwelling unit could also include an efficiency unit, as defined in California Health and Safety Code § 17958.1, and a manufactured home, as defined in California Health and Safety Code § 18007.

Accessory use means a use of land, building, or portion thereof which is subordinate to the principal use of the land or building and located on the same lot with such principal use. Accessory uses occupy a maximum of 35% of the overall floor area or site area (for outdoor land uses), whichever is less.

Acreage, gross means all land within a defined area, including private ownerships and future public rights-of-way, easements, etc.

…

Pre-zoning means the act of designating, in advance of annexation, the district to be applicable to a site upon subsequent annexation of that site to the City of Fontana.

Primary/principal use means a use which acts as the main function of a site as it relates to intensity, square footage, activity and/or traffic generation. Primary/principal uses occupy a minimum of 65% of the overall floor area or site area (for outdoor land uses).

Private club means a building and related facilities owned or operated by a corporation, association, or group of individuals established for the fraternal, social, educational, recreational or cultural enrichment of its members and not primarily for profit,

and whose members meet certain prescribed qualifications for membership and pay dues.

…

Parking structure means a structure used for the parking of vehicles where parking is accommodated on two or more levels.

Parking, vehicle and truck means leaving a vehicle temporarily at/on an off-street facility designed and designated primarily for the parking of empty commercial vehicles, trailers, trucks and buses. Vehicle and truck parking does not include leaving vehicle overnight.

Parks, public means an open space intended for public recreational use which is operated by the City.

…

Statuary, retail sales. See "nursery."

Storage, vehicle and truck means leaving a vehicle at/on an off-street facility designed and designated primarily for leaving vehicles overnight.

Structure means anything constructed or built. An edifice or building of any kind, or any piece of work artificially built up or composed of parts joined together in some definite manner.

…

Remainder of section to remain unchanged

Sec. 30-21. - Expiration of application.

If the applicant does not provide the information and materials necessary for a pending application to be deemed complete within 180 days after written notification of incompleteness ~~and there has been no activity on the project~~, the application shall expire and be deemed withdrawn. The Director of ~~Community Development~~ Planning may grant one 180-day extension provided the request is made in writing prior to the expiration date. Planning ~~Division~~ Department may refund any unexpended portion of the application fee. After expiration of the application or extension, if granted, a new application, including fees, plans, exhibits, and other materials will be required to commence processing of any project on the same property. The Director shall provide written notice to the applicant and shall also notify the applicant of the opportunity for appeal.

Sec. 30-360. Special use regulations.

…

(c) *Outdoor dining in the public right-of-way.* The purpose of the regulations and standards in this section are to allow increased business and pedestrian traffic, encourage appropriate outdoor dining opportunities within public rights-of-way and to ensure that the space used for outdoor dining within the public right-of-way will service a public purpose. This section does not apply to outdoor dining on private property.

(1) *Location permitted.* Outdoor dining areas within the public right-of-way are permitted on all commercially utilized properties, provided all development standards are met.

(2) *Permits required.* ~~It shall be unlawful for any business to use the public sidewalk and/or public right-of-way for outdoor dining without first obtaining a valid minor use permit and encroachment permit.~~

a. Minor outdoor dining. Outdoor dining projecting no more than four feet from the building façade where the restaurant entry is located and meeting all design and operational standards shall obtain an encroachment permit from the City Engineer.

b. Major outdoor dining. Outdoor dining projecting more than four feet from the building façade where the restaurant entry is located and meeting all design and operational standards shall obtain a minor use permit from the Planning Department and an encroachment permit from the City Engineer.

(3) ~~Establishment of an outdoor dining area shall require site plan review and permit issuance.~~ Any person or business wishing to operate an outdoor dining area shall apply for a permit by submitting the following to the City:

a. The ~~site~~ floorplan for the proposed outdoor dining area shall include the following:

1. Chairs, tables, umbrellas, planters, signs and any other fixtures and furnishings to be included in the outdoor dining operation.

2. The applicants primary eating establishment or food court and the proposed circulation to and from the outdoor dining area, as well as pedestrian circulation at the perimeter of the outdoor dining area.

3. The public sidewalk or public right-of-way to be occupied with dimensions of the entire sidewalk or right-of-way and the clearance proposed for pedestrian access.

4. ~~Names of and m~~Main entrances to the businesses immediately adjacent to the applicant's eating establishment.

b. Specifications and photographs of all proposed chairs, tables, umbrellas, signs, railings railing connections to the public sidewalk or right-of-way and the adjacent building, or other furnishing.

(4) *Design standards for outdoor dining area.*

a. The outdoor dining area shall be designed to facilitate sit-down dining activity through the utilization of chairs and tables. It shall also be compact and shall be clearly delineated to promote a visual relationship between the dining area and the surrounding pedestrian areas.
    1. Minor outdoor dining areas shall not project further than four feet from the building façade.

b. Sidewalk clearance. Outdoor dining is permitted only where the sidewalk is wide enough to adequately accommodate both the usual~~ly~~ pedestrian traffic in the area and the operation of the proposed activity. A clear, continuous pedestrian path not less than five (5) feet in width shall be required for unimpeded pedestrian circulation outside of the outdoor dining area. The minimum width of said pedestrian path may be increased by the City Engineer in areas requiring public utility access. Pedestrian path means a continuous, obstruction-free sidewalk area between the outside boundary of the dining area and any obstruction including, but not limited to, parking meters, street trees, landscaping, streetlights, bus benches, public art, and curb lines.

c. Restaurant entry clearance. No outdoor dining area shall be located to block access either to or from a building. A minimum unobstructed clearance which extends two feet to either side of both door jambs shall be maintained.

d. Corner locations. Where an outdoor dining area is located on a corner, the outdoor dining area shall not be permitted within three feet of the corner of the building, along both frontages. Where an outdoor dining area is located adjacent to a driveway or an alley, the outdoor dining area shall not be permitted within five feet of the driveway or alley. These requirements may be modified at the discretion of the City Engineer or Director of Planning in locations where the sidewalk adjacent to the proposed outdoor dining area is wider than usual, where the perimeter of the building has an unusual configuration, or where public safety is at risk.

e. Floor level. The floor of the outdoor dining area shall be at the same level as the sidewalk, and no alterations to the sidewalk or coverings on the sidewalk shall be permitted, unless expressly approved by the City Engineer.

f. ~~The permittee shall not expand its outdoor dining area onto the sidewalk frontage of an adjacent business.~~ Music Restricted. Musical instruments or sound reproduction systems are not permitted in outdoor dining areas.

g. Adjacent business restriction. An outdoor dining area may be located directly adjacent to another outdoor dining area. No separation between outdoor dining areas shall apply. No permittee shall expand their outdoor dining area onto the sidewalk frontage of an adjacent business.

h. Parking area restriction. In no case shall an outdoor dining area be located directly to parking, unless separated by a landscape barrier at least four feet deep and three feet high.

i. The design and appearance of all proposed improvements or furniture, including, but not limited to, tables, chairs, benches, umbrellas, and planters, to be placed in the sidewalk dining area shall present a coordinated and concerted theme and shall be compatible with the appearance and design of the principal building.

j. A perimeter barrier shall be provided for the outdoor dining area. However, no barrier shall be required if the applicant proposes to limit the outdoor dining area to one row of tables and chairs abutting the wall of the establishment and if no alcohol will be served outside.

k. All barriers shall complement the building façade as well as any street furniture and shall be between 24 inches and 36 inches in height.

l. Barriers shall be removable. Barriers need not be removed each evening or night, but shall be capable of being removed, if needed, using recessed sleeves and posts, or by wheels that can be locked into place.

m. Barriers shall be able to withstand inclement weather and 100 pounds of horizontal force at the top of the barriers when in their fixed positions.

n. Objects placed on the sidewalk shall not interfere with or obstruct line-of-sight and shall maintain a clear sight triangle.

o. Any umbrellas, heater, or similar feature used in an outdoor dining area shall be safely secured. All heaters shall be in compliance with applicable fire code.

p. Outdoor lighting fixtures shall complement the style of the site. Lighting fixtures shall not create glare to pedestrians on the adjacent right-of-way and shall illuminate only the outdoor dining area. Outdoor lighting may be installed on the façade of the building or in the dining area in front of the façade.

q. Signage advertising alcohol products on umbrellas shall be prohibited.

(5) *Parking.* Space used for outdoor dining in the public right-of-way shall not be added to the gross square footage of the food service establishment when calculating parking requirements.

(6) *Standards of operation.*

a. The management of the eating establishment shall be responsible for operating the outdoor dining area and shall not delegate or assign the responsibility.

b. Hours of operation for the outdoor dining areas are to coincide with those of the associated indoor restaurant. When the establishment ceases serving food for the day, further seating in the outdoor dining area shall be prohibited and the outdoor dining area shall close when the patrons already seated in it leave.

c. The operator shall not permit the following outside of the building: food preparation, utensils, glasses, napkins, and condiments on unoccupied tables, busing service stations, or trash and garbage storage. All exterior surfaces within the outdoor dining area shall be easily cleaned and shall be kept clean at all times by the permittee.

d. The permittee shall maintain the outdoor dining area and the adjoining street, curb, gutter, and sidewalk in a neat, clean, and orderly condition at all times. This shall include all tables, chairs, benches, displays, or other appurtenances placed in the public right-of-way. Provisions shall be made for trash receptacles to service the sidewalk dining area. The operator shall remove the debris to a closed receptacle. No debris shall be swept, washed, or blown into the sidewalk, gutter or street.

e. Awnings and umbrellas shall be kept clean and in good condition at all times. Umbrellas shall not advertise alcohol products.

f. Musical instruments or sound reproduction systems are permitted in outdoor dining areas but shall be maintained at sufficiently low volumes so as not to adversely affect the neighboring businesses, residents, or users of the public right-of-way beyond the outdoor dining area, or in violation of the City of Fontana Noise Ordinance.

g. Fixtures and equipment approved by the City pursuant to an outdoor dining area permit may remain in and on the sidewalk during such time that an outdoor dining permit is in effect.

h. Upon revocation or termination of an outdoor dining permit, all fixtures and equipment shall immediately be removed from the sidewalk, and the sidewalk returned to its original condition.

i. ~~No bar serving alcohol shall be allowed in the outside dining area.~~ Alcohol service.

1. Minor outdoor dining. No alcohol shall be allowed in the outdoor dining area.

2. Major outdoor dining. Alcohol may be served in the outdoor dining area provided the area is enclosed and meets all other standards of the California Alcohol Beverage Control.

(7) *Special closures.* The City of Fontana shall have the right and power, acting through the City Manager or his/her designee, to prohibit the operation of an outdoor dining area at any time because of anticipated or actual problems or conflicts in the use of the sidewalk or right-of-way area. Such problems or conflicts may arise from, but are not limited, festivals, parades, marches and similar events, repairs and widening of the streets or sidewalks, or emergencies occurring in the area. To the extent possible, the permittee shall be given prior notice of any time period during which the operation of the outdoor dining area or the outdoor dining area shall be prohibited by the City.

…

Remainder of section to remain unchanged.

Sec. 30-371.2. Sierra core.

The Sierra core is the commercial core of Fontana and functions as the city center. Uses include a mixture of commercial, retail, entertainment, office, and residential.

Building placement shall be close to the streets and integrated within the pedestrian realm. Architectural features should provide shade and variation in building design.

…

Parking

	Required Spaces
Residential	1.25 per unit
Nonresidential Uses Under 6,000 Square Feet	No parking required
Nonresidential Uses Over 6,000 Square Feet	50% of the requirements in the Zoning Code (30-685.A)
Retail, Entertainment and Restaurant Uses ~~Over 6,000 Square Feet~~ Within 400 Feet of City-Owned Public Parking Lot or Structure	No parking required

…

All other portions of the section to remain unchanged.

Sec. 30-390. Off-street parking and loading standards.

(a) *Off-street parking standards.*

(1) Off-street parking requirements shall be set forth in Division ~~5~~ 4, which outlines the development standards by zoning district.

(2) Off-street parking dimensions shall be as set forth in Table 30-390.A.—Off-Street Parking Dimensions below. Any type of stall not listed shall refer to Section 30-606 of the Zoning and Development Code.

Table 30-390.A.—Off-Street Parking Dimensions

Type of Stall	Minimum Size (feet)
Standard	9 × 18
Garage/Carport	10 × 20
Parallel	8 × 21
Compact	8 × 16
Tandem	9 × 35
30°	9 × 17
45°	9 × 18
60°	9 × 21

The remainder of the section to remain unchanged.

ARTICLE XV. NO NET LOSS PROGRAM

Sec. 30-965. Purpose and authority.

The City desires to ensure its compliance with Senate Bill 330 (SB330) and establish a no Net Loss Density Bonus Program for certain residential projects. this chapter provides, concurrent with the approval of any change in zone from a residential use to a less intensive or non-residential use, a density bonus will become available to project applicants subsequently seeking to develop property for residential use within the City. In doing so, the proposed Section will ensure that there is no net loss of residential capacity within the City as required by SB330.

On October 9, 2019, the California Legislature adopted SB330 which, among other things, adopted Government Code § 66300, declared a housing crisis in the State of California and imposed certain requirements designed to streamline the construction of new housing, and prevent the loss of existing housing and land available for future residential use, unless the City concurrently changes the development standards, policies, and conditions applicable to other areas of the affected jurisdiction to ensure no net loss in residential capacity. SB330 became effective on January 1, 2020.

Sec. 30-966. Definitions.

Except as otherwise expressly set forth herein, the following words and terms as used in this chapter shall have the following meanings:

Density Bonus. A density increase of up to those percentages above the otherwise maximum residential density as specified in this chapter.

~~*Density Bonus/Transfer Agreement.* A legally binding agreement between a developer of a Housing Development and the City containing such terms and conditions as determined by the City Attorney, which ensures that the requirements of this chapter are satisfied.~~

Density Bonus Units. Those residential units granted pursuant to the provisions of this chapter, that exceed the maximum residential density for the development site and that are available in the Unit Bank.

Director of Planning. The Director of Planning of the City of Fontana.

Housing Development. Construction projects consisting of five or more residential units or Lots, including single-family and multifamily, that are proposed to be constructed pursuant to this chapter.

Lot. (1) a Lot when shown as a delineated Lot of land with a number or other designation on a parcel map or tract map and not to be used for the common benefit of other Lots recorded in the Office of the County Recorder of San Bernardino County and legally created under the Subdivision Map Act ; (2) a Lot of land held under separate ownership from adjacent property that constitutes a legal lot under applicable Law.

Maximum Residential Density. The maximum number of residential units permitted by the City's General Plan Land Use Element and Zoning and Development Code, applicable to the subject property at the time an application for the construction of a Housing Development is deemed complete by the City, excluding the additional units permitted by this chapter.

Unit Bank. The number of units available to the No Net Loss Program as a result of a change of zone from a residential use to a less intensive residential use or a non-residential use. The Director of Planning, or his or her designee, shall have the sole authority to administer and maintain the Unit Bank balances, credits and availability as he or she determines, which determination shall be final.

Sec. 30-967. Requirements.

The City shall grant a density bonus through the No Net Loss Program to projects which meet the following criteria:

~~(1) The project is on a parcel of at least one acre, or the applicant is processing an application concurrently with a parcel merger of two or more Lots or more which will create a Lot of not less than one-acre.~~

~~(2)~~(1) The project takes place in one of the following residential zones in the City:

a. Residential Estate (R-E).

b. Single-Family Residential (R-1).

c. Medium-Density Residential (R-2).

d. High-Density Residential (R-3).

e. Multi-Family Medium-High Residential (R-4).

f. Multi-Family/High Residential (R-5).

g. Residential Planned Community (R-PC).

h. Form-Based Code (FBC).

~~(3)~~(2) In determining the number of Density Bonus Units to be granted transferred) pursuant to this section, the maximum allowable residential density for the site shall be calculated as follows:

a. Multiplying the maximum density allowed under the applicable zoning designation and multiplying the result by 1.2 for a 20 percent density bonus. If the result, including the density bonus, contains a fraction of a unit, the number of allowable units shall be determined by rounding down to the nearest whole number if the fraction is below 0.5. Calculations containing fractions of 0.5 or above shall be rounded up.

b. Density bonuses in the No Net Loss Program can be combined with other density bonus programs as established in Article II, Division 25 - Density Bonus of the Fontana Municipal Code.

1. In no case shall the number of No Net Loss/Density Bonus Units awarded under the No Net Loss Program exceed the number of units in the Unit Bank.

2. In no case shall the number of No Net Loss/Density Bonus Units available in the Unit Bank exceed ~~2,200~~ 1,600 units.

~~(4)~~(3) A Density Bonus/Transfer Agreement shall be required for any project seeking a density bonus as part of the No Net Loss Density Bonus Program.

~~(5)~~(4) The Planning Department shall publish the available number of units available in the Unit Bank on the Planning Department's page on the City's website. The number of units available is expected to change periodically and,

as such, any information contained on the City's website, or any other published source shall be considered draft for informational purposes only. Confirmation of the number of units available shall be made upon submittal of a development application, including the payment of appropriate fees.

Sec. 30-968. Types of bonuses allowed.

(a) Density Bonus. The density bonus allowed by this chapter shall consist of those density increases specified in Section 30-967 above the maximum residential density applicable to the site as of the date of the project land use permit application.

(b) Mixed use zoning allows the Housing Development to include nonresidential uses. Approval of mixed-use activities in conjunction with the No Net Loss program is permissible if authorized elsewhere under the Fontana Municipal Code and subject to those requirements. A density bonus will be granted only for the residential portion of a mixed use development.

Sec. 30-969. Development standards.

~~All development standards for the base zone and/or overlay district shall be met. Granting of a density bonus does not constitute approval of or grounds for modification or waiver of any development standard or other requirement of the Fontana Municipal Code.~~

A proportional adjustment (up to 20%) shall be allowed for the following development standards: building setbacks, minimum lot area and dimensions, and lot coverage.

Sec. 30-970. Processing of no net loss program requests.

An Application which proposes to change a land use designation or zoning ordinance to a less intensive use may request concurrent approval by the City Council to transfer the unit reduction to a No Net Loss Density Bonus Bank for the purpose of complying with SB330.

An Application which proposes to utilize units available in the No Net Loss Density Bonus Bank shall submit a density bonus transfer application in conjunction with the permit and entitlement application submittal package required for the project. A density bonus transfer application pursuant to this chapter shall be processed along with the application for development. The process for obtaining preliminary approval of the Density Bonus Transfer Agreement, shall be as follows:

(1) Filing. An applicant proposing a Housing Development pursuant to this chapter shall submit a concurrent application for a Density Bonus Transfer Agreement as part of the submittal of any formal request for approval of a Housing Development. The application, whether a pre-application or a formal application, shall include:

(2) A general description of the proposed project, general plan description, applicable zoning, maximum possible density permitted under the current zoning and general plan description and such other information as is necessary.

(3) A calculation of the density bonus allowed pursuant to this division.

(4) A statement detailing the number of density bonus units being proposed over and above the number of units normally permitted by the applicable zoning and general plan description.

(5) City review of and action on the applicant's proposal for a density bonus shall occur concurrently with the processing of any other required entitlements, if any. The fact that another required entitlement might be subject to discretionary approval does not subject the application for a density bonus/transfer under this section to discretionary approval; they will merely be processed at the same time.

Sec. 30-971. No net loss program density bonus ~~agreement~~ memorandum.

(a) The terms of the ~~draft~~ density bonus/transfer ~~agreement (Agreement)~~ shall be ~~reviewed and revised~~ documented ~~as appropriate~~ in a project memorandum requested by the applicant and issued by the Director of Planning ~~and the City Attorney for final approval~~. ~~(b)At a minimum, t~~The ~~Agreement~~ memorandum shall include ~~the following:(1) T~~the total number of units, both permitted and available through the density bonus/transfer, proposed within the Housing Development.~~;~~

~~(2) A schedule for completion and occupancy of the units; and~~

~~(3) A description of remedies for breach of the Agreement by either party.~~

(b) A project that qualifies for a unit bank density bonus and complies with all other objective development standards inclusive of those standards modified by the No Net Loss program shall have its unit bank request processed ministerially by the City within 30 days of the City's receipt of written correspondence indicating that the project seeks a unit bank density bonus.

Sec. 30-972. Implementation.

(a) The provisions of this chapter shall be administered by the Planning Department.

(b) Projects requesting density bonus/transfer through this No Net Loss Program are subject to processing through the requirements in this chapter.

(c) A project that qualifies and uses a unit bank density bonus and complies with all other objective development standards shall be considered consistent with local objective development standards for the purpose of any applicable state law.

NOTICE OF EXEMPTION

TO: ☒	Office of Land Use and Climate Innovation State Clearinghouse P. O. Box 3044, Room 113 Sacramento, CA 95812-3044	FROM: (Public Agency)	Name: Address: Telephone:	City of Fontana 8353 Sierra Ave, Fontana CA 92335 909-350-6568
☒	Clerk of the Board of Supervisors or County Clerk (Include County name) Address:			

1. Project Title:	**Master Case No. 26-0011, Municipal Code Amendment No. 26-0002**
2. Project Applicant (include address, telephone number and email address):	**City of Fontana, Planning Department, 8353 Sierra Avenue, Fontana, CA 92335, Cecily Session-Goins, Associate Planner, (909) 350-6723, csgoins@fontanaca.gov**
3. Project Location – Identify street address and cross streets or attach a map showing project site (preferably a USGS 15' or 7 1/2' topographical map identified by quadrangle name):	**Citywide, City of Fontana, County of San Bernardino**
4. (a) Project Location – City: Fontana	(b) Project Location – County: San Bernardino
5. Description of nature, purpose, and beneficiaries of Project:	**The project is Municipal Code Amendment No. 26-0002 - Fontana Municipal Code amendments to Chapter 30 to modify standards for outdoor dining, and parking standards in the downtown core, make adjustments to the No Net Loss program, add definitions to differentiate vehicle parking from storage, clarify timing of entitlement applications, and modify the definition of accessory land uses**

6. Name of Public Agency approving project:	**City of Fontana**
7. Name of Person or Agency undertaking the project, including any person undertaking an activity that receives financial assistance from the Public Agency as part of the activity or the person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the activity:	**City of Fontana** **8353 Sierra Avenue** **Fontana, CA 92335** **(909) 350-6718**
8. Exempt status: (check one)	
(a) ☐ Ministerial project.	(Pub. Resources Code § 21080(b)(1); State CEQA Guidelines § 15268)
(b) ☐ Not a project.	State CEQA Guidelines 15050(c)(2)-(3)
(c) ☐ Declared Emergency	(Pub. Resources Code § 21080(b)(3); State CEQA Guidelines § 15269(a))
(d) ☐ Emergency Project.	(Pub. Resources Code § 21080(b)(4); State CEQA Guidelines § 15269(b),(c))
(e) ☐ Categorical Exemption. State type and section number:	
(f) ☐ Statutory Exemption. State Code section number:	
(g) ☒ Other. Explanation:	This Ordinance is not a project pursuant to Section 15060(c), 15061(B)(3) (the common-sense exemption) and 15378 of the State of California Environmental Quality Act Guidelines, because it does not have potential for resulting in physical change in the environment, directly or indirectly. Where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.
9. Reason why project was exempt:	**This project is a citywide amendment to Chapter 30 of the Fontana Municipal Code to modify standards for outdoor dining, and parking standards in the downtown core, make adjustments to the No Net Loss program, add definitions to differentiate vehicle parking from storage, clarify timing of entitlement applications, and modify the definition of accessory land uses**

10. Lead Agency Contact Person: Telephone:	**Cecily Session-Goins, Associate Planner** 909-350-6723
11. If filed by applicant: Attach Certificate of Determination (Form "B") before filing.	
12. Was a public hearing held by the Lead Agency to consider the exemption? Yes ☒ No ☐ If yes, the date of the public hearing was: April 21, 2026	

Date:

_____
Signature

Name: Rina Leung

Title: Senior Planner

☒ Signed by Lead Agency ☐ Signed by Applicant

Date Received for Filing:

(Clerk Stamp Here)

Authority cited: Sections 21083 and 21110, Public Resources Code.
Reference: Sections 21108, 21152, and 21152.1, Public Resources Code.

FONTANA
CALIFORNIA

NOTICE PUBLIC HEARING

In compliance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) and the federal rules and regulations adopted in implementation thereof, the Agenda will be made available in appropriate alternative formats to persons with a disability. Should you need special assistance to participate in this meeting, please contact the City Clerk's Department by calling (909) 350-7602. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A PUBLIC HEARING HAS BEEN SCHEDULED BEFORE THE PLANNING COMMISSION OF THE CITY OF FONTANA FOR THE FOLLOWING:

MASTER CASE (MCN) NO. 26-0011 and MUNICIPAL CODE AMENDMENT (MCA) NO. 26-0002

Amendments to Chapter 30 of the Fontana Municipal Code to modify standards for outdoor dining, and parking standards in the downtown core, make adjustments to the No Net Loss program, add definitions to differentiate vehicle parking from storage, clarify timing of entitlement applications, and modify the definition of accessory land uses.

Environmental Determination: The proposed ordinance is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c), 15378, and 15061(B)(3) (the common-sense exemption), and Sections No. 3.01, 3.22 and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the ordinance is covered by the rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and also by the common sense exemption which provides that, where it can be determined with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Location of Property: Citywide

Date of Hearing: April 21, 2026

Place of Hearing: Steelworkers Auditorium
8437 Sierra Avenue
Fontana, CA 92335

Time of Hearing: 6:00 pm

Should you have any questions concerning this project, please contact Cecily Session-Goins, Associate Planner, at (909) 350-6723 or by email at csgoins@fontanaca.gov

ANY INTERESTED PARTY MAY PROVIDE INFORMATION BY LETTER OR EMAIL WHICH MAY BE OF ASSISTANCE TO THE PLANNING COMMISSION. A COPY OF THE APPLICATION AND ENVIRONMENTAL DOCUMENTATION IS AVAILABLE FOR INSPECTION AT THE PLANNING DEPARTMENT, CITY HALL. PLEASE CONTACT THE PLANNER LISTED ABOVE.

IF YOU CHALLENGE IN COURT ANY ACTION TAKEN CONCERNING A PUBLIC HEARING ITEM, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE PUBLIC HEARING DESCRIBED IN THIS NOTICE, OR IN WRITTEN CORRESPONDENCE TO THE CITY AT, OR PRIOR TO, THE PUBLIC HEARING.

Publish: April 10, 2026

AVISO DE AUDIENCIA PUBLICA

FONTANA
CALIFORNIA

En cumplimiento con la Seccion No. 202 de la Acta de Americanos con Discapacidades de 1990 (42 USC Sec. 12132) y las reglas y regulaciones federales adoptadas en la implementacion de esta, la agenda de esta audiencia estara disponible en formatos alternativos apropiados para las personas con una discapacidad. Si necesita asistencia especial para participar en esta audiencia, comuníquese con el Departamento de la Secretaria Municipal llamando al (909) 350 -7602. La notificacion debera realizarse 48 horas antes de la audiencia para permitir que la Ciudad haga arreglos razonables para garantizar la accesibilidad a esta audiencia.

SE HA PROGRAMADO UNA AUDIENCIA PUBLICA ANTE LA COMISION DE PLANIFICACION DE LA CIUDAD DE FONTANA PARA LO SIGUIENTE:

MCN No. 26-0011 y MCA No. 26-0002

Enmiendas al Capítulo 30 del Código Municipal de Fontana para modificar los estándares de comedores al aire libre y los estándares de estacionamiento en el núcleo del centro de la ciudad (downtown core), realizar ajustes al programa de No Pérdida Neta (No Net Loss), agregar definiciones para diferenciar el estacionamiento de vehículos del almacenamiento de estos, aclarar los plazos de las solicitudes de concesión de derechos (entitlements) y modificar la definición de usos de suelo accesorios.

Determinacion Ambiental: La ordenanza propuesta está categóricamente exenta de la Ley de Calidad Ambiental de California (“CEQA”) de conformidad con las Secciones 15060(c), 15378 y 15061(B)(3) de las Normas de CEQA (la exención de sentido común), y las Secciones No. 3.01, 3.22 y 10.59 de las Normas Locales de 2019 para la Implementación de CEQA, dado que la ordenanza está cubierta por la regla de que CEQA se aplica únicamente a proyectos que tienen el potencial de causar un efecto significativo en el medio ambiente, y también por la exención de sentido común que establece que, cuando se puede determinar con certeza que no existe posibilidad de que la actividad en cuestión pueda tener un efecto significativo en el medio ambiente, dicha actividad no está sujeta a CEQA.

Ubicacion de la Propiedad: En toda la ciudad

Fecha de Audiencia: 21 de abril de 2026

Lugar de Audiencia: Steelworkers’ Auditorio, 8437 Sierra Avenue, Fontana, CA 92335

Hora de Audiencia: 6:00 p.m.

Si tiene alguna pregunta sobre este proyecto, comuníquese al (909) 350-6728 o por correo electrónico a planning@fontanaca.gov.

Cualquier persona o grupo interesado en aportar informacion lo puede hacer mediante a una carta o correo electronico dirigido a La Comision de Planificacion. La solicitud y la documentación Ambiental está disponible para inspección en las Oficinas de Ayuntamiento de la Ciudad de Fontana.

Si usted contradice ante el tribunal cualquier acción tomada con respecto a un tema de la Audiencia Publica, usted puede estar limitado a plantear solamente aquellas cuestiones que usted o alguien más planteo en la Audiencia Publica mencionada en este aviso o por correspondencia escrita a la Ciudad de Fontana antes de la fecha de la Audiencia establecida en este aviso.

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City of Fontana

Planning Commission

Minutes

Joseph Armendarez, Chair
Ricardo Quintana, Vice Chair
Torrie Lozano, Secretary
Idilio Sanchez, Commissioner
Dylan Keetle, Commissioner

Tuesday, April 21, 2026 6:00 P.M. Grover W. Taylor Council Chambers

CALL TO ORDER/ROLL CALL:

A. Call to Order/Roll Call:

A regular meeting of the City of Fontana Planning Commission was held on Tuesday, April 21, 2026. Chair Armendarez called the meeting to order at 6:04 p.m.

Present: Chair Armendarez, Vice Chair Quintana, Secretary Lozano, and Commissioners Sanchez and Keetle

Absent: None

INVOCATION/PLEDGE OF ALLEGIANCE:

A. Invocation/Pledge of Allegiance:

Following the Invocation by Chaplain Victor Arias, the Pledge of Allegiance was led by Secretary Lozano.

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PUBLIC COMMUNICATIONS:

A. Public Communications:

None.

CONSENT CALENDAR:

A. A Resolution of the Planning Commission of the City of Fontana Determining that the Acquisition of Certain Real Property Located at 15166 Foothill Boulevard, Identified as Assessor Parcel Number 1110-161-08-000, is in Conformance with the City of Fontana 2015-2035 General Plan; pursuant to a CEQA exemption in accordance with CEQA Guidelines Section 15061(b)(3).

Planning Commission adopted **Resolution No. PC 2026-011,** Determining that the Acquisition of Certain Real Property Located at 15166 Foothill Boulevard, Identified as Assessor Parcel Number 1110-161-08-000, is in Conformance with the City of Fontana 2015-2035 General Plan and make CEQA findings pursuant to State CEQA Guidelines Section 15061(b)(3) and direct staff to file a Notice of Exemption.

B. A Resolution of the Planning Commission of the City of Fontana Determining that the Acquisition of Certain Real Property Identified as Assessor Parcel Numbers 1100-111-51 and 1100-091-71 is in Conformance with the City of Fontana 2015-2035 General Plan; pursuant to a CEQA exemption in accordance with CEQA Guidelines Section 15061(b)(3).

Planning Commission adopted **Resolution No. PC 2026-012** Determining that the Acquisition of Certain Real Property Identified as Assessor Parcel Numbers 1100-111-51 and 1100-091-71 is in Conformance with the City of Fontana 2015-2035 General Plan and make CEQA findings pursuant to State CEQA Guidelines Section 15061(b)(3) and direct staff to file a Notice of Exemption.

C. Resolution of the Planning Commission of the City of Fontana Determining that the Vacation, Abandonment and Disposition of portions of Cherry Avenue, located south of Aliso Drive, Assessor Parcel Numbers 0236-122-23 and 0236-122-22, is in Conformance with the City of Fontana 2015-2035 General plan, pursuant to a CEQA exemption in accordance with CEQA Guidelines Section 15061(b)(3).

Planning Commission approved the location, purpose, and extent of the proposed real property vacation, abandonment, and disposition described herein as required under Government Code Section 65402(a) and adopted **Resolution No. PC 2026-013** finding that the proposed vacation, abandonment and disposition is in conformance with the City's General Plan, determining that the project is exempt under CEQA Guidelines Section 15060(b) (3) and directing staff to file a Notice of Exemption.

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D. Approval of Minutes:

Approve the Regular Planning Commission Meeting Minutes of April 7, 2026.

ACTION: A Motion was made by Commissioner Sanchez and seconded by Commissioner Keetle and passed by a vote of 5-0 to approve the Consent Calendar.

The motion carried by the following vote:

Aye: Chair Armendarez, Vice Chair Quintana, Secretary Lozano, and Commissioners Sanchez and Keetle

Absent: None

Abstain: None

PH-A Master Case No. (MCN) 21-0128: Conditional Use Permit (CUP) No. 21-0021, Conditional Use Permit (CUP) No. 21-0025, and Administrative Site Plan (ASP) No. 21-0057 - A conditional use permit request for a proposed truck sales operation and a conditional use permit request for a proposed repair facility operation along with an administrative site plan request for the construction of an approximately 29,185 square foot building and associated site improvements on an approximately 1.9-acre, located at 14592 Boyle Avenue, (APN: 0236-051-13, -21, -29 and -30), pursuant to a Categorical Exemption in accordance with CEQA Guidelines Section 15332.

Chair Armendarez opened the Public Hearing.

Alejandro Rico, Associate Planner, presented the staff report.

No written correspondence was received.

Commissioner Sanchez asked whether the truck sales operation would include mechanical repairs. Associate Planner Rico clarified that two Conditional Use Permits are proposed—one for truck sales and another for repairs—and confirmed that the repair permit is limited to collision work only, excluding mechanical repairs.

The applicant, Jose Carcelan, stated that he read and agreed to the Conditions of Approval, and described his project as a family-run truck sales and repair business that includes both incidental and heavy repairs, primarily servicing large fleet vehicles. He added that he currently operates another business on the west side of Cherry Avenue, and that this location is better suited to their needs.

No one spoke in favor or in opposition.

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The Public Hearing was closed.

RECOMMENDATION:

Based on the information contained in the staff report and subject to the attached Findings and Conditions of Approval, staff recommends that the Planning Commission adopt Resolution No. PC 2026 -014, and,

1. **Determine that the project is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section No. 15332 (Class No. 32, Infill Development) of, and Section No. 3.22 (Categorical Exemption) of the Local 2019 Guidelines for Implementing the CEQA, and direct staff to file a Notice of Exemption; and,**

2. **Approve Conditional Use Permit (CUP) No. 21-0021, and**

3. **Approve Conditional Use Permit (CUP) No. 21-0025, and**

4. **Approve Administrative Site Plan (ASP) No.21-0057**

ACTION: Motion was made by Commissioner Sanchez and seconded by Vice Chair Quintana and passed by a vote of 5-0 to approve Public Hearing Item "A"; adopt Resolution No. PC 2026-014; approve Conditional Use Permits (CUP) No. 21-0021 & No. 21-0025 and Administrative Site Plan (ASP) No.21-0057.

The motion carried by the following vote:

AYES: Chair Armendarez, Vice Chair Quintana, Secretary Lozano, and Commissioners Sanchez and Keetle NOES: None; ABSTAIN: None; ABSENT: None

PH-B Master Case No. 22-000011-R3: Tentative Parcel Map No. 20761 (TPM No. 22-000033-R2), Minor Use Permit No. 25-0006, and Design Review No. 22-00005-R2 - A request for site and architectural approval for a proposed revision to a previously approved commercial center. Revisions include the reconfiguration of the site from five parcels to four parcels and the relocation of the carwash building, vacuums and canopies to the northwest portion of the site, pursuant to a previously approved Mitigated Negative Declaration for the Midland Plaza project in accordance with CEQA Guidelines Sections 15162 through 15164 et seq.

Chair Armendarez opened the Public Hearing.

No written correspondence was received.

Cecily Session-Goins, Associate Planner, presented the staff report and noted several revisions to Conditions of Approval, including clarification in Section 6 that approval of the modified project supersedes prior entitlements, revision to Condition No. Planning Condition 15, Page 23 to require utility rooms and enclosures be constructed with durable,

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compatible materials, and clarification of fire flow requirements (Condition No. 33, Page 25) as approved by the Fire Department.

Vice Chair Quintana requested clarification on the change to Condition No. 33, page 25; staff explained it reflects a reduction in required fire flow from 2,000 to 1,500 and an adjustment to hydrant spacing from 300 to 312 feet, as approved by the Fire Department. Commissioners Sanchez inquired about lighting and the absence of a night rendering; staff confirmed the site will include comprehensive lighting throughout buildings, parking areas, and canopy, with tower illumination likely from interior lighting.

The applicant, Daniel Goalwin stated that he read and agreed to the Conditions of Approval and explained the project was revised due to market conditions, specifically the lack of a pharmacy tenant, leaving a portion of the site available for potential future development. In response to Commissioner Sanchez input, the applicant confirmed the corner tower will be illuminated from within to enhance visibility. The applicant also indicated an anticipated construction start within the year.

The following individual spoke:

- Ingrid (Speaker did not fill out public comment card).

The Public Hearing was closed.

RECOMMENDATION:

Based on the information in the staff report and subject to the attached Findings and Conditions of Approval, staff recommends that the Planning Commission adopt Resolution No. PC 2026 -015; and,

1. **Find that, pursuant to CEQA Guidelines Sections 15162 through 15164 et sec, the project has been reviewed under the previous Mitigated Negative Declaration for Tentative Parcel Map No. 20761 (TPM No. 22-000033), Conditional Use Permit No. 22-000002, Design Review No 22-000005 and has adequately identified that there will be no impacts associated with the project that cannot be mitigated, and no previously reviewed impact areas have substantially changed and direct staff to file a Notice of Determination; and,**

2. **Adopt a resolution approving Tentative Parcel Map No. 20761 (TPM No. 22-000033-R2), Minor Use Permit No. 25-0006, and Design Review No. 22-000005-R2.**

ACTION: Motion was made by Vice Chair Quintana and seconded by Secretary Lozano and passed by a vote of 5-0 to approve Public Hearing Item "B"; adopt Resolution No. PC 2026-015: Approve Tentative Parcel Map No. 20761 (TPM No. 22-

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000033-R2), Minor Use Permit No. 25-0006, and Design Review No. 22-000005- with amended conditions of approval.

The motion carried by the following vote:

AYES: Chair Armendarez, Vice Chair Quintana, Secretary Lozano, and Commissioners Sanchez and Keetle NOES: None; ABSTAIN: None; ABSENT: None

PH-C Master Case No. 26-0011 and Municipal Code Amendment No. 26-0002: Fontana Municipal Code amendments to Chapter 30 to modify standards for outdoor dining and parking standards in the downtown core, make revisions to the No Net Loss program, add definitions to differentiate vehicle parking from storage, clarify timing of entitlement applications, and modify the definition of accessory land uses, pursuant to a categorical exemption from the California Environmental Quality Act ("CEQA") in accordance with CEQA Guidelines Sections 15060(c), 15378, and 15061(B)(3).

Chair Armendarez opened the Public Hearing.

Cecily Session-Goins, Associate Planner, presented the staff report.

No written correspondence was received.

Secretary Lozano asked for clarification on which requirements were being removed, and Secretary Quintana inquired about parking that is not being eliminated but shifted to nearby facilities for customer use.

Associate Planner Session-Goins, emphasized that the changes aim to encourage downtown development by reducing on-site parking constraints and supporting entertainment, restaurant, and retail uses.

Chair Armendarez expressed support for the direction, noting it would enable more infrastructure and expand entertainment opportunities for the community.

No one spoke in favor or in opposition.

The Public Hearing was closed.

RECOMMENDATION:

Based on the information contained in this staff report, staff recommends that the Planning Commission adopt Resolution No. PC 2026-016; and,

1. **Determine that the Ordinance is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for**

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Implementing CEQA, in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and,

2. **Approve a resolution recommending that the City Council adopt an Ordinance for Municipal Code Amendment (MCA) No. 26-0002 to amend Chapter 30 of the Municipal Code.**

ACTION: Motion was made by Commissioner Keetle and seconded by Commissioner Lozano and passed by a vote of 5-0 to approve Public Hearing Item "C" and adopt Resolution No. PC 2026-016.

The motion carried by the following vote:

AYES: Chair Armendarez, Vice Chair Quintana, Secretary Lozano, and Commissioners Sanchez and Keetle NOES: None; ABSTAIN: None; ABSENT: None

PH-D Master Case No. 23-0100: Development Agreement No. 23-0085R1 and Development Agreement No. 23-0085R2 - a request to amend and restate the previously approved Development Agreement (DA) for the Citrus/Oleander Industrial Commerce Center Project to allocate the provision of public benefit fees among properties in a manner consistent with Planning Commission Resolution No. 2025-040.

Chair Armendarez opened the Public Hearing.

No written correspondence was received.

DiTanyon Johnson, Planning Manager, presented the staff report.

Jonathan Shardlow, on behalf of the applicant, stated that he had read and agreed to the Conditions of Approval and explained the project was originally one site bisected by Oleander Avenue but is now split between two developers. North Palisade Partners will develop a 400,000-square-foot industrial warehouse west of Oleander, while Acacia will develop an 88,000-square-foot industrial warehouse to the east. He stated the project is industrial in nature and will provide infrastructure improvements to the area.

No one spoke in favor or in opposition.

The Public Hearing was closed.

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RECOMMENDATION:

Based on the information contained in this staff report, staff recommends that the Planning Commission adopt Resolution No. PC 2026-017; and forward a recommendation to the City Council to:

1. **Determine that the recommended development agreement modifications are categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and,**

2. **Determine that the development agreement modifications together with the underlying project were adequately analyzed in the previously certified Citrus and Oleander Avenue at Santa Ana Avenue Project Environmental Impact Report (EIR) (State Clearinghouse No. 2022110389) and its subsequent Addendum, and pursuant to CEQA Guidelines Section 15162, no subsequent or supplemental EIR is required because there are no substantial changes in the project or its circumstances, and no new information of substantial importance has been identified that would result in any new or more severe significant environmental impacts; and.**

3. **Adopt an Ordinance approving Amended and Restated Development Agreement No. 23-0085R1, as to Assessor's Parcel Number 0255-021-17 (Acacia DA Amendment); and**

4. **Adopt an Ordinance approving Amended and Restated Development Agreement No. 23-0085R2, as to Assessor's Parcel Numbers 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 thru 0255-011-32 (North Palisades DA Amendment).**

ACTION: Motion was made by Secretary Lozano and seconded by Commissioner Keetle and passed by a vote of 5-0 to approve Public Hearing Item "D" and adopt Resolution No. PC 2026-017 and

The motion carried by the following vote

AYES: Chair Armendarez, Vice Chair Quintana, Secretary Lozano, and Commissioners Sanchez and Keetle NOES: None; ABSTAIN: None; ABSENT: None

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DIRECTOR COMMUNICATIONS:

A. Director Communications:

None.

COMMENTS:

A. Public Communication Commission Comments:

Commissioner Sanchez expressed excitement about long-awaited development plans finally moving forward, noting that it is encouraging to see progress in downtown Fontana. He shared enthusiasm about future nightlife and local entertainment options that would provide residents with more activities within the city rather than traveling to neighboring areas. He also conveyed appreciation for working with the city as a planning commissioner and thanked staff for their ongoing efforts, closing with well wishes for a good night and a blessing for the community.

Commissioner Keetle thanked city staff for consistently providing thorough information and making the commission's work easier, specifically acknowledging Director Nevins and the planning team for their support. He also expressed appreciation to the City Council for the opportunity to serve on the commission.

Secretary Lozano thanked the planning staff for their presentations and expressed excitement about the projects reviewed during the meeting. She also acknowledged the City Council for the opportunity to serve in the role and participate in decision-making on development projects. She ended by wishing everyone a great evening.

Vice Chair Quintana thanked staff for their presentations and reports, noting consistent appreciation for their work. He echoed excitement about ongoing development efforts, particularly the revitalization of downtown Fontana, describing it as a positive step forward for the city. He concluded by expressing gratitude for the opportunity to serve on the commission.

Chair Armendarez apologized for any mispronunciations of staff names and expressed strong appreciation for the planning team's work in preparing materials and being available to address questions in advance of meetings. He emphasized excitement about downtown development and the city's direction toward being open for business and supporting economic growth. He also thanked staff for their dedication in making meetings efficient and well-prepared, and for helping ensure clear communication on projects and issues. He concluded by wishing everyone a blessed night and thanking attendees for coming.

ADJOURNMENT:

Chair Armendarez adjourned the meeting at 6:51 p.m. to the next Regular Planning

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Commission Meeting on Tuesday, May 5, 2026, at 6:00 p.m. in the Grover W. Taylor Council Chambers located at 8353 Sierra Avenue, Fontana, California.

Susana Gallardo

Susana Gallardo
Deputy City Clerk

THE FOREGOING MINUTES WERE APPROVED BY THE PLANNING COMMISSION ON THE 5th DAY OF MAY 2026.

Joseph Armendarez

Joseph Armendarez
Chair

Certificate Of Completion

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Joseph Armendarez jarmendarez@fontanaca.gov Security Level: Email, Account Authentication (None)	Joseph Armendarez Signature Adoption: Pre-selected Style Using IP Address: 2600:387:15:1115::1 Signed using mobile	Sent: 5/6/2026 | 12:40 PM Viewed: 5/7/2026 | 12:39 PM Signed: 5/7/2026 | 12:40 PM
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Required hardware and software

Operating Systems:	Windows2000? or WindowsXP?
Browsers (for SENDERS):	Internet Explorer 6.0? or above
Browsers (for SIGNERS):	Internet Explorer 6.0?, Mozilla FireFox 1.0, NetScape 7.2 (or above)
Email:	Access to a valid email account
Screen Resolution:	800 x 600 minimum
Enabled Security Settings:	•Allow per session cookies •Users accessing the internet behind a Proxy Server must enable HTTP 1.1 settings via proxy connection

** These minimum requirements are subject to change. If these requirements change, we will provide you with an email message at the email address we have on file for you at that time providing you with the revised hardware and software requirements, at which time you will have the right to withdraw your consent.

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Si desea información en Español referente a esta notificación o proyecto, favor de comunicarse al (909) 350-6728.

In compliance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) and the federal rules and regulations adopted in implementation thereof, the Agenda will be made available in appropriate alternative formats to persons with a disability. Should you need special assistance to participate in this meeting, please contact the City Clerk's Department by calling (909) 350-7602. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A PUBLIC HEARING HAS BEEN SCHEDULED BEFORE THE CITY COUNCIL OF THE CITY OF FONTANA FOR THE FOLLOWING:

MASTER CASE (MCN) NO. 26-0011 and MUNICIPAL CODE AMENDMENT (MCA) NO. 26-0002

Amendments to Chapter 30 of the Fontana Municipal Code to modify standards for outdoor dining, and parking standards in the downtown core, make adjustments to the No Net Loss program, add definitions to differentiate vehicle parking from storage, clarify timing of entitlement applications, and modify the definition of accessory land uses.

Environmental Determination: The proposed ordinance is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Sections 15060(c), 15378, and 15061(B)(3) (the common-sense exemption), and Sections No. 3.01, 3.22 and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the ordinance is covered by the rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment, and also by the common sense exemption which provides that, where it can be determined with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA.

Location of Property: Citywide

Date of Hearing: May 26, 2026

Place of Hearing: Steelworkers Auditorium
8437 Sierra Avenue
Fontana, CA 92335

Time of Hearing: 2:00 pm

Should you have any questions concerning this project, please contact Cecily Session-Goins, Associate Planner, at (909) 350-6723 or by email at csgoins@fontanaca.gov

ANY INTERESTED PARTY MAY PROVIDE INFORMATION BY LETTER OR EMAIL WHICH MAY BE OF ASSISTANCE TO THE CITY COUNCIL. A COPY OF THE APPLICATION AND ENVIRONMENTAL DOCUMENTATION IS AVAILABLE FOR INSPECTION AT THE PLANNING DEPARTMENT, CITY HALL. PLEASE CONTACT THE PLANNER LISTED ABOVE.

IF YOU CHALLENGE IN COURT ANY ACTION TAKEN CONCERNING A PUBLIC HEARING ITEM, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE PUBLIC HEARING DESCRIBED IN THIS NOTICE, OR IN WRITTEN CORRESPONDENCE TO THE CITY AT, OR PRIOR TO, THE PUBLIC HEARING.

Publish: May 15, 2026
¼ Page

File #: 26-0927
Agenda #: B.

Agenda Date: 5/26/2026
Category: Public Hearing

FROM:
Planning Department

SUBJECT:
Master Case No. 19-000016R1: Development Agreement No. 19-000002R1 - A request to approve the first amendment to the Goodman Logistics Center Fontana III Development Agreement to extend the term of the agreement and add sustainability features, finding that the project was adequately analyzed in the previously certified Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse [SCH] NO. 2019039071) and the subsequent addendum, determining pursuant to CEQA guidelines Section 15162, no subsequent or supplemental EIR is required and direct staff to file of Notie of Determination.

RECOMMENDATION:
1. Determine that the development agreement amendment together with the underlying project were adequately analyzed in the previously certified Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2019039071), along with a subsequent March 2021 Addendum, and pursuant to CEQA Guidelines Sections 15162 and 15164, no subsequent or supplemental EIR is required because there are no substantial changes in the project or its circumstances, and no new information of substantial importance has been identified that would result in any new or more severe significant environmental impacts; and

2. Waive full reading and introduce for first reading by title only **Ordinance No. 1990** entitled: “An Ordinance of the City Council of the City of Fontana, California, Approving Development Agreement No 19-000002R1 for Assessor’s Parcel Numbers: 0255-091-20, -23, -63, -64, and -65.

COUNCIL GOALS:
- Promote economic development by pursuing business attraction, retention, and expansion.
- Promote economic development by being business friendly at all levels and striving to constantly improve the city's competitiveness.

DISCUSSION:
BACKGROUND
On April 21, 2020, the Planning Commission recommended that the City Council adopt Development Agreement No. 19-000002 under MCN No. 19-000016, for an industrial commerce center development comprised of three buildings with associated improvements. The Agreement provided for a public benefit fee in the amount of six million dollars ($6,000,000).

On June 23, 2020, the City Council adopted Development Agreement No. 19-000002 under MCN No. 19-000016. for an industrial commerce center development project along with a public benefit fee

and certified the Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse (SCH) No. 2019039071).

On April 20, 2021, the Planning Commission approved MCN No. 21-000002, which included approval of Tentative parcel Map 20354, Conditional Use Permit 21-001 and Administrative Site Plan 21-002 along with an Addendum to the EIR to subdivide the southern portion of the site and establish a tractor trailer parking lot.

On May 5, 2026, the Planning Commission considered an amendment to Development Agreement No. 19-000002 (AGR No. 19-000002R1) for GLC Fontana III, LLC. A public communication was included in the Planning Commission packet (Attachment No. 2) requesting that a commenter's property be included for a land use redesignation from Residential Planned Community (R-PC) to a Commercial Designation in conjunction with this application; however, the current application is solely for an amendment to the Goodman Development Agreement and does not include any General Plan Amendments or Zone Changes to redesignate property. In addition, at the Planning Commission hearing, an adjacent property owner at 11229 Cypress Avenue provided public testimony expressing concerns about truck traffic along Cypress Avenue. After considering public comments, the Planning Commission unanimously voted to adopt a resolution recommending that the City Council approve the Development Agreement Amendment.

ANALYSIS:
The proposal is a request from GLC Fontana III, LLC. for an amendment to Development Agreement No. 19-000002. This development agreement was originally approved with MCN No. 19-000016 which included the development of an industrial commerce center project consisting of three (3) buildings along with associated improvements for a property generally located between Cypress Avenue and Juniper Avenue, north of Jurupa Avenue, (APNs: 0255-091-20, -23, -63, -64, and -65). The applicant is requesting that the City Council approval a first amendment to this Agreement to extend the term of the agreement and to add sustainability features.

The initial Development Agreement approved by City Council on June 23, 2020, included a 10-year term that became effective on March 9, 2021. This first amendment to the Development Agreement provides for an extension of ten (10) additional years from the effective date for a total term of twenty (20) years, thus modifying the previous expiration date of March 9, 2021 to the new expiration date of March 9, 2041. The project was approved prior to the adoption of Ordinance No. 1891 that required sustainability standards for industrial Commerce Centers. Thus, this project was not subjected to these requirements in Ordinance No. 1891 when it was approved on June 23, 2020.

The proposed amendment to the Development Agreement includes requirements for adding sustainability features to portions of the project that have not been constructed. Currently one (1) of the three (3) buildings for the project have been constructed and has been in operation since October 2021. The sustainability features to be included for the two (2) remaining buildings include but are not limited to: a requirement for a truck routing plan; larger trees; improved emissions standards for on-site motorized operational vehicles; lower VOC paints/coatings; incorporation of highest available CARB Tier rating for construction equipment; and property owner to provide facility operators with information on incentive programs such as the Carl Moyer Program, voucher incentive program, and United States Environmental Protection Agency's SmartWay Program. A complete detailed list of these features are included in the First Amendment to the Goodman Logistics Center Fontana III Development Agreement (Exhibit A of Attachment No. 1), and the Planning Commission packet is

included as Attachment No. 2.

Environmental:
Pursuant to Sections 15162 and 15164 of the California Environmental Quality Act (CEQA) Guidelines and Section 8.06 of the City of Fontana's 2019 Local CEQA Guidelines of the Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2019039071) along with a subsequent March 2021 Addendum has been prepared for this proposed project. The aforementioned EIR was adopted by the City Council on June 23, 2020 and the Addendum was approved by Planning Commission on April 20, 2021. These documents anticipated the development of the site for a commerce center development and industrial uses along with a development agreement and they also adequately identified any potential impacts associated with this project. No new additional impacts beyond what was anticipated in the EIR mentioned above were identified.

ATTACHMENTS:
Attachment No. 1 - Ordinance
Attachment No. 2 - Planning Commission Packet
Attachment No. 3 - Draft Planning Commission Minutes
Attachment No. 4 - Public Hearing Notice

FISCAL IMPACT:
None.

MOTION:
Approve staff recommendation.

ORDINANCE NO. 1990

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA, APPROVING THE FIRST AMENDMENT TO DEVELOPMENT AGREEMENT NO. 19-000002R1, FOR ASSESSOR'S PARCEL NUMBERS 0255-091-20, -23, -63, -64, AND -65, FINDING THAT THE PROJECT WAS ADEQUATELY ANALYZED IN THE PREVIOUSLY CERTIFIED GOODMAN LOGISTICS CENTER FONTANA III ENVIRONMENTAL IMPACT REPORT (EIR) (STATE CLEARINGHOUSE [SCH] NO. 2019039071) AND THE SUBSEQUENT ADDENDUM, DETERMINING PURSUANT TO CEQA GUIDELINES SECTION 15162 THAT NO SUBSEQUENT OR SUPPLEMENTAL EIR IS REQUIRED, AND DIRECT STAFF TO FILE A NOTICE OF DETERMINATION

WHEREAS, California Government Code Sections 65864 et seq. ("Development Agreement Statutes") and Section 30-322 of the City's of Fontana's Zoning and Development Code ("ZDC") authorizes the City Council of the City of Fontana ("City Council") to enter into development agreements with those having a legal or equitable interest in real property in order to establish certain development rights in such property to strengthen the public planning process, encourage private participation in comprehensive planning, and reduce the economic risk of development in connection with the development of real property within its jurisdiction; and

WHEREAS, the City of Fontana Planning Commission ("Planning Commission") has found that development agreements strengthen the public planning process, encourage private participation in comprehensive planning reduces the economic costs of development, allows for orderly planning of public improvements and services, allocates costs to achieve maximum utilization of public and private resources in the development process, and ensures that appropriate measures are taken to enhance and protect the environment; and

WHEREAS, pursuant to Section 30-322 of the ZDC and Section 4 of City Council Resolution No. 85-217, the Planning Commission shall conduct a public hearing on any proposed development agreements in accordance with Government Code Section 65867 and shall adopt a resolution recommending approval or denial of the proposed development agreement to the City Council, including the reasons for its recommendation and an evaluation of the relationship of the proposed development agreement or amendment to applicable general and specific plans, as well as zoning requirements; and

WHEREAS, on June 23, 2020 the City of Fontana ("City") approved entitlements for the GLC Fontana III Project (MCN No. 19-000016), an industrial commerce center consisting of three buildings, through a General Plan Amendment (GPA 19-000001), Zone Change (ZCA 19-000001), Specific Plan Amendment (SPA 19-000001), Tentative Parcel Map (TPM 19-000002), Design Review (DRP 19-000005), and the certification of

the Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse (SCH) No. 2019039071) (collectively, GLC Fontana III Development); and

WHEREAS, concurrent with the GLC Fontana III Development, the City Council approved Ordinance No. 1840 authorizing Development Agreement No. 19-000002 for the project ("DA"); and

WHEREAS, on April 20, 2021, the Planning Commission approved MCN No. 21-000002 which consisted of Tentative Parcel Map No. 20354, Conditional Use Permit No. 21-001 and Administrative Site Plan No. 21-002 with an Addendum to the project's EIR to subdivide the southern portion of the project site and establish a tractor trailer parking lot; and

WHEREAS, the DA together with the underlying project, was adequately analyzed in the previously certified Goodman Logistics Center Fontana III EIR (SCH No. 2019039071) and the subsequent Addendum. Pursuant to CEQA Guidelines Section 15162, no subsequent or supplemental EIR is required because there are no substantial changes to the project or its circumstances, and no new information of substantial importance has been identified that would result in any new or more severe significant environmental impacts; and

WHEREAS, the DA gave GLC Fontana III vested rights to develop the GLC Industrial Center Development consistent with the SWIP, and in exchange obliged GLC III, LLC. (the "Applicant") to provide specified public benefit fees to the City; and

WHEREAS, the City received an application from the Applicant on April 6, 2026, for an Amendment to the DA ("AGR No. 19-000002R1") to amend the term of the DA and include sustainability features; and

WHEREAS, the terms and conditions of AGR No. 19-000002R1 were reviewed by the Planning Commission at a duly noticed public hearing held on May 5, 2026, at which time the Planning Commission recommended that the City Council approve the amendment; and

WHEREAS, the terms and conditions of AGR No. 19-000002R1 were found to be fair, just and reasonable, and it was further determined that (i) the economic interests of the City's residents, as well as the public health, safety and welfare, will be best served by the amendment; (ii) the amendment is consistent with the General Plan; (iii) the amendment conforms to public convenience, general welfare and sound land use practices; (iv) the amendment will not be detrimental to the public health, safety and general welfare; and (v) the amendment will not adversely affect the orderly development or the preservation of property values for the subject property or any other property; and

WHEREAS, on May 26, 2026, the City Council held a public hearing on AGR No. 19-000002R1 where it received evidence and public testimony and documentation from the Planning Commission's public hearing on May 5, 2026; and

WHEREAS, the City Council carefully considered all information pertaining to AGR No. 19-000002R1 presented at its public hearing on May 26, 2026; and

WHEREAS, all other legal prerequisites to the adoption of this Ordinance have occurred.

THE CITY COUNCIL OF THE CITY OF FONTANA DOES ORDAIN AS FOLLOWS:

Section 1. Recitals. The above recitals are true, correct and incorporated herein by reference.

Section 2. Compliance with the California Environmental Quality Act. Based on the substantial evidence set forth in the record, including but not limited to, the Goodman Logistics Center Fontana III EIR and the subsequent Addendum thereto, and all related information presented to the City Council, the Council finds pursuant to State CEQA sections 15162 and 15164 and Section 8.06 of the City of Fontana's 2019 Local Guidelines for Implementing CEQA that the preparation of a subsequent or supplemental EIR is not required for the proposed Projects because the Project:

A. Will not result in substantial changes that would require major revisions of the Goodman Logistics Center Fontana III EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and

B. Will not result in substantial changes with respect to the circumstances under which the project is developed that would require major revisions of the Goodman Logistics Center Fontana III EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects; and

C. Does not present new information of substantial importance that was not known and could not have known with the exercise of reasonable diligence at the time the Goodman Logistics Center Fontana III Project EIR documents were certified showing any of the following:

    (i) The Modified Project would have one or more significant effects not discussed in the EIR;

    (ii) That significant effects previously examined would be substantially more severe than shown in the EIR;

    (iii) That mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the lead agency declined to adopt such

measures; and

(iv) That mitigation measures or alternatives are considerably different from those analyzed would substantially reduce one or more significant effects on the environment, but which the leady agency declined to adopt

Section 3. Public Health, Safety and Welfare. Based on the entire record before it and all written and oral evidence presented, the City Council hereby finds that AGR No. 19-000002R1 promotes the public health, safety and welfare of the community because it will enable enhanced sustainability and environmental improvements at the project site, as well as support economic development within the surrounding communities and the City as a whole.

Section 4. Approval. The City Council hereby approves AGR No. 19-000002R1, in substantially the form attached hereto as **Exhibit A** and incorporated herein by this reference.

Section 5. Effective Date/Publication. This Ordinance shall take effect thirty (30) days after the date of the adoption and prior to the expiration of fifteen (15) days from the passage thereof, shall be published by the City Clerk at least once in the Fontana Herald News, a local newspaper of the general circulation, published and circulated in the City of Fontana, and henceforth and thereafter the same shall be in full force and effect.

Section 6. Custodian of Records. The documents and materials that constitute the record of proceedings on which this Ordinance is based are located at the City Clerk's office located at 16860 Valencia Avenue, Fontana, CA 92335. The custodian or records is the City Clerk.

Section 7. Certification. The City Clerk of the City Council shall certify the adoption of this Ordinance.

Section 8. Severability. If any provision of this Ordinance or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application.

APPROVED AND ADOPTED this 9th day of June 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 Ordinance is the actual Ordinance adopted by the City Council and was introduced at a regular meeting on the 26th day of May 2026, and was finally passed and adopted not less than five days thereafter on the 9th day of June 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

Exhibit A

RECORDING REQUESTED BY:

Order No:

WHEN RECORDED MAIL DOCUMENT TO:
City of Fontana
8353 Sierra Avenue
Fontana, California 92335
Attn: City Clerk

Space Above This Line for Recorder's Use Only
Exempt From Recording Fees Pursuant
To Govt. Code §§ 27383, 6103

FIRST AMENDMENT TO THE GOODMAN LOGISTICS CENTER FONTANA III DEVELOPMENT AGREEMENT

This First Amendment to the Goodman Logistics Center Fontana II Development Agreement ("First Amendment") is made and entered into as of _____ by and between the City of Fontana, a California municipal corporation ("CITY"), and GLC FONTANA III LLC, a Delaware limited liability company ("DEVELOPER").

Recitals

a. CITY, through its City Council, and DEVELOPER entered into that certain Goodman Logistics Center Fontana III Development Agreement ("DA"), dated June 23, 2020.

b. The Effective Date of the DA is March 9, 2021.

c. Unless otherwise set forth herein, the defined terms used in this First Amendment shall be as defined in the DA.

d. The DA allows for the Development of the Property in accordance with its terms and pursuant to the approved Development Plan and provides substantial benefits to CITY that will further important policies and goals of CITY.

e. The DA provides that DEVELOPER and CITY may mutually agree to extend the Term of the DA, provided such extension agreement is in writing.

f. The Parties mutually wish to extend the Term of the DA for an additional ten (10) years and to clarify additional design features that will be incorporated by DEVELOPER into the Project in exchange for the benefits set forth in this First Amendment.

g. Except for extending the Term of the DA and specifying those design features that DEVELOPER shall incorporate into the Project as set forth in Sections 1 and 2, below, this First Amendment does not otherwise modify any provisions of the DA.

Agreement

NOW THEREFORE, in consideration of the above Recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Recitals. The foregoing recitals are true, correct and hereby incorporated into this First Amendment by this reference as though fully set forth herein.

2. Term Extension. The Term of the DA is extended by an additional ten (10) years from the Effective Date, for a total term of twenty (20) years from the Effective Date.

3. Project Design Features. The Project, having been approved prior to the adoption of Ordinance No. 1891 with the DA vesting same, is not subject to the requirements of Ordinance No. 1891. However, DEVELOPER agrees and covenants to incorporate the following design features (collectively, the "Design Features") into those portions of the Project that have not been constructed as of the date that the City approves this First Amendment:

a. Any new trees installed will be 36-inch box trees and shall be spaced no greater than 40 feet on center.

b. DEVELOPER will install signage indicating a three-minute diesel truck engine idling restriction shall be posted on site along entrances to the site and in the dock areas and shall be strictly enforced by the facility operator.

c. Prior to issuance of certificate of occupancy facility operators shall establish and submit for approval to the Planning Director a truck routing plan to and from the state highway system based on the city's latest truck route map. The plan shall describe the operational characteristics of the use of the facility operator, including, but not limited to, hours of operations, types of items to be stored within the building, and proposed truck routing to and from the facility to designated truck routes that avoids passing sensitive receptors, to the greatest extent possible. The plan shall include measures, such as signage and pavement markings, queuing analysis and enforcement, for preventing truck queuing, circling, stopping, and parking on public streets. Facility operator shall be responsible for enforcement of the plan. A revised plan shall be submitted to by the Planning Director prior to a business license being issued by the city for any new tenant of the property. The Planning Director shall have discretion to determine if changes to the plan are necessary including any additional measures to alleviate truck routing and parking issues that may arise during the life of the facility.

d. Signs and drive aisle pavement markings shall clearly identify the on-site circulation pattern to minimize unnecessary on-site vehicular travel.

e. Facility operators shall post signs in prominent locations inside and outside of the building indicating that off-site parking for any employee, truck, or other operation related vehicle is strictly prohibited. City may require facility operators to post signs on surface streets indicating that off-site truck parking is prohibited by city ordinance and/or the truck routing plan.

f. Signs shall be installed in public view with contact information for a local designated representative who works for the facility operator and who is designated to receive complaints about excessive dust, fumes, or odors, and truck and parking complaints for the site, as well as contact information for the SCAQMD's on-line complaint system and its complaint call-line: 1-800-288-7664. Any complaints made to the facility operator's designee shall be answered within 72 hours of receipt.

g. Signs shall be installed at all truck exit driveways directing truck drivers to the truck route as indicated in the truck routing plan and state highway system.

h. On-site motorized operational equipment shall be ZE (zero emission equipment).

i. The office portion of a building's rooftop that is not covered with solar panels or other utilities shall be constructed with light colored roofing material with a solar reflective index ("SRI") of not less than .29. This material shall be the minimum solar reflective rating of the roof material for the life of the building.

j. The Project shall include a minimum 100 kilowatt (kw) solar generation facility. This facility shall incorporate decorative screening and facility along with screening shall be depicted on plans to be submitted for review and approval from the Planning Director prior to installation.

k. All building roofs shall be solar-ready, which includes designing and constructing buildings in a manner that facilitates and optimizes the future installation of a rooftop solar photovoltaic (PV) system.

l. A minimum of 10% of all passenger vehicle parking will have EV conduit infrastructure for future charging stations. Signage shall be installed indicating EV charging stations and specifying that spaces are reserved for clean air/EV vehicles. Unless superior technology is developed that would replace the EV charging units, facility operator and any successors in interest shall be responsible for maintaining the EV charging stations in working order for the life of the facility.

m. Bicycle racks are required per section 30-714 of the zoning and development code and in the amount required for warehouse uses by table 30-714 of the zoning and development code. The racks shall include locks as well as electric plugs to charge electric bikes. The racks shall be located as close as possible to employee entrance(s). Nothing in this section shall preclude the warehouse operator from satisfying this requirement by utilizing bicycle parking amenities considered to be superior such as locating bicycle parking facilities indoors or providing bicycle lockers.

n. Cool surface treatments shall be added to all drive aisles and parking areas or such areas shall be constructed with a solar-reflective cool pavement such as concrete.

o. To ensure that warehouse electrical rooms are sufficiently sized to accommodate the potential need for additional electrical panels, either a secondary electrical room shall be provided in the building, or the primary electrical room shall be sized 25 percent larger than is required to satisfy the service requirements of the building or the electrical gear shall be installed with the initial construction with 25 percent excess demand capacity.

p. DEVELOPER will install a conduit and associated infrastructure to charge future electric yard equipment and electric trucks.

q. Use of low VOC architectural and industrial maintenance coatings (e.g., paints) shall be required.

r. The facility operator shall incorporate a recycling program.

s. The following environmentally responsible practices shall be required during construction: (1)The contractor shall use reasonable best efforts to deploy the highest rated CARB Tier technology that is available at the time of construction. Prior to permit issuance, the construction contractor shall submit an equipment list confirming equipment used is compliant with the highest CARB Tier at the time of construction. Equipment proposed for use that does not meet the highest CARB Tier in effect at the time of construction, shall only be approved for use at the discretion of the planning director and shall require proof from the construction contractor that, despite reasonable best efforts to obtain the highest CARB Tier equipment, such equipment was unavailable.(2)Use of electric-powered hand tools, forklifts, and pressure washers.(3)Designation of an area in any construction site where electric-powered construction vehicles and equipment can charge.(4)Identification in site plans of a location for future electric truck charging stations and installation of a conduit to that location.(5)Diesel-powered generators shall be prohibited except in case of emergency or to establish temporary power during construction.

t. A property maintenance program shall be submitted for review and approval by the Planning Director or his/her designee prior to the issuance of building permits.

The program shall provide for the regular maintenance of building structures, landscaping, and paved surfaces in good physical condition, and appearance. The methods and maximum intervals for maintenance of each component shall be specified in the program.

u. Property owner shall provide facility operator with information on incentive programs such as the Carl Moyer Program and voucher incentive program and shall require all facility operators to enroll in the United States Environmental Protection Agency's SmartWay Program.

4. Exhibits. The following documents are attached hereto and, by this reference, are incorporated into and made a part of this Agreement and shall replace the DA exhibits:

Exhibit A — Legal Description of the Property
Exhibit B — Map showing Property and its location
Exhibit E — Existing Development Approvals

5. Recordation of Agreement. This Agreement shall be recorded with the San Bernardino County Recorder within the period required by Section 65868.5 of the Government Code.

[SIGNATURES ON FOLLOWING PAGE]

CITY OF FONTANA,
a California municipal corporation

By: _____

GLC FONTANA III LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Dated: _____

UPDATED EXHIBIT A TO
DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF FONTANA AND GLC FONTANA III, LLC

Legal Description of the Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FONTANA,

IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

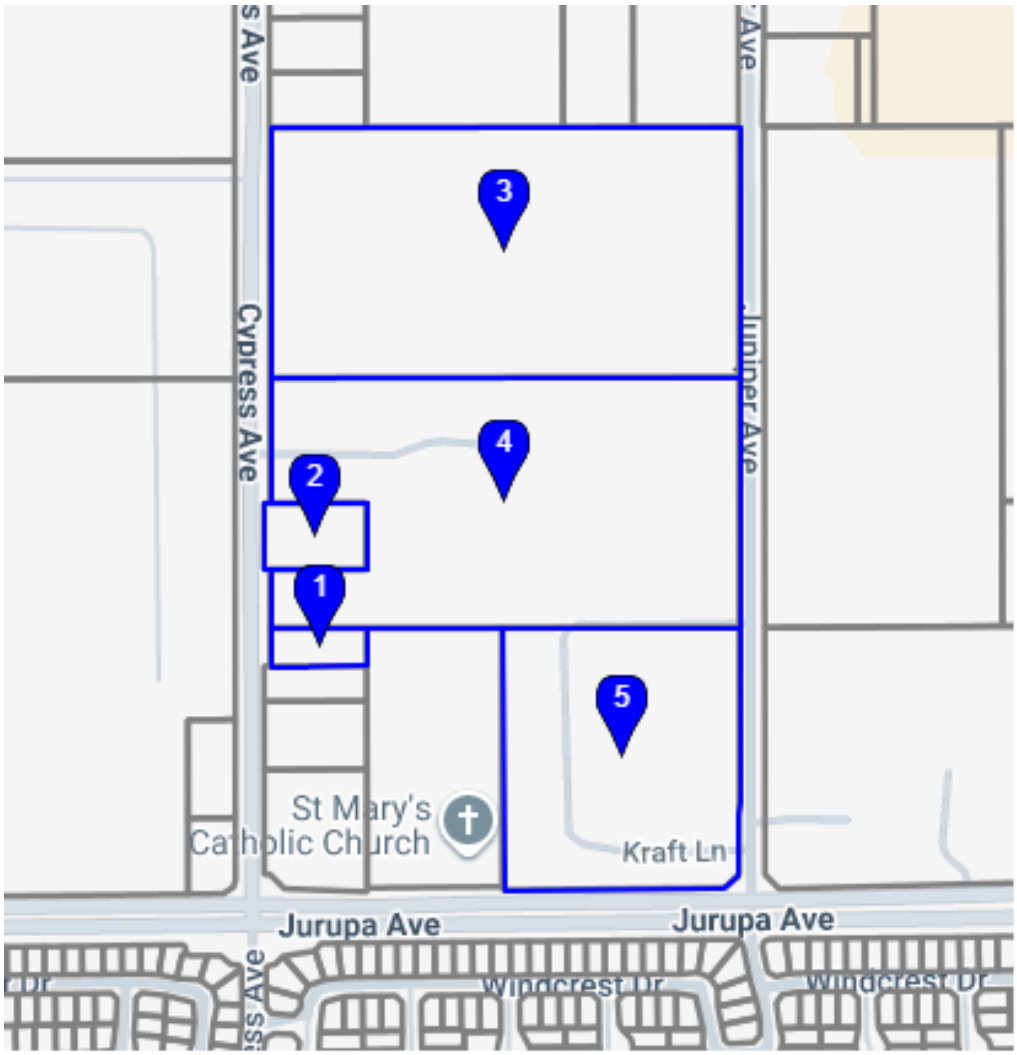
1. THE NORTH 93.3 FEET OF THE WEST HALF OF LOT 775, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12 OF MAPS, RECORDS OF SAID COUNTY.

   SAVING AND EXCEPTING THEREFROM THAT PORTION THEREIN LYING WITHIN THE EAST 6.17 ACRES OF THE WEST HALF OF SAID LOT.

2. THE NORTH 175 FEET OF THE WEST 300 FEET OF THE SOUTH HALF OF LOT 770, ACCORDING TO PLAT SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COPMNAY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, RECORDED IN BOOK 11 OF MAPS, PAGE 12, RECORDS OF SAID COUNTY.
3. PARCEL 1 OF PARCEL MAP NO. 20084, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 255, PAGES 74 THROUGH 79, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.
4. PARCEL 2 OF PARCEL MAP NO. 20084, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 255, PAGES 74 THROUGH 79, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.
5. PARCEL 3 OF PARCEL MAP NO. 20084, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 255, PAGES 74 THROUGH 79, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

UPDATED EXHIBIT B TO
DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF FONTANA AND GLC FONTANA III, LLC

Map showing Property and its location



UPDATED EXHIBIT E TO
DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF FONTANA AND GLC FONTANA III, LLC

Existing Development Approvals

A. General Plan Amendment No. 19-001, approved by City Council Resolution No. 2020-071 on June 23, 2020.

B. Southwest Industrial Park (SWIP) Specific Plan Amendment No. 19-002 approved by City Ordinance No. 1839 on June 23, 2020.

C. Zone Change No. 19-01, approved by City Council Ordinance No. 1838 on June 23, 2020.

D. Tentative Parcel Map No. 18109 (TPM No. 19-002), approved by the City Council on June 23, 2020.

E. Design Review No. 19-005, approved by the City Council on June 23, 2020.

F. Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (SCH No. 2019039071) certified by City Council Resolution No. 2020-071 on June 23, 2020.

G. Design Review Sign Program No. 19-007, approved by City Council on June 23, 2020.

H. Tentative parcel Map 20354, Conditional Use Permit 21-001 and Administrative Site Plan 21-002, approved by Planning Commission on April 20, 2021

File #: 26-0926
Agenda #: PH-C

Agenda Date: 5/5/2026
Category: Public Hearing

FROM:
Planning Department

TITLE:
Master Case No. 19-000016R1: Development Agreement No. 19-000002R1 - A request to approve a first amendment to the Goodman Logistics Center Fontana III Development Agreement to extend the term and add sustainability features.

RECOMMENDATION:
Based on the information in the staff report and subject to the findings, conclusions, and information set forth therein, as well as in the resolution and the information presented in the public hearing, staff recommends that the Planning Commission adopt Resolution No. PC 2026 -____; and forward a recommendation to the City Council to:

1. Find, after review of this First Amendment to the Development Agreement, that Pursuant to Sections 15162 and 15164 of the California Environmental Quality Act (CEQA) Guidelines and Section 8.06 of the City of Fontana's 2019 Local CEQA Guidelines of the Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2019039071), along with a subsequent March 2021 Addendum, no subsequent or supplemental EIR is required because there are no substantial changes in the project or its circumstances, and no new information of substantial importance has been identified that would result in any new or more severe significant environmental impacts; and

2. Adopt an Ordinance approving a First Amendment to the Goodman Logistics Center Fontana III Development Agreement with GLC Fontana III LLC

APPLICANT:
GLC Fontana III, LLC
3333 Michelson Drive
Irvine, CA 92612

LOCATION:
The project site is generally located between Cypress Avenue and Juniper Avenue, north of Jurupa Avenue, (APNs: 0255-091-20, -23, -63, -64, and -65).

REQUEST:
Development Agreement (AGR) No. 19-000002-R1; A request to amend a previously approved Development Agreement for GLC Fontana III, LLC

PROJECT PLANNER:
Rina Leung, Senior Planner

BACKGROUND INFORMATION:
On April 21, 2020, the Planning Commission recommended that the City Council adopt Development Agreement No. 19-000002 under MCN No. 19-000016, for an industrial commerce center development comprised of three buildings and associated improvements, the Agreement to provide a public benefit fee in the amount of six million dollars ($6,000,000).

On June 23, 2020, the City Council adopted Development Agreement No. 19-000002 for an industrial commerce center development project, to provide a public benefit fee in the amount of six million dollars ($6,000,000) and certified the Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse (SCH) No. 2019039071).

On April 20, 2021, the Planning Commission approved MCN No. 21-000002, which included approval of Tentative parcel Map 20354, Conditional Use Permit 21-001 and Administrative Site Plan 21-002 along with an Addendum to the EIR to subdivide the southern portion of the site and establish a tractor trailer parking lot.

PROJECT DESCRIPTION:
The item currently before the Planning Commission for consideration is the GLC Fontana III, LLC DA first amendment. The land use approvals and entitlements for the underlying properties have been granted through prior Planning Commission and City Council actions.

ANALYSIS:
Development Agreements are voluntary, negotiated contracts between cities and property developers. They vest development rights by freezing existing land-use regulations, ensuring the project can proceed under rules in place at approval. In exchange for vested rights, property developers often provide public benefits through the payment of fees or the provision of public improvements.

The applicant, GLC Fontana III, LLC. is requesting an amendment to Development Agreement No. 19-000002. This aforementioned development agreement was approved as a part of with MCN No. 19-000016 which included the development of an industrial commerce center project consisting of three (3) buildings along with associated improvements. The applicant is requesting approval for a first amendment to this Agreement which includes a modification to extend the term and to add sustainability features.

The Development Agreement Amendment is in conformity with the public convenience, general welfare, and sound land uses practices, and will not be detrimental to the health, safety and general welfare of the City. The Amendment will not adversely affect the orderly development of property or the preservation of property values and will have a positive fiscal impact on the City. The provisions of the Development Agreement, along with the amendment, are consistent with the objectives, policies, general land uses and programs specified in City's General Plan, zoning code and municipal ordinances.

The key terms of the Amendment to the Development Agreement are as follows:

Time Extension

The initial Development Agreement approved by City Council on June 23, 2020, included a 10-year term that became effective on March 9, 2021. However, this first amendment to the Development Agreement provided for an extension for ten (10) additional years from the effective date for a total term of twenty (20) years from the previous effective date of March 9, 2021, to the new effective date of March 9, 2041.

Additional Sustainability Features

The project was approved prior to the adoption of Ordinance No. 1891 that required sustainability standards for industrial Commerce Centers. Thus, this project was not subjected to these requirements in Ordinance No. 1891 when it was approved on June 23, 2020.

The first amendment to the Development Agreement includes sustainability features to portions of the project that have not been constructed. Currently one (1) of the three (3) buildings for the project have been constructed and has been in operation since October 2021. The sustainability features to be included for the two (2) remaining buildings are summarized as follows: a requirement of a truck routing plan; additional signage; larger trees; improved emissions standards for on-site motorized operational vehicles; light colored and solar ready roofs; EV conduit infrastructure for future charging stations; cool driving surfaces, larger electrical rooms; lower VOC paints/coatings; incorporate highest available CARB Tier rating for construction equipment; implementation of a recycling program and property maintenance program; and property owner shall also provide facility operator with information on incentive programs such as the Carl Moyer Program, voucher incentive program, and United States Environmental Protection Agency's SmartWay Program. A complete detailed list of these features are included in the First Amendment to the Goodmand Logistics Center Fontana III Development Agreement (Exhibit A of Attachment No. 2).

The terms and conditions of the first amendment to the Development Agreement has undergone extensive review by City staff and have been found to be fair, just and reasonable. The project will best serve the interest of the City’s citizens and the public health, safety, and welfare. The Zoning and Development Section 30-322 along with Government Code Section 65864 et. seq requires Planning Commission and City Council to consider this item at a public hearing.

Recommendation

Staff requests that the Planning Commission provide a recommendation to the City Council to approve and authorize the execution of the first amendment to the Development Agreement with the Applicant. Staff is of the opinion that the amendment will further implement the following goals of the City:

- To promote economic development by concentrating on job creation.
- To promote economic development by pursuing business retention, expansion and attraction.
- To promote economic development by striving to constantly improve the city’s competitiveness

Environmental:

Pursuant to Sections 15162 and 15164 of the California Environmental Quality Act (CEQA) Guidelines and Section 8.06 of the City of Fontana’s 2019 Local CEQA Guidelines of the Goodman

Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2019039071) along with a subsequent March 2021 Addendum has been prepared for this proposed project. The aforementioned EIR was adopted by the City Council on June 23, 2020 and Addendum approved by Planning Commission on April 20, 2021, and they anticipated the development of the site for a commerce center development and industrial uses along with a development agreement and they also adequately identified any potential impacts associated with this project. No new additional impacts beyond what was anticipated in the EIR mentioned above were identified.

Public Communications

A public communication received by the Planning Department is attached to the staff report. The communication includes a request to include an adjacent property at 16490 Jurupa Avenue for land use redesignation from Residential Planned Community (R-PC) to a Commercial Designation along with this current application. However, the current request is solely for an amendment to the Goodman Development Agreement and does not include any General Plan Amendments or Zone Changes to redesignate property.

MOTION:

Approve staff's recommendation.

ATTACHMENTS:

Attachment No. 1 - Vicinity Map
Attachment No. 2 - Planning Commission Resolution
Attachment No. 3 - Notice of Determination
Attachment No. 4 - Public Hearing Notice

CITY OF FONTANA PLANNING DEPARTMENT

N

VICINITY MAP

DATE: May 5, 2026

CASE: Development Agreement (AGR) No. 19-000002R1

ATTACHMENT NO. 1

RESOLUTION NO. PC 2026-_____

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF FONTANA RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE APPROVING THE FIRST AMENDMENT TO DEVELOPMENT AGREEMENT NO. 19-000002R1, AS TO ASSESSOR'S PARCEL NUMBERS: 0255-091-20, -23, -63, -64, AND -65

WHEREAS, on June 23, 2020 the City of Fontana granted entitlements for the GLC Fontana III Project (MCN No. 19-000016) for an industrial commerce center project comprised of three buildings through its approvals of a General Plan Amendment (GPA 19-000001), Zone Change (ZCA 19-000001), Specific Plan Amendment (SPA 19-000001), Tentative Parcel Map (TPM 19-000002), and Design Reviews (DRP 19-000005) along with certification of Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse (SCH) No. 2019039071) (collectively, GLC Fontana III); and

WHEREAS, concurrent with the GLC Fontana III development (MCN No. 19-000016, the City Council of the City of Fontana approved Ordinance No. 1840 which authorized the city to enter into Development Agreement No. 19-000002 (DA) with Goodman Logistics Center Fontana III, LLC. (GLC III, LLC.); and

WHEREAS, on April 20, 2021, the Planning Commission approved MCN No. 21-000002 that included approval of Tentative parcel Map 20354, Conditional Use Permit 21-001 and Administrative Site Plan 21-002 along with an Addendum to the EIR to subdivide the southern portion of the site and establish a tractor trailer parking lot; and

WHEREAS, the Development Agreement gave GLC Fontana III vested rights to develop the GLC Industrial Center Project consistent with the SWIP, and in exchange obliged GLC III, LLC. to provide specified public benefit fees to the city; and

WHEREAS, the development agreement modifications together with the underlying project were adequately analyzed in the previously certified Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2019039071) and its subsequent Addendum, and pursuant to CEQA Guidelines Section 15162, no subsequent or supplemental EIR is required because there are no substantial changes in the project or its circumstances, and no new information of substantial importance has been identified that would result in any new or more severe significant environmental impacts; and

WHEREAS, the owners of property within 660 feet of the Project Site were notified via public hearing notice mailer prior to the Public Hearing; and a notice of the public hearing was published in the Fontana Herald newspaper on April 24, 2026, at City Hall and at the Project Site; and

WHEREAS, the Commission carefully considered all information pertaining to the proposed DA amendments, including the staff report, findings, and all the information, evidence, and testimony presented at its public hearing on May 5, 2026, and,

WHEREAS, all other legal prerequisites to the adoption of this resolution have occurred.

NOW, THEREFORE, the Planning Commission RESOLVES as follows:

Section 1. Recitals. The above recitals are true and correct and are incorporated by reference.

Section 2. Compliance with the California Environmental Quality Act. Based on the substantial evidence set forth in the record, including but not limited to, the Goodman Logistics Center Fontana III EIR and the subsequent Addendum thereto, and all related information presented to the Planning Commission, the Commission recommends that the City Council find pursuant to State CEQA sections 15162 and 15164 and Section 8.06 of the City of Fontana's 2019 Local Guidelines for Implementing CEQA that the preparation of a subsequent or supplemental EIR is not required for the proposed Projects because the Project:

A. Will not result in substantial changes that would require major revisions of the Goodman Logistics Center Fontana III EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and

B. Will not result in substantial changes with respect to the circumstances under which the project is developed that would require major revisions of the Goodman Logistics Center Fontana III EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects; and

C. Does not present new information of substantial importance that was not known and could not have known with the exercise of reasonable diligence at the time the Goodman Logistics Center Fontana III Project EIR documents were certified showing any of the following:

    (i) The Modified Project would have one or more significant effects not discussed in the EIR;

    (ii) That significant effects previously examined would be substantially more severe than shown in the EIR;

    (iii) That mitigation measures or alternatives previously found not to be

feasible would in fact be feasible and would substantially reduce one or more significant effects, but the lead agency declined to adopt such measures; and

(iv) That mitigation measures or alternatives are considerably different from those analyzed would substantially reduce one or more significant effects on the environment, but which the leady agency declined to adopt

Section 3. Recommendations. Based on the foregoing, the Planning Commission hereby recommends that the City Council adopt an ordinance approving the first amendment to Development Agreement No. 19-000002, as to Assessor's Parcel Number 0255-091-20, -23, -63, -64, -65, in the form attached hereto as "**Exhibit A**," and,"

Section 4. Resolution Regarding Custodian of Record. The documents and materials that constitute the record of proceedings on which this Resolution has been based are located at the Planning Department, 8353 Sierra Avenue, Fontana, CA 92335.

Section 5. Certification. The Secretary of the Planning Commission shall certify the adoption of this Resolution.

Section 6. Effective Date. This Resolution shall become effective immediately upon its adoption.

Section 7. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application.

PASSED, APPROVED, AND ADOPTED by the Planning Commission of the City of Fontana, California at a regular meeting held on the 5th day of May 2026.

City of Fontana

_____
Joseph Armendarez, Chairperson

ATTEST:

I, Torrie Lozano, Secretary of the Planning Commission of the City of Fontana, California, do hereby certify that the foregoing resolution was duly and regularly adopted by the Planning Commission at a regular meeting thereof, held on the 5th day of May 2026, by the following vote, to-wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Torrie Lozano, Secretary

Exhibit A

RECORDING REQUESTED BY:

Order No:

WHEN RECORDED MAIL DOCUMENT TO:
City of Fontana
8353 Sierra Avenue
Fontana, California 92335
Attn: City Clerk

Space Above This Line for Recorder's Use Only
Exempt From Recording Fees Pursuant
To Govt. Code §§ 27383, 6103

FIRST AMENDMENT TO THE GOODMAN LOGISTICS CENTER FONTANA III DEVELOPMENT AGREEMENT

This First Amendment to the Goodman Logistics Center Fontana II Development Agreement ("First Amendment") is made and entered into as of _____ by and between the City of Fontana, a California municipal corporation ("CITY"), and GLC FONTANA III LLC, a Delaware limited liability company ("DEVELOPER").

Recitals

a. CITY, through its City Council, and DEVELOPER entered into that certain Goodman Logistics Center Fontana III Development Agreement ("DA"), dated June 23, 2020.

b. The Effective Date of the DA is March 9, 2021.

c. Unless otherwise set forth herein, the defined terms used in this First Amendment shall be as defined in the DA.

d. The DA allows for the Development of the Property in accordance with its terms and pursuant to the approved Development Plan and provides substantial benefits to CITY that will further important policies and goals of CITY.

e. The DA provides that DEVELOPER and CITY may mutually agree to extend the Term of the DA, provided such extension agreement is in writing.

f. The Parties mutually wish to extend the Term of the DA for an additional ten (10) years and to clarify additional design features that will be incorporated by DEVELOPER into the Project in exchange for the benefits set forth in this First Amendment.

g. Except for extending the Term of the DA and specifying those design features that DEVELOPER shall incorporate into the Project as set forth in Sections 1 and 2, below, this First Amendment does not otherwise modify any provisions of the DA.

Agreement

NOW THEREFORE, in consideration of the above Recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Recitals. The foregoing recitals are true, correct and hereby incorporated into this First Amendment by this reference as though fully set forth herein.

2. Term Extension. The Term of the DA is extended by an additional ten (10) years from the Effective Date, for a total term of twenty (20) years from the Effective Date.

3. Project Design Features. The Project, having been approved prior to the adoption of Ordinance No. 1891 with the DA vesting same, is not subject to the requirements of Ordinance No. 1891. However, DEVELOPER agrees and covenants to incorporate the following design features (collectively, the "Design Features") into those portions of the Project that have not been constructed as of the date that the City approves this First Amendment:

a. Any new trees installed will be 36-inch box trees and shall be spaced no greater than 40 feet on center.

b. DEVELOPER will install signage indicating a three-minute diesel truck engine idling restriction shall be posted on site along entrances to the site and in the dock areas and shall be strictly enforced by the facility operator.

c. Prior to issuance of certificate of occupancy facility operators shall establish and submit for approval to the Planning Director a truck routing plan to and from the state highway system based on the city's latest truck route map. The plan shall describe the operational characteristics of the use of the facility operator, including, but not limited to, hours of operations, types of items to be stored within the building, and proposed truck routing to and from the facility to designated truck routes that avoids passing sensitive receptors, to the greatest extent possible. The plan shall include measures, such as signage and pavement markings, queuing analysis and enforcement, for preventing truck queuing, circling, stopping, and parking on public streets. Facility operator shall be responsible for enforcement of the plan. A revised plan shall be submitted to by the Planning Director prior to a business license being issued by the city for any new tenant of the property. The Planning Director shall have discretion to determine if changes to the plan are necessary including any additional measures

to alleviate truck routing and parking issues that may arise during the life of the facility.

d. Signs and drive aisle pavement markings shall clearly identify the on-site circulation pattern to minimize unnecessary on-site vehicular travel.

e. Facility operators shall post signs in prominent locations inside and outside of the building indicating that off-site parking for any employee, truck, or other operation related vehicle is strictly prohibited. City may require facility operators to post signs on surface streets indicating that off-site truck parking is prohibited by city ordinance and/or the truck routing plan.

f. Signs shall be installed in public view with contact information for a local designated representative who works for the facility operator and who is designated to receive complaints about excessive dust, fumes, or odors, and truck and parking complaints for the site, as well as contact information for the SCAQMD's on-line complaint system and its complaint call-line: 1-800-288-7664. Any complaints made to the facility operator's designee shall be answered within 72 hours of receipt.

g. Signs shall be installed at all truck exit driveways directing truck drivers to the truck route as indicated in the truck routing plan and state highway system.

h. On-site motorized operational equipment shall be ZE (zero emission equipment).

i. The office portion of a building's rooftop that is not covered with solar panels or other utilities shall be constructed with light colored roofing material with a solar reflective index ("SRI") of not less than .29. This material shall be the minimum solar reflective rating of the roof material for the life of the building.

j. The Project shall include a minimum 100 kilowatt (kw) solar generation facility. This facility shall incorporate decorative screening and facility along with screening shall be depicted on plans to be submitted for review and approval from the Planning Director prior to installation.

k. All building roofs shall be solar-ready, which includes designing and constructing buildings in a manner that facilitates and optimizes the future installation of a rooftop solar photovoltaic (PV) system.

l. A minimum of 10% of all passenger vehicle parking will have EV conduit infrastructure for future charging stations. Signage shall be installed indicating EV charging stations and specifying that spaces are reserved for clean air/EV vehicles. Unless superior technology is developed that would replace the EV charging units, facility operator and any successors in interest shall be responsible

for maintaining the EV charging stations in working order for the life of the facility.

m. Bicycle racks are required per section 30-714 of the zoning and development code and in the amount required for warehouse uses by table 30-714 of the zoning and development code. The racks shall include locks as well as electric plugs to charge electric bikes. The racks shall be located as close as possible to employee entrance(s). Nothing in this section shall preclude the warehouse operator from satisfying this requirement by utilizing bicycle parking amenities considered to be superior such as locating bicycle parking facilities indoors or providing bicycle lockers.

n. Cool surface treatments shall be added to all drive aisles and parking areas or such areas shall be constructed with a solar-reflective cool pavement such as concrete.

o. To ensure that warehouse electrical rooms are sufficiently sized to accommodate the potential need for additional electrical panels, either a secondary electrical room shall be provided in the building, or the primary electrical room shall be sized 25 percent larger than is required to satisfy the service requirements of the building or the electrical gear shall be installed with the initial construction with 25 percent excess demand capacity.

p. DEVELOPER will install a conduit and associated infrastructure to charge future electric yard equipment and electric trucks.

q. Use of low VOC architectural and industrial maintenance coatings (e.g., paints) shall be required.

r. The facility operator shall incorporate a recycling program.

s. The following environmentally responsible practices shall be required during construction: (1)The contractor shall use reasonable best efforts to deploy the highest rated CARB Tier technology that is available at the time of construction. Prior to permit issuance, the construction contractor shall submit an equipment list confirming equipment used is compliant with the highest CARB Tier at the time of construction. Equipment proposed for use that does not meet the highest CARB Tier in effect at the time of construction, shall only be approved for use at the discretion of the planning director and shall require proof from the construction contractor that, despite reasonable best efforts to obtain the highest CARB Tier equipment, such equipment was unavailable.(2)Use of electric-powered hand tools, forklifts, and pressure washers.(3)Designation of an area in any construction site where electric-powered construction vehicles and equipment can charge.(4)Identification in site plans of a location for future electric truck charging stations and installation of a conduit to that location.(5)Diesel-powered

generators shall be prohibited except in case of emergency or to establish temporary power during construction.

t. A property maintenance program shall be submitted for review and approval by the Planning Director or his/her designee prior to the issuance of building permits. The program shall provide for the regular maintenance of building structures, landscaping, and paved surfaces in good physical condition, and appearance. The methods and maximum intervals for maintenance of each component shall be specified in the program.

u. Property owner shall provide facility operator with information on incentive programs such as the Carl Moyer Program and voucher incentive program and shall require all facility operators to enroll in the United States Environmental Protection Agency's SmartWay Program.

4. Exhibits. The following documents are attached hereto and, by this reference, are incorporated into and made a part of this Agreement and shall replace the DA exhibits:

Exhibit A — Legal Description of the Property
Exhibit B — Map showing Property and its location
Exhibit E — Existing Development Approvals

5. Recordation of Agreement. This Agreement shall be recorded with the San Bernardino County Recorder within the period required by Section 65868.5 of the Government Code.

[SIGNATURES ON FOLLOWING PAGE]

CITY OF FONTANA,
a California municipal corporation

By: _____

GLC FONTANA III LLC,
a Delaware limited liability company

By: _____
Name: _____
Title: _____
Dated: _____

UPDATED EXHIBIT A TO
DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF FONTANA AND GLC FONTANA III, LLC

Legal Description of the Property

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

1. THE NORTH 93.3 FEET OF THE WEST HALF OF LOT 775, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12 OF MAPS, RECORDS OF SAID COUNTY.

   SAVING AND EXCEPTING THEREFROM THAT PORTION THEREIN LYING WITHIN THE EAST 6.17 ACRES OF THE WEST HALF OF SAID LOT.

2. THE NORTH 175 FEET OF THE WEST 300 FEET OF THE SOUTH HALF OF LOT 770, ACCORDING TO PLAT SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COPMNAY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, RECORDED IN BOOK 11 OF MAPS, PAGE 12, RECORDS OF SAID COUNTY.

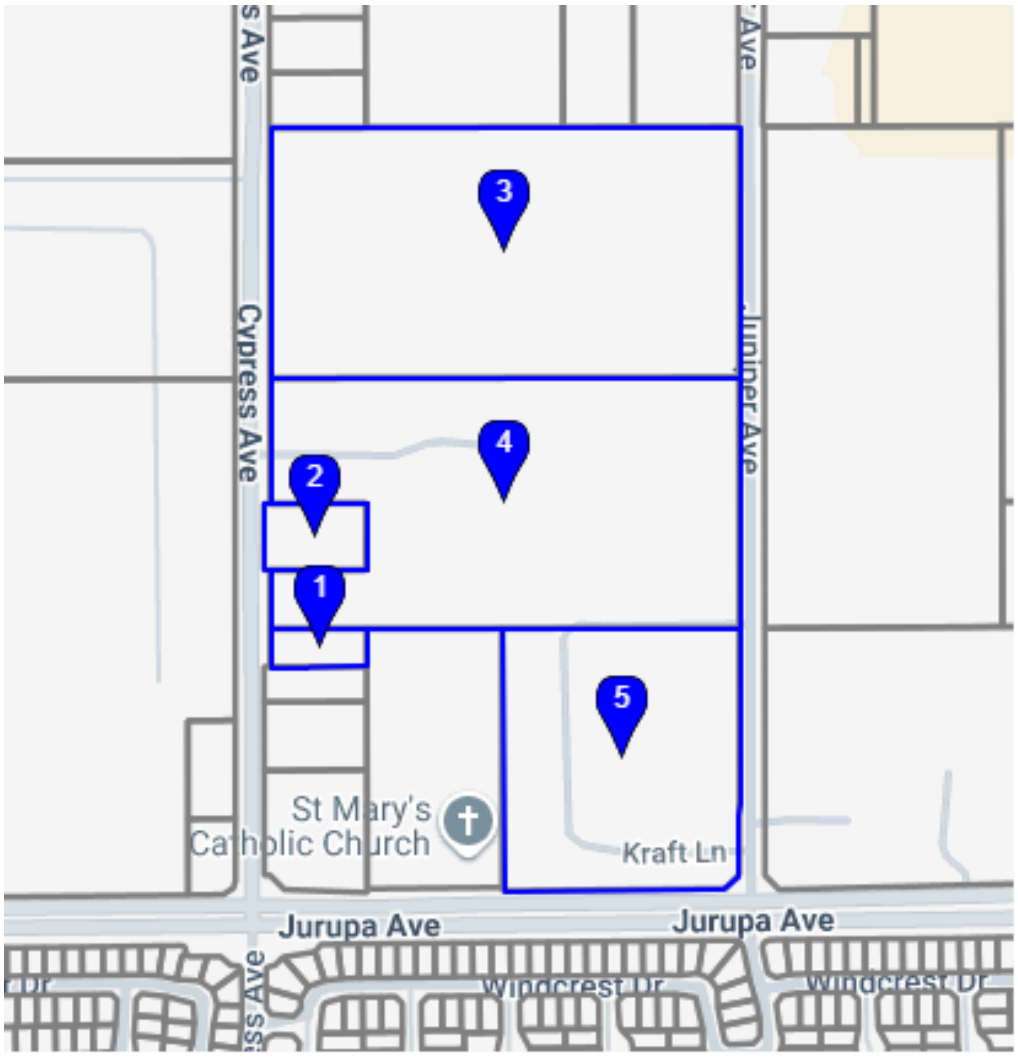
3. PARCEL 1 OF PARCEL MAP NO. 20084, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 255, PAGES 74 THROUGH 79, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

4. PARCEL 2 OF PARCEL MAP NO. 20084, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 255, PAGES 74 THROUGH 79, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

5. PARCEL 3 OF PARCEL MAP NO. 20084, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 255, PAGES 74 THROUGH 79, INCLUSIVE, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

UPDATED EXHIBIT B TO
DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF FONTANA AND GLC FONTANA III, LLC

Map showing Property and its location



UPDATED EXHIBIT E TO
DEVELOPMENT AGREEMENT BETWEEN
THE CITY OF FONTANA AND GLC FONTANA III, LLC

Existing Development Approvals

A. General Plan Amendment No. 19-001, approved by City Council Resolution No. 2020-071 on June 23, 2020.

B. Southwest Industrial Park (SWIP) Specific Plan Amendment No. 19-002 approved by City Ordinance No. 1839 on June 23, 2020.

C. Zone Change No. 19-01, approved by City Council Ordinance No. 1838 on June 23, 2020.

D. Tentative Parcel Map No. 18109 (TPM No. 19-002), approved by the City Council on June 23, 2020.

E. Design Review No. 19-005, approved by the City Council on June 23, 2020.

F. Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (SCH No. 2019039071) certified by City Council Resolution No. 2020-071 on June 23, 2020.

G. Design Review Sign Program No. 19-007, approved by City Council on June 23, 2020.

H. Tentative parcel Map 20354, Conditional Use Permit 21-001 and Administrative Site Plan 21-002, approved by Planning Commission on April 20, 2021

NOTICE OF DETERMINATION

TO: ☒:	Office of Land Use and Climate Innovation State Clearinghouse P. O. Box 3044, Room 113 Sacramento, CA 95812-3044	FROM:	Public Agency/Lead Agency Name: **City of Fontana** Address: **8353 Sierra Ave, Fontana CA 92335** Contact: Rina Leung, Senior Planner Phone: **(909) 350-6566**
			Email: **rleung@fontanaca.gov**
TO: ☒	San Bernardino - County Clerk (Include County name) Address: 222 W Hospitality Lane 1st Floor, San Bernardino, CA 92415	Lead Agency (if different from above)	
		Address:	
		Contact:	
		Phone:	

SUBJECT: Filing of Notice of Determination in compliance with Section 21108 or 21152 of the Public Resources Code.

State Clearinghouse Number (If submitted to SCH): 2019039071
Project Title: **Master Case No. 19-000016R1: Development Agreement No. 19-000002R1**
Project Applicant (include address, telephone number and email address): Jeff Hamilton, Vice President, Development, Goodman Address: 3333 Michelson Drive Suite 1050, Irvine California 92612 email: Jeff.Hamilton@goodman.com Phone: 1 949 407 0167

Specific Project Location – Identify street address and cross street or attach a map showing project site (preferably a USGS 15' or 7 ½' topographical map identified by quadrangle name): **Located between Cypress Avenue and Juniper Avenue, north of Jurupa Avenue (APN:s 0255-091-20, -23, -63, -64, and -65)**
General Project Location (City and/or County): **City of Fontana, County: San Bernardino**

Project Description: **A request for a first amendment to a previously approved Development Agreement with GLC Fontana III, LLC.**
Identify the person or entity undertaking the project, including any private applicant, any other person undertaking an activity that receives financial assistance from the Public Agency as part of the project, and any person receiving a lease, permit, license, certificate, or other entitlement of use from the Public Agency as part of the project. Jeff Hamilton, Vice President, Development, Goodman Address: 3333 Michelson Drive Suite 1050, Irvine California 92612 email: Jeff.Hamilton@goodman.com Phone: 1 949 407 0167

This is to advise that the (☒ Lead Agency or ☐ Responsible Agency) has approved the above described project on **May 5, 2026** and has made the following determinations regarding the above described project:

	The project [☐ will ☒ will not] have a significant effect on the environment.	
X	An Environmental Impact Report was previously prepared and certified on June 23, 2020 [Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2019039071)] by the City for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.	
☐	A Negative Declaration was prepared for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.	
	A Mitigated Negative Declaration was prepared for this project pursuant to the provisions of CEQA and reflects the independent judgment of the Lead Agency.	
☐	Mitigation measures X were ☐ were not]made a condition of the approval of the project.	
☐	A Mitigation Monitoring or Reporting Plan [X was ☐ was not] adopted for this project.	
☐	A Statement of Overriding Considerations [X was ___ was not] adopted for this project.	
☐	Findings [X were ☐ were not] made pursuant to the provisions of CEQA.	
	Custodian: **City of Fontana, Planning Department**	Location: **8353 Sierra Ave, Fontana CA 92335**

Date:	_____ **DiTanyon Johnson** **Planning Manager**

Clerk's File Stamp:

Authority cited: Sections 21083, Public Resources Code

FONTANA
CALIFORNIA

NOTICE PUBLIC HEARING

Si desea información en Español referente a esta notificación o proyecto, favor de comunicarse al (909) 350-6728.

In compliance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) and the federal rules and regulations adopted in implementation thereof, the Agenda will be made available in appropriate alternative formats to persons with a disability. Should you need special assistance to participate in this meeting, please contact the City Clerk's Department by calling (909) 350-7602. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A PUBLIC HEARING HAS BEEN SCHEDULED BEFORE THE PLANNING COMMISSION OF THE CITY OF FONTANA FOR THE FOLLOWING:

MASTER CASE (MCN) NO. 19-000016R1/DEVELOPMENT AGREEMENT (AGR) NO. 19-000005R1

A request for the First Amendment to Goodman Logistics Center Fontana III Development Agreement AGR 19-005, applicable to the Goodman III property.

Environmental Determination: Pursuant to Sections 15162 and 15164 of the California Environmental Quality Act (CEQA) Guidelines and Section 8.06 of the City of Fontana's 2019 Local CEQA Guidelines of the Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2019039071) along with a subsequent March 2021 Addendum has been prepared for this proposed project. The aforementioned EIR was adopted by the City Council on June 23, 2020 and Addendum approved by Planning Commission on April 20, 2021, and they anticipated the development of the site for a commerce center development and industrial uses along with a development agreement and they also adequately identified any potential impacts associated with this project. No new additional impacts beyond what was anticipated in the EIR mentioned above were identified.

Location of Property: The project site is generally located between Cypress Avenue and Juniper Avenue north of Jurupa Avenue (APNs: 0255-091-20, -23, -63, -64 and -65)

Date of Hearing: May 5, 2026

Place of Hearing: Steelworkers Auditorium
8437 Sierra Avenue
Fontana, CA 92335

Time of Hearing: 6:00 pm

Should you have any questions concerning this project, please contact Rina Leung, Senior Planner, at (909) 350-6566 or by email at rleung@fontanaca.gov

FONTANA
CALIFORNIA

ANY INTERESTED PARTY MAY PROVIDE INFORMATION BY LETTER OR EMAIL WHICH MAY BE OF ASSISTANCE TO THE PLANNING COMMISSION. A COPY OF THE APPLICATION AND ENVIRONMENTAL DOCUMENTATION IS AVAILABLE FOR INSPECTION AT THE PLANNING DEPARTMENT, CITY HALL. PLEASE CONTACT THE PLANNER LISTED ABOVE.

IF YOU CHALLENGE IN COURT ANY ACTION TAKEN CONCERNING A PUBLIC HEARING ITEM, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE PUBLIC HEARING DESCRIBED IN THIS NOTICE, OR IN WRITTEN CORRESPONDENCE TO THE CITY AT, OR PRIOR TO, THE PUBLIC HEARING.

Publish: April 24, 2026

Rina Leung

From: James wu <james.lilygao@gmail.com>
Sent: Tuesday, April 28, 2026 6:15 PM
To: Planning; Rina Leung
Subject: Formal Comment on Master Case 19-000016-R1 - 16490 Jurupa Ave.

Follow Up Flag: Follow up
Flag Status: Flagged

CAUTION - EXTERNAL SENDER - THIS EMAIL ORIGINATED OUTSIDE OF THE CITY'S EMAIL SYSTEM
Do not click links or open attachments unless you recognize the sender and know the content is safe.

To: planning@fontanaca.gov
Cc:
Subject: Formal Comment on Master Case 19-000016-R1 - 16490 Jurupa Ave.

To the Fontana Planning Commission,

I am writing as the owner of the property located at **16490 Jurupa Ave.Fontana, CA 92337 (APN: [0255081270000])**, which is the corner lot immediately adjacent to the proposed Goodman Logistics Center project (19-000016-R1).

While I support the city's economic growth, the proposed rezoning of 70% of the surrounding land to "Light Industrial" will create a severe **land-use mismatch**. Leaving my corner lot as Residential (R-PC) while surrounded by massive industrial warehouses will make my property uninhabitable due to noise, air pollution, and heavy truck traffic.

As a condition of my support for this project, I formally request that the City include my parcel in the current rezoning application to be changed from R-PC to Commercial.

A unified zoning designation for this corner lot will:

1. Ensure planning consistency for the Southwest Industrial Park.
2. Provide a better transition/buffer for the neighboring church.
3. Prevent future CEQA-related complaints regarding residential "sensitive receptors."

I look forward to discussing this at the public hearing.

Sincerely,
[Weifeng Wu]
[626-3228322]

Draft Planning Commission Hearing May 5, 2026 Minutes

PH-C Master Case No. 19-000016R1: Development Agreement No. 19-000002R1 - A request to approve a first amendment to the Goodman Logistics Center Fontana III Development Agreement to extend the term and add sustainability features.

Chair Armendarez opened the Public Hearing.

No written correspondence was received.

Rina Leung, Senior Planner, presented the staff report.

The applicant, Jeff Hamilton, on behalf of GLC Fontana III, LLC. stated that he read and agreed to the Conditions of Approval and stated that staff did a great job in explaining the request for an additional ten years to the development agreement. The applicant added that, in exchange, a significant amount of sustainability requirements would be incorporated into future buildings.

The following individual spoke in opposition:

- Jose Tinajero

The Public Hearing was closed.

RECOMMENDATION:

Based on the information in the staff report and subject to the findings, conclusions, and information set forth therein, as well as in the resolution and the information presented in the public hearing, staff recommends that the Planning Commission adopt Resolution No. PC 2026-020; and forward a recommendation to the City Council to:

1. **Find, after review of this First Amendment to the Development Agreement, that Pursuant to Sections 15162 and 15164 of the California Environmental Quality Act (CEQA) Guidelines and Section 8.06 of the City of Fontana's 2019 Local CEQA Guidelines of the Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2019039071), along with a subsequent March 2021 Addendum, no subsequent or supplemental EIR is required because there are no substantial changes in the project or its circumstances, and no new information of substantial importance has been identified that would result in any new or more severe significant environmental impacts; and**

2. **Adopt an Ordinance approving a First Amendment to the Goodman Logistics**

DRAFT

Center Fontana III Development Agreement with GLC Fontana III LLC.

ACTION: Motion was made by Vice Chair Quintana and seconded by Secretary Lozano and passed by a vote of 3-0 to approve Public Hearing Item "C" and adopt Resolution No. PC 2026-020.

The motion carried by the following vote:

AYES: Chair Armendarez, Vice Chair Quintana, Secretary Lozano
NOES: None;
ABSTAIN: None;
ABSENT: Commissioners Sanchez and Keetle

DRAFT

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NOTICE PUBLIC HEARING

Si desea información en Español referente a esta notificación o proyecto, favor de comunicarse al (909) 350-6728.

In compliance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) and the federal rules and regulations adopted in implementation thereof, the Agenda will be made available in appropriate alternative formats to persons with a disability. Should you need special assistance to participate in this meeting, please contact the City Clerk's Department by calling (909) 350-7602. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A PUBLIC HEARING HAS BEEN SCHEDULED BEFORE THE CITY COUNCIL OF THE CITY OF FONTANA FOR THE FOLLOWING:

MASTER CASE (MCN) NO. 19-000016R1/DEVELOPMENT AGREEMENT (AGR) NO. 19-000002R1

A request for the First Amendment to Goodman Logistics Center Fontana III Development Agreement AGR 19-005, applicable to Goodman III property.

Environmental Determination: Pursuant to Sections 15162 and 15164 of the California Environmental Quality Act (CEQA) Guidelines and Section 8.06 of the City of Fontana's 2019 Local CEQA Guidelines of the Goodman Logistics Center Fontana III Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2019039071) along with a subsequent March 2021 Addendum has been prepared for this proposed project. The aforementioned EIR was adopted by the City Council on June 23, 2020 and Addendum approved by Planning Commission on April 20, 2021, and they anticipated the development of the site for a commerce center development and industrial uses along with a development agreement and they also adequately identified any potential impacts associated with this project. No new additional impacts beyond what was anticipated in the EIR mentioned above were identified.

Location of Property: The project site is generally located between Cypress Avenue and Juniper Avenue north of Jurupa Avenue (APNs: 0255-091-20, -23, -63, -64 and -65)

Date of Hearing: May 26, 2026

Place of Hearing: Steelworkers Auditorium
8437 Sierra Avenue
Fontana, CA 92335

Time of Hearing: 2:00 pm

Should you have any questions concerning this project, please contact Rina Leung, Senior Planner, at (909) 350-6566 or by email at rleung@fontanaca.gov

Attachment No. 4

FONTANA
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Publish: May 15, 2026

File #: 26-0993
Agenda #: C.

Agenda Date: 5/26/2026
Category: Public Hearing

FROM:
Planning Department

SUBJECT:
Master Case No. 23-0100R1: Development Agreement (AGR) No. 23-0085R1 and Master Case No. 23-100R2: Development Agreement (AGR) No. 23-0085R2 - a request to amend and restate the previously approved Development Agreement (DA) for the Citrus/Oleander Industrial Commerce Center Project to allocate the provision of public benefit fees among properties in a manner consistent with Planning Commission Resolution No. 2025-040.

RECOMMENDATION:
Open the public hearings, receive public testimony, close the public hearings and by motion:

1. Determine that the recommended development agreement modifications are categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and,

2. Determine that the development agreement modifications together with the underlying project were adequately analyzed in the previously certified Citrus and Oleander Avenue at Santa Ana Avenue Project Environmental Impact Report (EIR) (State Clearinghouse No. 2022110389) and its subsequent Addendum, and pursuant to CEQA Guidelines Section 15162, no subsequent or supplemental EIR is required because there are no substantial changes in the project or its circumstances, and no new information of substantial importance has been identified that would result in any new or more severe significant environmental impacts; and

3. Waive full reading and introduce for first reading by title only **Ordinance No. 1991** entitled: “An Ordinance of the City Council of the City Of Fontana, California, Approving Development Agreement No 23-0085R1, as to Assessor’s Parcel Number 0255-021-17”

4. Waive full reading and introduce for first reading by title only **Ordinance No. 1992** entitled: “An Ordinance of the City Council of the City of Fontana, California, Approving Development Agreement No 23-0085R2, as to Assessor’s Parcel Numbers 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 AND 0255-011-25 thru 0255-011-32”

COUNCIL GOALS:

- Promote economic development by pursuing business attraction, retention, and expansion.
- Promote economic development by being business friendly at all levels and striving to constantly improve the city's competitiveness.

DISCUSSION:
In late 2023, the City of Fontana granted entitlements for the Citrus/Oleander Industrial Commerce Center Project through its approvals of a General Plan Amendment (22-004), Zone Change (22-005), Specific Plan Amendment (22-002), Tentative Parcel Maps (TPMs 22-009, -030, and -031), and Design Reviews (22-029, -061, and -062). Concurrently with those approvals, the City Council approved Ordinance No. 1935 which authorized the City to enter into Development Agreement No. 23-0085 (DA) with Acacia Real Estate Group, Inc. (Acacia). The DA provided Acacia with conditional rights to develop the Citrus/Oleander Industrial Commerce Center Project consistent with the entitlements, and obligated Acacia to provide specific public benefits, including public benefit fees, to City.

In October 2025, the Planning Commission considered and approved Design Review 22-062-R2, to reduce the size of one of the industrial commerce center buildings from 193,462 square feet to approximately 83,632 square feet, and to reduce the size of that property from 8.7 acres to 4.6 acres. The Planning Commission Resolution (No 2025-040), which approved Design Review 22-062-R2, included a condition that requires two separate amendments to the DA - one for the Acacia Property and one for the North Palisades Property - to accomplish the following:

1. Require the cumulative payment of public benefit fees of not less than $4,300,000 (half due at building permit and half due a certificate of occupancy) with the Acacia Property responsible for $881,678 and the North Palisades Property responsible for $3,418,322.
2. Update the entitlements under the Acacia DA Amendment to include Design Review 22-062-R2.
3. Require the parties executing the DA amendments to warrant and represent that they are the legal or equitable owners of the property.
4. Require that the DA amendments be recorded in the Office of the San Bernardino County recorder within thirty days after City Council approval.
5. Prohibit either DA amendment from taking effect unless both DA amendments are duly approved and executed.
6. Rescind the 22-062-R2 design review approval if both of the DA amendments are not timely recorded.

Most recently on April 21, 2026, the Planning Commission considered (1) Development Agreement No. 23-0085R1, which is the First Amendment to and Restatement of Development Agreement No. 23-0085 as it relates to the Acacia Property, and (2) Development Agreement No. 23-0085R2, which is the First Amendment to and Restatement of Development Agreement No. 23-0085 as it relates to the North Palisades.

After considering public comments, the Planning Commission voted unanimously to approve a resolution recommending that the City Council approve both amended and restated Development Agreements.

PROJECT DESCRIPTION

The items currently before the Council are the Acacia DA Amendment and the North Palisades DA Amendment. Land use approvals and entitlements for the underlying properties have been granted through prior Planning Commission and City Council actions.

ANALYSIS

When the City and Acacia entered into the DA in December 2023, the Citrus/Oleander Industrial Commerce Center Project was envisioned as a single coordinated development effort lead by a single developer. But circumstances changed, and it is now more likely that the project will proceed through multiple ownership groups. To accommodate this change while preserving most of the DA benefits, the City authorized and directed amendments to the DA as specified above.

The following table outlines where each of the revisions directed in Planning Commission Resolution 2025-040 is implemented in the DA amendments.

	Modification	**Acacia DA Amendment**	**North Palisades DA Amendment**
1.	Allocation of Public Benefit Fees	§ 4.3 - Total of $881,678	§ 4.3 - Total of $3,418,322
2.	Update to Entitlements	§ 1.1.15 -entitlements include all approvals as of "Effective Date	N/A
3.	Legal / Equitable Ownership Representation	§ 2.2 - Acacia Real Estate Group, Inc. represents it is legal or equitable owner of the property.	§ 2.2 - NP Santa Ana LLC represents it is legal or equitable owner of the property.
4.	Recordation Required*	§ 10.1 (both amendments) - Will be recorded 10 days after entering into agreement.	
5.	Neither amendment is effective unless both amendments are effective	§ 1.1.13 (both amendments) - "Effective Date" requir execution of amendments by fee owners of Acacia Property and North Palisades Property; and must be within 120 days after entitlements for North Palisades Property are final and non-appealable	
6.	Recission of Design Review 22-062-R2 if DA amendments are not executed	§ 3.1 (both amendments) - if either DA amendment is not timely executed, all project entitlements are rescinded	

* Planning Commission Resolution 2025-040 indicates that the DA amendments should be recorded within 30 days of Council approval. However, because the approval of the DA will precede the close of escrow on the properties, the actual execution and recordation cannot occur within that 30 day window.

In addition to the revisions mandated by Planning Commission Resolution 2025-040, staff and the developer parties negotiated and the Planning Commission recommended, three additional items of note. First, Acacia agreed that if the North Palisades development is delayed, it will advance a portion of the public benefit fee owed by North Palisades. To that end, Section 4.4 of the Acacia DA Amendment requires that if the City has not issued a building permit for the North Palisades Property prior to the issuance of a final Certificate of Occupancy on the Acacia Property, Acacia will advance $618,322 to the City. The City would refund that same amount to Acacia when the North Palisades public benefit fee payment comes due and is paid to the City.

Second, the parties recognized that Assessor's Parcel Numbers 0255-021-18, and 0255-021-22 thru 0255-021-024 are included in the original DA but are not covered by either the Acacia DA Amendment or the North Palisades DA Amendment. The original DA, including its public benefit fee structure and obligations, will remain applicable to those properties.

Third, the DA amendments confirm that if the Acacia DA Amendment and the North Palisades DA Amendment do not take effect, the original DA, including its public benefit fee obligations, will remain valid and enforceable.

ENVIRONMENTAL REVIEW:
The proposed ordinance is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA. The proposed DA amendments are minor in nature and do not have the potential for causing significant impacts on the environment; therefore, the exemptions are appropriate.

Separately and independently, the DA modifications together with the underlying project were adequately analyzed in the previously certified Citrus and Oleander Avenue at Santa Ana Avenue Project Environmental Impact Report (EIR) (State Clearinghouse No. 2022110389) and its subsequent Addendum, and pursuant to CEQA Guidelines Section 15162, no subsequent or supplemental EIR is required because there are no substantial changes in the project or its circumstances, and no new information of substantial importance has been identified that would result in any new or more severe significant environmental impacts.

FISCAL IMPACT:
NONE

MOTION:
Approve staff's recommendation

ORDINANCE NO. 1991

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA, APPROVING DEVELOPMENT AGREEMENT NO. 23-0085R1, AS TO ASSESSOR'S PARCEL NUMBER 0255-021-17, MAKING ASSOCIATED CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS, AND TO DIRECTING STAFF TO FILE A NOTICE OF EXEMPTION.

WHEREAS, the City of Fontana previously granted entitlements for the Citrus/Oleander Industrial Commerce Center Project through its approvals of a General Plan Amendment (22-004), Zone Change (22-005), Specific Plan Amendment (22-002), Tentative Parcel Maps (TPMs 22-009, -030, and -031), and Design Reviews (22-029, -061, and -062) (collectively, Citrus Oleander Entitlements); and

WHEREAS, concurrent with the Citrus Oleander Entitlements, the City Council of the City of Fontana approved Ordinance No. 1935 which authorized the City to enter into Development Agreement No. 23-085 (DA) with Acacia Real Estate Group, Inc. (Acacia); and

WHEREAS, the DA gave Acacia vested rights to develop the Citrus/Oleander Industrial Commerce Center Project consistent with the Citrus Oleander Entitlements, and in exchange obliged Acacia to provide specified public benefit fees to the City; and

WHEREAS, in October 2025, the Fontana Planning Commission (Planning Commission) considered and approved Design Review 22-062-R2, to reduce the size of one of the industrial commerce center buildings (originally approved in Design Review 22-062) from 193,462 square feet to approximately 83,632 square feet, and to reduce the size of that property from 8.7 acres to 4.6 acres; and

WHEREAS, Resolution No 25-040 approving Design Review 22-062-R2 requires two separate amendments to the DA – one for Assessor's Parcel Number 0255-021-17 (Acacia Property) and one for the Assessor's Parcel Numbers 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 thru 0255-011-32 (North Palisades Property) – to accomplish the following: (1) require the cumulative payment of public benefit fees of not less than $4,300,000 – half due at building permit and half due a certificate of occupancy – with the Acacia Property responsible for $881,678 and the North Palisades Property responsible for $3,418,322; (2) update the vested entitlements under the DA amendment for the Acacia Property to include Design Review 22-062-R2; (3) require the parties executing the DA amendments to warrant and represent that they are the legal or equitable owners of the property; (4) require that the DA amendments be recorded in the Office of the San Bernardino County recorder within thirty days after City Council approval; (5) prohibit either DA amendment from taking effect unless both DA

ATTACHMENT NO. 1

amendments take effect; and (6) rescind the 22-062-R2 design review approval if both of the DA amendments are not timely recorded; and

WHEREAS, consistent with Planning Commission direction, City staff together with representatives of the future owners of the Acacia Property negotiated and prepared a DA amendment that, together with a separately negotiated and concurrently presented DA amendment for the North Palisades Property, accomplishes the intent and direction provided in Planning Commission Resolution No. 25-040.

WHEREAS, on April 21, 2026, the Planning Commission held a public meeting on AGR No. 23-0083R1 where it received evidence and public testimony on the Acacia DA Amendment and unanimously recommended in Resolution No. PC 2026-017 that the Fontana City Council (City Council) (1) determine that the Acacia DA Amendment is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment; (2) determine that the Acacia DA Amendment together with the underlying project were adequately analyzed in the previously certified Citrus and Oleander Avenue at Santa Ana Avenue Project Environmental Impact Report (EIR) (State Clearinghouse No. 2022110389) and its subsequent Addendum, and pursuant to CEQA Guidelines Section 15162, no subsequent or supplemental EIR is required because there are no substantial changes in the project or its circumstances, and no new information of substantial importance has been identified that would result in any new or more severe significant environmental impacts; and (3) adopt an ordinance approving the Acacia DA Amendment.

WHEREAS, on April 10, 2026, notice of the May 26, 2026, City Council public hearing for the Acacia DA amendment was published in the *Sun Newspaper* and was posted at designated City bulletin boards; and

WHEREAS, on May 26, 2026, the City Council held a public hearing on the Acacia DA Amendment where the City Council received evidence and public testimony pertaining to the Amendment and documentation from the Planning Commission's public hearing on April 21, 2026; and

WHEREAS, the City Council carefully considered all information pertaining to the Acacia DA Amendment, including the staff report, Planning Commission recommendations, findings, and all the information, evidence, and testimony presented at its public hearing on May 26, 2026,

WHEREAS, all other legal prerequisites to the adoption of this ordinance have occurred.

THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA DOES ORDAIN AS FOLLOWS:

Section 1. Recitals. The above recitals are true, correct and incorporated herein by reference.

Section 2. Compliance with the California Environmental Quality Act. The City Council has reviewed and considered the Acacia DA Amendment and finds and determines that the amendment is categorically exempt from the CEQA pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment; and

Section 3. Additional Basis for Compliance with the California Environmental Quality Act. Based on the substantial evidence set forth in the record, including but not limited to, the Citrus and Oleander Avenue at Santa Ana Avenue Project EIR and the subsequent Addendum thereto, and all related information presented to the City Council, the City Council finds and determines pursuant to State CEQA sections 15162 and 15164 and Section 8.06 of the City of Fontana's 2019 Local Guidelines for Implementing CEQA that the preparation of a subsequent or supplemental EIR is not required because the project:

A. Will not result in substantial changes that would require major revisions of the Citrus and Oleander Avenue at Santa Ana Avenue Project EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and

B. Will not result in substantial changes with respect to the circumstances under which the project is developed that would require major revisions of the Citrus and Oleander Avenue at Santa Ana Avenue Project EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects; and

C. Does not present new information of substantial importance that was not known and could not have known with the exercise of reasonable diligence at the time the Citrus and Oleander Avenue at Santa Ana Avenue Project EIR documents were certified showing any of the following:

    (i) The modified project would have one or more significant effects not discussed in the EIR;

    (ii) That significant effects previously examined would be substantially more severe than shown in the EIR;

(iii) That mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the lead agency declined to adopt such measures; and

(iv) That mitigation measures or alternatives are considerably different from those analyzed would substantially reduce one or more significant effects on the environment, but which the leady agency declined to adopt

Section 4. Approval of Acacia DA Amendment. The Acacia DA Amendment, attached hereto as Exhibit "A", is hereby approved and the Mayor is hereby authorized to execute the Acacia DA Amendment on behalf of the City. The City Manager, or his or her designee, is directed and authorized to do all of the following:

(i) Prepare a final version of the Acacia DA Amendment for execution and recording that fully reflects the action of the City Council in adopting the Acacia DA Amendment, subject to review and approval of the City Attorney; and

(ii) Make all necessary and appropriate clerical, typographical, formatting, and non-substantial corrections or revisions to the adopted Acacia DA Amendment prior to execution and recording; and

(iii) Implement the Acacia DA Amendment in accordance with its terms.

Section 5. Effective Date/Publication. This Ordinance shall take effect thirty (30) days after the date of the adoption and prior to the expiration of fifteen (15) days from the passage thereof, shall be published by the City Clerk at least once in the *Fontana Herald News,* a local newspaper of the general circulation, published and circulated in the City of Fontana, and henceforth and thereafter the same shall be in full force and effect.

Section 6. Custodian of Records. The documents and materials that constitute the record of proceedings on which this Ordinance is based are located at the City Clerk's office located at 16860 Valencia Avenue, Fontana, CA 92335. The custodian or records is the City Clerk.

Section 7. Certification. The City Clerk of the City Council shall certify the adoption of this Ordinance.

Section 8. Severability. If any provision of this Ordinance or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application.

APPROVED AND ADOPTED this 9th day of June 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 Ordinance is the actual Ordinance adopted by the City Council and was introduced at a regular meeting on the 26th day of May 2026, and was finally passed and adopted not less than five days thereafter on the 9th day of June 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

"EXHIBIT A"

ACACIA DA AMENDMENT

Recorded at request of:)
Clerk, City Council)
City of Fontana)
)
When recorded return to:)
City of Fontana)
8353 Sierra Avenue)
Fontana, CA 92335)
Attention: City Clerk)
)

Exempt from Filing Fees, Government Code Section 6103

DEVELOPMENT AGREEMENT 23-0085R1

FIRST AMENDMENT TO AND RESTATEMENT OF DEVELOPMENT AGREEMENT NO. 23-085, APPLICABLE TO THE ACACIA PROPERTY

AN AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN

CITY OF FONTANA
a California Municipal Corporation

and

ACACIA REAL ESTATE GROUP, INC.,

DEVELOPMENT AGREEMENT NO. 23-0085R1

This First Amendment to and Restatement of Development Agreement 23-0085, Applicable to the Acacia Property (hereinafter "**Amended and Restated Agreement**") is entered into effective on _____ (hereinafter the "**Effective Date**") by and among the City of Fontana, a California municipal corporation (hereinafter, "**CITY**"), and Acacia Real Estate Group, Inc. (hereinafter, "**OWNER**"):

RECITALS

WHEREAS, CITY is authorized to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property, pursuant to Section 65864 et seq. of the Government Code; and

WHEREAS, OWNER filed an application for, and the City Council of the City of Fontana ("**City Council**"), approved, three design reviews (DRP No. 22-029R1, DRP No. 22-062R1, and DRP No. 22-061R1); three tentative parcel maps (TPM No. 22-009R1, TPM No. 22-030R1, and TPM No. 22-031R1), a general plan amendment (GPA No. 23-004), a zone code amendment (ZCA No. 23-006), a specific plan amendment (SPA No. 23-004), and a development agreement (collectively, MCN No. 23-100) (hereinafter the "**Project**") for that certain real property located north of Santa Ana Avenue, east of Citrus Avenue, and west of Cypress Avenue, identified as Assessor's Parcel Numbers ("**APN(s)**") 0255-021-17, -18, -22 thru -24; and 0255-011-13, -14, -18, -19, -25 thru -32, as more particularly described on Exhibit "A-1" to this Amended and Restated Agreement (the "**Property**"); and

WHEREAS, APN 0255-021-17 is located north of Santa Ana Avenue, east of Oleander Avenue, and west of Cypress Avenue, as more particularly described on Exhibit "A-2" to this Amended and Restated Agreement ("**Acacia Property**"); and

WHEREAS, APNs 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 thru 0255-011-32 are located north of Santa Ana Avenue, east of Citrus Avenue, and west of Oleander Avenue, as more particularly described on Exhibit "A-3" to this Amended and Restated Agreement ("**North Palisades Property**"); and

WHEREAS, APNs 0255-021-18, and 0255-021-22 thru 0255-021-024 are located north of Santa Ana Avenue, east of Oleander Avenue, west of Cypress Avenue, as more particularly described on Exhibit "A-4" ("**Remaining Original DA Property**"); and

WHEREAS, the owners of the Property were aware of the Project and expressly authorized and consented to the filing and approval of the related applications, including the application for and approval and execution of Development Agreement No. 23-085 ("**Original DA**"), with the CITY in connection therewith; and

WHEREAS, the CITY and OWNER entered into the Original DA on or about November 15, 2023, and the Original DA was recorded against the Property in the Official Records of San Bernardino County on December 18, 2023, as document number 2023-0311188; and

WHEREAS, subsequent to the execution of the Original DA, OWNER desired to change its plans for the development of the Property and to limit the scope of its development to the Acacia Property ("**Acacia Project**"); and

WHEREAS, OWNER has determined that it no longer requires the remaining parcels of the Property outside the Acacia Property for the purposes of its current project, and in connection therewith desires to enter into this Amended and Restated Agreement, as applicable only to the Acacia Property; and

WHEREAS, NP SANTA ANA LLC desires to acquire the North Palisades Property for development of the portion of the Project planned for the North Palisades Property ("**North Palisades Project**"), and in connection therewith enter into a separate Amendment to and Restatement of the Original DA ("**NP Santa Ana Amended and Restated Agreement**"), as applicable only to the North Palisades Property; and

WHEREAS, by electing to enter into this Amended and Restated Agreement, CITY shall bind future City Councils of CITY by the obligations specified herein and limit the future exercise of certain governmental and proprietary powers of CITY; and

WHEREAS, the terms and conditions of this Amended and Restated Agreement have undergone extensive review by CITY and the City Council and have been found to be fair, just and reasonable; and

WHEREAS, the best interests of the citizens of the CITY and the public health, safety and welfare will be served by entering into this Amended and Restated Agreement; and

WHEREAS, prior to the adoption of the Development Approvals described in this Amended and Restated Agreement, the City Council reviewed, considered, and certified the Environmental Impact Report ("**EIR**") for the Citrus/Oleander Industrial Center of which the Project, as that term is defined below, is a part, and made findings concerning the mitigation measures for the Project, and adopted a Mitigation Monitoring and Reporting Program in accordance with CEQA and the State and CITY CEQA Guidelines; and

WHEREAS, this Amended and Restated Agreement and the Project are consistent with the CITY's Comprehensive General Plan and any Specific Plan applicable thereto; and

WHEREAS, all actions taken and approvals given by CITY have been duly taken or approved in accordance with all applicable legal requirements for notice, public hearings, findings, votes, and other procedural matters; and

WHEREAS, development of the Property in accordance with this Amended and Restated Agreement will provide substantial benefits to CITY and will further important policies and goals of CITY; and

WHEREAS, this Amended and Restated Agreement will eliminate uncertainty in planning and provide for the orderly development of the Acacia Property, ensure progressive installation of necessary improvements, provide for public services appropriate to the development of the Acacia Project, and generally serve the purposes for which development agreements under Sections 65864 et seq of the Government Code are intended; and

WHEREAS, OWNER has incurred and will in the future incur substantial costs in excess of the generally applicable requirements in order to assure vesting of legal rights to develop the Acacia Property in accordance with this Amended and Restated Agreement.

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1. Definitions. The following terms when used in this Amended and Restated Agreement shall be defined as follows:

1.1.1. "**Acacia Project**" the development of the Acacia Property contemplated by the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the provisions of this Amended and Restated Agreement.

1.1.2. "**Acacia Property**" means APN 0255-021-17, which is located north of Santa Ana Avenue, east of Oleander Avenue, and west of Cypress Avenue, as shown on Exhibit "A-2".

1.1.3. "**Amended and Restated Agreement**" means this First Amendment to and Restatement of Development Agreement No. 23-0085.

1.1.4. "**APN(s)**" means assessor's parcel numbers as used by the San Bernardino County Clerk/Recorder.

1.1.5. "**Certificate**" has the meaning assigned to that term in Section 6.6.

1.1.6. "**CITY**" means the City of Fontana, a municipal corporation, organized and existing pursuant to the laws of the State of California.

1.1.7. "**City Council"** means the City Council of the City of Fontana, California.

1.1.8. "**Development**" means the improvement of the Acacia Property for the purposes of completing the structures, improvements and facilities comprising the Acacia Project including, but not limited to: grading; the construction of infrastructure and

public facilities related to the Acacia Project whether located within or outside the Acacia Property; the construction of buildings and structures; and the installation of landscaping. "Development" does not include the maintenance, repair, reconstruction or redevelopment of any building, structure, improvement or facility after the construction and completion thereof.

1.1.9. "**Development Approvals**" means all permits and other entitlements for use subject to approval or issuance by CITY in connection with development of the Acacia Property including, but not limited to:

(a) conditional use permits and design review permits;

(b) tentative parcel maps;

(c) General Plan and Zoning Code amendments; and,

(d) grading, encroachment and building permits.

1.1.10. "**Development Exaction**" means any requirement of CITY in connection with or pursuant to any Land Use Regulation or Development Approval for the dedication of land, the construction of improvements or public facilities, or the payment of fees in order to lessen, offset, mitigate or compensate for the impacts of development on the environment or other public interests.

1.1.11. "**Development Impact Fee**" means a monetary exaction other than a tax or special assessment, whether characterized as a fee or a tax and whether established for a broad class of projects by legislation of general applicability or imposed on a specific project on an ad hoc basis, that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project, but does not include park "in lieu" fees specified in Government Code Section 66477, fees for processing applications for governmental regulatory actions or approvals, fees collected under development agreements adopted pursuant to Article 2.5 of the Government Code (commencing with Section 65864) of Chapter 4, or fees collected pursuant to agreements with redevelopment agencies which provide for the redevelopment of property in furtherance or for the benefit of a redevelopment project for which a redevelopment plan has been adopted pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code).

1.1.12. "**Development Plan**" means the Existing Development Approvals and the Existing Land Use Regulations, as those terms are defined herein, applicable to development of the Property.

1.1.13. "**Effective Date**" means the date upon which all of the following have occurred: (1) the ordinance approving this Amended and Restated Agreement becomes effective, (2) the ordinance approving the NP Santa Ana Amended and Restated Agreement becomes effective, (3) this Amended and Restated Agreement has been executed by the fee owner of the Acacia Property and delivered to the CITY within one

hundred twenty (120) days following the approval (second reading) of the ordinance approving this Amended and Restated Agreement; and (4) the NP Santa Ana Amended and Restated Agreement has been executed by the fee owner of the North Palisades Property and delivered to the CITY within the later of (a) one hundred twenty (120) days following the close of escrow for acquisition of the North Palisades Property by the "OWNER" (as that term is defined in the NP Santa Ana Amended and Restated Agreement) and (b) one hundred twenty (120) days following the entitlements for the North Palisades Property becoming final and non-appealable (and in no event more than 210 days following the City's grant of entitlements for the North Palisades Property).

1.1.14. "**EIR**" means the Environmental Impact Report for the Citrus/Oleander Industrial Center as certified by the City Council, designated as State Clearinghouse number 2022110389.

1.1.15. "**Existing Development Approvals**" means all Development Approvals approved or issued on or prior to the Effective Date.

1.1.16. "**Existing Land Use Regulations**" means all Land Use Regulations in effect on the Effective Date.

1.1.17. "**Fund**" has the meaning assigned to that term in Section 9.2.

1.1.18. "**General Plan**" means the Comprehensive General Plan of the City of Fontana, as such General Plan existed as of the Effective Date of this Amended and Restated Agreement.

1.1.19. "**Land Use Regulations**" means all ordinances, resolutions, codes, rules, regulations and official policies of CITY governing the development and use of land, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, timing and phasing of development, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the development of the Acacia Property. "Land Use Regulations" does not include any CITY ordinance, resolution, code, rule, regulation or official policy, governing:

(a) the conduct of businesses, professions, and occupations;

(b) taxes and assessments;

(c) the control and abatement of nuisances;

(d) the granting of encroachment permits and the conveyance of rights and interests which provide for the use of or the entry upon public property;

(e) the exercise of the power of eminent domain.

1.1.20. "**Mortgagee**" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device lender, and their successors and assigns.

1.1.21. "**North Palisades Project**" the development of the North Palisades Property contemplated by the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the provisions of the NP Santa Ana Amended and Restated Agreement.

1.1.22. "**North Palisades Property**" means APNs 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 thru 0255-011-32, which are located north of Santa Ana Avenue, east of Citrus Avenue, and west of Oleander Avenue, as shown on Exhibit "A-3".

1.1.23. "**NP Santa Ana Amended and Restated Agreement**" means an amendment to and restatement of the Original DA, entered into by and between the CITY and the fee owner of the North Palisades Property, which shall be applicable to and binding upon the fee owner of the North Palisades Property and its successors in interest.

1.1.24. "**OWNER**" means the persons and entities listed as OWNER on page 1 of this Amended and Restated Agreement and their successors in interest to all or any part of the Acacia Property.

1.1.25. "**Project**" means the development of the Property contemplated by the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the provisions of this Amended and Restated Agreement.

1.1.26. "**Property**" means the real property described on Exhibit "A-1" as shown on to this Amended and Restated Agreement.

1.1.27. "**Public Benefit Fee**" means the public benefit fee to be paid by OWNER as described in Section 4.3 of this Amended and Restated Agreement.

1.1.28. "**Remaining Original DA Property**" means APNs 0255-021-18, and 0255-021-22 thru -24, which are located north of Santa Ana Avenue, east of Oleander Avenue, and west of Cypress Avenue, as shown on Exhibit "A-4".

1.1.29. "**Reservations of Authority**" means the rights and authority excepted from the assurances and rights provided to OWNER under this Amended and Restated Agreement and reserved to CITY under Section 3.6 of this Amended and Restated Agreement.

1.1.30. "**Subsequent Development Approvals**" means all Development Approvals required subsequent to the Effective Date in connection with development of the Acacia Property.

1.1.31. "**Subsequent Land Use Regulations**" means any Land Use Regulations adopted and effective after the Effective Date of this Amended and Restated Agreement.

1.1.32. "**Term**" has the meaning assigned to that term in Section 2.3.

1.2 Exhibits. The following documents are attached to, and by this reference made a part of, this Amended and Restated Agreement:

Exhibit “A-1” — Legal Description the Property.

Exhibit “A-2” — Legal Description the Acacia Property.

Exhibit “A-3” — Legal Description the North Palisades Property.

Exhibit “A-4” — Legal Description of Remaining Original DA Property

Exhibit “B” — Map showing Property and its location.

Exhibit “C” – Form of Assignment and Assumption Agreement

Exhibit “D” – Subsequent Development Approvals Integrated Into Vested Rights under Section 3.5

2. GENERAL PROVISIONS.

2.1 Binding Effect of Original DA.

(a) Upon the occurrence of the Effective Date, the Acacia Property shall be subject to this Amended and Restated Agreement. OWNER agrees and acknowledges that (1) the Original DA shall remain in full force and effect unless and until the Effective Date occurs, and (2) if this Amended and Restated Agreement and/or the NP Santa Ana Amended and Restated Agreement are rescinded or invalidated for any reason, the Original DA shall remain binding upon and applicable to the Acacia Property, its owners, and their successors in interest.

(b) Development of the Acacia Property is hereby authorized and shall be carried out only in accordance with the terms of either this Amended and Restated Agreement (if, and for so long as, this Amended and Restated Agreement is effective and applicable to the Acacia Property) or the Original DA.

(c) For so long as this Amended and Restated Agreement is effective and applicable to the Acacia Property, this Amended and Restated Agreement shall supersede the Original DA in its entirety with respect to the Acacia Property.

(d) For the avoidance of doubt, if either (1) this Amended and Restated Agreement has not been executed by the fee owner of the Acacia Property within one hundred twenty (120) days following the approval (second reading) of the ordinance approving this Amended and Restated Agreement; or (2) the NP Santa Ana Amended and Restated Agreement has not been executed by fee owner of the North Palisades Property within

the later of (a) one hundred twenty (120) days following the close of escrow for acquisition of the North Palisades Property by the "OWNER" (as that term is defined in the NP Santa Ana Amended and Restated Agreement) and (b) one hundred twenty (120) days following the entitlements for the North Palisades Property becoming final and non-appealable (and in no event more than 210 days following the City's grant of entitlements for the North Palisades Property), then this Amended and Restated Agreement shall never become effective, and the Original DA shall remain binding upon and applicable to the Acacia Property, its owners, and their successors in interest.

2.2 Ownership of Acacia Property. OWNER represents and covenants that it is the legal or equitable owner of the fee simple title to the Acacia Property. Prior to CITY's execution and recordation of this Amended and Restated Agreement, OWNER shall submit to CITY reasonable proof of its fee ownership of the Acacia Property as determined by CITY in its sole and absolute discretion.

2.3 Term. The initial term of this Amended and Restated Agreement shall commence on the Effective Date and shall continue for a period of ten (10) years thereafter unless this term is modified or extended pursuant to the provisions of this Amended and Restated Agreement. Notwithstanding the foregoing, the term of this Amended and Restated Agreement may be extended for an additional five (5) years following expiration of the initial term, provided the following have occurred:

(a) OWNER provides at least ninety (90) days written notice to CITY prior to the expiration of the initial term; and

(b) OWNER shall have obtained building permits for at least sixty-seven percent (67%) of the gross area of the industrial building(s) contemplated by the Acacia Project; and

(c) OWNER is not then in uncured default of this Amended and Restated Agreement.

The initial term and, if and upon extension, the 5-year extension, shall sometimes be referred to herein collectively as the "**Term**."

The term of this Amended and Restated Agreement shall not be considered to run and shall toll for any period in which the Acacia Project is being challenged or litigated by a third-party.

2.4 Assignment.

2.4.1 Right to Assign. OWNER shall have the right to sell, transfer or assign the Acacia Property in whole or in part (provided that no such partial transfer shall violate the Subdivision Map Act, Government Code Section 66410 et seq.) to any person, partnership, joint venture, firm or corporation at any time during the term of this Amended

and Restated Agreement; provided, however, that any such sale, transfer or assignment shall include the assignment and assumption of the rights, duties and obligations arising under or from this Amended and Restated Agreement and be made in strict compliance with the following conditions precedent:

(a) No sale, transfer or assignment of any right or interest under this Amended and Restated Agreement shall be made unless made together with the sale, transfer or assignment of all or a part of the Acacia Property.

(b) Concurrent with any such sale, transfer or assignment, or within fifteen (15) business days thereafter, OWNER shall notify CITY, in writing, of such sale, transfer or assignment and shall provide CITY with an executed agreement, in a form substantially similar to that attached hereto as Exhibit "C" which has been deemed reasonably acceptable to CITY, by the purchaser, transferee or assignee and providing therein that the purchaser, transferee or assignee expressly and unconditionally assumes all the duties and obligations of OWNER under this Amended and Restated Agreement.

(c) Any sale, transfer or assignment not made in strict compliance with the foregoing conditions shall constitute a default by OWNER under this Amended and Restated Agreement. Notwithstanding the failure of any purchaser, transferee or assignee to execute the agreement required by Paragraph (b) of this Subsection 2.4.1, the burdens of this Amended and Restated Agreement shall be binding upon such purchaser, transferee or assignee, but the benefits of this Amended and Restated Agreement shall not inure to such purchaser, transferee or assignee until and unless such agreement is executed.

2.4.2 Release of Transferring Owner. Notwithstanding any sale, transfer or assignment, a transferring owner shall continue to be obligated under this Amended and Restated Agreement unless such transferring owner is given a release in writing by CITY, which release shall be provided by CITY upon the full satisfaction by such transferring owner of the following conditions:

(a) OWNER no longer has a legal or equitable interest in all or any part of the Acacia Property.

(b) OWNER is not then in default under this Amended and Restated Agreement.

(c) OWNER has provided CITY with the notice and executed agreement required under Paragraph (b) of Subsection 2.4.1 above.

(d) The purchaser, transferee or assignee provides CITY with security equivalent to any security previously provided by OWNER to secure performance of its obligations hereunder.

2.4.3 Subsequent Assignment. Any subsequent sale, transfer or assignment after an initial sale, transfer or assignment shall be made only in accordance with and subject to the terms and conditions of this Section.

2.4.4 Partial Release of Purchaser, Transferee or Assignee of Industrial or Commercial Lot. A purchaser, transferee or assignee of a lot within the Acacia Property, which has been finally subdivided as provided for in the Development Plan and for which a commercial or industrial plot plan for development of the lot has been finally approved pursuant to the Development Plan, may submit a request, in writing, to CITY to release said lot from the obligations under this Amended and Restated Agreement relating to all other portions of the Acacia Property. Within thirty (30) days of such request, CITY shall review, and if the above conditions are satisfied shall approve the request for release and notify the purchaser, transferee or assignee in writing thereof. No such release approved pursuant to this Subsection 2.4.4 shall cause, or otherwise affect, a release of OWNER from its duties and obligations under this Amended and Restated Agreement.

2.4.5 Termination of Amended and Restated Agreement With Respect to Individual Lots Upon Sale to Public and Completion of Construction. The provisions of Subsection 2.4.1 shall not apply to the sale or lease (for a period longer than one year) of any lot within the Acacia Property which has been finally subdivided and is individually (and not in "bulk") sold or leased to a member of the public or other ultimate user. Notwithstanding any other provisions of this Amended and Restated Agreement, this Amended and Restated Agreement shall terminate with respect to any lot within the Acacia Property and such lot shall be released and no longer be subject to this Amended and Restated Agreement without the execution or recordation of any further document upon satisfaction of both of the following conditions:

(a) The lot has been finally subdivided and individually (and not in "bulk") sold or leased (for a period longer than one year) to a member of the public or other ultimate user; and,

(b) A certificate of occupancy or temporary certificate of occupancy has been issued for a building on the lot, and the fees set forth under Section 4 of this Amended and Restated Agreement have been paid.

2.5 Amendment or Cancellation of Amended and Restated Agreement. This Amended and Restated Agreement may be amended or canceled in whole or in part only by written consent of all parties in the manner provided for in Government Code Section 65868 and the Development Agreement Policies. This provision shall not limit any remedy of CITY or OWNER as provided by this Amended and Restated Agreement. Any amendment of this Amended and Restated Agreement which has been requested by OWNER shall only be processed and considered by the CITY upon the payment of the applicable processing charge.

2.6 Termination. This Amended and Restated Agreement shall be deemed terminated and of no further effect upon the occurrence of any of the following events:

(a) Expiration of the stated term of this Amended and Restated Agreement as set forth in Section 2.3.

(b) Entry of a final judgment setting aside, voiding or annulling the adoption of the ordinance approving this Amended and Restated Agreement (in which case the Original DA shall remain binding upon and applicable to the Acacia Property, its owners, and their successors in interest).

(c) The adoption of a referendum measure overriding or repealing the ordinance approving this Amended and Restated Agreement (in which case the Original DA shall remain binding upon and applicable to the Acacia Property, its owners, and their successors in interest).

(d) Completion of the Acacia Project in accordance with the terms of this Amended and Restated Agreement including issuance of all required occupancy permits and acceptance by CITY or applicable public agency of all required dedications.

(e) Termination of this Amended and Restated Agreement based on any default of OWNER and following the termination proceedings required by the Development Agreement Policies.

Termination of this Amended and Restated Agreement shall not constitute termination of any other land use entitlements or agreements approved for the Acacia Property. Upon the termination of this Amended and Restated Agreement, no party shall have any further right or obligation hereunder except with respect to any obligation to have been performed prior to such termination or with respect to any default in the performance of the provisions of this Amended and Restated Agreement which has occurred prior to such termination or with respect to any obligations which are specifically set forth as surviving this Amended and Restated Agreement. Upon such termination, any public facilities and services mitigation fees paid pursuant to Section 4.2 of this Amended and Restated Agreement by OWNER to CITY buildings on which construction has not yet begun shall be refunded to OWNER by CITY.

2.7 Notices.

(a) As used in this Amended and Restated Agreement, “notice” includes, but is not limited to, the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver, appointment or other communication required or permitted hereunder.

(b) All notices shall be in writing and shall be considered given either: (i) when delivered in person to the recipient named below; or (ii) on the date of delivery shown on the return receipt, after deposit in the United States mail in a sealed envelope as either registered or certified mail with return receipt requested, and postage and postal charges prepaid, and addressed to the recipient named below; or (iii) on the date of delivery shown in the records of the telegraph company after transmission by telegraph to the recipient named below. All notices shall be addressed as follows:

If to CITY:
City of Fontana
8353 Sierra Avenue

Fontana, CA 92335
Attn: City Manager
Telephone: (909) 350-7600

Copy to:
Best, Best & Krieger, LLP
2855 E Guasti Road
Ontario, CA 91761
Attn: City Attorney
Telephone: (909) 989-8584
Facsimile: (909) 944-1441

If to OWNER:
Acacia Real Estate Group, Inc.
Attn: David B. Pittman
260 Newport Center Drive, Suite 100
Newport Beach, CA 92660
Telephone: (714) 270-0777

Copy to:
Allen Matkins Leck Gamble Mallory & Natsis, LLP
Attn: Jonathan Shardlow
2010 Main Street, 8th Floor,
Irvine, CA 92614
Telephone: (949) 553-1313

(c) Either party may, by notice given at any time, require subsequent notices to be given to another person or entity, whether a party or an officer or representative of a party, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change.

3. DEVELOPMENT OF THE PROPERTY.

3.1 Rights to Develop. Subject to the terms of this Amended and Restated Agreement including the Reservations of Authority, OWNER shall have a vested right to develop the Acacia Property in accordance with, and to the extent of, the Development Plan. The Acacia Project shall remain subject to all Subsequent Development Approvals required to complete the Acacia Project as contemplated by the Development Plan. Except as otherwise provided in this Amended and Restated Agreement, the permitted uses of the Acacia Property, the density and intensity of use, the maximum height and size of proposed buildings, and provisions for reservation and dedication of land for public purposes shall be those set forth in the Development Plan.

If the either (1) this Amended and Restated Agreement has not been executed by the fee owner of the Acacia Property within one hundred twenty (120) days following the approval (second reading) of the ordinance approving this Amended and Restated

Agreement; or (2) the NP Santa Ana Amended and Restated Agreement has not been executed by the fee owner of the North Palisades Property within one hundred twenty (120) days following the approval (second reading) of the ordinance approving the NP Santa Ana Amended and Restated Agreement, then (A) OWNER shall take no action in furtherance of development of the Project without the CITY's prior written approval, which CITY may grant or withhold in its sole and absolute discretion, (B) all entitlements and approvals issued for or in connection with the Project shall be deemed automatically rescinded by CITY without further action by the CITY and without any further obligation by the CITY to the OWNER with respect thereto, and shall be null and void and of no further force or effect, and (C) CITY may, in its sole and absolute discretion, elect to take formal action to rescind any entitlements issued for or in connection with the Project; OWNER expressly waives and releases any and all rights, vested or otherwise, that it may have to object to or interfere with such formal action.

3.2 Effect of Amended and Restated Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Amended and Restated Agreement including the Reservations of Authority, the rules, regulations and official policies governing permitted uses of the Acacia Property, the density and intensity of use of the Acacia Property, the maximum height and size of proposed buildings, and the design, improvement and construction standards and specifications applicable to development of the Acacia Property shall be the Existing Land Use Regulations. In connection with any Subsequent Development Approval, CITY shall exercise its discretion in accordance with the Development Plan, and as provided by this Amended and Restated Agreement including, but not limited to, the Reservations of Authority. CITY shall accept for processing, review and action all applications for Subsequent Development Approvals, and such applications shall be processed in the normal manner for processing such matters.

3.3 Timing of Development. The parties acknowledge that OWNER cannot at this time predict when or the rate at which phases of the Acacia Property will be developed. Such decisions depend upon numerous factors which are not within the control of OWNER, such as market orientation and demand, interest rates, absorption, completion and other similar factors. Since the California Supreme Court held in Pardee Construction Co. v. City of Camarillo, (1984) 37 Cal.3d 465, that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development to prevail over such parties' agreement, it is the parties' intent to cure that deficiency by acknowledging and providing that OWNER shall have the right to develop the Acacia Property in such order and at such rate and at such times as OWNER deems appropriate within the exercise of its subjective business judgment, subject only to any timing or phasing requirements set forth in the Development Plan or the Phasing Plan set forth in Section 3.4. Notwithstanding anything to the contrary set forth in this Section 3.3 or in this Amended and Restated Agreement, CITY acknowledges that OWNER shall have no obligation to construct the Acacia Project and that OWNER shall not be subject to any penalty nor shall CITY be entitled to any legal or equitable remedy, including, without limitation, a claim for specific performance of this Amended and Restated Agreement, if OWNER determines not to construct the Acacia Project for any reason.

3.4 Phasing Plan. Development of the Acacia Property shall be subject to all timing and phasing requirements established by the Development Plan.

3.5 Changes and Amendments. The parties acknowledge that refinement and further development of the Acacia Project will require Subsequent Development Approvals and may demonstrate that changes are appropriate and mutually desirable in the Existing Development Approvals. In the event OWNER finds that a change in the Existing Development Approvals is necessary or appropriate, OWNER shall apply for a Subsequent Development Approval to effectuate such change and CITY shall process and act on such application in accordance with the Existing Land Use Regulations, except as otherwise provided by this Amended and Restated Agreement including the Reservations of Authority. If approved, any such change in the Existing Development Approvals shall be incorporated herein as Exhibit "D" and may be further changed from time to time as provided in this Section. Unless otherwise required by law, as determined in CITY's reasonable discretion, a change to the Existing Development Approvals shall be deemed "minor" and not require an amendment to this Amended and Restated Agreement provided such change does not:

(a) Alter the permitted uses of the Acacia Property as a whole; or,

(b) Increase the density or intensity of use of the Acacia Property as a whole; or,

(c) Increase the maximum height and size of permitted buildings; or,

(d) Delete a requirement for the reservation or dedication of land for public purposes within the Acacia Property as a whole; or,

(e) Constitute a project requiring a subsequent or supplemental environmental impact report pursuant to Section 21166 of the Public Resources Code.

3.6 Reservations of Authority.

3.6.1 Limitations, Reservations and Exceptions. Notwithstanding any other provision of this Amended and Restated Agreement, the following Subsequent Land Use Regulations shall apply to the development of the Acacia Property.

(a) Processing fees and charges of every kind and nature imposed by CITY to cover the estimated actual costs to CITY of processing applications for Development Approvals or for monitoring compliance with any Development Approvals granted or issued.

(b) Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure.

(c) Regulations, policies, and rules governing construction standards and specifications including, without limitation, the CITY's Building Code, Plumbing Code, Mechanical Code, Electrical Code, Fire Code and Grading Code.

(d) Regulations imposing Development Exactions; provided, however, that no such subsequently adopted Development Exaction shall be applicable to development of the Acacia Property unless such Development Exaction is applied uniformly to development, either throughout the CITY or within a defined area of benefit which includes the Acacia Property. No such subsequently adopted Development Exaction shall apply if its application to the Acacia Property would physically prevent development of the Acacia Property for the uses and to the density or intensity of development set forth in the Development Plan. In the event any such subsequently adopted Development Exaction fulfills the same purposes, in whole or in part, as the fees set forth in Section 4 of this Amended and Restated Agreement, CITY shall allow a credit against such subsequently adopted Development Exaction for the fees paid under Section 4 of this Amended and Restated Agreement to the extent such fees fulfill the same purposes.

(e) Regulations which may be in conflict with the Development Plan, but which are reasonably necessary to protect the public health and safety. To the extent possible, any such regulations shall be applied and construed so as to provide OWNER with the rights and assurances provided under this Amended and Restated Agreement.

(f) Regulations which are not in conflict with the Development Plan. Any regulation, whether adopted by initiative or otherwise, limiting the rate or timing of development of the Acacia Property shall be deemed to conflict with the Development Plan and shall therefore not be applicable to the development of the Acacia Property.

3.6.2 Subsequent Development Approvals. This Amended and Restated Agreement shall not prevent CITY, in acting on Subsequent Development Approvals, from applying Subsequent Land Use Regulations which do not conflict with the Development Plan, nor shall this Amended and Restated Agreement prevent CITY from denying or conditionally approving any Subsequent Development Approval on the basis of the Existing Land Use Regulations or any Subsequent Land Use Regulation not in conflict with the Development Plan.

3.6.3 Modification or Suspension by State or Federal Law. In the event that State or Federal laws or regulations, enacted after the Effective Date of this Amended and Restated Agreement, prevent or preclude compliance with one or more of the provisions of this Amended and Restated Agreement, such provisions of this Amended and Restated Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations, provided, however, that this Amended and Restated Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce. In the event OWNER alleges that such State or Federal laws or regulations preclude or prevent compliance with one or more

provisions of this Amended and Restated Agreement, and the CITY does not agree, the OWNER may, at its sole cost and expense, seek declaratory relief (or other similar non-monetary remedies); provided however, that nothing contained in this Section 3.6.3 shall impose on CITY any monetary liability for contesting such declaratory relief (or other similar non-monetary relief).

3.6.4 Intent. The parties acknowledge and agree that CITY is restricted in its authority to limit its police power by contract and that the foregoing limitations, reservations and exceptions are intended to reserve to CITY all of its police power which cannot be so limited. This Amended and Restated Agreement shall be construed, contrary to its stated terms, if necessary, to reserve to CITY all such power and authority which cannot be restricted by contract.

3.7 Public Works. If OWNER is required by this Amended and Restated Agreement to construct any public works facilities which will be dedicated to CITY or any other public agency upon completion, and if required by applicable laws to do so, OWNER shall perform such work in the same manner and subject to the same requirements as would be applicable to CITY or such other public agency should it have undertaken such construction.

3.8 Provision of Real Property Interests by CITY. In any instance where OWNER is required to construct any public improvement on land not owned by OWNER, OWNER shall at its sole cost and expense provide or cause to be provided, the real property interests necessary for the construction of such public improvements. In the event OWNER is unable, after exercising reasonable efforts, including, but not limited to, the rights under Sections 1001 and 1002 of the Civil Code, to acquire the real property interests necessary for the construction of such public improvements, and if so instructed by OWNER and upon OWNER'S provision of adequate security for costs CITY may reasonably incur, CITY shall negotiate the purchase of the necessary real property interests to allow OWNER to construct the public improvements as required by this Amended and Restated Agreement and, if necessary, in accordance with the procedures established by law, use its power of eminent domain to acquire such required real property interests. OWNER shall pay all costs associated with such acquisition or condemnation proceedings. This section 3.8 is not intended by the parties to impose upon the OWNER an enforceable duty to acquire land or construct any public improvements on land not owned by OWNER, except to the extent that the OWNER elects to proceed with the development of the Acacia Project, and then only in accordance with valid conditions imposed by the CITY upon the development of the Acacia Project under the Subdivision Map Act or other legal authority.

3.9 Regulation by Other Public Agencies. It is acknowledged by the parties that other public agencies not within the control of CITY possess authority to regulate aspects of the development of the Acacia Property separately from or jointly with CITY and this Amended and Restated Agreement does not limit the authority of such other public agencies. CITY agrees to cooperate fully, at no cost to CITY, with OWNER in obtaining any required permits or compliance with the regulations of other public agencies provided such cooperation is not in conflict with any laws, regulations or policies of the CITY.

3.10 Tentative Parcel Map Extension. Notwithstanding the provisions of Section 66452.6 of the Government Code, no tentative subdivision map or tentative parcel map, heretofore or hereafter approved in connection with development of the Acacia Property, shall be granted an extension of time except in accordance with the Existing Land Use Regulations.

3.11 Vesting Tentative Maps. If any tentative or final subdivision map, or tentative or final parcel map, heretofore or hereafter approved in connection with development of the Acacia Property, is a vesting map under the Subdivision Map Act (Government Code Section 66410 et seq.) and if this Amended and Restated Agreement is determined by a final judgment to be invalid or unenforceable insofar as it grants a vested right to develop to OWNER, then and to that extent the rights and protections afforded OWNER under the laws and ordinances applicable to vesting maps shall supersede the provisions of this Amended and Restated Agreement. Except as set forth immediately above, development of the Acacia Property shall occur only as provided in this Amended and Restated Agreement, and the provisions in this Amended and Restated Agreement shall be controlling over any conflicting provision of law or ordinance concerning vesting maps.

3.12 Utilities. The Acacia Project shall be connected to all utilities necessary to provide adequate water, sewer, gas, electric, and other utility service to the Acacia Project. OWNER shall contract with the CITY for CITY-owned or operated utilities serving the Acacia Project for such prices and on such terms as may be mutually agreed to between the parties.

3.13 Effect of Original DA on Remaining Original DA Property. The Original DA shall remain effective and binding as to the Remaining Original DA Property. Without limiting the foregoing, the owner of the Remaining Original DA Property shall remain obliged to fulfill the public benefit obligations set forth in Section 4 of the Original DA, undiminished by the payment of public benefit obligations under this Amended and Restated Agreement and/or under the NP Santa Ana Amended and Restated Agreement.

4. PUBLIC BENEFITS.

4.1 Intent. The parties acknowledge and agree that development of the Acacia Property will result in substantial public needs which will not be fully met by the Development Plan and further acknowledge and agree that this Amended and Restated Agreement confers substantial private benefits on OWNER which should be balanced by commensurate public benefits. Accordingly, the parties intend to provide consideration to the public to balance the private benefits conferred on OWNER by providing more fully for the satisfaction of the public needs resulting from the Acacia Project.

4.2 Development Impact Fees.

4.2.1 Amount and Components of Fee(s). Development Impact Fees shall be paid by OWNER. The Development Impact Fees to be paid by OWNER shall be the amounts that are in effect at the time such amounts are due. Nothing contained in this Amended and Restated Agreement shall affect the ability of the CITY to impose new Development Impact Fees or amend the amounts of existing Development Impact Fees. Additionally, nothing contained in this Amended and Restated Agreement shall affect the ability of other public agencies that are not controlled by CITY to impose and amend, from time to time, Development Impact Fees established or imposed by such other public agencies, even though such Development Impact Fees may be collected by CITY.

4.2.2 Time of Payment. The fees required pursuant to Subsection 4.2.1 shall be paid to CITY prior to the issuance of building permits. No fees shall be payable for building permits issued prior to the Effective Date of this Amended and Restated Agreement, but the fees required pursuant to Subsection 4.2.1 shall be paid prior to the re-issuance or extension of any building permit for which such fees have not previously been paid.

4.2.3 Credits. OWNER shall be entitled to credit against the fees required pursuant to Subsection 4.2.1 for the dedication of land, the construction of improvements or the payment of fees.

4.3 Public Benefit Fee. Prior to the issuance of the Building Permit for any building on the Acacia Property, as consideration for the privileges conferred by this Amended and Restated Agreement, OWNER shall pay to the CITY a public benefit fee totaling $440,839. Prior to issuance of a Certificate of Occupancy for a building on the Acacia Property, as consideration for the privileges conferred by this Amended and Restated Agreement, OWNER shall pay to CITY an additional one-time public benefit fee totaling $440,839 (for a total public benefit fee payment in the amount of $881,678).

4.4 Public Benefit Fee Advance and Reimbursement. If prior to a Final Certificate of Occupancy for a building east on the Acacia Property, CITY has not issued a building permit for the development of a portion of the North Palisades Property in accordance with the Development Plan, OWNER shall advance the sum of $618,322 to the CITY. CITY shall refund to OWNER the amount of $618,322 within thirty (30) days following CITY's issuance of a building permit for the development of a portion of the North Palisades Property in accordance with the Development Plan.

5. FINANCING OF PUBLIC IMPROVEMENTS.

If deemed appropriate, CITY and OWNER will cooperate in the formation of any special assessment district, community facilities district or alternate financing mechanism to pay for the construction and/or maintenance and operation of public infrastructure facilities required as part of the Development Plan. CITY also agrees that, to the extent any such district or other financing entity is formed and sells bonds to finance such reimbursements, OWNER may be reimbursed to the extent that OWNER spends funds

or dedicates land for the establishment of public facilities. Notwithstanding the foregoing, nothing contained in this Amended and Restated Agreement shall be construed as requiring CITY or the City Council to form any such district or to issue and sell bonds.

6. REVIEW FOR COMPLIANCE.

6.1 Periodic Review. The Planning Director shall review this Amended and Restated Agreement annually, on or before the anniversary of the Effective Date, in order to ascertain the good faith compliance by OWNER with the terms of the Amended and Restated Agreement. OWNER shall submit an Annual Monitoring Report, in a form acceptable to the Planning Director, within thirty (30) days after written notice from the Planning Director. The Annual Monitoring Report shall be accompanied by an annual review and administration fee sufficient to defray the estimated costs of review and administration of this Amended and Restated Agreement during the succeeding year. The amount of the annual review and administration fee shall be set annually or as deemed necessary by resolution of the City Council.

6.2 Special Review. The City Council may order a special review of compliance with this Amended and Restated Agreement at any time. The Planning Director shall conduct such special reviews.

6.3 Procedure.

(a) During either a periodic review or a special review, OWNER shall be required to demonstrate good faith compliance with the terms of this Amended and Restated Agreement. The burden of proof on this issue shall be on OWNER.

(b) Upon completion of a periodic review or a special review, the Planning Director shall submit a report to the City Council setting forth the evidence concerning good faith compliance by OWNER with the terms of this Amended and Restated Agreement and his or her recommended finding on that issue.

(c) If the City Council finds on the basis of substantial evidence that OWNER has complied in good faith with the terms and conditions of this Amended and Restated Agreement, the review shall be concluded.

(d) If the City Council makes a preliminary finding that OWNER has not complied in good faith with the terms and conditions of this Amended and Restated Agreement, the Council may modify or terminate this Amended and Restated Agreement as provided in Section 6.4 and Section 6.5. Notice of default as provided under Section 7.4 of this Amended and Restated Agreement shall be given to OWNER prior to or concurrent with, proceedings under Section 6.4 and Section 6.5.

6.4 Proceedings Upon Modification or Termination. If, upon a finding under Section 6.3, CITY determines to proceed with modification or termination of this Amended and Restated Agreement, CITY shall give written notice to OWNER of its intention to do so. The notice shall be given at least ten calendar days prior to the scheduled hearing and shall contain:

(a) The time and place of the hearing;

(b) A statement as to whether CITY proposes to terminate or to modify this Amended and Restated Agreement; and,

(c) Such other information as is reasonably necessary to inform OWNER of the nature of the proceeding.

6.5 Hearing on Modification or Termination. At the time and place set for the hearing on modification or termination, OWNER shall be given an opportunity to be heard. OWNER shall be required to demonstrate good faith compliance with the terms and conditions of this Amended and Restated Agreement. The burden of proof on this issue shall be on OWNER. If the City Council finds, based upon substantial evidence, that OWNER has not complied in good faith with the terms or conditions of this Amended and Restated Agreement, the City Council may terminate this Amended and Restated Agreement or modify this Amended and Restated Agreement to impose such conditions as are reasonably necessary to obtain compliance with the terms of this Amended and Restated Agreement. The decision of the City Council shall be final, subject only to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

6.6 Certificate of Agreement Compliance. If, at the conclusion of a Periodic or Special Review, OWNER is found to be in compliance with this Amended and Restated Agreement, CITY shall, upon written request by OWNER, issue a Certificate of Agreement Compliance ("**Certificate**") to OWNER stating that after the most recent Periodic or Special Review and based upon the information known or made known to the Planning Director and City Council that (1) this Amended and Restated Agreement remains in effect and (2) OWNER is not in default. The Certificate shall be in recordable form, shall contain information necessary to communicate constructive record notice of the finding of compliance, shall state whether the Certificate is issued after a Periodic or Special Review and shall state the anticipated date of commencement of the next Periodic Review. OWNER may record the Certificate with the County Recorder.

Whether or not the Certificate is relied upon by assignees or other transferees or OWNER, CITY shall not be bound by a Certificate if a default existed at the time of the Periodic or Special Review but was concealed from or otherwise not known to the Planning Director or City Council.

7. DEFAULT AND REMEDIES.

7.1 Remedies in General. It is acknowledged by the parties that CITY would not have entered into this Amended and Restated Agreement if it were to be liable in damages under this Amended and Restated Agreement, or with respect to this Amended and Restated Agreement or the application thereof.

In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Amended and Restated Agreement, except that CITY shall not be liable in damages to OWNER, or to any successor in interest of OWNER, or to any other person, and OWNER covenants not to sue for damages or

claim any damages against CITY or its agents, employees, officers, attorneys, and representatives:

(a) For any breach of this Amended and Restated Agreement or for any cause of action which arises out of this Amended and Restated Agreement; or

(b) For the taking, impairment or restriction of any right or interest conveyed or provided under or pursuant to this Amended and Restated Agreement; or

(c) Arising out of or connected with any dispute, controversy or issue regarding the application or interpretation or effect of the provisions of this Amended and Restated Agreement.

7.2 Specific Performance. Except as set forth in Section 3.3, above, the parties acknowledge that money damages and remedies at law generally are inadequate and specific performance and other non-monetary relief are particularly appropriate remedies for the enforcement of this Amended and Restated Agreement and should be available to all parties for the following reasons:

(a) Money damages are unavailable against CITY as provided in Section 7.1 above.

(b) Due to the size, nature and scope of the project, it may not be practical or possible to restore the Acacia Property to its natural condition once implementation of this Amended and Restated Agreement has begun. After such implementation, OWNER may be foreclosed from other choices it may have had to utilize the Acacia Property or portions thereof. OWNER has invested significant time and resources and performed extensive planning and processing of the Acacia Project in agreeing to the terms of this Amended and Restated Agreement and will be investing even more significant time and resources in implementing the Acacia Project in reliance upon the terms of this Amended and Restated Agreement, and it is not possible to determine the sum of money which would adequately compensate OWNER for such efforts.

7.3 Release. Except for non-damage remedies, including the remedy of specific performance and judicial review as provided for in Section 6.5, OWNER, for itself, its successors and assignees, hereby releases the CITY, its officers, agents and employees from any and all claims, demands, actions, or suits of any kind or nature arising out of any liability, known or unknown, present or future, including, but not limited to, any claim or liability, based or asserted, pursuant to Article I, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution, or any other law or ordinance which seeks to impose any other liability or damage, whatsoever, upon the CITY because it entered into this Amended and Restated Agreement or because of the terms of this Amended and Restated Agreement.

7.4 Termination or Modification of Amended and Restated Agreement for Default of OWNER. Subject to the provisions contained in Subsection 6.5 herein, CITY may terminate or modify this Amended and Restated Agreement for any failure of OWNER to perform any material duty or obligation of OWNER under this Amended and

Restated Agreement, or to comply in good faith with the terms of this Amended and Restated Agreement (hereinafter referred to as "default"); provided, however, CITY may terminate or modify this Amended and Restated Agreement pursuant to this Section only after providing written notice to OWNER of default setting forth the nature of the default and the actions, if any, required by OWNER to cure such default and, where the default can be cured, OWNER has failed to take such actions and cure such default within 60 days after the effective date of such notice or, in the event that such default cannot be cured within such 60 day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such 60 day period and to diligently proceed to complete such actions and cure such default.

7.5 Termination of Amended and Restated Agreement for Default of CITY. OWNER may terminate this Amended and Restated Agreement only in the event of a default by CITY in the performance of a material term of this Amended and Restated Agreement and only after providing written notice to CITY of default setting forth the nature of the default and the actions, if any, required by CITY to cure such default and, where the default can be cured, CITY has failed to take such actions and cure such default within 60 days after the effective date of such notice or, in the event that such default cannot be cured within such 60 day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such 60 day period and to diligently proceed to complete such actions and cure such default.

8. THIRD PARTY LITIGATION.

8.1 General Plan Litigation. CITY has determined that this Amended and Restated Agreement is consistent with the General Plan, and that the General Plan meets all requirements of law. OWNER has reviewed the General Plan and concurs with CITY's determination.

CITY shall have no liability in damages under this Amended and Restated Agreement for any failure of CITY to perform under this Amended and Restated Agreement or the inability of OWNER to develop the Acacia Property as contemplated by the Development Plan of this Amended and Restated Agreement as the result of a judicial determination that on the Effective Date, or at any time thereafter, the General Plan, or portions thereof, are invalid or inadequate or not in compliance with law.

8.2 Third Party Litigation Concerning Amended and Restated Agreement. OWNER shall defend, at its expense, including reasonable attorneys' fees, indemnify, and hold harmless CITY, its agents, officers and employees from any claim, action or proceeding against CITY, its agents, officers, or employees to attack, set aside, void, or annul the approval of this Amended and Restated Agreement or the approval of any permit granted pursuant to this Amended and Restated Agreement. CITY shall promptly notify OWNER of any such claim, action or proceeding, and CITY shall cooperate in the defense. If CITY fails to promptly notify OWNER of any such claim, action or proceeding, or if CITY fails to cooperate in the defense, OWNER shall not thereafter be responsible to defend, indemnify, or hold harmless CITY. CITY may in its discretion participate in the defense of any such claim, action or proceeding.

8.3 Indemnity. In addition to the provisions of 8.2 above, OWNER shall indemnify and hold CITY, its officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted upon any act or omission of OWNER, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death (OWNER's employees included) or any other element of damage of any kind or nature, relating to or in any way connected with or arising from the activities contemplated hereunder, including, but not limited to, the study, design, engineering, construction, completion, failure and conveyance of the public improvements, save and except claims for damages arising through the sole active negligence or sole willful misconduct of CITY. OWNER shall defend, at its expense, including reasonable attorneys' fees, CITY, its officers, agents, employees and independent contractors in any legal action based upon such alleged acts or omissions. CITY may in its discretion participate in the defense of any such legal action.

8.4 Environmental Assurances. OWNER shall indemnify and hold CITY, its officers, agents, and employees free and harmless from any liability, based or asserted, upon any act or omission of OWNER, its officers, agents, employees, subcontractors, and independent contractors for any violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to environmental conditions on, under or about the Acacia Property, including, but not limited to, soil and groundwater conditions, and OWNER shall defend, at its expense, including reasonable attorneys' fees, CITY, its officers, agents and employees in any action based or asserted upon any such alleged act or omission. CITY may in its discretion participate in the defense of any such action.

8.5 Reservation of Rights. With respect to Sections 8.2, 8.3 and 8.4 herein, CITY reserves the right to either (1) approve the attorney(s) which OWNER selects, hires or otherwise engages to defend CITY hereunder, which approval shall not be unreasonably withheld, or (2) conduct its own defense, provided, however, that OWNER shall reimburse CITY forthwith for any and all reasonable expenses incurred for such defense, including reasonable attorneys' fees, upon billing and accounting therefor.

8.6 Survival. The provisions of this Sections 8.1 through 8.6, inclusive, shall survive the termination of this Amended and Restated Agreement.

9. MORTGAGEE PROTECTION.

9.1 Encumbrances. The parties hereto agree that this Amended and Restated Agreement shall not prevent or limit OWNER, in any manner, at OWNER's sole discretion, from encumbering the Acacia Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Acacia Property. CITY acknowledges that the lenders providing such financing may require certain Amended and Restated Agreement interpretations and modifications and agrees upon request, from time to time, to meet with OWNER and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. CITY will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Amended and Restated

Agreement. Any Mortgagee of the Acacia Property shall be entitled to the following rights and privileges:

(a) Neither entering into this Amended and Restated Agreement nor a breach of this Amended and Restated Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Acacia Property made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Acacia Property, or any part thereof, which Mortgagee, has submitted a request in writing to the CITY in the manner specified herein for giving notices, shall be entitled to receive written notification from CITY of any default by OWNER in the performance of OWNER's obligations under this Amended and Restated Agreement.

(c) If CITY timely receives a request from a Mortgagee requesting a copy of any notice of default given to OWNER under the terms of this Amended and Restated Agreement, CITY shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to OWNER. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under this Amended and Restated Agreement.

(d) Any Mortgagee who comes into possession of the Acacia Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Acacia Property, or part thereof, subject to the terms of this Amended and Restated Agreement. Notwithstanding any other provision of this Amended and Restated Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Amended and Restated Agreement to perform any of OWNER's obligations or other affirmative covenants of OWNER hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by OWNER is a condition precedent to the performance of a covenant by CITY , the performance thereof shall continue to be a condition precedent to CITY's performance hereunder, and further provided that any sale, transfer or assignment by any Mortgagee in possession shall be subject to the provisions of Section 2.4 of this Amended and Restated Agreement.

9.2. Deposit of Legal Defense Costs. In the event of any litigation or legal challenge filed against CITY as described in this Section 9, then within twenty (20) calendar days following written demand by CITY therefor, Owner shall deposit with CITY funds into a deposit account maintained by CITY ("**Fund**") to reimburse CITY for CITY's costs and expenses, including without limitation attorney's fees, ultimately incurred by CITY to defend any such claim, action, or proceeding. The initial deposit shall be the sum of fifty thousand dollars ($50,000). The Fund, once established, shall at all times contain an amount necessary to cover not less than three (3) months of budgeted or anticipated expenditures by CITY relating to CITY's defense of such claim, action, or proceeding, including any and all appeals from decisions related thereto, as such budgeted or anticipated expenditures are determined by CITY in its sole and absolute discretion. For such purposes, CITY may from time to time, in CITY's sole and absolute discretion, make written demand upon Owner for deposit of additional funds by Owner into the Fund, in

which event Owner shall deposit such additional funds into the Fund within twenty (20) calendar days following written demand by CITY.

10. MISCELLANEOUS PROVISIONS.

10.1 Recordation of Amended and Restated Agreement. This Amended and Restated Agreement and any amendment or cancellation thereof shall be recorded with the San Bernardino County Recorder by the City Clerk within the period required by Section 65868.5 of the Government Code. If the parties to this Amended and Restated Agreement or their successors in interest amend or cancel this Amended and Restated Agreement as provided for herein and in Government Code Section 65868, or if the CITY terminates or modifies the agreement as provided for herein and in Government Code Section 65865.1 for failure of the applicant to comply in good faith with the terms or conditions of this Amended and Restated Agreement, the City Clerk shall have notice of such action recorded with the San Bernardino County Recorder.

10.2 Entire Agreement. This Amended and Restated Agreement sets forth and contains the entire understanding and agreement of the parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Amended and Restated Agreement.

10.3 Severability. If any term, provision, covenant or condition of this Amended and Restated Agreement shall be determined invalid, void or unenforceable, the remainder of this Amended and Restated Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Amended and Restated Agreement. Notwithstanding the foregoing, the provision of the Public Benefits set forth in Section 4 of this Amended and Restated Agreement, including the payment of the fees set forth therein, are essential elements of this Amended and Restated Agreement and CITY would not have entered into this Amended and Restated Agreement but for such provisions, and therefore in the event such provisions are determined to be invalid, void or unenforceable, this entire Amended and Restated Agreement shall be null and void and of no force and effect whatsoever.

10.4 Governing Law; Interpretation. This Amended and Restated Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Amended and Restated Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Amended and Restated Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

10.5 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Amended and Restated Agreement.

10.6 Singular and Plural. As used herein, the singular of any word includes the plural.

10.7 Joint and Several Obligations. If at any time during the term of this Amended and Restated Agreement the Acacia Property is owned, in whole or in part, by more than one owner, all obligations of such owners under this Amended and Restated Agreement shall be joint and several, and the default of any such owner shall be the default of all such owners. Notwithstanding the foregoing, no owner of a single lot which has been finally subdivided and sold to such owner as a member of the general public or otherwise as an ultimate user shall have any obligation under this Amended and Restated Agreement except as provided under Section 4 hereof.

10.8 Time of Essence. Time is of the essence in the performance of the provisions of this Amended and Restated Agreement as to which time is an element.

10.9 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Amended and Restated Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Amended and Restated Agreement thereafter.

10.10 No Third Party Beneficiaries. This Amended and Restated Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Amended and Restated Agreement.

10.11 Force Majeure. Neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Amended and Restated Agreement is caused by floods, earthquakes, epidemics, pandemics, other Acts of God, fires, wars, riots or similar hostilities, strikes and other labor difficulties beyond the party's control, (including the party's employment force), government regulations, court actions (such as restraining orders or injunctions), or other causes beyond the party's control. If any such events shall occur, the term of this Amended and Restated Agreement and the time for performance by either party of any of its obligations hereunder may be extended by the written agreement of the parties for the period of time that such events prevented such performance, provided that the term of this Amended and Restated Agreement shall not be extended under any circumstances for more than five (5) years.

10.12 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

10.13 Successors in Interest. The burdens of this Amended and Restated Agreement shall be binding upon, and the benefits of this Amended and Restated

Agreement shall inure to, all successors in interest to the parties to this Amended and Restated Agreement. All provisions of this Amended and Restated Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do or refrain from doing some act hereunder with regard to development of the Acacia Property: (a) is for the benefit of and is a burden upon every portion of the Acacia Property; (b) runs with the Acacia Property and each portion thereof; and, (c) is binding upon each party and each successor in interest during ownership of the Acacia Property or any portion thereof.

10.14 Counterparts. This Amended and Restated Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

10.15 Jurisdiction and Venue. Any action at law or in equity arising under this Amended and Restated Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Amended and Restated Agreement shall be filed and tried in the Superior Court of the County of San Bernardino, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

10.16 Acacia Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the development of the Acacia Project is a private development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Amended and Restated Agreement. No partnership, joint venture or other association of any kind is formed by this Amended and Restated Agreement. The only relationship between CITY and OWNER is that of a government entity regulating the development of private property and the owner of such property.

10.17 Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Amended and Restated Agreement and the satisfaction of the conditions of this Amended and Restated Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Amended and Restated Agreement to carry out the intent and to fulfill the provisions of this Amended and Restated Agreement or to evidence or consummate the transactions contemplated by this Amended and Restated Agreement.

10.18 Eminent Domain. No provision of this Amended and Restated Agreement shall be construed to limit or restrict the exercise by CITY of its power of eminent domain.

10.19 Agent for Service of Process. In the event OWNER is not a resident of the State of California or it is an association, partnership or joint venture without a member, partner or joint venturer resident of the State of California, or it is a foreign corporation,

then in any such event, OWNER shall file with the Planning Director, upon its execution of this Amended and Restated Agreement, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Amended and Restated Agreement, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon OWNER. If for any reason service of such process upon such agent is not feasible, then in such event OWNER may be personally served with such process out of this County and such service shall constitute valid service upon OWNER. OWNER is amenable to the process so served, submits to the jurisdiction of the Court so obtained and waives any and all objections and protests thereto. OWNER for itself, assigns and successors hereby waives the provisions of the Hague Convention (Convention on the Service Abroad of Judicial and Extra Judicial Documents in Civil or Commercial Matters, 20 U.S.T. 361, T.I.A.S. No. 6638).

10.20 Estoppel Certificate. Within thirty (30) business days following a written request by any of the parties, the other party shall execute and deliver to the requesting party a statement certifying that (i) either this Amended and Restated Agreement is unmodified and in full force and effect or there have been specified (date and nature) modifications to the Amended and Restated Agreement, but it remains in full force and effect as modified; and (ii) either there are no known current uncured defaults under this Amended and Restated Agreement or that the responding party alleges that specified (date and nature) defaults exist. The statement shall also provide any other reasonable information requested. The failure to timely deliver this statement shall constitute a conclusive presumption that this Amended and Restated Agreement is in full force and effect without modification except as may be represented by the requesting party and that there are no uncured defaults in the performance of the requesting party, except as may be represented by the requesting party. OWNER shall pay to CITY all costs incurred by CITY in connection with the issuance of estoppel certificates under this Section 10.20 prior to CITY's issuance of such certificates.

10.21 Authority to Execute. The person or persons executing this Amended and Restated Agreement on behalf of OWNER warrants and represents that he or she/they have the authority to execute this Amended and Restated Agreement on behalf of his or her/their corporation, partnership or business entity and warrants and represents that he or she/they has/have the authority to bind OWNER to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Development Amended and Restated Agreement on the last day and year set forth below.

OWNER

ACACIA REAL ESTATE GROUP, INC.,
a California corporation

By: _____
David Pittman
Its: President

Dated: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____)

On _____ before me,
_____
_____
(insert name and title of the officer)

personally appeared
_____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

CITY:

CITY OF FONTANA, a California municipal corporation

By:_____
Acquanetta Warren, Mayor

Dated: _____

By: _____
Matthew C. Ballantyne, City Manager

ATTEST:

By:_____
Germaine Key, City Clerk

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP

_____
City Attorney

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____)

On _____ before me,
_____
_____
(insert name and title of the officer)

personally appeared
_____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

5703203.2
27967-940

EXHIBIT "A-1"

LEGAL DESCRIPTION OF THE PROPERTY

TENTATIVE PARCEL MAP NO. 20707

IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

BEING A CONSOLIDATION OF PARCELS 1, 2 AND 3 OF PARCEL MAP 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 22, PAGE 80 OF PARCEL MAPS, TOGETHER WITH A PORTION OF THE WEST HALF OF FARM LOT 758 OF MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMTI-TROPIC LAND AND WATER COMPANY, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TENTATIVE PARCEL MAP NO. 20708

IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

BEING A CONSOLIDATION OF THE EAST 10 ACRES OF FARM LOT 757 OF MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMTI-TRAPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TENTATIVE PARCEL MAP NO. 20709

IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

BEING A CONSOLIDATION OF THE EAST 3 ACRES OF THE WEST 8 ACRES OF FARM LOT 757 OF MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMTI-TRAPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, TOGETHER WITH PARCELS 1, 2, 3 AND 4 OF PARCEL MAP NO. 5352, AS PER MAP FILED IN BOOK 51, PAGE 89 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "A-2"

LEGAL DESCRIPTION OF THE ACACIA PROPERTY

The Land referred to herein below is situated in the City of Fontana, County of San Bernardino, State of California, and is described as follows:

THE EAST ONE HALF OF THE WEST ONE HALF OF FARM LOT 758, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI -TROPIC LAND AND WATER COMPANY, AS PER PLAT RECORDED IN BOOK 11 OF MAPS, PAGE 12, RECORDS OF SAID COUNTY.

(AREAS AND DISTANCES COMPUTED TO STREET CENTERS.)

For conveyancing purposes only: APN 0255-021-17-0-000

EXHIBIT “A-3”

LEGAL DESCRIPTION OF THE NORTH PALISADES PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A: (APN 0255-011-13)

THE EAST 3 ACRES OF THE WEST 5 ACRES OF THE EAST 10 ACRES OF FARM LOT 757, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. THE ACREAGE OF THE ABOVE DESCRIBED REAL PROPERTY IS COMPUTED TO THE CENTER OF ALL STREETS AND ROADS AS SHOWN ON SAID MAP.

PARCEL B: (APN 0255-011-14)

THE WEST 2 ACRES OF THE WEST 5 ACRES OF THE EAST 10 ACRES OF LOT 757, SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, RECORDS OF SAID COUNTY. THE AREA AND DISTANCES OF THE ABOVE DESCRIBED PROPERTY ARE COMPUTED TO THE CENTERS OF THE ADJOINING STREETS SHOWN ON SAID MAP.

PARCEL D: (APN 0255-011-18)

THE EAST 1/2 OF THE EAST 3 ACRES OF THE WEST 8 ACRES OF FARM LOT 757, ACCORDING TO THE MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER CO., IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL E: (APN 0255-011-19)

THE WEST ONE-HALF OF THE EAST 3 ACRES OF THE WEST 8 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11 OF MAPS, PAGE 12, RECORDS OF SAID COUNTY.

PARCEL F: (APN 0255-011-25)

THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISIONS OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.EXCEPTING THEREFROM THE NORTH 450 FEET. ALSO EXCEPTING THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET. ALSO EXCEPTING THEREFROM THE NORTH 14 FEET OF THE SOUTH 44 FEET.AREA AND DISTANCES COMPUTED TO STREET CENTERS.

PARCEL G: (APN 0255-011-26)

THE SOUTH 150 FEET OF THE NORTH 450 FEET OF THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, RECORDS OF SAID COUNTY.EXCEPT THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET. AREAS AND DISTANCES OF ABOVE PROPERTY ARE COMPUTED TO THE CENTER OF THE ADJOINING STREETS SHOWN ON SAID MAP.

PARCEL H: (APN 0255-011-27)

THE SOUTH 150 FEET OF THE NORTH 300 FEET OF THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, RECORDS OF SAID COUNTY.EXCEPT THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET THEREOF.

PARCEL I: (APN 0255-011-28)

THE NORTH 150 FEET OF THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.EXCEPT THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET. AREAS AND DISTANCES COMPUTED TO STREET CENTERS AS SHOWN ON SAID MAP.

PARCEL J: (APN 0255-011-29)

PARCEL 1 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 51 OF PARCEL MAPS, PAGE 89, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL K: (APN 0255-011-30)

PARCEL 2 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN BOOK 51 PAGE 89, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPTING THEREFROM, THAT PORTION OF SAID PARCEL 2, AS CONVEYED TO THE CITY OF FONTANA, A MUNICIPAL CORPORATION, IN GRANT DEED RECORDED JULY 29, 2010 AS INSTRUMENT NO. 2010-0304886, OF OFFICIAL RECORDS.

PARCEL L: (APN 0255-011-31)

PARCEL 3 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 51 PAGE 89 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY RECORDER.

PARCEL M: (APN 0255-011-32)

PARCEL 4 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 51 PAGE 89 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY RECORDER.

EXHIBIT "A-4"

LEGAL DESCRIPTION OF THE REMAINING ORIGINAL DA PROPERTY

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISIONS OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF
SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE NORTH 450 FEET.

ALSO EXCEPTING THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET.

ALSO EXCEPTING THEREFROM THE NORTH 14 FEET OF THE SOUTH 44 FEET.

NOTE: AREA AND DISTANCES COMPUTED TO STREET CENTERS.

APN: **0255-011-25**

0255-021-18

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE SOUTH 240 FEET OF THE WEST, 1/2 OF THE WEST 1/2 OF LOT 758, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, AS PER PLAT RECORDED IN BOOK 11 OF MAPS, PAGE 12, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

0255-021-22

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 1 OF PARCEL MAP NO. 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 22 OF PARCEL MAPS, PAGE 80, RECORDS OF SAID COUNTY.

0255-021-23

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 2 OF PARCEL MAP NO. 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 22 OF PARCEL MAPS, PAGE 80, OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

0255-021-24

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 3 OF PARCEL MAP NO. 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT FILED IN BOOK 22, PAGE 80 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "B"

MAP SHOWING PROPERTY AND ITS LOCATION

EXHIBIT “C”

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

[SEE FOLLOWING PAGES]

Recording Requested by and
When Recorded Return To:

_____
_____
_____
_____

(Space above this line for recorder's use only)

DOCUMENTARY TRANSFER TAX: $-0- (No consideration)

PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

This PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT (the "**Agreement**") is made and entered into as of _____, 202_, by and between _____ ("**Assignor**") and _____ ("**Assignee**") having an address at _____, with reference to the following recitals.

RECITALS

A. Assignor was the owner of approximately ____ gross acres of land area located in the City of Fontana, County of San Bernardino, State of California, more particularly described in Exhibit "A" attached hereto ("**Project Site**").

B. Assignor and the City of Fontana, a California municipal corporation ("**City**"), are parties to that certain "First Amendment and Restatement of Development Agreement No. 23-085, Applicable to the _____ Property", dated _____ (the "**Development Agreement**"), relating to the development of the Project Site (the "**Project**"). The Development Agreement is recorded as instrument _____ in San Bernardino County Official Records.

C. Assignor has transferred a portion of the Project Site, generally described as _____ and more particularly described in Exhibit "B" attached hereto (the "**Assigned Property**") to Assignee in accordance with the terms of a grant deed and (iv) retained ownership of the remainder of the Project Site, consisting of _____ (the "**Retained Property**"). *[NTD: IF THE ASSIGNMENT IS A FULL ASSIGNMENT, THEN PROVISIONS RELATING TO RETAINED OBLIGATIONS WILL BE REMOVED]*

D. In accordance with Section 2.4 of the Development Agreement, Assignor desires to assign all rights and obligations of Assignor under the Development Agreement as to the Assigned Property ("**Assigned Property Rights and Obligations**")

and (ii) retain, as the owner of the Retained Property, all remaining obligations under the Development Agreement (the "**Retained Property Rights and Obligations**").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Effective Date. This Agreement shall not be deemed to be effective unless and until the transfer of title to the Assigned Property from Assignor to Assignee occurs, as evidenced by the recordation of a grant deed in the San Bernardino County Official Records conveying the Assigned from Assignor to Assignee (the date of recordation of such grant deed, the "**Effective Date**").

2. Assignment of Development Agreement. Assignor does hereby sell, transfer, assign, convey and deliver to Assignee all of Assignor's rights, title, obligations, and interests in the Assigned Property Rights and Obligations. This Agreement is only intended to assign the Assigned Property Rights and Obligations and does not assign any other rights or obligations under the Development Agreement. Assignor makes no representation or warranties, express or implied, to Assignee concerning the Development Agreement, except as provided herein.

3. Assumption of Responsibilities. Assignee hereby assumes, as of the Effective Date, the Assigned Property Rights and Obligations and agrees to observe and fully perform all of the duties and obligations of Assignor under the Development Agreement with respect to the Assigned Property Rights and Obligations and to be subject to all of the terms and conditions of the Development Agreement with respect to the Assigned Property Rights and Obligations, in each case to the extent arising on or after the Effective Date. Assignor and Assignee acknowledge and agree that, from and after the Effective Date, Assignee shall be the "Owner" under the Development Agreement with respect to the Assigned Property and the Assigned Property Rights and Obligations.

4. Amendments. Any amendments or modifications to this Agreement must be in writing, signed by duly authorized representatives of each of the parties hereto, acknowledged and approved by the City, and recorded in the Official Records for San Bernardino County, California.

5. Governing Law; Venue. This Agreement and the legal relations of the parties hereto shall be governed by and construed and enforced in accordance with the laws of the State of California, without regard to its principles of conflicts of law. All rights and obligations of the Parties under this Assignment are to be performed in the City of Fontana, and the County of San Bernardino shall be the venue for any legal action or proceeding that may be brought, or arise out of, in connection with or by reason of this Agreement.

6. Severability. Any provision of this Agreement which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

7. Further Assurances. Each party shall execute and deliver such other certificates, agreements and documents and take such other actions as may be reasonably required to consummate or implement the transactions contemplated by this Agreement provided the same does not increase such party's obligations and liabilities or reduce such party's rights under this Agreement and/or the Development Agreement other than to a de minimis extent.

8. Authority of Signatories to Bind Principals. The persons executing this Agreement on behalf of their respective principals represent that (i) they have been authorized to do so and that they thereby bind the principals to the terms and conditions of this Agreement and (ii) their respective principals are properly and duly organized and existing under the laws of _____, and are permitted to do business in, the State of California.

9. No Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

10. Interpretation. The parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both parties, and the parties agree that since both have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had prepared it.

11. Recordation. Assignor and Assignee shall record this Agreement against the Assigned Property in the Official Records contemporaneously with the recordation of the instrument conveying title to the Assigned Property to Assignee and prior to the lien of any security interest that will encumber the Assigned Property after the conveyance.

12. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the date set forth above.

"Assignor"	"Assignee"
_____	_____
a _____ limited liability company	a _____ limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT “A”

Project Site Legal Description

EXHIBIT "B"

Assigned Property Legal Description

EXHIBIT “D”

SUBSEQUENT DEVELOPMENT APPROVALS INTEGRATED INTO VESTED RIGHTS UNDER SECTION 3.5

ORDINANCE NO. 1992

AN ORDINANCE OF THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA, APPROVING DEVELOPMENT AGREEMENT NO. 23-0085R2, AS TO ASSESSOR'S PARCEL NUMBERS 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 AND 0255-011-25 THRU 0255-011-32, MAKING ASSOCIATED CALIFORNIA ENVIRONMENTAL QUALITY ACT FINDINGS, AND TO DIRECTING STAFF TO FILE A NOTICE OF EXEMPTION.

WHEREAS, the City of Fontana previously granted entitlements for the Citrus/Oleander Industrial Commerce Center Project through its approvals of a General Plan Amendment (22-004), Zone Change (22-005), Specific Plan Amendment (22-002), Tentative Parcel Maps (TPMs 22-009, -030, and -031), and Design Reviews (22-029, -061, and -062) (collectively, Citrus Oleander Entitlements); and

WHEREAS, concurrent with the Citrus Oleander Entitlements, the City Council of the City of Fontana approved Ordinance No. 1935 which authorized the City to enter into Development Agreement No. 23-085 (DA) with Acacia Real Estate Group, Inc. (Acacia); and

WHEREAS, the DA gave Acacia vested rights to develop the Citrus/Oleander Industrial Commerce Center Project consistent with the Citrus Oleander Entitlements, and in exchange obliged Acacia to provide specified public benefit fees to the City; and

WHEREAS, in October 2025, the Fontana Planning Commission (Planning Commission) considered and approved Design Review 22-062-R2, to reduce the size of one of the industrial commerce center buildings (originally approved in Design Review 22-062) from 193,462 square feet to approximately 83,632 square feet, and to reduce the size of that property from 8.7 acres to 4.6 acres; and

WHEREAS, Resolution No 25-040 approving Design Review 22-062-R2 requires two separate amendments to the DA – one for Assessor's Parcel Number 0255-021-17 (Acacia Property) and one for the Assessor's Parcel Numbers 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 thru 0255-011-32 (North Palisades Property) – to accomplish the following: (1) require the cumulative payment of public benefit fees of not less than $4,300,000 – half due at building permit and half due a certificate of occupancy – with the Acacia Property responsible for $881,678 and the North Palisades Property responsible for $3,418,322; (2) update the vested entitlements under the DA amendment for the Acacia Property to include Design Review 22-062-R2; (3) require the parties executing the DA amendments to warrant and represent that they are the legal or equitable owners of the property; (4) require that the DA amendments be recorded in the Office of the San Bernardino County recorder within thirty days after City Council approval; (5) prohibit either DA amendment from taking effect unless both DA amendments take effect; and (6) rescind the 22-062-R2 design review approval if both of the DA amendments are not timely recorded; and

WHEREAS, consistent with Planning Commission direction, City staff together with representatives of the future owners of the North Palisades Property negotiated and prepared a DA amendment that, together with a separately negotiated and concurrently presented DA amendment for the Acacia Property, accomplishes the intent and direction provided in Planning Commission Resolution No. 25-040.

WHEREAS, on April 21, 2026, the Planning Commission held a public meeting on AGR No. 23-0085R2 where it received evidence and public testimony on the North Palisades DA Amendment and unanimously recommended in Resolution No. PC 2026-017 that the Fontana City Council (City Council) (1) determine that the North Palisades DA Amendment is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment; (2) determine that the North Palisades DA Amendment together with the underlying project were adequately analyzed in the previously certified Citrus and Oleander Avenue at Santa Ana Avenue Project Environmental Impact Report (EIR) (State Clearinghouse No. 2022110389) and its subsequent Addendum, and pursuant to CEQA Guidelines Section 15162, no subsequent or supplemental EIR is required because there are no substantial changes in the project or its circumstances, and no new information of substantial importance has been identified that would result in any new or more severe significant environmental impacts; and (3) adopt an ordinance approving the North Palisades DA Amendment.

WHEREAS, on April 10, 2026, notice of the May 26, 2026, City Council public hearing for the North Palisades DA amendment was published in the *Sun Newspaper* and was posted at designated City bulletin boards; and

WHEREAS, on May 26, 2026, the City Council held a public hearing on the North Palisades DA Amendment where the City Council received evidence and public testimony pertaining to the Amendment and documentation from the Planning Commission's public hearing on April 21, 2026; and

WHEREAS, the City Council carefully considered all information pertaining to the North Palisades DA Amendment, including the staff report, Planning Commission recommendations, findings, and all the information, evidence, and testimony presented at its public hearing on May 26, 2026,

WHEREAS, all other legal prerequisites to the adoption of this ordinance have occurred.

THE CITY COUNCIL OF THE CITY OF FONTANA, CALIFORNIA DOES ORDAIN AS FOLLOWS:

Section 1. Recitals. The above recitals are true, correct and incorporated herein by reference.

Section 2. Compliance with the California Environmental Quality Act. The City Council has reviewed and considered the North Palisades DA Amendment and finds and determines that the amendment is categorically exempt from the CEQA pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment; and

Section 3. Additional Basis for Compliance with the California Environmental Quality Act. Based on the substantial evidence set forth in the record, including but not limited to, the Citrus and Oleander Avenue at Santa Ana Avenue Project EIR and the subsequent Addendum thereto, and all related information presented to the City Council, the City Council finds and determines pursuant to State CEQA sections 15162 and 15164 and Section 8.06 of the City of Fontana's 2019 Local Guidelines for Implementing CEQA that the preparation of a subsequent or supplemental EIR is not required because the project:

A. Will not result in substantial changes that would require major revisions of the Citrus and Oleander Avenue at Santa Ana Avenue Project EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and

B. Will not result in substantial changes with respect to the circumstances under which the project is developed that would require major revisions of the Citrus and Oleander Avenue at Santa Ana Avenue Project EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects; and

C. Does not present new information of substantial importance that was not known and could not have known with the exercise of reasonable diligence at the time the Citrus and Oleander Avenue at Santa Ana Avenue Project EIR documents were certified showing any of the following:

    (i) The modified project would have one or more significant effects not discussed in the EIR;

    (ii) That significant effects previously examined would be substantially more severe than shown in the EIR;

(iii) That mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or more significant effects, but the lead agency declined to adopt such measures; and

(iv) That mitigation measures or alternatives are considerably different from those analyzed would substantially reduce one or more significant effects on the environment, but which the leady agency declined to adopt

Section 4. Approval of North Palisades DA Amendment. The North Palisades DA Amendment, attached hereto as Exhibit "A", is hereby approved and the Mayor is hereby authorized to execute the North Palisades DA Amendment on behalf of the City. The City Manager, or his or her designee, is directed and authorized to do all of the following:

(i) Prepare a final version of the North Palisades DA Amendment for execution and recording that fully reflects the action of the City Council in adopting the North Palisades DA Amendment, subject to review and approval of the City Attorney; and

(ii) Make all necessary and appropriate clerical, typographical, formatting, and non-substantial corrections or revisions to the adopted North Palisades DA Amendment prior to execution and recording; and

(iii) Implement the North Palisades DA Amendment in accordance with its terms.

Section 5. Effective Date/Publication. This Ordinance shall take effect thirty (30) days after the date of the adoption and prior to the expiration of fifteen (15) days from the passage thereof, shall be published by the City Clerk at least once in the *Fontana Herald News,* a local newspaper of the general circulation, published and circulated in the City of Fontana, and henceforth and thereafter the same shall be in full force and effect.

Section 6. Custodian of Records. The documents and materials that constitute the record of proceedings on which this Ordinance is based are located at the City Clerk's office located at 16860 Valencia Avenue, Fontana, CA 92335. The custodian or records is the City Clerk.

Section 7. Certification. The City Clerk of the City Council shall certify to the adoption of this Ordinance.

Section 8. Severability. If any provision of this Ordinance or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance that can be given effect without the invalid provision or application.

APPROVED AND ADOPTED this 9th day of June 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 Ordinance is the actual Ordinance adopted by the City Council and was introduced at a regular meeting on the 26th day of May 2026, and was finally passed and adopted not less than five days thereafter on the 9th day of June 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

“EXHIBIT A”

NORTH PALISADES DA AMENDMENT

Recorded at request of:)
Clerk, City Council)
City of Fontana)
)
When recorded return to:)
City of Fontana)
8353 Sierra Avenue)
Fontana, CA 92335)
Attention: City Clerk)
)

Exempt from Filing Fees, Government Code Section 6103

DEVELOPMENT AGREEMENT 23-0085R2

FIRST AMENDMENT TO AND RESTATEMENT OF DEVELOPMENT AGREEMENT NO. 23-085, APPLICABLETO THE NORTH PALISADES PROPERTY

AN AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN

CITY OF FONTANA
a California Municipal Corporation

and

NORTH PALISADE PARTNERS, LLC

DEVELOPMENT AGREEMENT NO. 23-0085R2

This First Amendment to and Restatement of Development Agreement 23-085, Applicable to the North Palisades Property (hereinafter "**Amended and Restated Agreement**") is entered into effective on _____ (hereinafter the "**Effective Date**") by and among the City of Fontana, a California municipal corporation (hereinafter, "**CITY**"), and North Palisade Partners, LLC, a Delaware Limited Liability Company. (hereinafter, "**OWNER**"):

RECITALS

WHEREAS, CITY is authorized to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property, pursuant to Section 65864 et seq. of the Government Code; and

WHEREAS, Acacia Real Estate Group, Inc. ("**Acacia**"), filed an application for, and the City Council of the City of Fontana ("**City Council**"), approved, three design reviews (DRP No. 22-029R1, DRP No. 22-062R1, and DRP No. 22-061R1); three tentative parcel maps (TPM No. 22-009R1, TPM No. 22-030R1, and TPM No. 22-031R1), a general plan amendment (GPA No. 23-004), a zone code amendment (ZCA No. 23-006), a specific plan amendment (SPA No. 23-004), and a development agreement (collectively, MCN No. 23-100) (hereinafter the "**Project**") for that certain real property located north of Santa Ana Avenue, east of Citrus Avenue, and west of Cypress Avenue, identified as Assessor's Parcel Numbers ("**APN(s)**") 0255-021-17, -18, -22 thru -24; and 0255-011-13, -14, -18, -19, -25 thru -32, as more particularly described on Exhibit "A-1" to this Amended and Restated Agreement (the "**Property**"); and

WHEREAS, APNs 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 thru 0255-011-32 are located north of Santa Ana Avenue, east of Citrus Avenue, and west of Oleander Avenue, as more particularly described on Exhibit "A-3" to this Amended and Restated Agreement ("**North Palisades Property**"); and

WHEREAS, APN 0255-021-17 is located north of Santa Ana Avenue, east of Oleander Avenue, and west of Cypress Avenue, as more particularly described on Exhibit "A-2" to this Amended and Restated Agreement ("**Acacia Property**"); and

WHEREAS, APNs 0255-021-18, and 0255-021-22 thru 0255-021-024 are located north of Santa Ana Avenue, east of Oleander Avenue, west of Cypress Avenue, as more particularly described on Exhibit "A-4" ("**Remaining Original DA Property**"); and

WHEREAS, the owners of the Property were aware of the Project and expressly authorized and consented to the filing and approval of the related applications, including the application for and approval and execution of Development Agreement No. 23-085 ("**Original DA**"), with the CITY in connection therewith; and

WHEREAS, the CITY and Acacia entered into the Original DA on or about November 15, 2023, and the Original DA was recorded against the Property in the Official

Records of San Bernardino County on December 18, 2023, as document number 2023-0311188; and

WHEREAS, subsequent to the execution of the Original DA, Acacia desired to limit the scope of its development to the Acacia Property ("**Acacia Project**"), and to enter into a separate amendment to and restatement of the Original DA ("**Acacia Amended and Restated Agreement**"), as applicable only to the Acacia Property; and

WHEREAS, in connection with revising its development plans, Acacia determined that it no longer requires the remaining parcels of the Property outside the Acacia Property for the purposes of its current project; and

WHEREAS, OWNER has acquired the North Palisades Property for development of the portion of the Project planned for the North Palisades Property ("**North Palisades Project**"), and in connection therewith desires to enter into this Amended and Restated Agreement, as applicable only to the North Palisades Property; and

WHEREAS, by electing to enter into this Amended and Restated Agreement, CITY shall bind future City Councils of CITY by the obligations specified herein and limit the future exercise of certain governmental and proprietary powers of CITY; and

WHEREAS, the terms and conditions of this Amended and Restated Agreement have undergone extensive review by CITY and the City Council and have been found to be fair, just and reasonable; and

WHEREAS, the best interests of the citizens of the CITY and the public health, safety and welfare will be served by entering into this Amended and Restated Agreement; and

WHEREAS, prior to the adoption of the Development Approvals described in this Amended and Restated Agreement, the City Council reviewed, considered, and certified the Environmental Impact Report ("**EIR**") for the Citrus/Oleander Industrial Center of which the Project, as that term is defined below, is a part, and made findings concerning the mitigation measures for the Project, and adopted a Mitigation Monitoring and Reporting Program in accordance with CEQA and the State and CITY CEQA Guidelines; and

WHEREAS, this Amended and Restated Agreement and the Project are consistent with the CITY's Comprehensive General Plan and any Specific Plan applicable thereto; and

WHEREAS, all actions taken and approvals given by CITY have been duly taken or approved in accordance with all applicable legal requirements for notice, public hearings, findings, votes, and other procedural matters; and

WHEREAS, development of the Property in accordance with this Amended and Restated Agreement will provide substantial benefits to CITY and will further important policies and goals of CITY; and

WHEREAS, this Amended and Restated Agreement will eliminate uncertainty in planning and provide for the orderly development of the North Palisades Property, ensure progressive installation of necessary improvements, provide for public services appropriate to the development of the North Palisades Project, and generally serve the purposes for which development agreements under Sections 65864 et seq of the Government Code are intended; and

WHEREAS, OWNER has incurred and will in the future incur substantial costs in excess of the generally applicable requirements in order to assure vesting of legal rights to develop the North Palisades Property in accordance with this Amended and Restated Agreement.

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1. Definitions. The following terms when used in this Amended and Restated Agreement shall be defined as follows:

1.1.1. "**Acacia Amended and Restated Agreement**" means an amendment to and restatement of the Original DA, entered into by and between the CITY and the fee owner of the Acacia Property, which shall be applicable to and binding upon the fee owner of the Acacia Property and its successors in interest.

1.1.2. "**Acacia Project**" the development of the Acacia Property contemplated by the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the provisions of the Acacia Amended and Restated Agreement.

1.1.3. "**Acacia Property**" means APN 0255-021-17, which is located north of Santa Ana Avenue, east of Oleander Avenue, and west of Cypress Avenue, as shown on Exhibit "A-2".

1.1.4. "**Amended and Restated Agreement**" means this First Amendment to and Restatement of Development Agreement No. 23-085.

1.1.5. "**APN(s)**" means assessor's parcel numbers as used by the San Bernardino County Clerk/Recorder.

1.1.6. "**Certificate**" has the meaning assigned to that term in Section 6.6.

1.1.7. "**CITY**" means the City of Fontana, a municipal corporation, organized and existing pursuant to the laws of the State of California.

1.1.8. "**City Council"** means the City Council of the City of Fontana, California.

1.1.9. "**Development**" means the improvement of the North Palisades Property for the purposes of completing the structures, improvements and facilities comprising the North Palisades Project including, but not limited to: grading; the construction of infrastructure and public facilities related to the North Palisades Project whether located within or outside the North Palisades Property; the construction of buildings and structures; and the installation of landscaping. "Development" does not include the maintenance, repair, reconstruction or redevelopment of any building, structure, improvement or facility after the construction and completion thereof.

1.1.10. "**Development Approvals**" means all permits and other entitlements for use subject to approval or issuance by CITY in connection with development of the North Palisades Property including, but not limited to:

(a) conditional use permits and design review permits;

(b) tentative parcel maps;

(c) General Plan and Zoning Code amendments; and,

(d) grading, encroachment and building permits.

1.1.11. "**Development Exaction**" means any requirement of CITY in connection with or pursuant to any Land Use Regulation or Development Approval for the dedication of land, the construction of improvements or public facilities, or the payment of fees in order to lessen, offset, mitigate or compensate for the impacts of development on the environment or other public interests.

1.1.12. "**Development Impact Fee**" means a monetary exaction other than a tax or special assessment, whether characterized as a fee or a tax and whether established for a broad class of projects by legislation of general applicability or imposed on a specific project on an ad hoc basis, that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project, but does not include park "in lieu" fees specified in Government Code Section 66477, fees for processing applications for governmental regulatory actions or approvals, fees collected under development agreements adopted pursuant to Article 2.5 of the Government Code (commencing with Section 65864) of Chapter 4, or fees collected pursuant to agreements with redevelopment agencies which provide for the redevelopment of property in furtherance or for the benefit of a redevelopment project for which a redevelopment plan has been adopted pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code).

1.1.13. "**Development Plan**" means the Existing Development Approvals and the Existing Land Use Regulations, as those terms are defined herein, applicable to development of the Property.

1.1.14. "**Effective Date**" means the date upon which all of the following have occurred: (1) the ordinance approving this Amended and Restated Agreement becomes effective, (2) the ordinance approving the Acacia Amended and Restated Agreement becomes effective, (3) the Acacia Amended and Restated Agreement has been executed by the fee owner of the Acacia Property and delivered to the CITY within one hundred twenty (120) days following the approval (second reading) of the ordinance approving the Acacia Amended and Restated Agreement; and (4) this Amended and Restated Agreement has been executed by the fee owner of the North Palisades Property and delivered to the CITY within the later of (a) one hundred twenty (120) days following the close of escrow for acquisition of the North Palisades Property by OWNER and (b) one hundred twenty (120) days following the entitlements for the North Palisades Property becoming final and non-appealable (and in no event more than 210 days following the City's grant of entitlements for the North Palisades Property).

1.1.15. "**EIR**" means the Environmental Impact Report for the Citrus/Oleander Industrial Center as certified by the City Council, designated as State Clearinghouse number 2022110389.

1.1.16. "**Existing Development Approvals**" means all Development Approvals approved or issued on or prior to the Effective Date.

1.1.17. "**Existing Land Use Regulations**" means all Land Use Regulations in effect on the Effective Date.

1.1.18. "**Fund**" has the meaning assigned to that term in Section 9.2.

1.1.19. "**General Plan**" means the Comprehensive General Plan of the City of Fontana, as such General Plan existed as of the Effective Date of this Amended and Restated Agreement.

1.1.20. "**Land Use Regulations**" means all ordinances, resolutions, codes, rules, regulations and official policies of CITY governing the development and use of land, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, timing and phasing of development, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the development of the North Palisades Property. "Land Use Regulations" does not include any CITY ordinance, resolution, code, rule, regulation or official policy, governing:

(a) the conduct of businesses, professions, and occupations;

(b) taxes and assessments;

(c) the control and abatement of nuisances;

(d) the granting of encroachment permits and the conveyance of rights and interests which provide for the use of or the entry upon public property;

(e) the exercise of the power of eminent domain.

1.1.21. "**Mortgagee**" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device lender, and their successors and assigns.

1.1.22. "**North Palisades Project**" the development of the North Palisades Property contemplated by the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the provisions of this Amended and Restated Agreement.

1.1.23. "**North Palisades Property**" means APNs 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 thru 0255-011-32, which are located north of Santa Ana Avenue, east of Citrus Avenue, and west of Oleander Avenue, as shown on Exhibit "A-3".

1.1.24. "**OWNER**" means the persons and entities listed as OWNER on page 1 of this Amended and Restated Agreement and their successors in interest to all or any part of the North Palisades Property.

1.1.25. "**Project**" means the development of the Property contemplated by the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the provisions of this Amended and Restated Agreement.

1.1.26. "**Property**" means the real property described on Exhibit "A-1" as shown on to this Amended and Restated Agreement.

1.1.27. "**Public Benefit Fee**" means the public benefit fee to be paid by OWNER as described in Section 4.3 of this Amended and Restated Agreement.

1.1.28. "**Remaining Original DA Property**" means APNs 0255-021-18, and 0255-021-22 thru -24, which are located north of Santa Ana Avenue, east of Oleander Avenue, and west of Cypress Avenue, as shown on Exhibit "A-4".

1.1.29. "**Reservations of Authority**" means the rights and authority excepted from the assurances and rights provided to OWNER under this Amended and Restated Agreement and reserved to CITY under Section 3.6 of this Amended and Restated Agreement.

1.1.30. "**Subsequent Development Approvals**" means all Development Approvals required subsequent to the Effective Date in connection with development of the North Palisades Property.

1.1.31. "**Subsequent Land Use Regulations**" means any Land Use Regulations adopted and effective after the Effective Date of this Amended and Restated Agreement.

1.1.32. "**Term**" has the meaning assigned to that term in Section 2.3.

1.2 Exhibits. The following documents are attached to, and by this reference made a part of, this Amended and Restated Agreement:

Exhibit “A-1” — Legal Description the Property.

Exhibit “A-2” — Legal Description the Acacia Property.

Exhibit “A-3” — Legal Description the North Palisades Property.

Exhibit “A-4” — Legal Description of Remaining Original DA Property

Exhibit “B” — Map showing Property and its location.

Exhibit “C” – Form of Assignment and Assumption Agreement

Exhibit “D” – Subsequent Development Approvals Integrated Into Vested Rights under Section 3.5

2. GENERAL PROVISIONS.

2.1 Binding Effect of Original DA.

(a) Upon the occurrence of the Effective Date, the North Palisades Property shall be subject to this Amended and Restated Agreement. OWNER agrees and acknowledges that (1) the Original DA shall remain in full force and effect unless and until the Effective Date occurs, and (2) if this Amended and Restated Agreement and/or the Acacia Amended and Restated Agreement are rescinded or invalidated for any reason, the Original DA shall remain binding upon and applicable to the North Palisades Property, its owners, and their successors in interest.

(b) Development of the North Palisades Property is hereby authorized and shall be carried out only in accordance with the terms of either this Amended and Restated Agreement (if, and for so long as, this Amended and Restated Agreement is effective and applicable to the North Palisades Property) or the Original DA.

(c) For so long as this Amended and Restated Agreement is effective and applicable to the North Palisades Property, this Amended and Restated Agreement shall supersede the Original DA in its entirety with respect to the North Palisades Property.

(d) For the avoidance of doubt, if either (1) the Acacia Amended and Restated Agreement has not been executed by the fee owner of the Acacia Property within one hundred twenty (120) days following the approval (second reading) of the ordinance approving the Acacia Amended and Restated Agreement; or (2) this Amended and Restated Agreement has not been executed by fee owner of the North Palisades Property within the later of

(a) one hundred twenty (120) days following the close of escrow for acquisition of the North Palisades Property by OWNER and (b) one hundred twenty (120) days following the entitlements for the North Palisades Property becoming final and non-appealable (and in no event more than 210 days following the City's grant of entitlements for the North Palisades Property), then this Amended and Restated Agreement shall never become effective, and the Original DA shall remain binding upon and applicable to the North Palisades Property, its owners, and their successors in interest.

2.2 Ownership of North Palisades Property. OWNER represents and covenants that it is the legal or equitable owner of the fee simple title to the North Palisades Property. Prior to CITY's execution and recordation of this Amended and Restated Agreement, OWNER shall submit to CITY reasonable proof of its fee ownership of the North Palisades Property as determined by CITY in its sole and absolute discretion.

2.3 Term. The initial term of this Amended and Restated Agreement shall commence on the Effective Date and shall continue for a period of ten (10) years thereafter unless this term is modified or extended pursuant to the provisions of this Amended and Restated Agreement. Notwithstanding the foregoing, the term of this Amended and Restated Agreement may be extended for an additional five (5) years following expiration of the initial term, provided the following have occurred:

(a) OWNER provides at least ninety (90) days written notice to CITY prior to the expiration of the initial term; and

(b) OWNER shall have obtained building permits for at least sixty-seven percent (67%) of the gross area of the industrial building(s) contemplated by the North Palisades Project; and

(c) OWNER is not then in uncured default of this Amended and Restated Agreement.

The initial term and, if and upon extension, the 5-year extension, shall sometimes be referred to herein collectively as the "**Term**."

The term of this Amended and Restated Agreement shall not be considered to run and shall toll for any period in which the North Palisades Project is being challenged or litigated by a third-party.

2.4 Assignment.

2.4.1 Right to Assign. OWNER shall have the right to sell, transfer or assign the North Palisades Property in whole or in part (provided that no such partial transfer shall violate the Subdivision Map Act, Government Code Section 66410 et seq.) to any person, partnership, joint venture, firm or corporation at any time during the term of this Amended and Restated Agreement; provided, however, that any such sale,

transfer or assignment shall include the assignment and assumption of the rights, duties and obligations arising under or from this Amended and Restated Agreement and be made in strict compliance with the following conditions precedent:

(a) No sale, transfer or assignment of any right or interest under this Amended and Restated Agreement shall be made unless made together with the sale, transfer or assignment of all or a part of the North Palisades Property.

(b) Concurrent with any such sale, transfer or assignment, or within fifteen (15) business days thereafter, OWNER shall notify CITY, in writing, of such sale, transfer or assignment and shall provide CITY with an executed agreement, in a form substantially similar to that attached hereto as Exhibit "C" which has been deemed reasonably acceptable to CITY, by the purchaser, transferee or assignee and providing therein that the purchaser, transferee or assignee expressly and unconditionally assumes all the duties and obligations of OWNER under this Amended and Restated Agreement.

(c) Any sale, transfer or assignment not made in strict compliance with the foregoing conditions shall constitute a default by OWNER under this Amended and Restated Agreement. Notwithstanding the failure of any purchaser, transferee or assignee to execute the agreement required by Paragraph (b) of this Subsection 2.4.1, the burdens of this Amended and Restated Agreement shall be binding upon such purchaser, transferee or assignee, but the benefits of this Amended and Restated Agreement shall not inure to such purchaser, transferee or assignee until and unless such agreement is executed.

2.4.2 Release of Transferring Owner. Notwithstanding any sale, transfer or assignment, a transferring owner shall continue to be obligated under this Amended and Restated Agreement unless such transferring owner is given a release in writing by CITY, which release shall be provided by CITY upon the full satisfaction by such transferring owner of the following conditions:

(a) OWNER no longer has a legal or equitable interest in all or any part of the North Palisades Property.

(b) OWNER is not then in default under this Amended and Restated Agreement.

(c) OWNER has provided CITY with the notice and executed agreement required under Paragraph (b) of Subsection 2.4.1 above.

(d) The purchaser, transferee or assignee provides CITY with security equivalent to any security previously provided by OWNER to secure performance of its obligations hereunder.

2.4.3 Subsequent Assignment. Any subsequent sale, transfer or assignment after an initial sale, transfer or assignment shall be made only in accordance with and subject to the terms and conditions of this Section.

2.4.4 Partial Release of Purchaser, Transferee or Assignee of Industrial or Commercial Lot. A purchaser, transferee or assignee of a lot within the North Palisades Property, which has been finally subdivided as provided for in the Development Plan and for which a commercial or industrial plot plan for development of the lot has been finally approved pursuant to the Development Plan, may submit a request, in writing, to CITY to release said lot from the obligations under this Amended and Restated Agreement relating to all other portions of the North Palisades Property. Within thirty (30) days of such request, CITY shall review, and if the above conditions are satisfied shall approve the request for release and notify the purchaser, transferee or assignee in writing thereof. No such release approved pursuant to this Subsection 2.4.4 shall cause, or otherwise affect, a release of OWNER from its duties and obligations under this Amended and Restated Agreement.

2.4.5 Termination of Amended and Restated Agreement With Respect to Individual Lots Upon Sale to Public and Completion of Construction. The provisions of Subsection 2.4.1 shall not apply to the sale or lease (for a period longer than one year) of any lot within the North Palisades Property which has been finally subdivided and is individually (and not in "bulk") sold or leased to a member of the public or other ultimate user. Notwithstanding any other provisions of this Amended and Restated Agreement, this Amended and Restated Agreement shall terminate with respect to any lot within the North Palisades Property and such lot shall be released and no longer be subject to this Amended and Restated Agreement without the execution or recordation of any further document upon satisfaction of both of the following conditions:

(a) The lot has been finally subdivided and individually (and not in "bulk") sold or leased (for a period longer than one year) to a member of the public or other ultimate user; and,

(b) A certificate of occupancy or temporary certificate of occupancy has been issued for a building on the lot, and the fees set forth under Section 4 of this Amended and Restated Agreement have been paid.

2.5 Amendment or Cancellation of Amended and Restated Agreement. This Amended and Restated Agreement may be amended or canceled in whole or in part only by written consent of all parties in the manner provided for in Government Code Section 65868 and the Development Agreement Policies. This provision shall not limit any remedy of CITY or OWNER as provided by this Amended and Restated Agreement. Any amendment of this Amended and Restated Agreement which has been requested by OWNER shall only be processed and considered by the CITY upon the payment of the applicable processing charge.

2.6 Termination. This Amended and Restated Agreement shall be deemed terminated and of no further effect upon the occurrence of any of the following events:

(a) Expiration of the stated term of this Amended and Restated Agreement as set forth in Section 2.3.

(b) Entry of a final judgment setting aside, voiding or annulling the adoption of the ordinance approving this Amended and Restated Agreement (in which case the Original DA shall remain binding upon and applicable to the North Palisades Property, its owners, and their successors in interest).

(c) The adoption of a referendum measure overriding or repealing the ordinance approving this Amended and Restated Agreement (in which case the Original DA shall remain binding upon and applicable to the North Palisades Property, its owners, and their successors in interest).

(d) Completion of the North Palisades Project in accordance with the terms of this Amended and Restated Agreement including issuance of all required occupancy permits and acceptance by CITY or applicable public agency of all required dedications.

(e) Termination of this Amended and Restated Agreement based on any default of OWNER and following the termination proceedings required by the Development Agreement Policies.

Termination of this Amended and Restated Agreement shall not constitute termination of any other land use entitlements or agreements approved for the North Palisades Property. Upon the termination of this Amended and Restated Agreement, no party shall have any further right or obligation hereunder except with respect to any obligation to have been performed prior to such termination or with respect to any default in the performance of the provisions of this Amended and Restated Agreement which has occurred prior to such termination or with respect to any obligations which are specifically set forth as surviving this Amended and Restated Agreement. Upon such termination, any public facilities and services mitigation fees paid pursuant to Section 4.2 of this Amended and Restated Agreement by OWNER to CITY buildings on which construction has not yet begun shall be refunded to OWNER by CITY.

2.7 Notices.

(a) As used in this Amended and Restated Agreement, "notice" includes, but is not limited to, the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver, appointment or other communication required or permitted hereunder.

(b) All notices shall be in writing and shall be considered given either: (i) when delivered in person to the recipient named below; or (ii) on the date of delivery shown on the return receipt, after deposit in the United States mail in a sealed envelope as either registered or certified mail with return receipt requested, and postage and postal charges prepaid, and addressed to the recipient named below; or (iii) on the date of delivery shown in the records of the telegraph company after transmission by telegraph to the recipient named below. All notices shall be addressed as follows:

If to CITY:
City of Fontana

8353 Sierra Avenue
Fontana, CA 92335
Attn: City Manager
Telephone: (909) 350-7600

Copy to:
Best, Best & Krieger, LLP
2855 E Guasti Road
Ontario, CA 91761
Attn: City Attorney
Telephone: (909) 989-8584
Facsimile: (909) 944-1441

If to OWNER:
North Palisade Partners, LLC
Attn: Brian Wong
303 N. Glenoaks Blvd., Suite 340
Burbank, CA 91502
Telephone: (310) 242-1612

Copy to:
Allen Matkins Leck Gamble Mallory & Natsis, LLP
Attn: Jonathan Shardlow
2010 Main Street, 8th Floor,
Irvine, CA 92614
Telephone: (949) 553-1313

(c) Either party may, by notice given at any time, require subsequent notices to be given to another person or entity, whether a party or an officer or representative of a party, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change.

3. DEVELOPMENT OF THE PROPERTY.

3.1 Rights to Develop. Subject to the terms of this Amended and Restated Agreement including the Reservations of Authority, OWNER shall have a vested right to develop the North Palisades Property in accordance with, and to the extent of, the Development Plan. The North Palisades Project shall remain subject to all Subsequent Development Approvals required to complete the North Palisades Project as contemplated by the Development Plan. Except as otherwise provided in this Amended and Restated Agreement, the permitted uses of the North Palisades Property, the density and intensity of use, the maximum height and size of proposed buildings, and provisions for reservation and dedication of land for public purposes shall be those set forth in the Development Plan.

If the either (1) the Acacia Amended and Restated Agreement has not been executed by the fee owner of the Acacia Property within one hundred twenty (120) days following the approval (second reading) of the ordinance approving the Acacia Amended and Restated Agreement; or (2) this Amended and Restated Agreement has not been executed by the fee owner of the North Palisades Property within one hundred twenty (120) days following the approval (second reading) of the ordinance approving this Amended and Restated Agreement, then (A) OWNER shall take no action in furtherance of development of the Project without the CITY's prior written approval, which CITY may grant or withhold in its sole and absolute discretion, (B) all entitlements and approvals issued for or in connection with the Project shall be deemed automatically rescinded by CITY without further action by the CITY and without any further obligation by the CITY to the OWNER with respect thereto, and shall be null and void and of no further force or effect, and (C) CITY may, in its sole and absolute discretion, elect to take formal action to rescind any entitlements issued for or in connection with the Project; OWNER expressly waives and releases any and all rights, vested or otherwise, that it may have to object to or interfere with such formal action.

3.2 Effect of Amended and Restated Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Amended and Restated Agreement including the Reservations of Authority, the rules, regulations and official policies governing permitted uses of the North Palisades Property, the density and intensity of use of the North Palisades Property, the maximum height and size of proposed buildings, and the design, improvement and construction standards and specifications applicable to development of the North Palisades Property shall be the Existing Land Use Regulations. In connection with any Subsequent Development Approval, CITY shall exercise its discretion in accordance with the Development Plan, and as provided by this Amended and Restated Agreement including, but not limited to, the Reservations of Authority. CITY shall accept for processing, review and action all applications for Subsequent Development Approvals, and such applications shall be processed in the normal manner for processing such matters.

3.3 Timing of Development. The parties acknowledge that OWNER cannot at this time predict when or the rate at which phases of the North Palisades Property will be developed. Such decisions depend upon numerous factors which are not within the control of OWNER, such as market orientation and demand, interest rates, absorption, completion and other similar factors. Since the California Supreme Court held in Pardee Construction Co. v. City of Camarillo, (1984) 37 Cal.3d 465, that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development to prevail over such parties' agreement, it is the parties' intent to cure that deficiency by acknowledging and providing that OWNER shall have the right to develop the North Palisades Property in such order and at such rate and at such times as OWNER deems appropriate within the exercise of its subjective business judgment, subject only to any timing or phasing requirements set forth in the Development Plan or the Phasing Plan set forth in Section 3.4. Notwithstanding anything to the contrary set forth in this Section 3.3 or in this Amended and Restated Agreement, CITY acknowledges that OWNER shall have no obligation to construct the North Palisades Project and that OWNER shall not be subject to any penalty nor shall CITY be entitled to

any legal or equitable remedy, including, without limitation, a claim for specific performance of this Amended and Restated Agreement, if OWNER determines not to construct the North Palisades Project for any reason.

3.4 Phasing Plan. Development of the North Palisades Property shall be subject to all timing and phasing requirements established by the Development Plan.

3.5 Changes and Amendments. The parties acknowledge that refinement and further development of the North Palisades Project will require Subsequent Development Approvals and may demonstrate that changes are appropriate and mutually desirable in the Existing Development Approvals. In the event OWNER finds that a change in the Existing Development Approvals is necessary or appropriate, OWNER shall apply for a Subsequent Development Approval to effectuate such change and CITY shall process and act on such application in accordance with the Existing Land Use Regulations, except as otherwise provided by this Amended and Restated Agreement including the Reservations of Authority. If approved, any such change in the Existing Development Approvals shall be incorporated herein as Exhibit "D" and may be further changed from time to time as provided in this Section. Unless otherwise required by law, as determined in CITY's reasonable discretion, a change to the Existing Development Approvals shall be deemed "minor" and not require an amendment to this Amended and Restated Agreement provided such change does not:

(a) Alter the permitted uses of the North Palisades Property as a whole; or,

(b) Increase the density or intensity of use of the North Palisades Property as a whole; or,

(c) Increase the maximum height and size of permitted buildings; or,

(d) Delete a requirement for the reservation or dedication of land for public purposes within the North Palisades Property as a whole; or,

(e) Constitute a project requiring a subsequent or supplemental environmental impact report pursuant to Section 21166 of the Public Resources Code.

3.6 Reservations of Authority.

3.6.1 Limitations, Reservations and Exceptions. Notwithstanding any other provision of this Amended and Restated Agreement, the following Subsequent Land Use Regulations shall apply to the development of the North Palisades Property.

(a) Processing fees and charges of every kind and nature imposed by CITY to cover the estimated actual costs to CITY of processing applications for Development Approvals or for monitoring compliance with any Development Approvals granted or issued.

(b) Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure.

(c) Regulations, policies, and rules governing construction standards and specifications including, without limitation, the CITY's Building Code, Plumbing Code, Mechanical Code, Electrical Code, Fire Code and Grading Code.

(d) Regulations imposing Development Exactions; provided, however, that no such subsequently adopted Development Exaction shall be applicable to development of the North Palisades Property unless such Development Exaction is applied uniformly to development, either throughout the CITY or within a defined area of benefit which includes the North Palisades Property. No such subsequently adopted Development Exaction shall apply if its application to the North Palisades Property would physically prevent development of the North Palisades Property for the uses and to the density or intensity of development set forth in the Development Plan. In the event any such subsequently adopted Development Exaction fulfills the same purposes, in whole or in part, as the fees set forth in Section 4 of this Amended and Restated Agreement, CITY shall allow a credit against such subsequently adopted Development Exaction for the fees paid under Section 4 of this Amended and Restated Agreement to the extent such fees fulfill the same purposes.

(e) Regulations which may be in conflict with the Development Plan, but which are reasonably necessary to protect the public health and safety. To the extent possible, any such regulations shall be applied and construed so as to provide OWNER with the rights and assurances provided under this Amended and Restated Agreement.

(f) Regulations which are not in conflict with the Development Plan. Any regulation, whether adopted by initiative or otherwise, limiting the rate or timing of development of the North Palisades Property shall be deemed to conflict with the Development Plan and shall therefore not be applicable to the development of the North Palisades Property.

3.6.2 Subsequent Development Approvals. This Amended and Restated Agreement shall not prevent CITY, in acting on Subsequent Development Approvals, from applying Subsequent Land Use Regulations which do not conflict with the Development Plan, nor shall this Amended and Restated Agreement prevent CITY from denying or conditionally approving any Subsequent Development Approval on the basis of the Existing Land Use Regulations or any Subsequent Land Use Regulation not in conflict with the Development Plan.

3.6.3 Modification or Suspension by State or Federal Law. In the event that State or Federal laws or regulations, enacted after the Effective Date of this Amended and Restated Agreement, prevent or preclude compliance with one or more of the provisions of this Amended and Restated Agreement, such provisions of this Amended and Restated Agreement shall be modified or suspended as may be necessary to comply

with such State or Federal laws or regulations, provided, however, that this Amended and Restated Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce. In the event OWNER alleges that such State or Federal laws or regulations preclude or prevent compliance with one or more provisions of this Amended and Restated Agreement, and the CITY does not agree, the OWNER may, at its sole cost and expense, seek declaratory relief (or other similar non-monetary remedies); provided however, that nothing contained in this Section 3.6.3 shall impose on CITY any monetary liability for contesting such declaratory relief (or other similar non-monetary relief).

3.6.4 Intent. The parties acknowledge and agree that CITY is restricted in its authority to limit its police power by contract and that the foregoing limitations, reservations and exceptions are intended to reserve to CITY all of its police power which cannot be so limited. This Amended and Restated Agreement shall be construed, contrary to its stated terms, if necessary, to reserve to CITY all such power and authority which cannot be restricted by contract.

3.7 Public Works. If OWNER is required by this Amended and Restated Agreement to construct any public works facilities which will be dedicated to CITY or any other public agency upon completion, and if required by applicable laws to do so, OWNER shall perform such work in the same manner and subject to the same requirements as would be applicable to CITY or such other public agency should it have undertaken such construction.

3.8 Provision of Real Property Interests by CITY. In any instance where OWNER is required to construct any public improvement on land not owned by OWNER, OWNER shall at its sole cost and expense provide or cause to be provided, the real property interests necessary for the construction of such public improvements. In the event OWNER is unable, after exercising reasonable efforts, including, but not limited to, the rights under Sections 1001 and 1002 of the Civil Code, to acquire the real property interests necessary for the construction of such public improvements, and if so instructed by OWNER and upon OWNER'S provision of adequate security for costs CITY may reasonably incur, CITY shall negotiate the purchase of the necessary real property interests to allow OWNER to construct the public improvements as required by this Amended and Restated Agreement and, if necessary, in accordance with the procedures established by law, use its power of eminent domain to acquire such required real property interests. OWNER shall pay all costs associated with such acquisition or condemnation proceedings. This section 3.8 is not intended by the parties to impose upon the OWNER an enforceable duty to acquire land or construct any public improvements on land not owned by OWNER, except to the extent that the OWNER elects to proceed with the development of the North Palisades Project, and then only in accordance with valid conditions imposed by the CITY upon the development of the North Palisades Project under the Subdivision Map Act or other legal authority.

3.9 Regulation by Other Public Agencies. It is acknowledged by the parties that other public agencies not within the control of CITY possess authority to regulate aspects

of the development of the North Palisades Property separately from or jointly with CITY and this Amended and Restated Agreement does not limit the authority of such other public agencies. CITY agrees to cooperate fully, at no cost to CITY, with OWNER in obtaining any required permits or compliance with the regulations of other public agencies provided such cooperation is not in conflict with any laws, regulations or policies of the CITY.

3.10 Tentative Parcel Map Extension. Notwithstanding the provisions of Section 66452.6 of the Government Code, no tentative subdivision map or tentative parcel map, heretofore or hereafter approved in connection with development of the North Palisades Property, shall be granted an extension of time except in accordance with the Existing Land Use Regulations.

3.11 Vesting Tentative Maps. If any tentative or final subdivision map, or tentative or final parcel map, heretofore or hereafter approved in connection with development of the North Palisades Property, is a vesting map under the Subdivision Map Act (Government Code Section 66410 et seq.) and if this Amended and Restated Agreement is determined by a final judgment to be invalid or unenforceable insofar as it grants a vested right to develop to OWNER, then and to that extent the rights and protections afforded OWNER under the laws and ordinances applicable to vesting maps shall supersede the provisions of this Amended and Restated Agreement. Except as set forth immediately above, development of the North Palisades Property shall occur only as provided in this Amended and Restated Agreement, and the provisions in this Amended and Restated Agreement shall be controlling over any conflicting provision of law or ordinance concerning vesting maps.

3.12 Utilities. The North Palisades Project shall be connected to all utilities necessary to provide adequate water, sewer, gas, electric, and other utility service to the North Palisades Project. OWNER shall contract with the CITY for CITY-owned or operated utilities serving the North Palisades Project for such prices and on such terms as may be mutually agreed to between the parties.

3.13 Effect of Original DA on Remaining Original DA Property. The Original DA shall remain effective and binding as to the Remaining Original DA Property. Without limiting the foregoing, the owner of the Remaining Original DA Property shall remain obliged to fulfill the public benefit obligations set forth in Section 4 of the Original DA, undiminished by the payment of public benefit obligations under this Amended and Restated Agreement and/or under the Acacia Amended and Restated Agreement.

4. PUBLIC BENEFITS.

4.1 Intent. The parties acknowledge and agree that development of the North Palisades Property will result in substantial public needs which will not be fully met by the Development Plan and further acknowledge and agree that this Amended and Restated Agreement confers substantial private benefits on OWNER which should be balanced by

commensurate public benefits. Accordingly, the parties intend to provide consideration to the public to balance the private benefits conferred on OWNER by providing more fully for the satisfaction of the public needs resulting from the North Palisades Project.

4.2 Development Impact Fees.

4.2.1 Amount and Components of Fee(s). Development Impact Fees shall be paid by OWNER. The Development Impact Fees to be paid by OWNER shall be the amounts that are in effect at the time such amounts are due. Nothing contained in this Amended and Restated Agreement shall affect the ability of the CITY to impose new Development Impact Fees or amend the amounts of existing Development Impact Fees. Additionally, nothing contained in this Amended and Restated Agreement shall affect the ability of other public agencies that are not controlled by CITY to impose and amend, from time to time, Development Impact Fees established or imposed by such other public agencies, even though such Development Impact Fees may be collected by CITY.

4.2.2 Time of Payment. The fees required pursuant to Subsection 4.2.1 shall be paid to CITY prior to the issuance of building permits. No fees shall be payable for building permits issued prior to the Effective Date of this Amended and Restated Agreement, but the fees required pursuant to Subsection 4.2.1 shall be paid prior to the re-issuance or extension of any building permit for which such fees have not previously been paid.

4.2.3 Credits. OWNER shall be entitled to credit against the fees required pursuant to Subsection 4.2.1 for the dedication of land, the construction of improvements or the payment of fees.

4.3 Public Benefit Fee. Prior to the issuance of the Building Permit for any building on the North Palisades Property, as consideration for the privileges conferred by this Amended and Restated Agreement, OWNER shall pay to the CITY a public benefit fee totaling $1,709,161. Prior to issuance of a Certificate of Occupancy for a building on the North Palisades Property, as consideration for the privileges conferred by this Amended and Restated Agreement, OWNER shall pay to CITY an additional one-time public benefit fee totaling $1,709,161 (for a total public benefit fee payment in the amount of $3,418,322).

5. FINANCING OF PUBLIC IMPROVEMENTS.

If deemed appropriate, CITY and OWNER will cooperate in the formation of any special assessment district, community facilities district or alternate financing mechanism to pay for the construction and/or maintenance and operation of public infrastructure facilities required as part of the Development Plan. CITY also agrees that, to the extent any such district or other financing entity is formed and sells bonds to finance such reimbursements, OWNER may be reimbursed to the extent that OWNER spends funds or dedicates land for the establishment of public facilities. Notwithstanding the foregoing, nothing contained in this Amended and Restated Agreement shall be construed as requiring CITY or the City Council to form any such district or to issue and sell bonds.

6. REVIEW FOR COMPLIANCE.

6.1 Periodic Review. The Planning Director shall review this Amended and Restated Agreement annually, on or before the anniversary of the Effective Date, in order to ascertain the good faith compliance by OWNER with the terms of the Amended and Restated Agreement. OWNER shall submit an Annual Monitoring Report, in a form acceptable to the Planning Director, within thirty (30) days after written notice from the Planning Director. The Annual Monitoring Report shall be accompanied by an annual review and administration fee sufficient to defray the estimated costs of review and administration of this Amended and Restated Agreement during the succeeding year. The amount of the annual review and administration fee shall be set annually or as deemed necessary by resolution of the City Council.

6.2 Special Review. The City Council may order a special review of compliance with this Amended and Restated Agreement at any time. The Planning Director shall conduct such special reviews.

6.3 Procedure.

(a) During either a periodic review or a special review, OWNER shall be required to demonstrate good faith compliance with the terms of this Amended and Restated Agreement. The burden of proof on this issue shall be on OWNER.

(b) Upon completion of a periodic review or a special review, the Planning Director shall submit a report to the City Council setting forth the evidence concerning good faith compliance by OWNER with the terms of this Amended and Restated Agreement and his or her recommended finding on that issue.

(c) If the City Council finds on the basis of substantial evidence that OWNER has complied in good faith with the terms and conditions of this Amended and Restated Agreement, the review shall be concluded.

(d) If the City Council makes a preliminary finding that OWNER has not complied in good faith with the terms and conditions of this Amended and Restated Agreement, the Council may modify or terminate this Amended and Restated Agreement as provided in Section 6.4 and Section 6.5. Notice of default as provided under Section 7.4 of this Amended and Restated Agreement shall be given to OWNER prior to or concurrent with, proceedings under Section 6.4 and Section 6.5.

6.4 Proceedings Upon Modification or Termination. If, upon a finding under Section 6.3, CITY determines to proceed with modification or termination of this Amended and Restated Agreement, CITY shall give written notice to OWNER of its intention to do so. The notice shall be given at least ten calendar days prior to the scheduled hearing and shall contain:

(a) The time and place of the hearing;

(b) A statement as to whether CITY proposes to terminate or to modify this Amended and Restated Agreement; and,

(c) Such other information as is reasonably necessary to inform OWNER of the nature of the proceeding.

6.5 Hearing on Modification or Termination. At the time and place set for the hearing on modification or termination, OWNER shall be given an opportunity to be heard. OWNER shall be required to demonstrate good faith compliance with the terms and conditions of this Amended and Restated Agreement. The burden of proof on this issue shall be on OWNER. If the City Council finds, based upon substantial evidence, that OWNER has not complied in good faith with the terms or conditions of this Amended and Restated Agreement, the City Council may terminate this Amended and Restated Agreement or modify this Amended and Restated Agreement to impose such conditions as are reasonably necessary to obtain compliance with the terms of this Amended and Restated Agreement. The decision of the City Council shall be final, subject only to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

6.6 Certificate of Agreement Compliance. If, at the conclusion of a Periodic or Special Review, OWNER is found to be in compliance with this Amended and Restated Agreement, CITY shall, upon written request by OWNER, issue a Certificate of Agreement Compliance ("**Certificate**") to OWNER stating that after the most recent Periodic or Special Review and based upon the information known or made known to the Planning Director and City Council that (1) this Amended and Restated Agreement remains in effect and (2) OWNER is not in default. The Certificate shall be in recordable form, shall contain information necessary to communicate constructive record notice of the finding of compliance, shall state whether the Certificate is issued after a Periodic or Special Review and shall state the anticipated date of commencement of the next Periodic Review. OWNER may record the Certificate with the County Recorder.

Whether or not the Certificate is relied upon by assignees or other transferees or OWNER, CITY shall not be bound by a Certificate if a default existed at the time of the Periodic or Special Review but was concealed from or otherwise not known to the Planning Director or City Council.

7. DEFAULT AND REMEDIES.

7.1 Remedies in General. It is acknowledged by the parties that CITY would not have entered into this Amended and Restated Agreement if it were to be liable in damages under this Amended and Restated Agreement, or with respect to this Amended and Restated Agreement or the application thereof.

In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Amended and Restated Agreement, except that CITY shall not be liable in damages to OWNER, or to any successor in interest of OWNER, or to any other person, and OWNER covenants not to sue for damages or

claim any damages against CITY or its agents, employees, officers, attorneys, and representatives:

(a) For any breach of this Amended and Restated Agreement or for any cause of action which arises out of this Amended and Restated Agreement; or

(b) For the taking, impairment or restriction of any right or interest conveyed or provided under or pursuant to this Amended and Restated Agreement; or

(c) Arising out of or connected with any dispute, controversy or issue regarding the application or interpretation or effect of the provisions of this Amended and Restated Agreement.

7.2 Specific Performance. Except as set forth in Section 3.3, above, the parties acknowledge that money damages and remedies at law generally are inadequate and specific performance and other non-monetary relief are particularly appropriate remedies for the enforcement of this Amended and Restated Agreement and should be available to all parties for the following reasons:

(a) Money damages are unavailable against CITY as provided in Section 7.1 above.

(b) Due to the size, nature and scope of the project, it may not be practical or possible to restore the North Palisades Property to its natural condition once implementation of this Amended and Restated Agreement has begun. After such implementation, OWNER may be foreclosed from other choices it may have had to utilize the North Palisades Property or portions thereof. OWNER has invested significant time and resources and performed extensive planning and processing of the North Palisades Project in agreeing to the terms of this Amended and Restated Agreement and will be investing even more significant time and resources in implementing the North Palisades Project in reliance upon the terms of this Amended and Restated Agreement, and it is not possible to determine the sum of money which would adequately compensate OWNER for such efforts.

7.3 Release. Except for non-damage remedies, including the remedy of specific performance and judicial review as provided for in Section 6.5, OWNER, for itself, its successors and assignees, hereby releases the CITY, its officers, agents and employees from any and all claims, demands, actions, or suits of any kind or nature arising out of any liability, known or unknown, present or future, including, but not limited to, any claim or liability, based or asserted, pursuant to Article I, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution, or any other law or ordinance which seeks to impose any other liability or damage, whatsoever, upon the CITY because it entered into this Amended and Restated Agreement or because of the terms of this Amended and Restated Agreement.

7.4 Termination or Modification of Amended and Restated Agreement for Default of OWNER. Subject to the provisions contained in Subsection 6.5 herein, CITY may terminate or modify this Amended and Restated Agreement for any failure of

OWNER to perform any material duty or obligation of OWNER under this Amended and Restated Agreement, or to comply in good faith with the terms of this Amended and Restated Agreement (hereinafter referred to as "default"); provided, however, CITY may terminate or modify this Amended and Restated Agreement pursuant to this Section only after providing written notice to OWNER of default setting forth the nature of the default and the actions, if any, required by OWNER to cure such default and, where the default can be cured, OWNER has failed to take such actions and cure such default within 60 days after the effective date of such notice or, in the event that such default cannot be cured within such 60 day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such 60 day period and to diligently proceed to complete such actions and cure such default.

7.5 Termination of Amended and Restated Agreement for Default of CITY. OWNER may terminate this Amended and Restated Agreement only in the event of a default by CITY in the performance of a material term of this Amended and Restated Agreement and only after providing written notice to CITY of default setting forth the nature of the default and the actions, if any, required by CITY to cure such default and, where the default can be cured, CITY has failed to take such actions and cure such default within 60 days after the effective date of such notice or, in the event that such default cannot be cured within such 60 day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such 60 day period and to diligently proceed to complete such actions and cure such default.

8. THIRD PARTY LITIGATION.

8.1 General Plan Litigation. CITY has determined that this Amended and Restated Agreement is consistent with the General Plan, and that the General Plan meets all requirements of law. OWNER has reviewed the General Plan and concurs with CITY's determination.

CITY shall have no liability in damages under this Amended and Restated Agreement for any failure of CITY to perform under this Amended and Restated Agreement or the inability of OWNER to develop the North Palisades Property as contemplated by the Development Plan of this Amended and Restated Agreement as the result of a judicial determination that on the Effective Date, or at any time thereafter, the General Plan, or portions thereof, are invalid or inadequate or not in compliance with law.

8.2 Third Party Litigation Concerning Amended and Restated Agreement. OWNER shall defend, at its expense, including reasonable attorneys' fees, indemnify, and hold harmless CITY, its agents, officers and employees from any claim, action or proceeding against CITY, its agents, officers, or employees to attack, set aside, void, or annul the approval of this Amended and Restated Agreement or the approval of any permit granted pursuant to this Amended and Restated Agreement. CITY shall promptly notify OWNER of any such claim, action or proceeding, and CITY shall cooperate in the defense. If CITY fails to promptly notify OWNER of any such claim, action or proceeding, or if CITY fails to cooperate in the defense, OWNER shall not thereafter be responsible

to defend, indemnify, or hold harmless CITY. CITY may in its discretion participate in the defense of any such claim, action or proceeding.

8.3 Indemnity. In addition to the provisions of 8.2 above, OWNER shall indemnify and hold CITY, its officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted upon any act or omission of OWNER, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death (OWNER's employees included) or any other element of damage of any kind or nature, relating to or in any way connected with or arising from the activities contemplated hereunder, including, but not limited to, the study, design, engineering, construction, completion, failure and conveyance of the public improvements, save and except claims for damages arising through the sole active negligence or sole willful misconduct of CITY. OWNER shall defend, at its expense, including reasonable attorneys' fees, CITY, its officers, agents, employees and independent contractors in any legal action based upon such alleged acts or omissions. CITY may in its discretion participate in the defense of any such legal action.

8.4 Environmental Assurances. OWNER shall indemnify and hold CITY, its officers, agents, and employees free and harmless from any liability, based or asserted, upon any act or omission of OWNER, its officers, agents, employees, subcontractors, and independent contractors for any violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to environmental conditions on, under or about the North Palisades Property, including, but not limited to, soil and groundwater conditions, and OWNER shall defend, at its expense, including reasonable attorneys' fees, CITY, its officers, agents and employees in any action based or asserted upon any such alleged act or omission. CITY may in its discretion participate in the defense of any such action.

8.5 Reservation of Rights. With respect to Sections 8.2, 8.3 and 8.4 herein, CITY reserves the right to either (1) approve the attorney(s) which OWNER selects, hires or otherwise engages to defend CITY hereunder, which approval shall not be unreasonably withheld, or (2) conduct its own defense, provided, however, that OWNER shall reimburse CITY forthwith for any and all reasonable expenses incurred for such defense, including reasonable attorneys' fees, upon billing and accounting therefor.

8.6 Survival. The provisions of this Sections 8.1 through 8.6, inclusive, shall survive the termination of this Amended and Restated Agreement.

9. MORTGAGEE PROTECTION.

9.1 Encumbrances. The parties hereto agree that this Amended and Restated Agreement shall not prevent or limit OWNER, in any manner, at OWNER's sole discretion, from encumbering the North Palisades Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the North Palisades Property. CITY acknowledges that the lenders providing such financing may require certain Amended and Restated Agreement interpretations and modifications and agrees upon request, from time to time, to meet

with OWNER and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. CITY will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Amended and Restated Agreement. Any Mortgagee of the North Palisades Property shall be entitled to the following rights and privileges:

(a) Neither entering into this Amended and Restated Agreement nor a breach of this Amended and Restated Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the North Palisades Property made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the North Palisades Property, or any part thereof, which Mortgagee, has submitted a request in writing to the CITY in the manner specified herein for giving notices, shall be entitled to receive written notification from CITY of any default by OWNER in the performance of OWNER's obligations under this Amended and Restated Agreement.

(c) If CITY timely receives a request from a Mortgagee requesting a copy of any notice of default given to OWNER under the terms of this Amended and Restated Agreement, CITY shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to OWNER. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under this Amended and Restated Agreement.

(d) Any Mortgagee who comes into possession of the North Palisades Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the North Palisades Property, or part thereof, subject to the terms of this Amended and Restated Agreement. Notwithstanding any other provision of this Amended and Restated Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Amended and Restated Agreement to perform any of OWNER's obligations or other affirmative covenants of OWNER hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by OWNER is a condition precedent to the performance of a covenant by CITY , the performance thereof shall continue to be a condition precedent to CITY's performance hereunder, and further provided that any sale, transfer or assignment by any Mortgagee in possession shall be subject to the provisions of Section 2.4 of this Amended and Restated Agreement.

9.2. Deposit of Legal Defense Costs. In the event of any litigation or legal challenge filed against CITY as described in this Section 9, then within twenty (20) calendar days following written demand by CITY therefor, Owner shall deposit with CITY funds into a deposit account maintained by CITY ("**Fund**") to reimburse CITY for CITY's costs and expenses, including without limitation attorney's fees, ultimately incurred by CITY to defend any such claim, action, or proceeding. The initial deposit shall be the sum of fifty thousand dollars ($50,000). The Fund, once established, shall at all times contain an amount necessary to cover not less than three (3) months of budgeted or anticipated

expenditures by CITY relating to CITY's defense of such claim, action, or proceeding, including any and all appeals from decisions related thereto, as such budgeted or anticipated expenditures are determined by CITY in its sole and absolute discretion. For such purposes, CITY may from time to time, in CITY's sole and absolute discretion, make written demand upon Owner for deposit of additional funds by Owner into the Fund, in which event Owner shall deposit such additional funds into the Fund within twenty (20) calendar days following written demand by CITY.

10. MISCELLANEOUS PROVISIONS.

10.1 Recordation of Amended and Restated Agreement. This Amended and Restated Agreement and any amendment or cancellation thereof shall be recorded with the San Bernardino County Recorder by the City Clerk within the period required by Section 65868.5 of the Government Code. If the parties to this Amended and Restated Agreement or their successors in interest amend or cancel this Amended and Restated Agreement as provided for herein and in Government Code Section 65868, or if the CITY terminates or modifies the agreement as provided for herein and in Government Code Section 65865.1 for failure of the applicant to comply in good faith with the terms or conditions of this Amended and Restated Agreement, the City Clerk shall have notice of such action recorded with the San Bernardino County Recorder.

10.2 Entire Agreement. This Amended and Restated Agreement sets forth and contains the entire understanding and agreement of the parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Amended and Restated Agreement.

10.3 Severability. If any term, provision, covenant or condition of this Amended and Restated Agreement shall be determined invalid, void or unenforceable, the remainder of this Amended and Restated Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Amended and Restated Agreement. Notwithstanding the foregoing, the provision of the Public Benefits set forth in Section 4 of this Amended and Restated Agreement, including the payment of the fees set forth therein, are essential elements of this Amended and Restated Agreement and CITY would not have entered into this Amended and Restated Agreement but for such provisions, and therefore in the event such provisions are determined to be invalid, void or unenforceable, this entire Amended and Restated Agreement shall be null and void and of no force and effect whatsoever.

10.4 Governing Law; Interpretation. This Amended and Restated Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Amended and Restated Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect

that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Amended and Restated Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

10.5 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Amended and Restated Agreement.

10.6 Singular and Plural. As used herein, the singular of any word includes the plural.

10.7 Joint and Several Obligations. If at any time during the term of this Amended and Restated Agreement the North Palisades Property is owned, in whole or in part, by more than one owner, all obligations of such owners under this Amended and Restated Agreement shall be joint and several, and the default of any such owner shall be the default of all such owners. Notwithstanding the foregoing, no owner of a single lot which has been finally subdivided and sold to such owner as a member of the general public or otherwise as an ultimate user shall have any obligation under this Amended and Restated Agreement except as provided under Section 4 hereof.

10.8 Time of Essence. Time is of the essence in the performance of the provisions of this Amended and Restated Agreement as to which time is an element.

10.9 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Amended and Restated Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Amended and Restated Agreement thereafter.

10.10 No Third Party Beneficiaries. This Amended and Restated Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Amended and Restated Agreement.

10.11 Force Majeure. Neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Amended and Restated Agreement is caused by floods, earthquakes, epidemics, pandemics, other Acts of God, fires, wars, riots or similar hostilities, strikes and other labor difficulties beyond the party's control, (including the party's employment force), government regulations, court actions (such as restraining orders or injunctions), or other causes beyond the party's control. If any such events shall occur, the term of this Amended and Restated Agreement and the time for performance by either party of any of its obligations hereunder may be extended by the written agreement of the parties for the period of time that such events prevented such performance, provided that the term of this Amended and Restated Agreement shall not be extended under any circumstances for more than five (5) years.

10.12 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

10.13 Successors in Interest. The burdens of this Amended and Restated Agreement shall be binding upon, and the benefits of this Amended and Restated Agreement shall inure to, all successors in interest to the parties to this Amended and Restated Agreement. All provisions of this Amended and Restated Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do or refrain from doing some act hereunder with regard to development of the North Palisades Property: (a) is for the benefit of and is a burden upon every portion of the North Palisades Property; (b) runs with the North Palisades Property and each portion thereof; and, (c) is binding upon each party and each successor in interest during ownership of the North Palisades Property or any portion thereof.

10.14 Counterparts. This Amended and Restated Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

10.15 Jurisdiction and Venue. Any action at law or in equity arising under this Amended and Restated Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Amended and Restated Agreement shall be filed and tried in the Superior Court of the County of San Bernardino, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

10.16 North Palisades Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the development of the North Palisades Project is a private development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Amended and Restated Agreement. No partnership, joint venture or other association of any kind is formed by this Amended and Restated Agreement. The only relationship between CITY and OWNER is that of a government entity regulating the development of private property and the owner of such property.

10.17 Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Amended and Restated Agreement and the satisfaction of the conditions of this Amended and Restated Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Amended and Restated Agreement to carry out the intent and to fulfill the provisions of this Amended and Restated Agreement or to evidence or consummate the transactions contemplated by this Amended and Restated Agreement.

10.18 Eminent Domain. No provision of this Amended and Restated Agreement shall be construed to limit or restrict the exercise by CITY of its power of eminent domain.

10.19 Agent for Service of Process. In the event OWNER is not a resident of the State of California or it is an association, partnership or joint venture without a member, partner or joint venturer resident of the State of California, or it is a foreign corporation, then in any such event, OWNER shall file with the Planning Director, upon its execution of this Amended and Restated Agreement, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Amended and Restated Agreement, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon OWNER. If for any reason service of such process upon such agent is not feasible, then in such event OWNER may be personally served with such process out of this County and such service shall constitute valid service upon OWNER. OWNER is amenable to the process so served, submits to the jurisdiction of the Court so obtained and waives any and all objections and protests thereto. OWNER for itself, assigns and successors hereby waives the provisions of the Hague Convention (Convention on the Service Abroad of Judicial and Extra Judicial Documents in Civil or Commercial Matters, 20 U.S.T. 361, T.I.A.S. No. 6638).

10.20 Estoppel Certificate. Within thirty (30) business days following a written request by any of the parties, the other party shall execute and deliver to the requesting party a statement certifying that (i) either this Amended and Restated Agreement is unmodified and in full force and effect or there have been specified (date and nature) modifications to the Amended and Restated Agreement, but it remains in full force and effect as modified; and (ii) either there are no known current uncured defaults under this Amended and Restated Agreement or that the responding party alleges that specified (date and nature) defaults exist. The statement shall also provide any other reasonable information requested. The failure to timely deliver this statement shall constitute a conclusive presumption that this Amended and Restated Agreement is in full force and effect without modification except as may be represented by the requesting party and that there are no uncured defaults in the performance of the requesting party, except as may be represented by the requesting party. OWNER shall pay to CITY all costs incurred by CITY in connection with the issuance of estoppel certificates under this Section 10.20 prior to CITY's issuance of such certificates.

10.21 Authority to Execute. The person or persons executing this Amended and Restated Agreement on behalf of OWNER warrants and represents that he or she/they have the authority to execute this Amended and Restated Agreement on behalf of his or her/their corporation, partnership or business entity and warrants and represents that he or she/they has/have the authority to bind OWNER to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Development Amended and Restated Agreement on the last day and year set forth below.

OWNER

North Palisade Partners, LLC
a Delaware Limited Liability Company

By: _____
Brian Wong
Its: Managing Director

Dated: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____)

On _____ before me,
_____
_____
(insert name and title of the officer)

personally appeared
_____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

CITY:

CITY OF FONTANA, a California municipal corporation

By:_____
Acquanetta Warren, Mayor

Dated: _____

By: _____
Matthew C. Ballantyne, City Manager

ATTEST:

By:_____
Germaine Key, City Clerk

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP

_____
City Attorney

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____)

On _____ before me,
_____
_____
(insert name and title of the officer)

personally appeared
_____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

5703203.2
27967-940

EXHIBIT "A-1"

LEGAL DESCRIPTION OF THE PROPERTY

TENTATIVE PARCEL MAP NO. 20707

IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

BEING A CONSOLIDATION OF PARCELS 1, 2 AND 3 OF PARCEL MAP 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 22, PAGE 80 OF PARCEL MAPS, TOGETHER WITH A PORTION OF THE WEST HALF OF FARM LOT 758 OF MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMTI-TROPIC LAND AND WATER COMPANY, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TENTATIVE PARCEL MAP NO. 20708

IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

BEING A CONSOLIDATION OF THE EAST 10 ACRES OF FARM LOT 757 OF MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMTI-TRAPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TENTATIVE PARCEL MAP NO. 20709

IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

BEING A CONSOLIDATION OF THE EAST 3 ACRES OF THE WEST 8 ACRES OF FARM LOT 757 OF MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMTI-TRAPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, TOGETHER WITH PARCELS 1, 2, 3 AND 4 OF PARCEL MAP NO. 5352, AS PER MAP FILED IN BOOK 51, PAGE 89 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "A-2"

LEGAL DESCRIPTION OF THE ACACIA PROPERTY

The Land referred to herein below is situated in the City of Fontana, County of San Bernardino, State of California, and is described as follows:

THE EAST ONE HALF OF THE WEST ONE HALF OF FARM LOT 758, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI -TROPIC LAND AND WATER COMPANY, AS PER PLAT RECORDED IN BOOK 11 OF MAPS, PAGE 12, RECORDS OF SAID COUNTY.

(AREAS AND DISTANCES COMPUTED TO STREET CENTERS.)

For conveyancing purposes only: APN 0255-021-17-0-000

EXHIBIT “A-3”

LEGAL DESCRIPTION OF THE NORTH PALISADES PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A: (APN 0255-011-13)
THE EAST 3 ACRES OF THE WEST 5 ACRES OF THE EAST 10 ACRES OF FARM LOT 757, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. THE ACREAGE OF THE ABOVE DESCRIBED REAL PROPERTY IS COMPUTED TO THE CENTER OF ALL STREETS AND ROADS AS SHOWN ON SAID MAP.

PARCEL B: (APN 0255-011-14)
THE WEST 2 ACRES OF THE WEST 5 ACRES OF THE EAST 10 ACRES OF LOT 757, SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, RECORDS OF SAID COUNTY. THE AREA AND DISTANCES OF THE ABOVE DESCRIBED PROPERTY ARE COMPUTED TO THE CENTERS OF THE ADJOINING STREETS SHOWN ON SAID MAP.

PARCEL D: (APN 0255-011-18)
THE EAST 1/2 OF THE EAST 3 ACRES OF THE WEST 8 ACRES OF FARM LOT 757, ACCORDING TO THE MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER CO., IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL E: (APN 0255-011-19)
THE WEST ONE-HALF OF THE EAST 3 ACRES OF THE WEST 8 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11 OF MAPS, PAGE 12, RECORDS OF SAID COUNTY.

PARCEL F: (APN 0255-011-25)
THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISIONS OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.EXCEPTING THEREFROM THE NORTH 450 FEET. ALSO EXCEPTING THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET. ALSO EXCEPTING THEREFROM THE NORTH 14 FEET OF THE SOUTH 44 FEET.AREA AND DISTANCES COMPUTED TO STREET CENTERS.

PARCEL G: (APN 0255-011-26)
THE SOUTH 150 FEET OF THE NORTH 450 FEET OF THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, RECORDS OF SAID COUNTY.EXCEPT THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET. AREAS AND DISTANCES OF ABOVE PROPERTY ARE COMPUTED TO THE CENTER OF THE ADJOINING STREETS SHOWN ON SAID MAP.

PARCEL H: (APN 0255-011-27)
THE SOUTH 150 FEET OF THE NORTH 300 FEET OF THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, RECORDS OF SAID COUNTY.EXCEPT THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET THEREOF.

PARCEL I: (APN 0255-011-28)
THE NORTH 150 FEET OF THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.EXCEPT THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET. AREAS AND DISTANCES COMPUTED TO STREET CENTERS AS SHOWN ON SAID MAP.

PARCEL J: (APN 0255-011-29)
PARCEL 1 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 51 OF PARCEL MAPS, PAGE 89, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL K: (APN 0255-011-30)
PARCEL 2 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN BOOK 51 PAGE 89, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPTING THEREFROM, THAT PORTION OF SAID PARCEL 2, AS CONVEYED TO THE CITY OF FONTANA, A MUNICIPAL CORPORATION, IN GRANT DEED RECORDED JULY 29, 2010 AS INSTRUMENT NO. 2010-0304886, OF OFFICIAL RECORDS.

PARCEL L: (APN 0255-011-31)
PARCEL 3 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 51 PAGE 89 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY RECORDER.

PARCEL M: (APN 0255-011-32)
PARCEL 4 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 51 PAGE 89 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY RECORDER.

EXHIBIT "A-4"

LEGAL DESCRIPTION OF THE REMAINING ORIGINAL DA PROPERTY

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISIONS OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF
SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE NORTH 450 FEET.

ALSO EXCEPTING THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET.

ALSO EXCEPTING THEREFROM THE NORTH 14 FEET OF THE SOUTH 44 FEET.

NOTE: AREA AND DISTANCES COMPUTED TO STREET CENTERS.

APN: **0255-011-25**

0255-021-18

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE SOUTH 240 FEET OF THE WEST, 1/2 OF THE WEST 1/2 OF LOT 758, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, AS PER PLAT RECORDED IN BOOK 11 OF MAPS, PAGE 12, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

0255-021-22

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 1 OF PARCEL MAP NO. 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 22 OF PARCEL MAPS, PAGE 80, RECORDS OF SAID COUNTY.

0255-021-23

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 2 OF PARCEL MAP NO. 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 22 OF PARCEL MAPS, PAGE 80, OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

0255-021-24

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 3 OF PARCEL MAP NO. 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT FILED IN BOOK 22, PAGE 80 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "B"

MAP SHOWING THE PROPERTY AND ITS LOCATION

EXHIBIT "C"

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

[SEE FOLLOWING PAGES]

Recording Requested by and
When Recorded Return To:

_____
_____
_____
_____

(Space above this line for recorder's use only)

DOCUMENTARY TRANSFER TAX: $-0- (No consideration)

PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

This PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT (the "**Agreement**") is made and entered into as of _____, 202_, by and between _____ ("**Assignor**") and _____ ("**Assignee**") having an address at _____, with reference to the following recitals.

RECITALS

A. Assignor was the owner of approximately ____ gross acres of land area located in the City of Fontana, County of San Bernardino, State of California, more particularly described in Exhibit "A" attached hereto ("**Project Site**").

B. Assignor and the City of Fontana, a California municipal corporation ("**City**"), are parties to that certain "First Amendment and Restatement of Development Agreement No. 23-085, Applicable to the _____ Property", dated _____ (the "**Development Agreement**"), relating to the development of the Project Site (the "**Project**"). The Development Agreement is recorded as instrument _____ in San Bernardino County Official Records.

C. Assignor has transferred a portion of the Project Site, generally described as _____ and more particularly described in Exhibit "B" attached hereto (the "**Assigned Property**") to Assignee in accordance with the terms of a grant deed and (iv) retained ownership of the remainder of the Project Site, consisting of _____ (the "**Retained Property**"). *[NTD: IF THE ASSIGNMENT IS A FULL ASSIGNMENT, THEN PROVISIONS RELATING TO RETAINED OBLIGATIONS WILL BE REMOVED]*

D. In accordance with Section 2.4 of the Development Agreement, Assignor desires to assign all rights and obligations of Assignor under the Development Agreement as to the Assigned Property ("**Assigned Property Rights and Obligations**")

and (ii) retain, as the owner of the Retained Property, all remaining obligations under the Development Agreement (the "**Retained Property Rights and Obligations**").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Effective Date. This Agreement shall not be deemed to be effective unless and until the transfer of title to the Assigned Property from Assignor to Assignee occurs, as evidenced by the recordation of a grant deed in the San Bernardino County Official Records conveying the Assigned from Assignor to Assignee (the date of recordation of such grant deed, the "**Effective Date**").

2. Assignment of Development Agreement. Assignor does hereby sell, transfer, assign, convey and deliver to Assignee all of Assignor's rights, title, obligations, and interests in the Assigned Property Rights and Obligations. This Agreement is only intended to assign the Assigned Property Rights and Obligations and does not assign any other rights or obligations under the Development Agreement. Assignor makes no representation or warranties, express or implied, to Assignee concerning the Development Agreement, except as provided herein.

3. Assumption of Responsibilities. Assignee hereby assumes, as of the Effective Date, the Assigned Property Rights and Obligations and agrees to observe and fully perform all of the duties and obligations of Assignor under the Development Agreement with respect to the Assigned Property Rights and Obligations and to be subject to all of the terms and conditions of the Development Agreement with respect to the Assigned Property Rights and Obligations, in each case to the extent arising on or after the Effective Date. Assignor and Assignee acknowledge and agree that, from and after the Effective Date, Assignee shall be the "Owner" under the Development Agreement with respect to the Assigned Property and the Assigned Property Rights and Obligations.

4. Amendments. Any amendments or modifications to this Agreement must be in writing, signed by duly authorized representatives of each of the parties hereto, acknowledged and approved by the City, and recorded in the Official Records for San Bernardino County, California.

5. Governing Law; Venue. This Agreement and the legal relations of the parties hereto shall be governed by and construed and enforced in accordance with the laws of the State of California, without regard to its principles of conflicts of law. All rights and obligations of the Parties under this Assignment are to be performed in the City of Fontana, and the County of San Bernardino shall be the venue for any legal action or proceeding that may be brought, or arise out of, in connection with or by reason of this Agreement.

6. Severability. Any provision of this Agreement which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

7. Further Assurances. Each party shall execute and deliver such other certificates, agreements and documents and take such other actions as may be reasonably required to consummate or implement the transactions contemplated by this Agreement provided the same does not increase such party's obligations and liabilities or reduce such party's rights under this Agreement and/or the Development Agreement other than to a de minimis extent.

8. Authority of Signatories to Bind Principals. The persons executing this Agreement on behalf of their respective principals represent that (i) they have been authorized to do so and that they thereby bind the principals to the terms and conditions of this Agreement and (ii) their respective principals are properly and duly organized and existing under the laws of _____, and are permitted to do business in, the State of California.

9. No Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

10. Interpretation. The parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both parties, and the parties agree that since both have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had prepared it.

11. Recordation. Assignor and Assignee shall record this Agreement against the Assigned Property in the Official Records contemporaneously with the recordation of the instrument conveying title to the Assigned Property to Assignee and prior to the lien of any security interest that will encumber the Assigned Property after the conveyance.

12. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the date set forth above.

"Assignor"	"Assignee"
_____	_____
a _____ limited liability company	a _____ limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT “A”

Project Site Legal Description

EXHIBIT "B"

Assigned Property Legal Description

EXHIBIT “D”

SUBSEQUENT DEVELOPMENT APPROVALS INTEGRATED INTO VESTED RIGHTS UNDER SECTION 3.5

File #: 26-0937
Agenda #: PH-D

Agenda Date: 4/21/2026
Category: Public Hearing

FROM:
Planning Department

TITLE:
Master Case No. 23-0100: Development Agreement No. 23-0085R1 and Development Agreement No. 23-0085R2 - a request to amend and restate the previously approved Development Agreement (DA) for the Citrus/Oleander Industrial Commerce Center Project to allocate the provision of public benefit fees among properties in a manner consistent with Planning Commission Resolution No. PC 2025-040.

RECOMMENDATION:
Based on information on the staff report staff recommend that the Planning Commission adopt Resolution No. PC 2026 -___, and forward a recommendation to the City Council to:

1. Determine that the recommended development agreement modifications are categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and,

2. Determine that the development agreement modifications together with the underlying project were adequately analyzed in the previously certified Citrus and Oleander Avenue at Santa Ana Avenue Project Environmental Impact Report (EIR) (State Clearinghouse No. 2022110389) and its subsequent Addendum, and pursuant to CEQA Guidelines Section 15162, no subsequent or supplemental EIR is required because there are no substantial changes in the project or its circumstances, and no new information of substantial importance has been identified that would result in any new or more severe significant environmental impacts; and

3. Adopt an Ordinance approving Amended and Restated Development Agreement No. 23-0085R1, as to Assessor's Parcel Number 0255-021-17 (Acacia DA Amendment); and

4. Adopt an Ordinance approving Amended and Restated Development Agreement No. 23-0085R2, as to Assessor's Parcel Numbers 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 through 0255-011-32 (North Palisades DA Amendment).

APPLICANT:
Acacia Real Estate Group, Inc.

David B Pittman
260 Newport Center Drive, Suite No. 100
Newport Beach, CA 92660

North Palisade Partners, LLC
Brian Wong
303 N. Glenoaks Boulevard, Suite 340
Burbank, CA 91502

LOCATION:
The subject property includes Assessor's Parcel Number 0255-021-17 (Acacia Property), which is located north of Santa Ana Avenue, east of Oleander Avenue, and west of Cypress Avenue, and Assessor's Parcel Numbers 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 thru 0255-011-32 (North Palisades Property) which is located north of Santa Ana Avenue, east of Citrus Avenue, and west of Oleander Avenue

REQUEST:
Development Agreement No. 23-0085R1 - a request to amend and restate the previously approved Development Agreement 23-0085 to modify public benefit obligations applicable to the Acacia Property and make associated revisions.

Development Agreement No. 23-0085R2 - a request to amend and restate the previously approved Development Agreement 23-0085 to modify public benefit obligations applicable to the North Palisades Property and make associated revisions.

PROJECT PLANNER:
DiTanyon Johnson, Planning Manager

BACKGROUND INFORMATION:
In late 2023, the City of Fontana granted entitlements for the Citrus/Oleander Industrial Commerce Center Project through its approvals of a General Plan Amendment (22-004), Zone Change (22-005), Specific Plan Amendment (22-002), Tentative Parcel Maps (TPMs 22-009, -030, and -031), and Design Reviews (22-029, -061, and -062). Concurrent with those approvals, the City Council approved Ordinance No. 1935 which authorized the City to enter into Development Agreement No. 23-085 (DA) with Acacia Real Estate Group, Inc. (Acacia). The DA gave Acacia vested rights to develop the Citrus/Oleander Industrial Commerce Center Project consistent with the entitlements, and in exchange obliged Acacia to provide specified public benefit fees to the City.

In October 2025, the Planning Commission considered and approved Design Review 22-062-R2, to reduce the size of one of the industrial commerce center buildings (originally approved in Design Review 22-062) from 193,462 square feet to approximately 83,632 square feet, and to reduce the size of that property from 8.7 acres to 4.6 acres. Resolution No 2025-040 approving Design Review 22-062-R2 requires two separate amendments to the DA - one for the Acacia Property and one for the North Palisades Property - to accomplish the following:

1. Require the cumulative payment of public benefit fees of not less than $4,300,000 - half due at

building permit and half due a certificate of occupancy - with the Acacia Property responsible for $881,678 and the North Palisades Property responsible for $3,418,322.

2. Update the vested entitlements under the Acacia DA Amendment to include Design Review 22 -062-R2.
3. Require the parties executing the DA amendments to warrant and represent that they are the legal or equitable owners of the property.
4. Require that the DA amendments be recorded in the Office of the San Bernardino County recorder within thirty days after City Council approval.
5. Prohibit either DA amendment from taking effect unless both DA amendments take effect.
6. Rescind the 22-062-R2 design review approval if both DA amendments are not timely recorded.

This agenda item implements that direction.

PROJECT DESCRIPTION:

The items currently before the Commission are the Acacia DA Amendment and the North Palisades DA Amendment. Land use approvals and entitlements for the underlying properties have been granted through prior Planning Commission and City Council actions.

ANALYSIS:

Development Agreements are voluntary, negotiated contracts between cities and property developers. They vest development rights by freezing existing land-use regulations, ensuring the project can proceed under rules in place at approval. In exchange for vested rights, property developers often provide public benefits through the payment of fees or the provision of public improvements.

When the City and Acacia entered into the DA in December 2023, the Citrus/Oleander Industrial Commerce Center Project was envisioned as a single coordinated development effort lead by a single developer. But circumstances changed, and it is now more likely that the project will proceed through multiple ownership groups. To accommodate this change while preserving most of the DA benefits, the City authorized and directed amendments to the DA as specified above.

The following table outlines where each of the revisions directed in Planning Commission Resolution 2025-040 is implemented in the DA amendments.

	Modification	Acacia DA Amendment	North Palisades DA Amendment
1.	Allocation of Public Benefit Fees	§ 4.3 - Total of $881,678	§ 4.3 - Total of $3,418,322
2.	Update to Vested Entitlements	§ 1.1.15 - Vested entitlements includes all approvals as of “Effective Date	N/A

3.	Legal / Equitable Ownership Representation	§ 2.2 - Acacia Real Estate Group, Inc. represents it is legal or equitable owner of the property.	§ 2.2 - NP Santa Ana LLC represents it is legal or equitable owner of the property.
4.	Recordation Required*	§ 10.1 (both amendments) - Will be recorded 10 days after entering into agreement.	
5.	Neither amendment is effective unless both amendments are effective	§ 1.1.13 (both amendments) - "Effective Date" requires execution of amendments by fee owners of Acacia Property and North Palisades Property; and must be within 120 days after entitlements for North Palisades Property are final and non-appealable	
6.	Recission of Design Review 22-062-R2 if DA amendments are not executed	§ 3.1 (both amendments) - if either DA amendment is not timely execute, all project entitlements are rescinded	

* Planning Commission Resolution 2025-040 indicates that the DA amendments should be recorded within 30 days of Council approval. However, because the approval of the DA will precede the close of escrow on the properties, the actual execution and recordation cannot occur within that 30 day window.

In addition to the revisions mandated by Planning Commission Resolution 2025-040, City staff and the developer parties negotiated three additional items of note. First, Acacia agreed that if the North Palisades development is delayed, it will advance a portion of the public benefit fee owed by North Palisades. To that end, Section 4.4 of the Acacia DA Amendment requires that if the City has not issued a building permit for the North Palisades Property prior to the issuance of a final Certificate of Occupancy on the Acacia Property, Acacia will advance $618,322 to the City. The City would refund that same amount to Acacia when the North Palisades public benefit fee payment comes due.

Second, the parties recognized that Assessor's Parcel Numbers 0255-021-18, and 0255-021-22 thru 0255-021-024 are included in the original DA, but are not covered by either the Acacia DA Amendment or the North Palisades DA Amendment. The original DA, including its public benefit fee structure and obligations, will remain applicable to those properties.

Third, the DA amendments confirm that if the Acacia DA Amendment and the North Palisades DA Amendment do not take effect, the original DA, including its public benefit fee obligations, will remain valid and enforceable.

Together, the proposed Acacia DA Amendment and the proposed North Palisades DA Amendment implement the direction provided in Planning Commission Resolution No. 2025-040.

MOTION:
Approve staff's recommendation.

ATTACHMENTS:
Attachment No. 1 - Vicinity Map - Acacia
Attachment No. 2 - Vicinity Map - North Palisades

Attachment No. 3 - Acacia/ North Palisades Planning Commission Resolution
Attachment No. 4 - Development Agreement (AGR) 23-0085R1 for Acacia
Attachment No. 5 - Development Agreement (AGR) 23-0085R2 for North Palisades
Attachment No. 6 - Public Hearing Notice (AGR) 23-0085R1 for Acacia
Attachment No. 7 - Public Hearing Notice (AGR) 23-0085R2 for North Palisades

CITY OF FONTANA PLANNING DEPARTMENT

VICINITY MAP

DATE: April 21, 2026

CASE: Master Case No. 23-0100
Development Agreement (AGR)
No. 23-0085-R1
Acacia

ATTACHMENT NO. 1

CITY OF FONTANA PLANNING DEPARTMENT

N

VICINITY MAP

DATE: April 21, 2026

CASE: Master Case No. 23-0100
Development Agreement (AGR)
No. 25-0003-R2
North Palisades

ATTACHMENT NO. 2

RESOLUTION NO. PC 2026 -_____

RESOLUTION OF THE PLANNING COMMISSION OF THE CITY OF FONTANA RECOMMENDING THAT THE CITY COUNCIL ADOPT AN ORDINANCE APPROVING DEVELOPMENT AGREEMENT NO. 23-0085R1, AS TO ASSESSOR'S PARCEL NUMBER 0255-021-17 AND ADOPT AN ORDINANCE APPROVING DEVELOPMENT AGREEMENT NO. 23-0085R2, AS TO ASSESSOR'S PARCEL NUMBERS 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 AND 0255-011-25 THRU 0255-011-32.

WHEREAS, the City of Fontana granted entitlements for the Citrus/Oleander Industrial Commerce Center Project through its approvals of a General Plan Amendment (22-004), Zone Change (22-005), Specific Plan Amendment (22-002), Tentative Parcel Maps (TPMs 22-009, -030, and -031), and Design Reviews (22-029, -061, and -062) (collectively, Citrus Oleander Entitlements); and

WHEREAS, concurrent with the Citrus Oleander Entitlements, the City Council OF the City of Fontana approved Ordinance No. 1935 which authorized the City to enter into Development Agreement No. 23-085 (DA) with Acacia Real Estate Group, Inc. (Acacia); and

WHEREAS, the DA gave Acacia vested rights to develop the Citrus/Oleander Industrial Commerce Center Project consistent with the Citrus Oleander Entitlements, and in exchange obliged Acacia to provide specified public benefit fees to the City; and

WHEREAS, on October 2025, the Fontana Planning Commission considered and approved Design Review 22-062-R2, to reduce the size of one of the industrial commerce center buildings (originally approved in Design Review 22-062) from 193,462 square feet to approximately 83,632 square feet, and to reduce the size of that property from 8.7 acres to 4.6 acres; and

WHEREAS, Resolution No 25-040 approving Design Review 22-062-R2 requires two separate amendments to the DA – one for Assessor's Parcel Number 0255-021-17 (Acacia Property) and one for the Assessor's Parcel Numbers 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 thru 0255-011-32 (North Palisades Property) – to accomplish the following: (1) require the cumulative payment of public benefit fees of not less than $4,300,000 – half due at building permit and half due a certificate of occupancy – with the Acacia Property responsible for $881,678 and the North Palisades Property responsible for $3,418,322; (2) update the vested entitlements under the DA amendment for the Acacia Property to include Design Review 22-062-R2; (3) require the parties executing the DA amendments to warrant and represent that they are the legal or equitable owners of the property; (4) require that the DA amendments be recorded in the Office of the San Bernardino County recorder within thirty days after City Council approval; (5) prohibit either DA amendment from taking effect unless both DA

amendments take effect; and (6) rescind the 22-062-R2 design review approval if both of the DA amendments are not timely recorded; and

WHEREAS, consistent with Planning Commission direction, City staff together with representatives of the future owners of the Acacia Property and North Palisades Property have negotiated and prepared DA amendments that accomplish the intent and direction provided in Planning Commission Resolution No. 25-040.

WHEREAS, the recommended development agreement modifications are categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and,

WHEREAS, the development agreement modifications together with the underlying project were adequately analyzed in the previously certified Citrus and Oleander Avenue at Santa Ana Avenue Project Environmental Impact Report (EIR) (State Clearinghouse No. 2022110389) and its subsequent Addendum, and pursuant to CEQA Guidelines Section 15162, no subsequent or supplemental EIR is required because there are no substantial changes in the project or its circumstances, and no new information of substantial importance has been identified that would result in any new or more severe significant environmental impacts; and

WHEREAS, on April 6, 2026, notice of the April 21, 2026, Planning Commission public hearing for the DA amendment for the Acacia Property was published in the *Sun Newspaper* and was posted at designated City bulletin boards; and

WHEREAS, on April 6, 2026, notice of the April 21, 2026, Planning Commission public hearing for the DA amendment for the North Palisades Property was published in the *Sun Newspaper* and was posted at designated City bulletin boards; and

WHEREAS, the Commission carefully considered all information pertaining to the proposed DA amendments, including the staff report, findings, and all the information, evidence, and testimony presented at its public hearing on April 20, 2063, and,

WHEREAS, all other legal prerequisites tot eh adoption of this resolution have occurred.

NOW, THEREFORE, the Planning Commission RESOLVES as follows:

Section 1. Recitals. The above recitals are true and correct and are incorporated by reference.

Section 2. Compliance with the California Environmental Quality Act. The Planning Commission has reviewed and considered the DA amendments and recommends that the City Council find and determine that development agreement amendments are categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and

Section 3. Additional Basis for Compliance with the California Environmental Quality Act. Based on the substantial evidence set forth in the record, including but not limited to, the Citrus and Oleander Avenue at Santa Ana Avenue Project EIR and the subsequent Addendum thereto, and all related information presented to the Planning Commission, the Commission recommends that the City Council find pursuant to State CEQA sections 15162 and 15164 and Section 8.06 of the City of Fontana's 2019 Local Guidelines for Implementing CEQA that the preparation of a subsequent or supplemental EIR is not required for the proposed Projects because the Project:

A. Will not result in substantial changes that would require major revisions of the Citrus and Oleander Avenue at Santa Ana Avenue Project EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of previously identified significant effects; and

B. Will not result in substantial changes with respect to the circumstances under which the project is developed that would require major revisions of the Citrus and Oleander Avenue at Santa Ana Avenue Project EIR due to the involvement of new significant environmental effects or a substantial increase in the severity of the previously identified significant effects; and

C. Does not present new information of substantial importance that was not known and could not have known with the exercise of reasonable diligence at the time the Citrus and Oleander Avenue at Santa Ana Avenue Project EIR documents were certified showing any of the following:

    (i) The Modified Project would have one or more significant effects not discussed in the EIR;

    (ii) That significant effects previously examined would be substantially more severe than shown in the EIR;

    (iii) That mitigation measures or alternatives previously found not to be feasible would in fact be feasible and would substantially reduce one or

more significant effects, but the lead agency declined to adopt such measures; and

(iv) That mitigation measures or alternatives are considerably different from those analyzed would substantially reduce one or more significant effects on the environment, but which the leady agency declined to adopt

Section 4. Recommendations. Based on the foregoing, the Planning Commission hereby recommends that the City Council adopt an ordinance approving Development Agreement No. 23-0085R1, as to Assessor's Parcel Number 0255-021-17 in the form attached hereto as "**Exhibit A**," and adopt an ordinance approving Development Agreement No. 23-0085R2, as to Assessor's Parcel Numbers 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 thru 0255-011-32 in the form attached hereto as "**Exhibit B**,"

Section 8. Resolution Regarding Custodian of Record. The documents and materials that constitute the record of proceedings on which this Resolution has been based are located at the Planning Department, 8353 Sierra Avenue, Fontana, CA 92335.

Section 9. Certification. The Secretary of the Planning Commission shall certify the adoption of this Resolution.

Section 10. Effective Date. This Resolution shall become effective immediately upon its adoption.

Section 11. Severability. If any provision of this Resolution or the application of any such provision to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Resolution that can be given effect without the invalid provision or application.

PASSED, APPROVED, AND ADOPTED by the Planning Commission of the City of Fontana, California at a regular meeting held on the 21st day of April 2026.

City of Fontana

_____
Joseph Armendarez, Chairperson

ATTEST:

I, Torrie Lozano, Secretary of the Planning Commission of the City of Fontana, California, do hereby certify that the foregoing resolution was duly and regularly adopted by the Planning Commission at a regular meeting thereof, held on the 21st day of April 2026, by the following vote, to-wit:

AYES:
NOES:
ABSENT:
ABSTAIN:

_____
Torrie Lozano, Secretary

Recorded at request of:)
Clerk, City Council)
City of Fontana)
)
When recorded return to:)
City of Fontana)
8353 Sierra Avenue)
Fontana, CA 92335)
Attention: City Clerk)
)

Exempt from Filing Fees, Government Code Section 6103

DEVELOPMENT AGREEMENT 23-0085R1

FIRST AMENDMENT TO AND RESTATEMENT OF DEVELOPMENT AGREEMENT NO. 23-085, APPLICABLE TO THE ACACIA PROPERTY

AN AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN

CITY OF FONTANA
a California Municipal Corporation

and

ACACIA REAL ESTATE GROUP, INC.,

ATTACHMENT NO. 4

DEVELOPMENT AGREEMENT NO. 23-0085R1

This First Amendment to and Restatement of Development Agreement 23-085, Applicable to the Acacia Property (hereinafter "**Amended and Restated Agreement**") is entered into effective on _____ (hereinafter the "**Effective Date**") by and among the City of Fontana, a California municipal corporation (hereinafter, "**CITY**"), and Acacia Real Estate Group, Inc. (hereinafter, "**OWNER**"):

RECITALS

WHEREAS, CITY is authorized to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property, pursuant to Section 65864 et seq. of the Government Code; and

WHEREAS, OWNER filed an application for, and the City Council of the City of Fontana ("**City Council**"), approved, three design reviews (DRP No. 22-029R1, DRP No. 22-062R1, and DRP No. 22-061R1); three tentative parcel maps (TPM No. 22-009R1, TPM No. 22-030R1, and TPM No. 22-031R1), a general plan amendment (GPA No. 23-004), a zone code amendment (ZCA No. 23-006), a specific plan amendment (SPA No. 23-004), and a development agreement (collectively, MCN No. 23-100) (hereinafter the "**Project**") for that certain real property located north of Santa Ana Avenue, east of Citrus Avenue, and west of Cypress Avenue, identified as Assessor's Parcel Numbers ("**APN(s)**") 0255-021-17, -18, -22 thru -24; and 0255-011-13, -14, -18, -19, -25 thru -32, as more particularly described on Exhibit "A-1" to this Amended and Restated Agreement (the "**Property**"); and

WHEREAS, APN 0255-021-17 is located north of Santa Ana Avenue, east of Oleander Avenue, and west of Cypress Avenue, as more particularly described on Exhibit "A-2" to this Amended and Restated Agreement ("**Acacia Property**"); and

WHEREAS, APNs 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 thru 0255-011-32 are located north of Santa Ana Avenue, east of Citrus Avenue, and west of Oleander Avenue, as more particularly described on Exhibit "A-3" to this Amended and Restated Agreement ("**North Palisades Property**"); and

WHEREAS, APNs 0255-021-18, and 0255-021-22 thru 0255-021-024 are located north of Santa Ana Avenue, east of Oleander Avenue, west of Cypress Avenue, as more particularly described on Exhibit "A-4" ("**Remaining Original DA Property**"); and

WHEREAS, the owners of the Property were aware of the Project and expressly authorized and consented to the filing and approval of the related applications, including the application for and approval and execution of Development Agreement No. 23-085 ("**Original DA**"), with the CITY in connection therewith; and

WHEREAS, the CITY and OWNER entered into the Original DA on or about November 15, 2023, and the Original DA was recorded against the Property in the Official Records of San Bernardino County on December 18, 2023, as document number 2023-0311188; and

WHEREAS, subsequent to the execution of the Original DA, OWNER desired to change its plans for the development of the Property and to limit the scope of its development to the Acacia Property ("**Acacia Project**"); and

WHEREAS, OWNER has determined that it no longer requires the remaining parcels of the Property outside the Acacia Property for the purposes of its current project, and in connection therewith desires to enter into this Amended and Restated Agreement, as applicable only to the Acacia Property; and

WHEREAS, NP SANTA ANA LLC desires to acquire the North Palisades Property for development of the portion of the Project planned for the North Palisades Property ("**North Palisades Project**"), and in connection therewith enter into a separate Amendment to and Restatement of the Original DA ("**NP Santa Ana Amended and Restated Agreement**"), as applicable only to the North Palisades Property; and

WHEREAS, by electing to enter into this Amended and Restated Agreement, CITY shall bind future City Councils of CITY by the obligations specified herein and limit the future exercise of certain governmental and proprietary powers of CITY; and

WHEREAS, the terms and conditions of this Amended and Restated Agreement have undergone extensive review by CITY and the City Council and have been found to be fair, just and reasonable; and

WHEREAS, the best interests of the citizens of the CITY and the public health, safety and welfare will be served by entering into this Amended and Restated Agreement; and

WHEREAS, prior to the adoption of the Development Approvals described in this Amended and Restated Agreement, the City Council reviewed, considered, and certified the Environmental Impact Report ("**EIR**") for the Citrus/Oleander Industrial Center of which the Project, as that term is defined below, is a part, and made findings concerning the mitigation measures for the Project, and adopted a Mitigation Monitoring and Reporting Program in accordance with CEQA and the State and CITY CEQA Guidelines; and

WHEREAS, this Amended and Restated Agreement and the Project are consistent with the CITY's Comprehensive General Plan and any Specific Plan applicable thereto; and

WHEREAS, all actions taken and approvals given by CITY have been duly taken or approved in accordance with all applicable legal requirements for notice, public hearings, findings, votes, and other procedural matters; and

WHEREAS, development of the Property in accordance with this Amended and Restated Agreement will provide substantial benefits to CITY and will further important policies and goals of CITY; and

WHEREAS, this Amended and Restated Agreement will eliminate uncertainty in planning and provide for the orderly development of the Acacia Property, ensure progressive installation of necessary improvements, provide for public services appropriate to the development of the Acacia Project, and generally serve the purposes for which development agreements under Sections 65864 et seq of the Government Code are intended; and

WHEREAS, OWNER has incurred and will in the future incur substantial costs in excess of the generally applicable requirements in order to assure vesting of legal rights to develop the Acacia Property in accordance with this Amended and Restated Agreement.

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1. Definitions. The following terms when used in this Amended and Restated Agreement shall be defined as follows:

1.1.1. "**Acacia Project**" the development of the Acacia Property contemplated by the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the provisions of this Amended and Restated Agreement.

1.1.2. "**Acacia Property**" means APN 0255-021-17, which is located north of Santa Ana Avenue, east of Oleander Avenue, and west of Cypress Avenue, as shown on Exhibit "A-2".

1.1.3. "**Amended and Restated Agreement**" means this First Amendment to and Restatement of Development Agreement No. 23-085.

1.1.4. "**APN(s)**" means assessor's parcel numbers as used by the San Bernardino County Clerk/Recorder.

1.1.5. "**Certificate**" has the meaning assigned to that term in Section 6.6.

1.1.6. "**CITY**" means the City of Fontana, a municipal corporation, organized and existing pursuant to the laws of the State of California.

1.1.7. "**City Council"** means the City Council of the City of Fontana, California.

1.1.8. "**Development**" means the improvement of the Acacia Property for the purposes of completing the structures, improvements and facilities comprising the Acacia Project including, but not limited to: grading; the construction of infrastructure and

public facilities related to the Acacia Project whether located within or outside the Acacia Property; the construction of buildings and structures; and the installation of landscaping. "Development" does not include the maintenance, repair, reconstruction or redevelopment of any building, structure, improvement or facility after the construction and completion thereof.

1.1.9. "**Development Approvals**" means all permits and other entitlements for use subject to approval or issuance by CITY in connection with development of the Acacia Property including, but not limited to:

(a) conditional use permits and design review permits;

(b) tentative parcel maps;

(c) General Plan and Zoning Code amendments; and,

(d) grading, encroachment and building permits.

1.1.10. "**Development Exaction**" means any requirement of CITY in connection with or pursuant to any Land Use Regulation or Development Approval for the dedication of land, the construction of improvements or public facilities, or the payment of fees in order to lessen, offset, mitigate or compensate for the impacts of development on the environment or other public interests.

1.1.11. "**Development Impact Fee**" means a monetary exaction other than a tax or special assessment, whether characterized as a fee or a tax and whether established for a broad class of projects by legislation of general applicability or imposed on a specific project on an ad hoc basis, that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project, but does not include park "in lieu" fees specified in Government Code Section 66477, fees for processing applications for governmental regulatory actions or approvals, fees collected under development agreements adopted pursuant to Article 2.5 of the Government Code (commencing with Section 65864) of Chapter 4, or fees collected pursuant to agreements with redevelopment agencies which provide for the redevelopment of property in furtherance or for the benefit of a redevelopment project for which a redevelopment plan has been adopted pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code).

1.1.12. "**Development Plan**" means the Existing Development Approvals and the Existing Land Use Regulations, as those terms are defined herein, applicable to development of the Property.

1.1.13. "**Effective Date**" means the date upon which all of the following have occurred: (1) the ordinance approving this Amended and Restated Agreement becomes effective, (2) the ordinance approving the NP Santa Ana Amended and Restated Agreement becomes effective, (3) this Amended and Restated Agreement has been executed by the fee owner of the Acacia Property and delivered to the CITY within one

hundred twenty (120) days following the approval (second reading) of the ordinance approving this Amended and Restated Agreement; and (4) the NP Santa Ana Amended and Restated Agreement has been executed by the fee owner of the North Palisades Property and delivered to the CITY within the later of (a) one hundred twenty (120) days following the close of escrow for acquisition of the North Palisades Property by the "OWNER" (as that term is defined in the NP Santa Ana Amended and Restated Agreement) and (b) one hundred twenty (120) days following the entitlements for the North Palisades Property becoming final and non-appealable (and in no event more than 210 days following the City's grant of entitlements for the North Palisades Property).

1.1.14. "**EIR**" means the Environmental Impact Report for the Citrus/Oleander Industrial Center as certified by the City Council, designated as State Clearinghouse number 2022110389.

1.1.15. "**Existing Development Approvals**" means all Development Approvals approved or issued on or prior to the Effective Date.

1.1.16. "**Existing Land Use Regulations**" means all Land Use Regulations in effect on the Effective Date.

1.1.17. "**Fund**" has the meaning assigned to that term in Section 9.2.

1.1.18. "**General Plan**" means the Comprehensive General Plan of the City of Fontana, as such General Plan existed as of the Effective Date of this Amended and Restated Agreement.

1.1.19. "**Land Use Regulations**" means all ordinances, resolutions, codes, rules, regulations and official policies of CITY governing the development and use of land, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, timing and phasing of development, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the development of the Acacia Property. "Land Use Regulations" does not include any CITY ordinance, resolution, code, rule, regulation or official policy, governing:

(a) the conduct of businesses, professions, and occupations;

(b) taxes and assessments;

(c) the control and abatement of nuisances;

(d) the granting of encroachment permits and the conveyance of rights and interests which provide for the use of or the entry upon public property;

(e) the exercise of the power of eminent domain.

1.1.20. "**Mortgagee**" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device lender, and their successors and assigns.

1.1.21. "**North Palisades Project**" the development of the North Palisades Property contemplated by the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the provisions of the NP Santa Ana Amended and Restated Agreement.

1.1.22. "**North Palisades Property**" means APNs 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 thru 0255-011-32, which are located north of Santa Ana Avenue, east of Citrus Avenue, and west of Oleander Avenue, as shown on Exhibit "A-3".

1.1.23. "**NP Santa Ana Amended and Restated Agreement**" means an amendment to and restatement of the Original DA, entered into by and between the CITY and the fee owner of the North Palisades Property, which shall be applicable to and binding upon the fee owner of the North Palisades Property and its successors in interest.

1.1.24. "**OWNER**" means the persons and entities listed as OWNER on page 1 of this Amended and Restated Agreement and their successors in interest to all or any part of the Acacia Property.

1.1.25. "**Project**" means the development of the Property contemplated by the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the provisions of this Amended and Restated Agreement.

1.1.26. "**Property**" means the real property described on Exhibit "A-1" as shown on to this Amended and Restated Agreement.

1.1.27. "**Public Benefit Fee**" means the public benefit fee to be paid by OWNER as described in Section 4.3 of this Amended and Restated Agreement.

1.1.28. "**Remaining Original DA Property**" means APNs 0255-021-18, and 0255-021-22 thru -24, which are located north of Santa Ana Avenue, east of Oleander Avenue, and west of Cypress Avenue, as shown on Exhibit "A-4".

1.1.29. "**Reservations of Authority**" means the rights and authority excepted from the assurances and rights provided to OWNER under this Amended and Restated Agreement and reserved to CITY under Section 3.6 of this Amended and Restated Agreement.

1.1.30. "**Subsequent Development Approvals**" means all Development Approvals required subsequent to the Effective Date in connection with development of the Acacia Property.

1.1.31. "**Subsequent Land Use Regulations**" means any Land Use Regulations adopted and effective after the Effective Date of this Amended and Restated Agreement.

1.1.32. "**Term**" has the meaning assigned to that term in Section 2.3.

1.2 Exhibits. The following documents are attached to, and by this reference made a part of, this Amended and Restated Agreement:

Exhibit "A-1" — Legal Description the Property.

Exhibit "A-2" — Legal Description the Acacia Property.

Exhibit "A-3" — Legal Description the North Palisades Property.

Exhibit "A-4" — Legal Description of Remaining Original DA Property

Exhibit "B" — Map showing Property and its location.

Exhibit "C" – Form of Assignment and Assumption Agreement

Exhibit "D" – Subsequent Development Approvals Integrated Into Vested Rights under Section 3.5

2. GENERAL PROVISIONS.

2.1 Binding Effect of Original DA.

(a) Upon the occurrence of the Effective Date, the Acacia Property shall be subject to this Amended and Restated Agreement. OWNER agrees and acknowledges that (1) the Original DA shall remain in full force and effect unless and until the Effective Date occurs, and (2) if this Amended and Restated Agreement and/or the NP Santa Ana Amended and Restated Agreement are rescinded or invalidated for any reason, the Original DA shall remain binding upon and applicable to the Acacia Property, its owners, and their successors in interest.

(b) Development of the Acacia Property is hereby authorized and shall be carried out only in accordance with the terms of either this Amended and Restated Agreement (if, and for so long as, this Amended and Restated Agreement is effective and applicable to the Acacia Property) or the Original DA.

(c) For so long as this Amended and Restated Agreement is effective and applicable to the Acacia Property, this Amended and Restated Agreement shall supersede the Original DA in its entirety with respect to the Acacia Property.

(d) For the avoidance of doubt, if either (1) this Amended and Restated Agreement has not been executed by the fee owner of the Acacia Property within one hundred twenty (120) days following the approval (second reading) of the ordinance approving this Amended and Restated Agreement; or (2) the NP Santa Ana Amended and Restated Agreement has not been executed by fee owner of the North Palisades Property within

the later of (a) one hundred twenty (120) days following the close of escrow for acquisition of the North Palisades Property by the "OWNER" (as that term is defined in the NP Santa Ana Amended and Restated Agreement) and (b) one hundred twenty (120) days following the entitlements for the North Palisades Property becoming final and non-appealable (and in no event more than 210 days following the City's grant of entitlements for the North Palisades Property), then this Amended and Restated Agreement shall never become effective, and the Original DA shall remain binding upon and applicable to the Acacia Property, its owners, and their successors in interest.

2.2 Ownership of Acacia Property. OWNER represents and covenants that it is the legal or equitable owner of the fee simple title to the Acacia Property. Prior to CITY's execution and recordation of this Amended and Restated Agreement, OWNER shall submit to CITY reasonable proof of its fee ownership of the Acacia Property as determined by CITY in its sole and absolute discretion.

2.3 Term. The initial term of this Amended and Restated Agreement shall commence on the Effective Date and shall continue for a period of ten (10) years thereafter unless this term is modified or extended pursuant to the provisions of this Amended and Restated Agreement. Notwithstanding the foregoing, the term of this Amended and Restated Agreement may be extended for an additional five (5) years following expiration of the initial term, provided the following have occurred:

(a) OWNER provides at least ninety (90) days written notice to CITY prior to the expiration of the initial term; and

(b) OWNER shall have obtained building permits for at least sixty-seven percent (67%) of the gross area of the industrial building(s) contemplated by the Acacia Project; and

(c) OWNER is not then in uncured default of this Amended and Restated Agreement.

The initial term and, if and upon extension, the 5-year extension, shall sometimes be referred to herein collectively as the "**Term.**"

The term of this Amended and Restated Agreement shall not be considered to run and shall toll for any period in which the Acacia Project is being challenged or litigated by a third-party.

2.4 Assignment.

2.4.1 Right to Assign. OWNER shall have the right to sell, transfer or assign the Acacia Property in whole or in part (provided that no such partial transfer shall violate the Subdivision Map Act, Government Code Section 66410 et seq.) to any person, partnership, joint venture, firm or corporation at any time during the term of this Amended

and Restated Agreement; provided, however, that any such sale, transfer or assignment shall include the assignment and assumption of the rights, duties and obligations arising under or from this Amended and Restated Agreement and be made in strict compliance with the following conditions precedent:

(a) No sale, transfer or assignment of any right or interest under this Amended and Restated Agreement shall be made unless made together with the sale, transfer or assignment of all or a part of the Acacia Property.

(b) Concurrent with any such sale, transfer or assignment, or within fifteen (15) business days thereafter, OWNER shall notify CITY, in writing, of such sale, transfer or assignment and shall provide CITY with an executed agreement, in a form substantially similar to that attached hereto as Exhibit "C" which has been deemed reasonably acceptable to CITY, by the purchaser, transferee or assignee and providing therein that the purchaser, transferee or assignee expressly and unconditionally assumes all the duties and obligations of OWNER under this Amended and Restated Agreement.

(c) Any sale, transfer or assignment not made in strict compliance with the foregoing conditions shall constitute a default by OWNER under this Amended and Restated Agreement. Notwithstanding the failure of any purchaser, transferee or assignee to execute the agreement required by Paragraph (b) of this Subsection 2.4.1, the burdens of this Amended and Restated Agreement shall be binding upon such purchaser, transferee or assignee, but the benefits of this Amended and Restated Agreement shall not inure to such purchaser, transferee or assignee until and unless such agreement is executed.

2.4.2 Release of Transferring Owner. Notwithstanding any sale, transfer or assignment, a transferring owner shall continue to be obligated under this Amended and Restated Agreement unless such transferring owner is given a release in writing by CITY, which release shall be provided by CITY upon the full satisfaction by such transferring owner of the following conditions:

(a) OWNER no longer has a legal or equitable interest in all or any part of the Acacia Property.

(b) OWNER is not then in default under this Amended and Restated Agreement.

(c) OWNER has provided CITY with the notice and executed agreement required under Paragraph (b) of Subsection 2.4.1 above.

(d) The purchaser, transferee or assignee provides CITY with security equivalent to any security previously provided by OWNER to secure performance of its obligations hereunder.

2.4.3 Subsequent Assignment. Any subsequent sale, transfer or assignment after an initial sale, transfer or assignment shall be made only in accordance with and subject to the terms and conditions of this Section.

2.4.4 Partial Release of Purchaser, Transferee or Assignee of Industrial or Commercial Lot. A purchaser, transferee or assignee of a lot within the Acacia Property, which has been finally subdivided as provided for in the Development Plan and for which a commercial or industrial plot plan for development of the lot has been finally approved pursuant to the Development Plan, may submit a request, in writing, to CITY to release said lot from the obligations under this Amended and Restated Agreement relating to all other portions of the Acacia Property. Within thirty (30) days of such request, CITY shall review, and if the above conditions are satisfied shall approve the request for release and notify the purchaser, transferee or assignee in writing thereof. No such release approved pursuant to this Subsection 2.4.4 shall cause, or otherwise affect, a release of OWNER from its duties and obligations under this Amended and Restated Agreement.

2.4.5 Termination of Amended and Restated Agreement With Respect to Individual Lots Upon Sale to Public and Completion of Construction. The provisions of Subsection 2.4.1 shall not apply to the sale or lease (for a period longer than one year) of any lot within the Acacia Property which has been finally subdivided and is individually (and not in "bulk") sold or leased to a member of the public or other ultimate user. Notwithstanding any other provisions of this Amended and Restated Agreement, this Amended and Restated Agreement shall terminate with respect to any lot within the Acacia Property and such lot shall be released and no longer be subject to this Amended and Restated Agreement without the execution or recordation of any further document upon satisfaction of both of the following conditions:

(a) The lot has been finally subdivided and individually (and not in "bulk") sold or leased (for a period longer than one year) to a member of the public or other ultimate user; and,

(b) A certificate of occupancy or temporary certificate of occupancy has been issued for a building on the lot, and the fees set forth under Section 4 of this Amended and Restated Agreement have been paid.

2.5 Amendment or Cancellation of Amended and Restated Agreement. This Amended and Restated Agreement may be amended or canceled in whole or in part only by written consent of all parties in the manner provided for in Government Code Section 65868 and the Development Agreement Policies. This provision shall not limit any remedy of CITY or OWNER as provided by this Amended and Restated Agreement. Any amendment of this Amended and Restated Agreement which has been requested by OWNER shall only be processed and considered by the CITY upon the payment of the applicable processing charge.

2.6 Termination. This Amended and Restated Agreement shall be deemed terminated and of no further effect upon the occurrence of any of the following events:

(a) Expiration of the stated term of this Amended and Restated Agreement as set forth in Section 2.3.

(b) Entry of a final judgment setting aside, voiding or annulling the adoption of the ordinance approving this Amended and Restated Agreement (in which case the Original DA shall remain binding upon and applicable to the Acacia Property, its owners, and their successors in interest).

(c) The adoption of a referendum measure overriding or repealing the ordinance approving this Amended and Restated Agreement (in which case the Original DA shall remain binding upon and applicable to the Acacia Property, its owners, and their successors in interest).

(d) Completion of the Acacia Project in accordance with the terms of this Amended and Restated Agreement including issuance of all required occupancy permits and acceptance by CITY or applicable public agency of all required dedications.

(e) Termination of this Amended and Restated Agreement based on any default of OWNER and following the termination proceedings required by the Development Agreement Policies.

Termination of this Amended and Restated Agreement shall not constitute termination of any other land use entitlements or agreements approved for the Acacia Property. Upon the termination of this Amended and Restated Agreement, no party shall have any further right or obligation hereunder except with respect to any obligation to have been performed prior to such termination or with respect to any default in the performance of the provisions of this Amended and Restated Agreement which has occurred prior to such termination or with respect to any obligations which are specifically set forth as surviving this Amended and Restated Agreement. Upon such termination, any public facilities and services mitigation fees paid pursuant to Section 4.2 of this Amended and Restated Agreement by OWNER to CITY buildings on which construction has not yet begun shall be refunded to OWNER by CITY.

2.7 Notices.

(a) As used in this Amended and Restated Agreement, "notice" includes, but is not limited to, the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver, appointment or other communication required or permitted hereunder.

(b) All notices shall be in writing and shall be considered given either: (i) when delivered in person to the recipient named below; or (ii) on the date of delivery shown on the return receipt, after deposit in the United States mail in a sealed envelope as either registered or certified mail with return receipt requested, and postage and postal charges prepaid, and addressed to the recipient named below; or (iii) on the date of delivery shown in the records of the telegraph company after transmission by telegraph to the recipient named below. All notices shall be addressed as follows:

If to CITY:
City of Fontana
8353 Sierra Avenue

Fontana, CA 92335
Attn: City Manager
Telephone: (909) 350-7600

Copy to:
Best, Best & Krieger, LLP
2855 E Guasti Road
Ontario, CA 91761
Attn: City Attorney
Telephone: (909) 989-8584
Facsimile: (909) 944-1441

If to OWNER:
Acacia Real Estate Group, Inc.
Attn: David B. Pittman
260 Newport Center Drive, Suite 100
Newport Beach, CA 92660
Telephone: (714) 270-0777

Copy to:
Allen Matkins Leck Gamble Mallory & Natsis, LLP
Attn: Jonathan Shardlow
2010 Main Street, 8th Floor,
Irvine, CA 92614
Telephone: (949) 553-1313

(c) Either party may, by notice given at any time, require subsequent notices to be given to another person or entity, whether a party or an officer or representative of a party, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change.

3. DEVELOPMENT OF THE PROPERTY.

3.1 Rights to Develop. Subject to the terms of this Amended and Restated Agreement including the Reservations of Authority, OWNER shall have a vested right to develop the Acacia Property in accordance with, and to the extent of, the Development Plan. The Acacia Project shall remain subject to all Subsequent Development Approvals required to complete the Acacia Project as contemplated by the Development Plan. Except as otherwise provided in this Amended and Restated Agreement, the permitted uses of the Acacia Property, the density and intensity of use, the maximum height and size of proposed buildings, and provisions for reservation and dedication of land for public purposes shall be those set forth in the Development Plan.

If the either (1) this Amended and Restated Agreement has not been executed by the fee owner of the Acacia Property within one hundred twenty (120) days following the approval (second reading) of the ordinance approving this Amended and Restated

Agreement; or (2) the NP Santa Ana Amended and Restated Agreement has not been executed by the fee owner of the North Palisades Property within one hundred twenty (120) days following the approval (second reading) of the ordinance approving the NP Santa Ana Amended and Restated Agreement, then (A) OWNER shall take no action in furtherance of development of the Project without the CITY's prior written approval, which CITY may grant or withhold in its sole and absolute discretion, (B) all entitlements and approvals issued for or in connection with the Project shall be deemed automatically rescinded by CITY without further action by the CITY and without any further obligation by the CITY to the OWNER with respect thereto, and shall be null and void and of no further force or effect, and (C) CITY may, in its sole and absolute discretion, elect to take formal action to rescind any entitlements issued for or in connection with the Project; OWNER expressly waives and releases any and all rights, vested or otherwise, that it may have to object to or interfere with such formal action.

3.2 Effect of Amended and Restated Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Amended and Restated Agreement including the Reservations of Authority, the rules, regulations and official policies governing permitted uses of the Acacia Property, the density and intensity of use of the Acacia Property, the maximum height and size of proposed buildings, and the design, improvement and construction standards and specifications applicable to development of the Acacia Property shall be the Existing Land Use Regulations. In connection with any Subsequent Development Approval, CITY shall exercise its discretion in accordance with the Development Plan, and as provided by this Amended and Restated Agreement including, but not limited to, the Reservations of Authority. CITY shall accept for processing, review and action all applications for Subsequent Development Approvals, and such applications shall be processed in the normal manner for processing such matters.

3.3 Timing of Development. The parties acknowledge that OWNER cannot at this time predict when or the rate at which phases of the Acacia Property will be developed. Such decisions depend upon numerous factors which are not within the control of OWNER, such as market orientation and demand, interest rates, absorption, completion and other similar factors. Since the California Supreme Court held in Pardee Construction Co. v. City of Camarillo, (1984) 37 Cal.3d 465, that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development to prevail over such parties' agreement, it is the parties' intent to cure that deficiency by acknowledging and providing that OWNER shall have the right to develop the Acacia Property in such order and at such rate and at such times as OWNER deems appropriate within the exercise of its subjective business judgment, subject only to any timing or phasing requirements set forth in the Development Plan or the Phasing Plan set forth in Section 3.4. Notwithstanding anything to the contrary set forth in this Section 3.3 or in this Amended and Restated Agreement, CITY acknowledges that OWNER shall have no obligation to construct the Acacia Project and that OWNER shall not be subject to any penalty nor shall CITY be entitled to any legal or equitable remedy, including, without limitation, a claim for specific performance of this Amended and Restated Agreement, if OWNER determines not to construct the Acacia Project for any reason.

3.4 Phasing Plan. Development of the Acacia Property shall be subject to all timing and phasing requirements established by the Development Plan.

3.5 Changes and Amendments. The parties acknowledge that refinement and further development of the Acacia Project will require Subsequent Development Approvals and may demonstrate that changes are appropriate and mutually desirable in the Existing Development Approvals. In the event OWNER finds that a change in the Existing Development Approvals is necessary or appropriate, OWNER shall apply for a Subsequent Development Approval to effectuate such change and CITY shall process and act on such application in accordance with the Existing Land Use Regulations, except as otherwise provided by this Amended and Restated Agreement including the Reservations of Authority. If approved, any such change in the Existing Development Approvals shall be incorporated herein as Exhibit "D" and may be further changed from time to time as provided in this Section. Unless otherwise required by law, as determined in CITY's reasonable discretion, a change to the Existing Development Approvals shall be deemed "minor" and not require an amendment to this Amended and Restated Agreement provided such change does not:

(a) Alter the permitted uses of the Acacia Property as a whole; or,

(b) Increase the density or intensity of use of the Acacia Property as a whole; or,

(c) Increase the maximum height and size of permitted buildings; or,

(d) Delete a requirement for the reservation or dedication of land for public purposes within the Acacia Property as a whole; or,

(e) Constitute a project requiring a subsequent or supplemental environmental impact report pursuant to Section 21166 of the Public Resources Code.

3.6 Reservations of Authority.

3.6.1 Limitations, Reservations and Exceptions. Notwithstanding any other provision of this Amended and Restated Agreement, the following Subsequent Land Use Regulations shall apply to the development of the Acacia Property.

(a) Processing fees and charges of every kind and nature imposed by CITY to cover the estimated actual costs to CITY of processing applications for Development Approvals or for monitoring compliance with any Development Approvals granted or issued.

(b) Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure.

(c) Regulations, policies, and rules governing construction standards and specifications including, without limitation, the CITY's Building Code, Plumbing Code, Mechanical Code, Electrical Code, Fire Code and Grading Code.

(d) Regulations imposing Development Exactions; provided, however, that no such subsequently adopted Development Exaction shall be applicable to development of the Acacia Property unless such Development Exaction is applied uniformly to development, either throughout the CITY or within a defined area of benefit which includes the Acacia Property. No such subsequently adopted Development Exaction shall apply if its application to the Acacia Property would physically prevent development of the Acacia Property for the uses and to the density or intensity of development set forth in the Development Plan. In the event any such subsequently adopted Development Exaction fulfills the same purposes, in whole or in part, as the fees set forth in Section 4 of this Amended and Restated Agreement, CITY shall allow a credit against such subsequently adopted Development Exaction for the fees paid under Section 4 of this Amended and Restated Agreement to the extent such fees fulfill the same purposes.

(e) Regulations which may be in conflict with the Development Plan, but which are reasonably necessary to protect the public health and safety. To the extent possible, any such regulations shall be applied and construed so as to provide OWNER with the rights and assurances provided under this Amended and Restated Agreement.

(f) Regulations which are not in conflict with the Development Plan. Any regulation, whether adopted by initiative or otherwise, limiting the rate or timing of development of the Acacia Property shall be deemed to conflict with the Development Plan and shall therefore not be applicable to the development of the Acacia Property.

3.6.2 Subsequent Development Approvals. This Amended and Restated Agreement shall not prevent CITY, in acting on Subsequent Development Approvals, from applying Subsequent Land Use Regulations which do not conflict with the Development Plan, nor shall this Amended and Restated Agreement prevent CITY from denying or conditionally approving any Subsequent Development Approval on the basis of the Existing Land Use Regulations or any Subsequent Land Use Regulation not in conflict with the Development Plan.

3.6.3 Modification or Suspension by State or Federal Law. In the event that State or Federal laws or regulations, enacted after the Effective Date of this Amended and Restated Agreement, prevent or preclude compliance with one or more of the provisions of this Amended and Restated Agreement, such provisions of this Amended and Restated Agreement shall be modified or suspended as may be necessary to comply with such State or Federal laws or regulations, provided, however, that this Amended and Restated Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce. In the event OWNER alleges that such State or Federal laws or regulations preclude or prevent compliance with one or more

provisions of this Amended and Restated Agreement, and the CITY does not agree, the OWNER may, at its sole cost and expense, seek declaratory relief (or other similar non-monetary remedies); provided however, that nothing contained in this Section 3.6.3 shall impose on CITY any monetary liability for contesting such declaratory relief (or other similar non-monetary relief).

3.6.4 Intent. The parties acknowledge and agree that CITY is restricted in its authority to limit its police power by contract and that the foregoing limitations, reservations and exceptions are intended to reserve to CITY all of its police power which cannot be so limited. This Amended and Restated Agreement shall be construed, contrary to its stated terms, if necessary, to reserve to CITY all such power and authority which cannot be restricted by contract.

3.7 Public Works. If OWNER is required by this Amended and Restated Agreement to construct any public works facilities which will be dedicated to CITY or any other public agency upon completion, and if required by applicable laws to do so, OWNER shall perform such work in the same manner and subject to the same requirements as would be applicable to CITY or such other public agency should it have undertaken such construction.

3.8 Provision of Real Property Interests by CITY. In any instance where OWNER is required to construct any public improvement on land not owned by OWNER, OWNER shall at its sole cost and expense provide or cause to be provided, the real property interests necessary for the construction of such public improvements. In the event OWNER is unable, after exercising reasonable efforts, including, but not limited to, the rights under Sections 1001 and 1002 of the Civil Code, to acquire the real property interests necessary for the construction of such public improvements, and if so instructed by OWNER and upon OWNER'S provision of adequate security for costs CITY may reasonably incur, CITY shall negotiate the purchase of the necessary real property interests to allow OWNER to construct the public improvements as required by this Amended and Restated Agreement and, if necessary, in accordance with the procedures established by law, use its power of eminent domain to acquire such required real property interests. OWNER shall pay all costs associated with such acquisition or condemnation proceedings. This section 3.8 is not intended by the parties to impose upon the OWNER an enforceable duty to acquire land or construct any public improvements on land not owned by OWNER, except to the extent that the OWNER elects to proceed with the development of the Acacia Project, and then only in accordance with valid conditions imposed by the CITY upon the development of the Acacia Project under the Subdivision Map Act or other legal authority.

3.9 Regulation by Other Public Agencies. It is acknowledged by the parties that other public agencies not within the control of CITY possess authority to regulate aspects of the development of the Acacia Property separately from or jointly with CITY and this Amended and Restated Agreement does not limit the authority of such other public agencies. CITY agrees to cooperate fully, at no cost to CITY, with OWNER in obtaining any required permits or compliance with the regulations of other public agencies provided such cooperation is not in conflict with any laws, regulations or policies of the CITY.

3.10 Tentative Parcel Map Extension. Notwithstanding the provisions of Section 66452.6 of the Government Code, no tentative subdivision map or tentative parcel map, heretofore or hereafter approved in connection with development of the Acacia Property, shall be granted an extension of time except in accordance with the Existing Land Use Regulations.

3.11 Vesting Tentative Maps. If any tentative or final subdivision map, or tentative or final parcel map, heretofore or hereafter approved in connection with development of the Acacia Property, is a vesting map under the Subdivision Map Act (Government Code Section 66410 et seq.) and if this Amended and Restated Agreement is determined by a final judgment to be invalid or unenforceable insofar as it grants a vested right to develop to OWNER, then and to that extent the rights and protections afforded OWNER under the laws and ordinances applicable to vesting maps shall supersede the provisions of this Amended and Restated Agreement. Except as set forth immediately above, development of the Acacia Property shall occur only as provided in this Amended and Restated Agreement, and the provisions in this Amended and Restated Agreement shall be controlling over any conflicting provision of law or ordinance concerning vesting maps.

3.12 Utilities. The Acacia Project shall be connected to all utilities necessary to provide adequate water, sewer, gas, electric, and other utility service to the Acacia Project. OWNER shall contract with the CITY for CITY-owned or operated utilities serving the Acacia Project for such prices and on such terms as may be mutually agreed to between the parties.

3.13 Effect of Original DA on Remaining Original DA Property. The Original DA shall remain effective and binding as to the Remaining Original DA Property. Without limiting the foregoing, the owner of the Remaining Original DA Property shall remain obliged to fulfill the public benefit obligations set forth in Section 4 of the Original DA, undiminished by the payment of public benefit obligations under this Amended and Restated Agreement and/or under the NP Santa Ana Amended and Restated Agreement.

4. PUBLIC BENEFITS.

4.1 Intent. The parties acknowledge and agree that development of the Acacia Property will result in substantial public needs which will not be fully met by the Development Plan and further acknowledge and agree that this Amended and Restated Agreement confers substantial private benefits on OWNER which should be balanced by commensurate public benefits. Accordingly, the parties intend to provide consideration to the public to balance the private benefits conferred on OWNER by providing more fully for the satisfaction of the public needs resulting from the Acacia Project.

4.2 Development Impact Fees.

4.2.1 Amount and Components of Fee(s). Development Impact Fees shall be paid by OWNER. The Development Impact Fees to be paid by OWNER shall be the amounts that are in effect at the time such amounts are due. Nothing contained in this Amended and Restated Agreement shall affect the ability of the CITY to impose new Development Impact Fees or amend the amounts of existing Development Impact Fees. Additionally, nothing contained in this Amended and Restated Agreement shall affect the ability of other public agencies that are not controlled by CITY to impose and amend, from time to time, Development Impact Fees established or imposed by such other public agencies, even though such Development Impact Fees may be collected by CITY.

4.2.2 Time of Payment. The fees required pursuant to Subsection 4.2.1 shall be paid to CITY prior to the issuance of building permits. No fees shall be payable for building permits issued prior to the Effective Date of this Amended and Restated Agreement, but the fees required pursuant to Subsection 4.2.1 shall be paid prior to the re-issuance or extension of any building permit for which such fees have not previously been paid.

4.2.3 Credits. OWNER shall be entitled to credit against the fees required pursuant to Subsection 4.2.1 for the dedication of land, the construction of improvements or the payment of fees.

4.3 Public Benefit Fee. Prior to the issuance of the Building Permit for any building on the Acacia Property, as consideration for the privileges conferred by this Amended and Restated Agreement, OWNER shall pay to the CITY a public benefit fee totaling $440,839. Prior to issuance of a Certificate of Occupancy for a building on the Acacia Property, as consideration for the privileges conferred by this Amended and Restated Agreement, OWNER shall pay to CITY an additional one-time public benefit fee totaling $440,839 (for a total public benefit fee payment in the amount of $881,678).

4.4 Public Benefit Fee Advance and Reimbursement. If prior to a Final Certificate of Occupancy for a building east on the Acacia Property, CITY has not issued a building permit for the development of a portion of the North Palisades Property in accordance with the Development Plan, OWNER shall advance the sum of $618,322 to the CITY. CITY shall refund to OWNER the amount of $618,322 within thirty (30) days following CITY's issuance of a building permit for the development of a portion of the North Palisades Property in accordance with the Development Plan.

5. FINANCING OF PUBLIC IMPROVEMENTS.

If deemed appropriate, CITY and OWNER will cooperate in the formation of any special assessment district, community facilities district or alternate financing mechanism to pay for the construction and/or maintenance and operation of public infrastructure facilities required as part of the Development Plan. CITY also agrees that, to the extent any such district or other financing entity is formed and sells bonds to finance such reimbursements, OWNER may be reimbursed to the extent that OWNER spends funds or dedicates land for the establishment of public facilities. Notwithstanding the foregoing,

nothing contained in this Amended and Restated Agreement shall be construed as requiring CITY or the City Council to form any such district or to issue and sell bonds.

6. REVIEW FOR COMPLIANCE.

6.1 Periodic Review. The Planning Director shall review this Amended and Restated Agreement annually, on or before the anniversary of the Effective Date, in order to ascertain the good faith compliance by OWNER with the terms of the Amended and Restated Agreement. OWNER shall submit an Annual Monitoring Report, in a form acceptable to the Planning Director, within thirty (30) days after written notice from the Planning Director. The Annual Monitoring Report shall be accompanied by an annual review and administration fee sufficient to defray the estimated costs of review and administration of this Amended and Restated Agreement during the succeeding year. The amount of the annual review and administration fee shall be set annually or as deemed necessary by resolution of the City Council.

6.2 Special Review. The City Council may order a special review of compliance with this Amended and Restated Agreement at any time. The Planning Director shall conduct such special reviews.

6.3 Procedure.

(a) During either a periodic review or a special review, OWNER shall be required to demonstrate good faith compliance with the terms of this Amended and Restated Agreement. The burden of proof on this issue shall be on OWNER.

(b) Upon completion of a periodic review or a special review, the Planning Director shall submit a report to the City Council setting forth the evidence concerning good faith compliance by OWNER with the terms of this Amended and Restated Agreement and his or her recommended finding on that issue.

(c) If the City Council finds on the basis of substantial evidence that OWNER has complied in good faith with the terms and conditions of this Amended and Restated Agreement, the review shall be concluded.

(d) If the City Council makes a preliminary finding that OWNER has not complied in good faith with the terms and conditions of this Amended and Restated Agreement, the Council may modify or terminate this Amended and Restated Agreement as provided in Section 6.4 and Section 6.5. Notice of default as provided under Section 7.4 of this Amended and Restated Agreement shall be given to OWNER prior to or concurrent with, proceedings under Section 6.4 and Section 6.5.

6.4 Proceedings Upon Modification or Termination. If, upon a finding under Section 6.3, CITY determines to proceed with modification or termination of this Amended and Restated Agreement, CITY shall give written notice to OWNER of its intention to do so. The notice shall be given at least ten calendar days prior to the scheduled hearing and shall contain:

(a) The time and place of the hearing;

(b) A statement as to whether CITY proposes to terminate or to modify this Amended and Restated Agreement; and,

(c) Such other information as is reasonably necessary to inform OWNER of the nature of the proceeding.

6.5 Hearing on Modification or Termination. At the time and place set for the hearing on modification or termination, OWNER shall be given an opportunity to be heard. OWNER shall be required to demonstrate good faith compliance with the terms and conditions of this Amended and Restated Agreement. The burden of proof on this issue shall be on OWNER. If the City Council finds, based upon substantial evidence, that OWNER has not complied in good faith with the terms or conditions of this Amended and Restated Agreement, the City Council may terminate this Amended and Restated Agreement or modify this Amended and Restated Agreement to impose such conditions as are reasonably necessary to obtain compliance with the terms of this Amended and Restated Agreement. The decision of the City Council shall be final, subject only to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

6.6 Certificate of Agreement Compliance. If, at the conclusion of a Periodic or Special Review, OWNER is found to be in compliance with this Amended and Restated Agreement, CITY shall, upon written request by OWNER, issue a Certificate of Agreement Compliance ("**Certificate**") to OWNER stating that after the most recent Periodic or Special Review and based upon the information known or made known to the Planning Director and City Council that (1) this Amended and Restated Agreement remains in effect and (2) OWNER is not in default. The Certificate shall be in recordable form, shall contain information necessary to communicate constructive record notice of the finding of compliance, shall state whether the Certificate is issued after a Periodic or Special Review and shall state the anticipated date of commencement of the next Periodic Review. OWNER may record the Certificate with the County Recorder.

Whether or not the Certificate is relied upon by assignees or other transferees or OWNER, CITY shall not be bound by a Certificate if a default existed at the time of the Periodic or Special Review but was concealed from or otherwise not known to the Planning Director or City Council.

7. DEFAULT AND REMEDIES.

7.1 Remedies in General. It is acknowledged by the parties that CITY would not have entered into this Amended and Restated Agreement if it were to be liable in damages under this Amended and Restated Agreement, or with respect to this Amended and Restated Agreement or the application thereof.

In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Amended and Restated Agreement, except that CITY shall not be liable in damages to OWNER, or to any successor in interest of OWNER, or to any other person, and OWNER covenants not to sue for damages or

claim any damages against CITY or its agents, employees, officers, attorneys, and representatives:

(a) For any breach of this Amended and Restated Agreement or for any cause of action which arises out of this Amended and Restated Agreement; or

(b) For the taking, impairment or restriction of any right or interest conveyed or provided under or pursuant to this Amended and Restated Agreement; or

(c) Arising out of or connected with any dispute, controversy or issue regarding the application or interpretation or effect of the provisions of this Amended and Restated Agreement.

7.2 Specific Performance. Except as set forth in Section 3.3, above, the parties acknowledge that money damages and remedies at law generally are inadequate and specific performance and other non-monetary relief are particularly appropriate remedies for the enforcement of this Amended and Restated Agreement and should be available to all parties for the following reasons:

(a) Money damages are unavailable against CITY as provided in Section 7.1 above.

(b) Due to the size, nature and scope of the project, it may not be practical or possible to restore the Acacia Property to its natural condition once implementation of this Amended and Restated Agreement has begun. After such implementation, OWNER may be foreclosed from other choices it may have had to utilize the Acacia Property or portions thereof. OWNER has invested significant time and resources and performed extensive planning and processing of the Acacia Project in agreeing to the terms of this Amended and Restated Agreement and will be investing even more significant time and resources in implementing the Acacia Project in reliance upon the terms of this Amended and Restated Agreement, and it is not possible to determine the sum of money which would adequately compensate OWNER for such efforts.

7.3 Release. Except for non-damage remedies, including the remedy of specific performance and judicial review as provided for in Section 6.5, OWNER, for itself, its successors and assignees, hereby releases the CITY, its officers, agents and employees from any and all claims, demands, actions, or suits of any kind or nature arising out of any liability, known or unknown, present or future, including, but not limited to, any claim or liability, based or asserted, pursuant to Article I, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution, or any other law or ordinance which seeks to impose any other liability or damage, whatsoever, upon the CITY because it entered into this Amended and Restated Agreement or because of the terms of this Amended and Restated Agreement.

7.4 Termination or Modification of Amended and Restated Agreement for Default of OWNER. Subject to the provisions contained in Subsection 6.5 herein, CITY may terminate or modify this Amended and Restated Agreement for any failure of OWNER to perform any material duty or obligation of OWNER under this Amended and

Restated Agreement, or to comply in good faith with the terms of this Amended and Restated Agreement (hereinafter referred to as "default"); provided, however, CITY may terminate or modify this Amended and Restated Agreement pursuant to this Section only after providing written notice to OWNER of default setting forth the nature of the default and the actions, if any, required by OWNER to cure such default and, where the default can be cured, OWNER has failed to take such actions and cure such default within 60 days after the effective date of such notice or, in the event that such default cannot be cured within such 60 day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such 60 day period and to diligently proceed to complete such actions and cure such default.

7.5 Termination of Amended and Restated Agreement for Default of CITY. OWNER may terminate this Amended and Restated Agreement only in the event of a default by CITY in the performance of a material term of this Amended and Restated Agreement and only after providing written notice to CITY of default setting forth the nature of the default and the actions, if any, required by CITY to cure such default and, where the default can be cured, CITY has failed to take such actions and cure such default within 60 days after the effective date of such notice or, in the event that such default cannot be cured within such 60 day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such 60 day period and to diligently proceed to complete such actions and cure such default.

8. THIRD PARTY LITIGATION.

8.1 General Plan Litigation. CITY has determined that this Amended and Restated Agreement is consistent with the General Plan, and that the General Plan meets all requirements of law. OWNER has reviewed the General Plan and concurs with CITY's determination.

CITY shall have no liability in damages under this Amended and Restated Agreement for any failure of CITY to perform under this Amended and Restated Agreement or the inability of OWNER to develop the Acacia Property as contemplated by the Development Plan of this Amended and Restated Agreement as the result of a judicial determination that on the Effective Date, or at any time thereafter, the General Plan, or portions thereof, are invalid or inadequate or not in compliance with law.

8.2 Third Party Litigation Concerning Amended and Restated Agreement. OWNER shall defend, at its expense, including reasonable attorneys' fees, indemnify, and hold harmless CITY, its agents, officers and employees from any claim, action or proceeding against CITY, its agents, officers, or employees to attack, set aside, void, or annul the approval of this Amended and Restated Agreement or the approval of any permit granted pursuant to this Amended and Restated Agreement. CITY shall promptly notify OWNER of any such claim, action or proceeding, and CITY shall cooperate in the defense. If CITY fails to promptly notify OWNER of any such claim, action or proceeding, or if CITY fails to cooperate in the defense, OWNER shall not thereafter be responsible to defend, indemnify, or hold harmless CITY. CITY may in its discretion participate in the defense of any such claim, action or proceeding.

8.3 Indemnity. In addition to the provisions of 8.2 above, OWNER shall indemnify and hold CITY, its officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted upon any act or omission of OWNER, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death (OWNER's employees included) or any other element of damage of any kind or nature, relating to or in any way connected with or arising from the activities contemplated hereunder, including, but not limited to, the study, design, engineering, construction, completion, failure and conveyance of the public improvements, save and except claims for damages arising through the sole active negligence or sole willful misconduct of CITY. OWNER shall defend, at its expense, including reasonable attorneys' fees, CITY, its officers, agents, employees and independent contractors in any legal action based upon such alleged acts or omissions. CITY may in its discretion participate in the defense of any such legal action.

8.4 Environmental Assurances. OWNER shall indemnify and hold CITY, its officers, agents, and employees free and harmless from any liability, based or asserted, upon any act or omission of OWNER, its officers, agents, employees, subcontractors, and independent contractors for any violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to environmental conditions on, under or about the Acacia Property, including, but not limited to, soil and groundwater conditions, and OWNER shall defend, at its expense, including reasonable attorneys' fees, CITY, its officers, agents and employees in any action based or asserted upon any such alleged act or omission. CITY may in its discretion participate in the defense of any such action.

8.5 Reservation of Rights. With respect to Sections 8.2, 8.3 and 8.4 herein, CITY reserves the right to either (1) approve the attorney(s) which OWNER selects, hires or otherwise engages to defend CITY hereunder, which approval shall not be unreasonably withheld, or (2) conduct its own defense, provided, however, that OWNER shall reimburse CITY forthwith for any and all reasonable expenses incurred for such defense, including reasonable attorneys' fees, upon billing and accounting therefor.

8.6 Survival. The provisions of this Sections 8.1 through 8.6, inclusive, shall survive the termination of this Amended and Restated Agreement.

9. MORTGAGEE PROTECTION.

9.1 Encumbrances. The parties hereto agree that this Amended and Restated Agreement shall not prevent or limit OWNER, in any manner, at OWNER's sole discretion, from encumbering the Acacia Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the Acacia Property. CITY acknowledges that the lenders providing such financing may require certain Amended and Restated Agreement interpretations and modifications and agrees upon request, from time to time, to meet with OWNER and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. CITY will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Amended and Restated

Agreement. Any Mortgagee of the Acacia Property shall be entitled to the following rights and privileges:

(a) Neither entering into this Amended and Restated Agreement nor a breach of this Amended and Restated Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the Acacia Property made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the Acacia Property, or any part thereof, which Mortgagee, has submitted a request in writing to the CITY in the manner specified herein for giving notices, shall be entitled to receive written notification from CITY of any default by OWNER in the performance of OWNER's obligations under this Amended and Restated Agreement.

(c) If CITY timely receives a request from a Mortgagee requesting a copy of any notice of default given to OWNER under the terms of this Amended and Restated Agreement, CITY shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to OWNER. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under this Amended and Restated Agreement.

(d) Any Mortgagee who comes into possession of the Acacia Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the Acacia Property, or part thereof, subject to the terms of this Amended and Restated Agreement. Notwithstanding any other provision of this Amended and Restated Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Amended and Restated Agreement to perform any of OWNER's obligations or other affirmative covenants of OWNER hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by OWNER is a condition precedent to the performance of a covenant by CITY , the performance thereof shall continue to be a condition precedent to CITY's performance hereunder, and further provided that any sale, transfer or assignment by any Mortgagee in possession shall be subject to the provisions of Section 2.4 of this Amended and Restated Agreement.

9.2. Deposit of Legal Defense Costs. In the event of any litigation or legal challenge filed against CITY as described in this Section 9, then within twenty (20) calendar days following written demand by CITY therefor, Owner shall deposit with CITY funds into a deposit account maintained by CITY ("**Fund**") to reimburse CITY for CITY's costs and expenses, including without limitation attorney's fees, ultimately incurred by CITY to defend any such claim, action, or proceeding. The initial deposit shall be the sum of fifty thousand dollars ($50,000). The Fund, once established, shall at all times contain an amount necessary to cover not less than three (3) months of budgeted or anticipated expenditures by CITY relating to CITY's defense of such claim, action, or proceeding, including any and all appeals from decisions related thereto, as such budgeted or anticipated expenditures are determined by CITY in its sole and absolute discretion. For such purposes, CITY may from time to time, in CITY's sole and absolute discretion, make written demand upon Owner for deposit of additional funds by Owner into the Fund, in

which event Owner shall deposit such additional funds into the Fund within twenty (20) calendar days following written demand by CITY.

10. MISCELLANEOUS PROVISIONS.

10.1 Recordation of Amended and Restated Agreement. This Amended and Restated Agreement and any amendment or cancellation thereof shall be recorded with the San Bernardino County Recorder by the City Clerk within the period required by Section 65868.5 of the Government Code. If the parties to this Amended and Restated Agreement or their successors in interest amend or cancel this Amended and Restated Agreement as provided for herein and in Government Code Section 65868, or if the CITY terminates or modifies the agreement as provided for herein and in Government Code Section 65865.1 for failure of the applicant to comply in good faith with the terms or conditions of this Amended and Restated Agreement, the City Clerk shall have notice of such action recorded with the San Bernardino County Recorder.

10.2 Entire Agreement. This Amended and Restated Agreement sets forth and contains the entire understanding and agreement of the parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Amended and Restated Agreement.

10.3 Severability. If any term, provision, covenant or condition of this Amended and Restated Agreement shall be determined invalid, void or unenforceable, the remainder of this Amended and Restated Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Amended and Restated Agreement. Notwithstanding the foregoing, the provision of the Public Benefits set forth in Section 4 of this Amended and Restated Agreement, including the payment of the fees set forth therein, are essential elements of this Amended and Restated Agreement and CITY would not have entered into this Amended and Restated Agreement but for such provisions, and therefore in the event such provisions are determined to be invalid, void or unenforceable, this entire Amended and Restated Agreement shall be null and void and of no force and effect whatsoever.

10.4 Governing Law; Interpretation. This Amended and Restated Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Amended and Restated Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Amended and Restated Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

10.5 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Amended and Restated Agreement.

10.6 Singular and Plural. As used herein, the singular of any word includes the plural.

10.7 Joint and Several Obligations. If at any time during the term of this Amended and Restated Agreement the Acacia Property is owned, in whole or in part, by more than one owner, all obligations of such owners under this Amended and Restated Agreement shall be joint and several, and the default of any such owner shall be the default of all such owners. Notwithstanding the foregoing, no owner of a single lot which has been finally subdivided and sold to such owner as a member of the general public or otherwise as an ultimate user shall have any obligation under this Amended and Restated Agreement except as provided under Section 4 hereof.

10.8 Time of Essence. Time is of the essence in the performance of the provisions of this Amended and Restated Agreement as to which time is an element.

10.9 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Amended and Restated Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Amended and Restated Agreement thereafter.

10.10 No Third Party Beneficiaries. This Amended and Restated Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Amended and Restated Agreement.

10.11 Force Majeure. Neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Amended and Restated Agreement is caused by floods, earthquakes, epidemics, pandemics, other Acts of God, fires, wars, riots or similar hostilities, strikes and other labor difficulties beyond the party's control, (including the party's employment force), government regulations, court actions (such as restraining orders or injunctions), or other causes beyond the party's control. If any such events shall occur, the term of this Amended and Restated Agreement and the time for performance by either party of any of its obligations hereunder may be extended by the written agreement of the parties for the period of time that such events prevented such performance, provided that the term of this Amended and Restated Agreement shall not be extended under any circumstances for more than five (5) years.

10.12 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

10.13 Successors in Interest. The burdens of this Amended and Restated Agreement shall be binding upon, and the benefits of this Amended and Restated

Agreement shall inure to, all successors in interest to the parties to this Amended and Restated Agreement. All provisions of this Amended and Restated Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do or refrain from doing some act hereunder with regard to development of the Acacia Property: (a) is for the benefit of and is a burden upon every portion of the Acacia Property; (b) runs with the Acacia Property and each portion thereof; and, (c) is binding upon each party and each successor in interest during ownership of the Acacia Property or any portion thereof.

10.14 Counterparts. This Amended and Restated Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

10.15 Jurisdiction and Venue. Any action at law or in equity arising under this Amended and Restated Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Amended and Restated Agreement shall be filed and tried in the Superior Court of the County of San Bernardino, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

10.16 Acacia Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the development of the Acacia Project is a private development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Amended and Restated Agreement. No partnership, joint venture or other association of any kind is formed by this Amended and Restated Agreement. The only relationship between CITY and OWNER is that of a government entity regulating the development of private property and the owner of such property.

10.17 Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Amended and Restated Agreement and the satisfaction of the conditions of this Amended and Restated Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Amended and Restated Agreement to carry out the intent and to fulfill the provisions of this Amended and Restated Agreement or to evidence or consummate the transactions contemplated by this Amended and Restated Agreement.

10.18 Eminent Domain. No provision of this Amended and Restated Agreement shall be construed to limit or restrict the exercise by CITY of its power of eminent domain.

10.19 Agent for Service of Process. In the event OWNER is not a resident of the State of California or it is an association, partnership or joint venture without a member, partner or joint venturer resident of the State of California, or it is a foreign corporation,

then in any such event, OWNER shall file with the Planning Director, upon its execution of this Amended and Restated Agreement, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Amended and Restated Agreement, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon OWNER. If for any reason service of such process upon such agent is not feasible, then in such event OWNER may be personally served with such process out of this County and such service shall constitute valid service upon OWNER. OWNER is amenable to the process so served, submits to the jurisdiction of the Court so obtained and waives any and all objections and protests thereto. OWNER for itself, assigns and successors hereby waives the provisions of the Hague Convention (Convention on the Service Abroad of Judicial and Extra Judicial Documents in Civil or Commercial Matters, 20 U.S.T. 361, T.I.A.S. No. 6638).

10.20 Estoppel Certificate. Within thirty (30) business days following a written request by any of the parties, the other party shall execute and deliver to the requesting party a statement certifying that (i) either this Amended and Restated Agreement is unmodified and in full force and effect or there have been specified (date and nature) modifications to the Amended and Restated Agreement, but it remains in full force and effect as modified; and (ii) either there are no known current uncured defaults under this Amended and Restated Agreement or that the responding party alleges that specified (date and nature) defaults exist. The statement shall also provide any other reasonable information requested. The failure to timely deliver this statement shall constitute a conclusive presumption that this Amended and Restated Agreement is in full force and effect without modification except as may be represented by the requesting party and that there are no uncured defaults in the performance of the requesting party, except as may be represented by the requesting party. OWNER shall pay to CITY all costs incurred by CITY in connection with the issuance of estoppel certificates under this Section 10.20 prior to CITY's issuance of such certificates.

10.21 Authority to Execute. The person or persons executing this Amended and Restated Agreement on behalf of OWNER warrants and represents that he or she/they have the authority to execute this Amended and Restated Agreement on behalf of his or her/their corporation, partnership or business entity and warrants and represents that he or she/they has/have the authority to bind OWNER to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Development Amended and Restated Agreement on the last day and year set forth below.

OWNER

ACACIA REAL ESTATE GROUP, INC.,
a California corporation

By: _____
David Pittman
Its: President

Dated: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____)

On _____ before me,
_____
_____
(insert name and title of the officer)

personally appeared
_____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

CITY:

CITY OF FONTANA, a California municipal corporation

By:_____
Acquanetta Warren, Mayor

Dated: _____

By: _____
Matthew C. Ballantyne, City Manager

ATTEST:

By:_____
Germaine Key, City Clerk

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP

_____
City Attorney

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____)

On _____ before me,
_____
_____
(insert name and title of the officer)

personally appeared
_____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

5703203.2
27967-940

EXHIBIT "A-1"

LEGAL DESCRIPTION OF THE PROPERTY

TENTATIVE PARCEL MAP NO. 20707

IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

BEING A CONSOLIDATION OF PARCELS 1, 2 AND 3 OF PARCEL MAP 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 22, PAGE 80 OF PARCEL MAPS, TOGETHER WITH A PORTION OF THE WEST HALF OF FARM LOT 758 OF MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMTI-TROPIC LAND AND WATER COMPANY, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TENTATIVE PARCEL MAP NO. 20708

IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

BEING A CONSOLIDATION OF THE EAST 10 ACRES OF FARM LOT 757 OF MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMTI-TRAPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TENTATIVE PARCEL MAP NO. 20709

IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

BEING A CONSOLIDATION OF THE EAST 3 ACRES OF THE WEST 8 ACRES OF FARM LOT 757 OF MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMTI-TRAPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, TOGETHER WITH PARCELS 1, 2, 3 AND 4 OF PARCEL MAP NO. 5352, AS PER MAP FILED IN BOOK 51, PAGE 89 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "A-2"

LEGAL DESCRIPTION OF THE ACACIA PROPERTY

The Land referred to herein below is situated in the City of Fontana, County of San Bernardino, State of California, and is described as follows:

THE EAST ONE HALF OF THE WEST ONE HALF OF FARM LOT 758, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI -TROPIC LAND AND WATER COMPANY, AS PER PLAT RECORDED IN BOOK 11 OF MAPS, PAGE 12, RECORDS OF SAID COUNTY.

(AREAS AND DISTANCES COMPUTED TO STREET CENTERS.)

For conveyancing purposes only: APN 0255-021-17-0-000

EXHIBIT "A-3"

LEGAL DESCRIPTION OF THE NORTH PALISADES PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A: (APN 0255-011-13)
THE EAST 3 ACRES OF THE WEST 5 ACRES OF THE EAST 10 ACRES OF FARM LOT 757, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. THE ACREAGE OF THE ABOVE DESCRIBED REAL PROPERTY IS COMPUTED TO THE CENTER OF ALL STREETS AND ROADS AS SHOWN ON SAID MAP.

PARCEL B: (APN 0255-011-14)
THE WEST 2 ACRES OF THE WEST 5 ACRES OF THE EAST 10 ACRES OF LOT 757, SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, RECORDS OF SAID COUNTY. THE AREA AND DISTANCES OF THE ABOVE DESCRIBED PROPERTY ARE COMPUTED TO THE CENTERS OF THE ADJOINING STREETS SHOWN ON SAID MAP.

PARCEL D: (APN 0255-011-18)
THE EAST 1/2 OF THE EAST 3 ACRES OF THE WEST 8 ACRES OF FARM LOT 757, ACCORDING TO THE MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER CO., IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL E: (APN 0255-011-19)
THE WEST ONE-HALF OF THE EAST 3 ACRES OF THE WEST 8 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11 OF MAPS, PAGE 12, RECORDS OF SAID COUNTY.

PARCEL F: (APN 0255-011-25)
THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISIONS OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.EXCEPTING THEREFROM THE NORTH 450 FEET. ALSO EXCEPTING THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET. ALSO EXCEPTING THEREFROM THE NORTH 14 FEET OF THE SOUTH 44 FEET.AREA AND DISTANCES COMPUTED TO STREET CENTERS.

PARCEL G: (APN 0255-011-26)
THE SOUTH 150 FEET OF THE NORTH 450 FEET OF THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, RECORDS OF SAID COUNTY.EXCEPT THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET.
AREAS AND DISTANCES OF ABOVE PROPERTY ARE COMPUTED TO THE CENTER OF THE ADJOINING STREETS SHOWN ON SAID MAP.

PARCEL H: (APN 0255-011-27)
THE SOUTH 150 FEET OF THE NORTH 300 FEET OF THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, RECORDS OF SAID COUNTY.EXCEPT THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET THEREOF.

PARCEL I: (APN 0255-011-28)
THE NORTH 150 FEET OF THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.EXCEPT THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET. AREAS AND DISTANCES COMPUTED TO STREET CENTERS AS SHOWN ON SAID MAP.

PARCEL J: (APN 0255-011-29)
PARCEL 1 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 51 OF PARCEL MAPS, PAGE 89, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL K: (APN 0255-011-30)
PARCEL 2 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN BOOK 51 PAGE 89, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPTING THEREFROM, THAT PORTION OF SAID PARCEL 2, AS CONVEYED TO THE CITY OF FONTANA, A MUNICIPAL CORPORATION, IN GRANT DEED RECORDED JULY 29, 2010 AS INSTRUMENT NO. 2010-0304886, OF OFFICIAL RECORDS.

PARCEL L: (APN 0255-011-31)
PARCEL 3 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 51 PAGE 89 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY RECORDER.

PARCEL M: (APN 0255-011-32)
PARCEL 4 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 51 PAGE 89 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY RECORDER.

EXHIBIT "A-4"

LEGAL DESCRIPTION OF THE REMAINING ORIGINAL DA PROPERTY

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISIONS OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF
SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE NORTH 450 FEET.

ALSO EXCEPTING THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET.

ALSO EXCEPTING THEREFROM THE NORTH 14 FEET OF THE SOUTH 44 FEET.

NOTE: AREA AND DISTANCES COMPUTED TO STREET CENTERS.

APN: **0255-011-25**

0255-021-18

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE SOUTH 240 FEET OF THE WEST, 1/2 OF THE WEST 1/2 OF LOT 758, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, AS PER PLAT RECORDED IN BOOK 11 OF MAPS, PAGE 12, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

0255-021-22

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 1 OF PARCEL MAP NO. 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 22 OF PARCEL MAPS, PAGE 80, RECORDS OF SAID COUNTY.

0255-021-23

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 2 OF PARCEL MAP NO. 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 22 OF PARCEL MAPS, PAGE 80, OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

0255-021-24

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 3 OF PARCEL MAP NO. 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT FILED IN BOOK 22, PAGE 80 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "B"

MAP SHOWING PROPERTY AND ITS LOCATION

EXHIBIT "C"

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

[SEE FOLLOWING PAGES]

Recording Requested by and
When Recorded Return To:

_____
_____
_____
_____

(Space above this line for recorder's use only)

DOCUMENTARY TRANSFER TAX: $-0- (No consideration)

PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

This PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT (the "**Agreement**") is made and entered into as of _____, 202_, by and between _____ ("**Assignor**") and _____ ("**Assignee**") having an address at _____, with reference to the following recitals.

RECITALS

A. Assignor was the owner of approximately ____ gross acres of land area located in the City of Fontana, County of San Bernardino, State of California, more particularly described in Exhibit "A" attached hereto ("**Project Site**").

B. Assignor and the City of Fontana, a California municipal corporation ("**City**"), are parties to that certain "First Amendment and Restatement of Development Agreement No. 23-085, Applicable to the _____ Property", dated _____ (the "**Development Agreement**"), relating to the development of the Project Site (the "**Project**"). The Development Agreement is recorded as instrument _____ in San Bernardino County Official Records.

C. Assignor has transferred a portion of the Project Site, generally described as _____ and more particularly described in Exhibit "B" attached hereto (the "**Assigned Property**") to Assignee in accordance with the terms of a grant deed and (iv) retained ownership of the remainder of the Project Site, consisting of _____ (the "**Retained Property**"). *[NTD: IF THE ASSIGNMENT IS A FULL ASSIGNMENT, THEN PROVISIONS RELATING TO RETAINED OBLIGATIONS WILL BE REMOVED]*

D. In accordance with Section 2.4 of the Development Agreement, Assignor desires to assign all rights and obligations of Assignor under the Development Agreement as to the Assigned Property ("**Assigned Property Rights and Obligations**")

and (ii) retain, as the owner of the Retained Property, all remaining obligations under the Development Agreement (the "**Retained Property Rights and Obligations**").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Effective Date. This Agreement shall not be deemed to be effective unless and until the transfer of title to the Assigned Property from Assignor to Assignee occurs, as evidenced by the recordation of a grant deed in the San Bernardino County Official Records conveying the Assigned from Assignor to Assignee (the date of recordation of such grant deed, the "**Effective Date**").

2. Assignment of Development Agreement. Assignor does hereby sell, transfer, assign, convey and deliver to Assignee all of Assignor's rights, title, obligations, and interests in the Assigned Property Rights and Obligations. This Agreement is only intended to assign the Assigned Property Rights and Obligations and does not assign any other rights or obligations under the Development Agreement. Assignor makes no representation or warranties, express or implied, to Assignee concerning the Development Agreement, except as provided herein.

3. Assumption of Responsibilities. Assignee hereby assumes, as of the Effective Date, the Assigned Property Rights and Obligations and agrees to observe and fully perform all of the duties and obligations of Assignor under the Development Agreement with respect to the Assigned Property Rights and Obligations and to be subject to all of the terms and conditions of the Development Agreement with respect to the Assigned Property Rights and Obligations, in each case to the extent arising on or after the Effective Date. Assignor and Assignee acknowledge and agree that, from and after the Effective Date, Assignee shall be the "Owner" under the Development Agreement with respect to the Assigned Property and the Assigned Property Rights and Obligations.

4. Amendments. Any amendments or modifications to this Agreement must be in writing, signed by duly authorized representatives of each of the parties hereto, acknowledged and approved by the City, and recorded in the Official Records for San Bernardino County, California.

5. Governing Law; Venue. This Agreement and the legal relations of the parties hereto shall be governed by and construed and enforced in accordance with the laws of the State of California, without regard to its principles of conflicts of law. All rights and obligations of the Parties under this Assignment are to be performed in the City of Fontana, and the County of San Bernardino shall be the venue for any legal action or proceeding that may be brought, or arise out of, in connection with or by reason of this Agreement.

6. Severability. Any provision of this Agreement which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

7. Further Assurances. Each party shall execute and deliver such other certificates, agreements and documents and take such other actions as may be reasonably required to consummate or implement the transactions contemplated by this Agreement provided the same does not increase such party's obligations and liabilities or reduce such party's rights under this Agreement and/or the Development Agreement other than to a de minimis extent.

8. Authority of Signatories to Bind Principals. The persons executing this Agreement on behalf of their respective principals represent that (i) they have been authorized to do so and that they thereby bind the principals to the terms and conditions of this Agreement and (ii) their respective principals are properly and duly organized and existing under the laws of _____, and are permitted to do business in, the State of California.

9. No Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

10. Interpretation. The parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both parties, and the parties agree that since both have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had prepared it.

11. Recordation. Assignor and Assignee shall record this Agreement against the Assigned Property in the Official Records contemporaneously with the recordation of the instrument conveying title to the Assigned Property to Assignee and prior to the lien of any security interest that will encumber the Assigned Property after the conveyance.

12. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the date set forth above.

"Assignor"	"Assignee"
_____	_____
a _____ limited liability company	a _____ limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT "A"

Project Site Legal Description

EXHIBIT "B"

Assigned Property Legal Description

EXHIBIT "D"

SUBSEQUENT DEVELOPMENT APPROVALS INTEGRATED INTO VESTED RIGHTS UNDER SECTION 3.5

Recorded at request of:)
Clerk, City Council)
City of Fontana)
)
When recorded return to:)
City of Fontana)
8353 Sierra Avenue)
Fontana, CA 92335)
Attention: City Clerk)
)

Exempt from Filing Fees, Government Code Section 6103

DEVELOPMENT AGREEMENT 23-0085R2

FIRST AMENDMENT TO AND RESTATEMENT OF DEVELOPMENT AGREEMENT NO. 23-085, APPLICABLETO THE NORTH PALISADES PROPERTY

AN AMENDED AND RESTATED DEVELOPMENT AGREEMENT BETWEEN

CITY OF FONTANA
a California Municipal Corporation

and

NORTH PALISADE PARTNERS, LLC

ATTACHMENT NO. 5

DEVELOPMENT AGREEMENT NO. 23-0085R2

This First Amendment to and Restatement of Development Agreement 23-085, Applicable to the North Palisades Property (hereinafter "**Amended and Restated Agreement**") is entered into effective on _____ (hereinafter the "**Effective Date**") by and among the City of Fontana, a California municipal corporation (hereinafter, "**CITY**"), and North Palisade Partners, LLC, a Delaware Limited Liability Company. (hereinafter, "**OWNER**"):

RECITALS

WHEREAS, CITY is authorized to enter into binding development agreements with persons having legal or equitable interests in real property for the development of such property, pursuant to Section 65864 et seq. of the Government Code; and

WHEREAS, Acacia Real Estate Group, Inc. ("**Acacia**"), filed an application for, and the City Council of the City of Fontana ("**City Council**"), approved, three design reviews (DRP No. 22-029R1, DRP No. 22-062R1, and DRP No. 22-061R1); three tentative parcel maps (TPM No. 22-009R1, TPM No. 22-030R1, and TPM No. 22-031R1), a general plan amendment (GPA No. 23-004), a zone code amendment (ZCA No. 23-006), a specific plan amendment (SPA No. 23-004), and a development agreement (collectively, MCN No. 23-100) (hereinafter the "**Project**") for that certain real property located north of Santa Ana Avenue, east of Citrus Avenue, and west of Cypress Avenue, identified as Assessor's Parcel Numbers ("**APN(s)**") 0255-021-17, -18, -22 thru -24; and 0255-011-13, -14, -18, -19, -25 thru -32, as more particularly described on Exhibit "A-1" to this Amended and Restated Agreement (the "**Property**"); and

WHEREAS, APNs 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 thru 0255-011-32 are located north of Santa Ana Avenue, east of Citrus Avenue, and west of Oleander Avenue, as more particularly described on Exhibit "A-3" to this Amended and Restated Agreement ("**North Palisades Property**"); and

WHEREAS, APN 0255-021-17 is located north of Santa Ana Avenue, east of Oleander Avenue, and west of Cypress Avenue, as more particularly described on Exhibit "A-2" to this Amended and Restated Agreement ("**Acacia Property**"); and

WHEREAS, APNs 0255-021-18, and 0255-021-22 thru 0255-021-024 are located north of Santa Ana Avenue, east of Oleander Avenue, west of Cypress Avenue, as more particularly described on Exhibit "A-4" ("**Remaining Original DA Property**"); and

WHEREAS, the owners of the Property were aware of the Project and expressly authorized and consented to the filing and approval of the related applications, including the application for and approval and execution of Development Agreement No. 23-085 ("**Original DA**"), with the CITY in connection therewith; and

WHEREAS, the CITY and Acacia entered into the Original DA on or about November 15, 2023, and the Original DA was recorded against the Property in the Official

Records of San Bernardino County on December 18, 2023, as document number 2023-0311188; and

WHEREAS, subsequent to the execution of the Original DA, Acacia desired to limit the scope of its development to the Acacia Property ("**Acacia Project**"), and to enter into a separate amendment to and restatement of the Original DA ("**Acacia Amended and Restated Agreement**"), as applicable only to the Acacia Property; and

WHEREAS, in connection with revising its development plans, Acacia determined that it no longer requires the remaining parcels of the Property outside the Acacia Property for the purposes of its current project; and

WHEREAS, OWNER has acquired the North Palisades Property for development of the portion of the Project planned for the North Palisades Property ("**North Palisades Project**"), and in connection therewith desires to enter into this Amended and Restated Agreement, as applicable only to the North Palisades Property; and

WHEREAS, by electing to enter into this Amended and Restated Agreement, CITY shall bind future City Councils of CITY by the obligations specified herein and limit the future exercise of certain governmental and proprietary powers of CITY; and

WHEREAS, the terms and conditions of this Amended and Restated Agreement have undergone extensive review by CITY and the City Council and have been found to be fair, just and reasonable; and

WHEREAS, the best interests of the citizens of the CITY and the public health, safety and welfare will be served by entering into this Amended and Restated Agreement; and

WHEREAS, prior to the adoption of the Development Approvals described in this Amended and Restated Agreement, the City Council reviewed, considered, and certified the Environmental Impact Report ("**EIR**") for the Citrus/Oleander Industrial Center of which the Project, as that term is defined below, is a part, and made findings concerning the mitigation measures for the Project, and adopted a Mitigation Monitoring and Reporting Program in accordance with CEQA and the State and CITY CEQA Guidelines; and

WHEREAS, this Amended and Restated Agreement and the Project are consistent with the CITY's Comprehensive General Plan and any Specific Plan applicable thereto; and

WHEREAS, all actions taken and approvals given by CITY have been duly taken or approved in accordance with all applicable legal requirements for notice, public hearings, findings, votes, and other procedural matters; and

WHEREAS, development of the Property in accordance with this Amended and Restated Agreement will provide substantial benefits to CITY and will further important policies and goals of CITY; and

WHEREAS, this Amended and Restated Agreement will eliminate uncertainty in planning and provide for the orderly development of the North Palisades Property, ensure progressive installation of necessary improvements, provide for public services appropriate to the development of the North Palisades Project, and generally serve the purposes for which development agreements under Sections 65864 et seq of the Government Code are intended; and

WHEREAS, OWNER has incurred and will in the future incur substantial costs in excess of the generally applicable requirements in order to assure vesting of legal rights to develop the North Palisades Property in accordance with this Amended and Restated Agreement.

COVENANTS

NOW, THEREFORE, in consideration of the above recitals and of the mutual covenants hereinafter contained and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. DEFINITIONS AND EXHIBITS.

1.1. Definitions. The following terms when used in this Amended and Restated Agreement shall be defined as follows:

1.1.1. "**Acacia Amended and Restated Agreement**" means an amendment to and restatement of the Original DA, entered into by and between the CITY and the fee owner of the Acacia Property, which shall be applicable to and binding upon the fee owner of the Acacia Property and its successors in interest.

1.1.2. "**Acacia Project**" the development of the Acacia Property contemplated by the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the provisions of the Acacia Amended and Restated Agreement.

1.1.3. "**Acacia Property**" means APN 0255-021-17, which is located north of Santa Ana Avenue, east of Oleander Avenue, and west of Cypress Avenue, as shown on Exhibit "A-2".

1.1.4. "**Amended and Restated Agreement**" means this First Amendment to and Restatement of Development Agreement No. 23-085.

1.1.5. "**APN(s)**" means assessor's parcel numbers as used by the San Bernardino County Clerk/Recorder.

1.1.6. "**Certificate**" has the meaning assigned to that term in Section 6.6.

1.1.7. "**CITY**" means the City of Fontana, a municipal corporation, organized and existing pursuant to the laws of the State of California.

1.1.8. "**City Council"** means the City Council of the City of Fontana, California.

1.1.9. "**Development**" means the improvement of the North Palisades Property for the purposes of completing the structures, improvements and facilities comprising the North Palisades Project including, but not limited to: grading; the construction of infrastructure and public facilities related to the North Palisades Project whether located within or outside the North Palisades Property; the construction of buildings and structures; and the installation of landscaping. "Development" does not include the maintenance, repair, reconstruction or redevelopment of any building, structure, improvement or facility after the construction and completion thereof.

1.1.10. "**Development Approvals**" means all permits and other entitlements for use subject to approval or issuance by CITY in connection with development of the North Palisades Property including, but not limited to:

(a) conditional use permits and design review permits;

(b) tentative parcel maps;

(c) General Plan and Zoning Code amendments; and,

(d) grading, encroachment and building permits.

1.1.11. "**Development Exaction**" means any requirement of CITY in connection with or pursuant to any Land Use Regulation or Development Approval for the dedication of land, the construction of improvements or public facilities, or the payment of fees in order to lessen, offset, mitigate or compensate for the impacts of development on the environment or other public interests.

1.1.12. "**Development Impact Fee**" means a monetary exaction other than a tax or special assessment, whether characterized as a fee or a tax and whether established for a broad class of projects by legislation of general applicability or imposed on a specific project on an ad hoc basis, that is charged by a local agency to the applicant in connection with approval of a development project for the purpose of defraying all or a portion of the cost of public facilities related to the development project, but does not include park "in lieu" fees specified in Government Code Section 66477, fees for processing applications for governmental regulatory actions or approvals, fees collected under development agreements adopted pursuant to Article 2.5 of the Government Code (commencing with Section 65864) of Chapter 4, or fees collected pursuant to agreements with redevelopment agencies which provide for the redevelopment of property in furtherance or for the benefit of a redevelopment project for which a redevelopment plan has been adopted pursuant to the Community Redevelopment Law (Part 1 (commencing with Section 33000) of Division 24 of the Health and Safety Code).

1.1.13. "**Development Plan**" means the Existing Development Approvals and the Existing Land Use Regulations, as those terms are defined herein, applicable to development of the Property.

1.1.14. "**Effective Date**" means the date upon which all of the following have occurred: (1) the ordinance approving this Amended and Restated Agreement becomes effective, (2) the ordinance approving the Acacia Amended and Restated Agreement becomes effective, (3) the Acacia Amended and Restated Agreement has been executed by the fee owner of the Acacia Property and delivered to the CITY within one hundred twenty (120) days following the approval (second reading) of the ordinance approving the Acacia Amended and Restated Agreement; and (4) this Amended and Restated Agreement has been executed by the fee owner of the North Palisades Property and delivered to the CITY within the later of (a) one hundred twenty (120) days following the close of escrow for acquisition of the North Palisades Property by OWNER and (b) one hundred twenty (120) days following the entitlements for the North Palisades Property becoming final and non-appealable (and in no event more than 210 days following the City's grant of entitlements for the North Palisades Property).

1.1.15. "**EIR**" means the Environmental Impact Report for the Citrus/Oleander Industrial Center as certified by the City Council, designated as State Clearinghouse number 2022110389.

1.1.16. "**Existing Development Approvals**" means all Development Approvals approved or issued on or prior to the Effective Date.

1.1.17. "**Existing Land Use Regulations**" means all Land Use Regulations in effect on the Effective Date.

1.1.18. "**Fund**" has the meaning assigned to that term in Section 9.2.

1.1.19. "**General Plan**" means the Comprehensive General Plan of the City of Fontana, as such General Plan existed as of the Effective Date of this Amended and Restated Agreement.

1.1.20. "**Land Use Regulations**" means all ordinances, resolutions, codes, rules, regulations and official policies of CITY governing the development and use of land, including, without limitation, the permitted use of land, the density or intensity of use, subdivision requirements, timing and phasing of development, the maximum height and size of proposed buildings, the provisions for reservation or dedication of land for public purposes, and the design, improvement and construction standards and specifications applicable to the development of the North Palisades Property. "Land Use Regulations" does not include any CITY ordinance, resolution, code, rule, regulation or official policy, governing:

(a) the conduct of businesses, professions, and occupations;

(b) taxes and assessments;

(c) the control and abatement of nuisances;

(d) the granting of encroachment permits and the conveyance of rights and interests which provide for the use of or the entry upon public property;

(e) the exercise of the power of eminent domain.

1.1.21. "**Mortgagee**" means a mortgagee of a mortgage, a beneficiary under a deed of trust or any other security-device lender, and their successors and assigns.

1.1.22. "**North Palisades Project**" the development of the North Palisades Property contemplated by the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the provisions of this Amended and Restated Agreement.

1.1.23. "**North Palisades Property**" means APNs 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 thru 0255-011-32, which are located north of Santa Ana Avenue, east of Citrus Avenue, and west of Oleander Avenue, as shown on Exhibit "A-3".

1.1.24. "**OWNER**" means the persons and entities listed as OWNER on page 1 of this Amended and Restated Agreement and their successors in interest to all or any part of the North Palisades Property.

1.1.25. "**Project**" means the development of the Property contemplated by the Development Plan as such Plan may be further defined, enhanced or modified pursuant to the provisions of this Amended and Restated Agreement.

1.1.26. "**Property**" means the real property described on Exhibit "A-1" as shown on to this Amended and Restated Agreement.

1.1.27. "**Public Benefit Fee**" means the public benefit fee to be paid by OWNER as described in Section 4.3 of this Amended and Restated Agreement.

1.1.28. "**Remaining Original DA Property**" means APNs 0255-021-18, and 0255-021-22 thru -24, which are located north of Santa Ana Avenue, east of Oleander Avenue, and west of Cypress Avenue, as shown on Exhibit "A-4".

1.1.29. "**Reservations of Authority**" means the rights and authority excepted from the assurances and rights provided to OWNER under this Amended and Restated Agreement and reserved to CITY under Section 3.6 of this Amended and Restated Agreement.

1.1.30. "**Subsequent Development Approvals**" means all Development Approvals required subsequent to the Effective Date in connection with development of the North Palisades Property.

1.1.31. "**Subsequent Land Use Regulations**" means any Land Use Regulations adopted and effective after the Effective Date of this Amended and Restated Agreement.

1.1.32. "**Term**" has the meaning assigned to that term in Section 2.3.

1.2 Exhibits. The following documents are attached to, and by this reference made a part of, this Amended and Restated Agreement:

Exhibit "A-1" — Legal Description the Property.

Exhibit "A-2" — Legal Description the Acacia Property.

Exhibit "A-3" — Legal Description the North Palisades Property.

Exhibit "A-4" — Legal Description of Remaining Original DA Property

Exhibit "B" — Map showing Property and its location.

Exhibit "C" – Form of Assignment and Assumption Agreement

Exhibit "D" – Subsequent Development Approvals Integrated Into Vested Rights under Section 3.5

2. GENERAL PROVISIONS.

2.1 Binding Effect of Original DA.

(a) Upon the occurrence of the Effective Date, the North Palisades Property shall be subject to this Amended and Restated Agreement. OWNER agrees and acknowledges that (1) the Original DA shall remain in full force and effect unless and until the Effective Date occurs, and (2) if this Amended and Restated Agreement and/or the Acacia Amended and Restated Agreement are rescinded or invalidated for any reason, the Original DA shall remain binding upon and applicable to the North Palisades Property, its owners, and their successors in interest.

(b) Development of the North Palisades Property is hereby authorized and shall be carried out only in accordance with the terms of either this Amended and Restated Agreement (if, and for so long as, this Amended and Restated Agreement is effective and applicable to the North Palisades Property) or the Original DA.

(c) For so long as this Amended and Restated Agreement is effective and applicable to the North Palisades Property, this Amended and Restated Agreement shall supersede the Original DA in its entirety with respect to the North Palisades Property.

(d) For the avoidance of doubt, if either (1) the Acacia Amended and Restated Agreement has not been executed by the fee owner of the Acacia Property within one hundred twenty (120) days following the approval (second reading) of the ordinance approving the Acacia Amended and Restated Agreement; or (2) this Amended and Restated Agreement has not been executed by fee owner of the North Palisades Property within the later of

(a) one hundred twenty (120) days following the close of escrow for acquisition of the North Palisades Property by OWNER and (b) one hundred twenty (120) days following the entitlements for the North Palisades Property becoming final and non-appealable (and in no event more than 210 days following the City's grant of entitlements for the North Palisades Property), then this Amended and Restated Agreement shall never become effective, and the Original DA shall remain binding upon and applicable to the North Palisades Property, its owners, and their successors in interest.

2.2 Ownership of North Palisades Property. OWNER represents and covenants that it is the legal or equitable owner of the fee simple title to the North Palisades Property. Prior to CITY's execution and recordation of this Amended and Restated Agreement, OWNER shall submit to CITY reasonable proof of its fee ownership of the North Palisades Property as determined by CITY in its sole and absolute discretion.

2.3 Term. The initial term of this Amended and Restated Agreement shall commence on the Effective Date and shall continue for a period of ten (10) years thereafter unless this term is modified or extended pursuant to the provisions of this Amended and Restated Agreement. Notwithstanding the foregoing, the term of this Amended and Restated Agreement may be extended for an additional five (5) years following expiration of the initial term, provided the following have occurred:

(a) OWNER provides at least ninety (90) days written notice to CITY prior to the expiration of the initial term; and

(b) OWNER shall have obtained building permits for at least sixty-seven percent (67%) of the gross area of the industrial building(s) contemplated by the North Palisades Project; and

(c) OWNER is not then in uncured default of this Amended and Restated Agreement.

The initial term and, if and upon extension, the 5-year extension, shall sometimes be referred to herein collectively as the "**Term.**"

The term of this Amended and Restated Agreement shall not be considered to run and shall toll for any period in which the North Palisades Project is being challenged or litigated by a third-party.

2.4 Assignment.

2.4.1 Right to Assign. OWNER shall have the right to sell, transfer or assign the North Palisades Property in whole or in part (provided that no such partial transfer shall violate the Subdivision Map Act, Government Code Section 66410 et seq.) to any person, partnership, joint venture, firm or corporation at any time during the term of this Amended and Restated Agreement; provided, however, that any such sale,

transfer or assignment shall include the assignment and assumption of the rights, duties and obligations arising under or from this Amended and Restated Agreement and be made in strict compliance with the following conditions precedent:

(a) No sale, transfer or assignment of any right or interest under this Amended and Restated Agreement shall be made unless made together with the sale, transfer or assignment of all or a part of the North Palisades Property.

(b) Concurrent with any such sale, transfer or assignment, or within fifteen (15) business days thereafter, OWNER shall notify CITY, in writing, of such sale, transfer or assignment and shall provide CITY with an executed agreement, in a form substantially similar to that attached hereto as Exhibit "C" which has been deemed reasonably acceptable to CITY, by the purchaser, transferee or assignee and providing therein that the purchaser, transferee or assignee expressly and unconditionally assumes all the duties and obligations of OWNER under this Amended and Restated Agreement.

(c) Any sale, transfer or assignment not made in strict compliance with the foregoing conditions shall constitute a default by OWNER under this Amended and Restated Agreement. Notwithstanding the failure of any purchaser, transferee or assignee to execute the agreement required by Paragraph (b) of this Subsection 2.4.1, the burdens of this Amended and Restated Agreement shall be binding upon such purchaser, transferee or assignee, but the benefits of this Amended and Restated Agreement shall not inure to such purchaser, transferee or assignee until and unless such agreement is executed.

2.4.2 Release of Transferring Owner. Notwithstanding any sale, transfer or assignment, a transferring owner shall continue to be obligated under this Amended and Restated Agreement unless such transferring owner is given a release in writing by CITY, which release shall be provided by CITY upon the full satisfaction by such transferring owner of the following conditions:

(a) OWNER no longer has a legal or equitable interest in all or any part of the North Palisades Property.

(b) OWNER is not then in default under this Amended and Restated Agreement.

(c) OWNER has provided CITY with the notice and executed agreement required under Paragraph (b) of Subsection 2.4.1 above.

(d) The purchaser, transferee or assignee provides CITY with security equivalent to any security previously provided by OWNER to secure performance of its obligations hereunder.

2.4.3 Subsequent Assignment. Any subsequent sale, transfer or assignment after an initial sale, transfer or assignment shall be made only in accordance with and subject to the terms and conditions of this Section.

2.4.4 Partial Release of Purchaser, Transferee or Assignee of Industrial or Commercial Lot. A purchaser, transferee or assignee of a lot within the North Palisades Property, which has been finally subdivided as provided for in the Development Plan and for which a commercial or industrial plot plan for development of the lot has been finally approved pursuant to the Development Plan, may submit a request, in writing, to CITY to release said lot from the obligations under this Amended and Restated Agreement relating to all other portions of the North Palisades Property. Within thirty (30) days of such request, CITY shall review, and if the above conditions are satisfied shall approve the request for release and notify the purchaser, transferee or assignee in writing thereof. No such release approved pursuant to this Subsection 2.4.4 shall cause, or otherwise affect, a release of OWNER from its duties and obligations under this Amended and Restated Agreement.

2.4.5 Termination of Amended and Restated Agreement With Respect to Individual Lots Upon Sale to Public and Completion of Construction. The provisions of Subsection 2.4.1 shall not apply to the sale or lease (for a period longer than one year) of any lot within the North Palisades Property which has been finally subdivided and is individually (and not in "bulk") sold or leased to a member of the public or other ultimate user. Notwithstanding any other provisions of this Amended and Restated Agreement, this Amended and Restated Agreement shall terminate with respect to any lot within the North Palisades Property and such lot shall be released and no longer be subject to this Amended and Restated Agreement without the execution or recordation of any further document upon satisfaction of both of the following conditions:

(a) The lot has been finally subdivided and individually (and not in "bulk") sold or leased (for a period longer than one year) to a member of the public or other ultimate user; and,

(b) A certificate of occupancy or temporary certificate of occupancy has been issued for a building on the lot, and the fees set forth under Section 4 of this Amended and Restated Agreement have been paid.

2.5 Amendment or Cancellation of Amended and Restated Agreement. This Amended and Restated Agreement may be amended or canceled in whole or in part only by written consent of all parties in the manner provided for in Government Code Section 65868 and the Development Agreement Policies. This provision shall not limit any remedy of CITY or OWNER as provided by this Amended and Restated Agreement. Any amendment of this Amended and Restated Agreement which has been requested by OWNER shall only be processed and considered by the CITY upon the payment of the applicable processing charge.

2.6 Termination. This Amended and Restated Agreement shall be deemed terminated and of no further effect upon the occurrence of any of the following events:

(a) Expiration of the stated term of this Amended and Restated Agreement as set forth in Section 2.3.

(b) Entry of a final judgment setting aside, voiding or annulling the adoption of the ordinance approving this Amended and Restated Agreement (in which case the Original DA shall remain binding upon and applicable to the North Palisades Property, its owners, and their successors in interest).

(c) The adoption of a referendum measure overriding or repealing the ordinance approving this Amended and Restated Agreement (in which case the Original DA shall remain binding upon and applicable to the North Palisades Property, its owners, and their successors in interest).

(d) Completion of the North Palisades Project in accordance with the terms of this Amended and Restated Agreement including issuance of all required occupancy permits and acceptance by CITY or applicable public agency of all required dedications.

(e) Termination of this Amended and Restated Agreement based on any default of OWNER and following the termination proceedings required by the Development Agreement Policies.

Termination of this Amended and Restated Agreement shall not constitute termination of any other land use entitlements or agreements approved for the North Palisades Property. Upon the termination of this Amended and Restated Agreement, no party shall have any further right or obligation hereunder except with respect to any obligation to have been performed prior to such termination or with respect to any default in the performance of the provisions of this Amended and Restated Agreement which has occurred prior to such termination or with respect to any obligations which are specifically set forth as surviving this Amended and Restated Agreement. Upon such termination, any public facilities and services mitigation fees paid pursuant to Section 4.2 of this Amended and Restated Agreement by OWNER to CITY buildings on which construction has not yet begun shall be refunded to OWNER by CITY.

2.7 Notices.

(a) As used in this Amended and Restated Agreement, "notice" includes, but is not limited to, the communication of notice, request, demand, approval, statement, report, acceptance, consent, waiver, appointment or other communication required or permitted hereunder.

(b) All notices shall be in writing and shall be considered given either: (i) when delivered in person to the recipient named below; or (ii) on the date of delivery shown on the return receipt, after deposit in the United States mail in a sealed envelope as either registered or certified mail with return receipt requested, and postage and postal charges prepaid, and addressed to the recipient named below; or (iii) on the date of delivery shown in the records of the telegraph company after transmission by telegraph to the recipient named below. All notices shall be addressed as follows:

If to CITY:
City of Fontana

8353 Sierra Avenue
Fontana, CA 92335
Attn: City Manager
Telephone: (909) 350-7600

Copy to:
Best, Best & Krieger, LLP
2855 E Guasti Road
Ontario, CA 91761
Attn: City Attorney
Telephone: (909) 989-8584
Facsimile: (909) 944-1441

If to OWNER:
North Palisade Partners, LLC
Attn: Brian Wong
303 N. Glenoaks Blvd., Suite 340
Burbank, CA 91502
Telephone: (310) 242-1612

Copy to:
Allen Matkins Leck Gamble Mallory & Natsis, LLP
Attn: Jonathan Shardlow
2010 Main Street, 8th Floor,
Irvine, CA 92614
Telephone: (949) 553-1313

(c) Either party may, by notice given at any time, require subsequent notices to be given to another person or entity, whether a party or an officer or representative of a party, or to a different address, or both. Notices given before actual receipt of notice of change shall not be invalidated by the change.

3. DEVELOPMENT OF THE PROPERTY.

3.1 Rights to Develop. Subject to the terms of this Amended and Restated Agreement including the Reservations of Authority, OWNER shall have a vested right to develop the North Palisades Property in accordance with, and to the extent of, the Development Plan. The North Palisades Project shall remain subject to all Subsequent Development Approvals required to complete the North Palisades Project as contemplated by the Development Plan. Except as otherwise provided in this Amended and Restated Agreement, the permitted uses of the North Palisades Property, the density and intensity of use, the maximum height and size of proposed buildings, and provisions for reservation and dedication of land for public purposes shall be those set forth in the Development Plan.

If the either (1) the Acacia Amended and Restated Agreement has not been executed by the fee owner of the Acacia Property within one hundred twenty (120) days following the approval (second reading) of the ordinance approving the Acacia Amended and Restated Agreement; or (2) this Amended and Restated Agreement has not been executed by the fee owner of the North Palisades Property within one hundred twenty (120) days following the approval (second reading) of the ordinance approving this Amended and Restated Agreement, then (A) OWNER shall take no action in furtherance of development of the Project without the CITY's prior written approval, which CITY may grant or withhold in its sole and absolute discretion, (B) all entitlements and approvals issued for or in connection with the Project shall be deemed automatically rescinded by CITY without further action by the CITY and without any further obligation by the CITY to the OWNER with respect thereto, and shall be null and void and of no further force or effect, and (C) CITY may, in its sole and absolute discretion, elect to take formal action to rescind any entitlements issued for or in connection with the Project; OWNER expressly waives and releases any and all rights, vested or otherwise, that it may have to object to or interfere with such formal action.

3.2 Effect of Amended and Restated Agreement on Land Use Regulations. Except as otherwise provided under the terms of this Amended and Restated Agreement including the Reservations of Authority, the rules, regulations and official policies governing permitted uses of the North Palisades Property, the density and intensity of use of the North Palisades Property, the maximum height and size of proposed buildings, and the design, improvement and construction standards and specifications applicable to development of the North Palisades Property shall be the Existing Land Use Regulations. In connection with any Subsequent Development Approval, CITY shall exercise its discretion in accordance with the Development Plan, and as provided by this Amended and Restated Agreement including, but not limited to, the Reservations of Authority. CITY shall accept for processing, review and action all applications for Subsequent Development Approvals, and such applications shall be processed in the normal manner for processing such matters.

3.3 Timing of Development. The parties acknowledge that OWNER cannot at this time predict when or the rate at which phases of the North Palisades Property will be developed. Such decisions depend upon numerous factors which are not within the control of OWNER, such as market orientation and demand, interest rates, absorption, completion and other similar factors. Since the California Supreme Court held in Pardee Construction Co. v. City of Camarillo, (1984) 37 Cal.3d 465, that the failure of the parties therein to provide for the timing of development resulted in a later adopted initiative restricting the timing of development to prevail over such parties' agreement, it is the parties' intent to cure that deficiency by acknowledging and providing that OWNER shall have the right to develop the North Palisades Property in such order and at such rate and at such times as OWNER deems appropriate within the exercise of its subjective business judgment, subject only to any timing or phasing requirements set forth in the Development Plan or the Phasing Plan set forth in Section 3.4. Notwithstanding anything to the contrary set forth in this Section 3.3 or in this Amended and Restated Agreement, CITY acknowledges that OWNER shall have no obligation to construct the North Palisades Project and that OWNER shall not be subject to any penalty nor shall CITY be entitled to

any legal or equitable remedy, including, without limitation, a claim for specific performance of this Amended and Restated Agreement, if OWNER determines not to construct the North Palisades Project for any reason.

3.4 Phasing Plan. Development of the North Palisades Property shall be subject to all timing and phasing requirements established by the Development Plan.

3.5 Changes and Amendments. The parties acknowledge that refinement and further development of the North Palisades Project will require Subsequent Development Approvals and may demonstrate that changes are appropriate and mutually desirable in the Existing Development Approvals. In the event OWNER finds that a change in the Existing Development Approvals is necessary or appropriate, OWNER shall apply for a Subsequent Development Approval to effectuate such change and CITY shall process and act on such application in accordance with the Existing Land Use Regulations, except as otherwise provided by this Amended and Restated Agreement including the Reservations of Authority. If approved, any such change in the Existing Development Approvals shall be incorporated herein as Exhibit "D" and may be further changed from time to time as provided in this Section. Unless otherwise required by law, as determined in CITY's reasonable discretion, a change to the Existing Development Approvals shall be deemed "minor" and not require an amendment to this Amended and Restated Agreement provided such change does not:

(a) Alter the permitted uses of the North Palisades Property as a whole; or,

(b) Increase the density or intensity of use of the North Palisades Property as a whole; or,

(c) Increase the maximum height and size of permitted buildings; or,

(d) Delete a requirement for the reservation or dedication of land for public purposes within the North Palisades Property as a whole; or,

(e) Constitute a project requiring a subsequent or supplemental environmental impact report pursuant to Section 21166 of the Public Resources Code.

3.6 Reservations of Authority.

3.6.1 Limitations, Reservations and Exceptions. Notwithstanding any other provision of this Amended and Restated Agreement, the following Subsequent Land Use Regulations shall apply to the development of the North Palisades Property.

(a) Processing fees and charges of every kind and nature imposed by CITY to cover the estimated actual costs to CITY of processing applications for Development Approvals or for monitoring compliance with any Development Approvals granted or issued.

(b) Procedural regulations relating to hearing bodies, petitions, applications, notices, findings, records, hearings, reports, recommendations, appeals and any other matter of procedure.

(c) Regulations, policies, and rules governing construction standards and specifications including, without limitation, the CITY's Building Code, Plumbing Code, Mechanical Code, Electrical Code, Fire Code and Grading Code.

(d) Regulations imposing Development Exactions; provided, however, that no such subsequently adopted Development Exaction shall be applicable to development of the North Palisades Property unless such Development Exaction is applied uniformly to development, either throughout the CITY or within a defined area of benefit which includes the North Palisades Property. No such subsequently adopted Development Exaction shall apply if its application to the North Palisades Property would physically prevent development of the North Palisades Property for the uses and to the density or intensity of development set forth in the Development Plan. In the event any such subsequently adopted Development Exaction fulfills the same purposes, in whole or in part, as the fees set forth in Section 4 of this Amended and Restated Agreement, CITY shall allow a credit against such subsequently adopted Development Exaction for the fees paid under Section 4 of this Amended and Restated Agreement to the extent such fees fulfill the same purposes.

(e) Regulations which may be in conflict with the Development Plan, but which are reasonably necessary to protect the public health and safety. To the extent possible, any such regulations shall be applied and construed so as to provide OWNER with the rights and assurances provided under this Amended and Restated Agreement.

(f) Regulations which are not in conflict with the Development Plan. Any regulation, whether adopted by initiative or otherwise, limiting the rate or timing of development of the North Palisades Property shall be deemed to conflict with the Development Plan and shall therefore not be applicable to the development of the North Palisades Property.

3.6.2 Subsequent Development Approvals. This Amended and Restated Agreement shall not prevent CITY, in acting on Subsequent Development Approvals, from applying Subsequent Land Use Regulations which do not conflict with the Development Plan, nor shall this Amended and Restated Agreement prevent CITY from denying or conditionally approving any Subsequent Development Approval on the basis of the Existing Land Use Regulations or any Subsequent Land Use Regulation not in conflict with the Development Plan.

3.6.3 Modification or Suspension by State or Federal Law. In the event that State or Federal laws or regulations, enacted after the Effective Date of this Amended and Restated Agreement, prevent or preclude compliance with one or more of the provisions of this Amended and Restated Agreement, such provisions of this Amended and Restated Agreement shall be modified or suspended as may be necessary to comply

with such State or Federal laws or regulations, provided, however, that this Amended and Restated Agreement shall remain in full force and effect to the extent it is not inconsistent with such laws or regulations and to the extent such laws or regulations do not render such remaining provisions impractical to enforce. In the event OWNER alleges that such State or Federal laws or regulations preclude or prevent compliance with one or more provisions of this Amended and Restated Agreement, and the CITY does not agree, the OWNER may, at its sole cost and expense, seek declaratory relief (or other similar non-monetary remedies); provided however, that nothing contained in this Section 3.6.3 shall impose on CITY any monetary liability for contesting such declaratory relief (or other similar non-monetary relief).

3.6.4 Intent. The parties acknowledge and agree that CITY is restricted in its authority to limit its police power by contract and that the foregoing limitations, reservations and exceptions are intended to reserve to CITY all of its police power which cannot be so limited. This Amended and Restated Agreement shall be construed, contrary to its stated terms, if necessary, to reserve to CITY all such power and authority which cannot be restricted by contract.

3.7 Public Works. If OWNER is required by this Amended and Restated Agreement to construct any public works facilities which will be dedicated to CITY or any other public agency upon completion, and if required by applicable laws to do so, OWNER shall perform such work in the same manner and subject to the same requirements as would be applicable to CITY or such other public agency should it have undertaken such construction.

3.8 Provision of Real Property Interests by CITY. In any instance where OWNER is required to construct any public improvement on land not owned by OWNER, OWNER shall at its sole cost and expense provide or cause to be provided, the real property interests necessary for the construction of such public improvements. In the event OWNER is unable, after exercising reasonable efforts, including, but not limited to, the rights under Sections 1001 and 1002 of the Civil Code, to acquire the real property interests necessary for the construction of such public improvements, and if so instructed by OWNER and upon OWNER'S provision of adequate security for costs CITY may reasonably incur, CITY shall negotiate the purchase of the necessary real property interests to allow OWNER to construct the public improvements as required by this Amended and Restated Agreement and, if necessary, in accordance with the procedures established by law, use its power of eminent domain to acquire such required real property interests. OWNER shall pay all costs associated with such acquisition or condemnation proceedings. This section 3.8 is not intended by the parties to impose upon the OWNER an enforceable duty to acquire land or construct any public improvements on land not owned by OWNER, except to the extent that the OWNER elects to proceed with the development of the North Palisades Project, and then only in accordance with valid conditions imposed by the CITY upon the development of the North Palisades Project under the Subdivision Map Act or other legal authority.

3.9 Regulation by Other Public Agencies. It is acknowledged by the parties that other public agencies not within the control of CITY possess authority to regulate aspects

of the development of the North Palisades Property separately from or jointly with CITY and this Amended and Restated Agreement does not limit the authority of such other public agencies. CITY agrees to cooperate fully, at no cost to CITY, with OWNER in obtaining any required permits or compliance with the regulations of other public agencies provided such cooperation is not in conflict with any laws, regulations or policies of the CITY.

3.10 Tentative Parcel Map Extension. Notwithstanding the provisions of Section 66452.6 of the Government Code, no tentative subdivision map or tentative parcel map, heretofore or hereafter approved in connection with development of the North Palisades Property, shall be granted an extension of time except in accordance with the Existing Land Use Regulations.

3.11 Vesting Tentative Maps. If any tentative or final subdivision map, or tentative or final parcel map, heretofore or hereafter approved in connection with development of the North Palisades Property, is a vesting map under the Subdivision Map Act (Government Code Section 66410 et seq.) and if this Amended and Restated Agreement is determined by a final judgment to be invalid or unenforceable insofar as it grants a vested right to develop to OWNER, then and to that extent the rights and protections afforded OWNER under the laws and ordinances applicable to vesting maps shall supersede the provisions of this Amended and Restated Agreement. Except as set forth immediately above, development of the North Palisades Property shall occur only as provided in this Amended and Restated Agreement, and the provisions in this Amended and Restated Agreement shall be controlling over any conflicting provision of law or ordinance concerning vesting maps.

3.12 Utilities. The North Palisades Project shall be connected to all utilities necessary to provide adequate water, sewer, gas, electric, and other utility service to the North Palisades Project. OWNER shall contract with the CITY for CITY-owned or operated utilities serving the North Palisades Project for such prices and on such terms as may be mutually agreed to between the parties.

3.13 Effect of Original DA on Remaining Original DA Property. The Original DA shall remain effective and binding as to the Remaining Original DA Property. Without limiting the foregoing, the owner of the Remaining Original DA Property shall remain obliged to fulfill the public benefit obligations set forth in Section 4 of the Original DA, undiminished by the payment of public benefit obligations under this Amended and Restated Agreement and/or under the Acacia Amended and Restated Agreement.

4. PUBLIC BENEFITS.

4.1 Intent. The parties acknowledge and agree that development of the North Palisades Property will result in substantial public needs which will not be fully met by the Development Plan and further acknowledge and agree that this Amended and Restated Agreement confers substantial private benefits on OWNER which should be balanced by

commensurate public benefits. Accordingly, the parties intend to provide consideration to the public to balance the private benefits conferred on OWNER by providing more fully for the satisfaction of the public needs resulting from the North Palisades Project.

4.2 Development Impact Fees.

4.2.1 Amount and Components of Fee(s). Development Impact Fees shall be paid by OWNER. The Development Impact Fees to be paid by OWNER shall be the amounts that are in effect at the time such amounts are due. Nothing contained in this Amended and Restated Agreement shall affect the ability of the CITY to impose new Development Impact Fees or amend the amounts of existing Development Impact Fees. Additionally, nothing contained in this Amended and Restated Agreement shall affect the ability of other public agencies that are not controlled by CITY to impose and amend, from time to time, Development Impact Fees established or imposed by such other public agencies, even though such Development Impact Fees may be collected by CITY.

4.2.2 Time of Payment. The fees required pursuant to Subsection 4.2.1 shall be paid to CITY prior to the issuance of building permits. No fees shall be payable for building permits issued prior to the Effective Date of this Amended and Restated Agreement, but the fees required pursuant to Subsection 4.2.1 shall be paid prior to the re-issuance or extension of any building permit for which such fees have not previously been paid.

4.2.3 Credits. OWNER shall be entitled to credit against the fees required pursuant to Subsection 4.2.1 for the dedication of land, the construction of improvements or the payment of fees.

4.3 Public Benefit Fee. Prior to the issuance of the Building Permit for any building on the North Palisades Property, as consideration for the privileges conferred by this Amended and Restated Agreement, OWNER shall pay to the CITY a public benefit fee totaling $1,709,161. Prior to issuance of a Certificate of Occupancy for a building on the North Palisades Property, as consideration for the privileges conferred by this Amended and Restated Agreement, OWNER shall pay to CITY an additional one-time public benefit fee totaling $1,709,161 (for a total public benefit fee payment in the amount of $3,418,322).

5. FINANCING OF PUBLIC IMPROVEMENTS.

If deemed appropriate, CITY and OWNER will cooperate in the formation of any special assessment district, community facilities district or alternate financing mechanism to pay for the construction and/or maintenance and operation of public infrastructure facilities required as part of the Development Plan. CITY also agrees that, to the extent any such district or other financing entity is formed and sells bonds to finance such reimbursements, OWNER may be reimbursed to the extent that OWNER spends funds or dedicates land for the establishment of public facilities. Notwithstanding the foregoing, nothing contained in this Amended and Restated Agreement shall be construed as requiring CITY or the City Council to form any such district or to issue and sell bonds.

6. REVIEW FOR COMPLIANCE.

6.1 Periodic Review. The Planning Director shall review this Amended and Restated Agreement annually, on or before the anniversary of the Effective Date, in order to ascertain the good faith compliance by OWNER with the terms of the Amended and Restated Agreement. OWNER shall submit an Annual Monitoring Report, in a form acceptable to the Planning Director, within thirty (30) days after written notice from the Planning Director. The Annual Monitoring Report shall be accompanied by an annual review and administration fee sufficient to defray the estimated costs of review and administration of this Amended and Restated Agreement during the succeeding year. The amount of the annual review and administration fee shall be set annually or as deemed necessary by resolution of the City Council.

6.2 Special Review. The City Council may order a special review of compliance with this Amended and Restated Agreement at any time. The Planning Director shall conduct such special reviews.

6.3 Procedure.

(a) During either a periodic review or a special review, OWNER shall be required to demonstrate good faith compliance with the terms of this Amended and Restated Agreement. The burden of proof on this issue shall be on OWNER.

(b) Upon completion of a periodic review or a special review, the Planning Director shall submit a report to the City Council setting forth the evidence concerning good faith compliance by OWNER with the terms of this Amended and Restated Agreement and his or her recommended finding on that issue.

(c) If the City Council finds on the basis of substantial evidence that OWNER has complied in good faith with the terms and conditions of this Amended and Restated Agreement, the review shall be concluded.

(d) If the City Council makes a preliminary finding that OWNER has not complied in good faith with the terms and conditions of this Amended and Restated Agreement, the Council may modify or terminate this Amended and Restated Agreement as provided in Section 6.4 and Section 6.5. Notice of default as provided under Section 7.4 of this Amended and Restated Agreement shall be given to OWNER prior to or concurrent with, proceedings under Section 6.4 and Section 6.5.

6.4 Proceedings Upon Modification or Termination. If, upon a finding under Section 6.3, CITY determines to proceed with modification or termination of this Amended and Restated Agreement, CITY shall give written notice to OWNER of its intention to do so. The notice shall be given at least ten calendar days prior to the scheduled hearing and shall contain:

(a) The time and place of the hearing;

(b) A statement as to whether CITY proposes to terminate or to modify this Amended and Restated Agreement; and,

(c) Such other information as is reasonably necessary to inform OWNER of the nature of the proceeding.

6.5 Hearing on Modification or Termination. At the time and place set for the hearing on modification or termination, OWNER shall be given an opportunity to be heard. OWNER shall be required to demonstrate good faith compliance with the terms and conditions of this Amended and Restated Agreement. The burden of proof on this issue shall be on OWNER. If the City Council finds, based upon substantial evidence, that OWNER has not complied in good faith with the terms or conditions of this Amended and Restated Agreement, the City Council may terminate this Amended and Restated Agreement or modify this Amended and Restated Agreement to impose such conditions as are reasonably necessary to obtain compliance with the terms of this Amended and Restated Agreement. The decision of the City Council shall be final, subject only to judicial review pursuant to Section 1094.5 of the Code of Civil Procedure.

6.6 Certificate of Agreement Compliance. If, at the conclusion of a Periodic or Special Review, OWNER is found to be in compliance with this Amended and Restated Agreement, CITY shall, upon written request by OWNER, issue a Certificate of Agreement Compliance ("**Certificate**") to OWNER stating that after the most recent Periodic or Special Review and based upon the information known or made known to the Planning Director and City Council that (1) this Amended and Restated Agreement remains in effect and (2) OWNER is not in default. The Certificate shall be in recordable form, shall contain information necessary to communicate constructive record notice of the finding of compliance, shall state whether the Certificate is issued after a Periodic or Special Review and shall state the anticipated date of commencement of the next Periodic Review. OWNER may record the Certificate with the County Recorder.

Whether or not the Certificate is relied upon by assignees or other transferees or OWNER, CITY shall not be bound by a Certificate if a default existed at the time of the Periodic or Special Review but was concealed from or otherwise not known to the Planning Director or City Council.

7. DEFAULT AND REMEDIES.

7.1 Remedies in General. It is acknowledged by the parties that CITY would not have entered into this Amended and Restated Agreement if it were to be liable in damages under this Amended and Restated Agreement, or with respect to this Amended and Restated Agreement or the application thereof.

In general, each of the parties hereto may pursue any remedy at law or equity available for the breach of any provision of this Amended and Restated Agreement, except that CITY shall not be liable in damages to OWNER, or to any successor in interest of OWNER, or to any other person, and OWNER covenants not to sue for damages or

claim any damages against CITY or its agents, employees, officers, attorneys, and representatives:

(a) For any breach of this Amended and Restated Agreement or for any cause of action which arises out of this Amended and Restated Agreement; or

(b) For the taking, impairment or restriction of any right or interest conveyed or provided under or pursuant to this Amended and Restated Agreement; or

(c) Arising out of or connected with any dispute, controversy or issue regarding the application or interpretation or effect of the provisions of this Amended and Restated Agreement.

7.2 Specific Performance. Except as set forth in Section 3.3, above, the parties acknowledge that money damages and remedies at law generally are inadequate and specific performance and other non-monetary relief are particularly appropriate remedies for the enforcement of this Amended and Restated Agreement and should be available to all parties for the following reasons:

(a) Money damages are unavailable against CITY as provided in Section 7.1 above.

(b) Due to the size, nature and scope of the project, it may not be practical or possible to restore the North Palisades Property to its natural condition once implementation of this Amended and Restated Agreement has begun. After such implementation, OWNER may be foreclosed from other choices it may have had to utilize the North Palisades Property or portions thereof. OWNER has invested significant time and resources and performed extensive planning and processing of the North Palisades Project in agreeing to the terms of this Amended and Restated Agreement and will be investing even more significant time and resources in implementing the North Palisades Project in reliance upon the terms of this Amended and Restated Agreement, and it is not possible to determine the sum of money which would adequately compensate OWNER for such efforts.

7.3 Release. Except for non-damage remedies, including the remedy of specific performance and judicial review as provided for in Section 6.5, OWNER, for itself, its successors and assignees, hereby releases the CITY, its officers, agents and employees from any and all claims, demands, actions, or suits of any kind or nature arising out of any liability, known or unknown, present or future, including, but not limited to, any claim or liability, based or asserted, pursuant to Article I, Section 19 of the California Constitution, the Fifth Amendment of the United States Constitution, or any other law or ordinance which seeks to impose any other liability or damage, whatsoever, upon the CITY because it entered into this Amended and Restated Agreement or because of the terms of this Amended and Restated Agreement.

7.4 Termination or Modification of Amended and Restated Agreement for Default of OWNER. Subject to the provisions contained in Subsection 6.5 herein, CITY may terminate or modify this Amended and Restated Agreement for any failure of

OWNER to perform any material duty or obligation of OWNER under this Amended and Restated Agreement, or to comply in good faith with the terms of this Amended and Restated Agreement (hereinafter referred to as "default"); provided, however, CITY may terminate or modify this Amended and Restated Agreement pursuant to this Section only after providing written notice to OWNER of default setting forth the nature of the default and the actions, if any, required by OWNER to cure such default and, where the default can be cured, OWNER has failed to take such actions and cure such default within 60 days after the effective date of such notice or, in the event that such default cannot be cured within such 60 day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such 60 day period and to diligently proceed to complete such actions and cure such default.

7.5 Termination of Amended and Restated Agreement for Default of CITY. OWNER may terminate this Amended and Restated Agreement only in the event of a default by CITY in the performance of a material term of this Amended and Restated Agreement and only after providing written notice to CITY of default setting forth the nature of the default and the actions, if any, required by CITY to cure such default and, where the default can be cured, CITY has failed to take such actions and cure such default within 60 days after the effective date of such notice or, in the event that such default cannot be cured within such 60 day period but can be cured within a longer time, has failed to commence the actions necessary to cure such default within such 60 day period and to diligently proceed to complete such actions and cure such default.

8. THIRD PARTY LITIGATION.

8.1 General Plan Litigation. CITY has determined that this Amended and Restated Agreement is consistent with the General Plan, and that the General Plan meets all requirements of law. OWNER has reviewed the General Plan and concurs with CITY's determination.

CITY shall have no liability in damages under this Amended and Restated Agreement for any failure of CITY to perform under this Amended and Restated Agreement or the inability of OWNER to develop the North Palisades Property as contemplated by the Development Plan of this Amended and Restated Agreement as the result of a judicial determination that on the Effective Date, or at any time thereafter, the General Plan, or portions thereof, are invalid or inadequate or not in compliance with law.

8.2 Third Party Litigation Concerning Amended and Restated Agreement. OWNER shall defend, at its expense, including reasonable attorneys' fees, indemnify, and hold harmless CITY, its agents, officers and employees from any claim, action or proceeding against CITY, its agents, officers, or employees to attack, set aside, void, or annul the approval of this Amended and Restated Agreement or the approval of any permit granted pursuant to this Amended and Restated Agreement. CITY shall promptly notify OWNER of any such claim, action or proceeding, and CITY shall cooperate in the defense. If CITY fails to promptly notify OWNER of any such claim, action or proceeding, or if CITY fails to cooperate in the defense, OWNER shall not thereafter be responsible

to defend, indemnify, or hold harmless CITY. CITY may in its discretion participate in the defense of any such claim, action or proceeding.

8.3 Indemnity. In addition to the provisions of 8.2 above, OWNER shall indemnify and hold CITY, its officers, agents, employees and independent contractors free and harmless from any liability whatsoever, based or asserted upon any act or omission of OWNER, its officers, agents, employees, subcontractors and independent contractors, for property damage, bodily injury, or death (OWNER's employees included) or any other element of damage of any kind or nature, relating to or in any way connected with or arising from the activities contemplated hereunder, including, but not limited to, the study, design, engineering, construction, completion, failure and conveyance of the public improvements, save and except claims for damages arising through the sole active negligence or sole willful misconduct of CITY. OWNER shall defend, at its expense, including reasonable attorneys' fees, CITY, its officers, agents, employees and independent contractors in any legal action based upon such alleged acts or omissions. CITY may in its discretion participate in the defense of any such legal action.

8.4 Environmental Assurances. OWNER shall indemnify and hold CITY, its officers, agents, and employees free and harmless from any liability, based or asserted, upon any act or omission of OWNER, its officers, agents, employees, subcontractors, and independent contractors for any violation of any federal, state or local law, ordinance or regulation relating to industrial hygiene or to environmental conditions on, under or about the North Palisades Property, including, but not limited to, soil and groundwater conditions, and OWNER shall defend, at its expense, including reasonable attorneys' fees, CITY, its officers, agents and employees in any action based or asserted upon any such alleged act or omission. CITY may in its discretion participate in the defense of any such action.

8.5 Reservation of Rights. With respect to Sections 8.2, 8.3 and 8.4 herein, CITY reserves the right to either (1) approve the attorney(s) which OWNER selects, hires or otherwise engages to defend CITY hereunder, which approval shall not be unreasonably withheld, or (2) conduct its own defense, provided, however, that OWNER shall reimburse CITY forthwith for any and all reasonable expenses incurred for such defense, including reasonable attorneys' fees, upon billing and accounting therefor.

8.6 Survival. The provisions of this Sections 8.1 through 8.6, inclusive, shall survive the termination of this Amended and Restated Agreement.

9. MORTGAGEE PROTECTION.

9.1 Encumbrances. The parties hereto agree that this Amended and Restated Agreement shall not prevent or limit OWNER, in any manner, at OWNER's sole discretion, from encumbering the North Palisades Property or any portion thereof or any improvement thereon by any mortgage, deed of trust or other security device securing financing with respect to the North Palisades Property. CITY acknowledges that the lenders providing such financing may require certain Amended and Restated Agreement interpretations and modifications and agrees upon request, from time to time, to meet

with OWNER and representatives of such lenders to negotiate in good faith any such request for interpretation or modification. CITY will not unreasonably withhold its consent to any such requested interpretation or modification provided such interpretation or modification is consistent with the intent and purposes of this Amended and Restated Agreement. Any Mortgagee of the North Palisades Property shall be entitled to the following rights and privileges:

(a) Neither entering into this Amended and Restated Agreement nor a breach of this Amended and Restated Agreement shall defeat, render invalid, diminish or impair the lien of any mortgage on the North Palisades Property made in good faith and for value, unless otherwise required by law.

(b) The Mortgagee of any mortgage or deed of trust encumbering the North Palisades Property, or any part thereof, which Mortgagee, has submitted a request in writing to the CITY in the manner specified herein for giving notices, shall be entitled to receive written notification from CITY of any default by OWNER in the performance of OWNER's obligations under this Amended and Restated Agreement.

(c) If CITY timely receives a request from a Mortgagee requesting a copy of any notice of default given to OWNER under the terms of this Amended and Restated Agreement, CITY shall provide a copy of that notice to the Mortgagee within ten (10) days of sending the notice of default to OWNER. The Mortgagee shall have the right, but not the obligation, to cure the default during the remaining cure period allowed such party under this Amended and Restated Agreement.

(d) Any Mortgagee who comes into possession of the North Palisades Property, or any part thereof, pursuant to foreclosure of the mortgage or deed of trust, or deed in lieu of such foreclosure, shall take the North Palisades Property, or part thereof, subject to the terms of this Amended and Restated Agreement. Notwithstanding any other provision of this Amended and Restated Agreement to the contrary, no Mortgagee shall have an obligation or duty under this Amended and Restated Agreement to perform any of OWNER's obligations or other affirmative covenants of OWNER hereunder, or to guarantee such performance; provided, however, that to the extent that any covenant to be performed by OWNER is a condition precedent to the performance of a covenant by CITY , the performance thereof shall continue to be a condition precedent to CITY's performance hereunder, and further provided that any sale, transfer or assignment by any Mortgagee in possession shall be subject to the provisions of Section 2.4 of this Amended and Restated Agreement.

9.2. Deposit of Legal Defense Costs. In the event of any litigation or legal challenge filed against CITY as described in this Section 9, then within twenty (20) calendar days following written demand by CITY therefor, Owner shall deposit with CITY funds into a deposit account maintained by CITY ("**Fund**") to reimburse CITY for CITY's costs and expenses, including without limitation attorney's fees, ultimately incurred by CITY to defend any such claim, action, or proceeding. The initial deposit shall be the sum of fifty thousand dollars ($50,000). The Fund, once established, shall at all times contain an amount necessary to cover not less than three (3) months of budgeted or anticipated

expenditures by CITY relating to CITY's defense of such claim, action, or proceeding, including any and all appeals from decisions related thereto, as such budgeted or anticipated expenditures are determined by CITY in its sole and absolute discretion. For such purposes, CITY may from time to time, in CITY's sole and absolute discretion, make written demand upon Owner for deposit of additional funds by Owner into the Fund, in which event Owner shall deposit such additional funds into the Fund within twenty (20) calendar days following written demand by CITY.

10. MISCELLANEOUS PROVISIONS.

10.1 Recordation of Amended and Restated Agreement. This Amended and Restated Agreement and any amendment or cancellation thereof shall be recorded with the San Bernardino County Recorder by the City Clerk within the period required by Section 65868.5 of the Government Code. If the parties to this Amended and Restated Agreement or their successors in interest amend or cancel this Amended and Restated Agreement as provided for herein and in Government Code Section 65868, or if the CITY terminates or modifies the agreement as provided for herein and in Government Code Section 65865.1 for failure of the applicant to comply in good faith with the terms or conditions of this Amended and Restated Agreement, the City Clerk shall have notice of such action recorded with the San Bernardino County Recorder.

10.2 Entire Agreement. This Amended and Restated Agreement sets forth and contains the entire understanding and agreement of the parties, and there are no oral or written representations, understandings or ancillary covenants, undertakings or agreements which are not contained or expressly referred to herein. No testimony or evidence of any such representations, understandings or covenants shall be admissible in any proceeding of any kind or nature to interpret or determine the terms or conditions of this Amended and Restated Agreement.

10.3 Severability. If any term, provision, covenant or condition of this Amended and Restated Agreement shall be determined invalid, void or unenforceable, the remainder of this Amended and Restated Agreement shall not be affected thereby to the extent such remaining provisions are not rendered impractical to perform taking into consideration the purposes of this Amended and Restated Agreement. Notwithstanding the foregoing, the provision of the Public Benefits set forth in Section 4 of this Amended and Restated Agreement, including the payment of the fees set forth therein, are essential elements of this Amended and Restated Agreement and CITY would not have entered into this Amended and Restated Agreement but for such provisions, and therefore in the event such provisions are determined to be invalid, void or unenforceable, this entire Amended and Restated Agreement shall be null and void and of no force and effect whatsoever.

10.4 Governing Law; Interpretation. This Amended and Restated Agreement and any dispute arising hereunder shall be governed and interpreted in accordance with the laws of the State of California. This Amended and Restated Agreement shall be construed as a whole according to its fair language and common meaning to achieve the objectives and purposes of the parties hereto, and the rule of construction to the effect

that ambiguities are to be resolved against the drafting party shall not be employed in interpreting this Amended and Restated Agreement, all parties having been represented by counsel in the negotiation and preparation hereof.

10.5 Section Headings. All section headings and subheadings are inserted for convenience only and shall not affect any construction or interpretation of this Amended and Restated Agreement.

10.6 Singular and Plural. As used herein, the singular of any word includes the plural.

10.7 Joint and Several Obligations. If at any time during the term of this Amended and Restated Agreement the North Palisades Property is owned, in whole or in part, by more than one owner, all obligations of such owners under this Amended and Restated Agreement shall be joint and several, and the default of any such owner shall be the default of all such owners. Notwithstanding the foregoing, no owner of a single lot which has been finally subdivided and sold to such owner as a member of the general public or otherwise as an ultimate user shall have any obligation under this Amended and Restated Agreement except as provided under Section 4 hereof.

10.8 Time of Essence. Time is of the essence in the performance of the provisions of this Amended and Restated Agreement as to which time is an element.

10.9 Waiver. Failure by a party to insist upon the strict performance of any of the provisions of this Amended and Restated Agreement by the other party, or the failure by a party to exercise its rights upon the default of the other party, shall not constitute a waiver of such party's right to insist and demand strict compliance by the other party with the terms of this Amended and Restated Agreement thereafter.

10.10 No Third Party Beneficiaries. This Amended and Restated Agreement is made and entered into for the sole protection and benefit of the parties and their successors and assigns. No other person shall have any right of action based upon any provision of this Amended and Restated Agreement.

10.11 Force Majeure. Neither party shall be deemed to be in default where failure or delay in performance of any of its obligations under this Amended and Restated Agreement is caused by floods, earthquakes, epidemics, pandemics, other Acts of God, fires, wars, riots or similar hostilities, strikes and other labor difficulties beyond the party's control, (including the party's employment force), government regulations, court actions (such as restraining orders or injunctions), or other causes beyond the party's control. If any such events shall occur, the term of this Amended and Restated Agreement and the time for performance by either party of any of its obligations hereunder may be extended by the written agreement of the parties for the period of time that such events prevented such performance, provided that the term of this Amended and Restated Agreement shall not be extended under any circumstances for more than five (5) years.

10.12 Mutual Covenants. The covenants contained herein are mutual covenants and also constitute conditions to the concurrent or subsequent performance by the party benefited thereby of the covenants to be performed hereunder by such benefited party.

10.13 Successors in Interest. The burdens of this Amended and Restated Agreement shall be binding upon, and the benefits of this Amended and Restated Agreement shall inure to, all successors in interest to the parties to this Amended and Restated Agreement. All provisions of this Amended and Restated Agreement shall be enforceable as equitable servitudes and constitute covenants running with the land. Each covenant to do or refrain from doing some act hereunder with regard to development of the North Palisades Property: (a) is for the benefit of and is a burden upon every portion of the North Palisades Property; (b) runs with the North Palisades Property and each portion thereof; and, (c) is binding upon each party and each successor in interest during ownership of the North Palisades Property or any portion thereof.

10.14 Counterparts. This Amended and Restated Agreement may be executed by the parties in counterparts, which counterparts shall be construed together and have the same effect as if all of the parties had executed the same instrument.

10.15 Jurisdiction and Venue. Any action at law or in equity arising under this Amended and Restated Agreement or brought by a party hereto for the purpose of enforcing, construing or determining the validity of any provision of this Amended and Restated Agreement shall be filed and tried in the Superior Court of the County of San Bernardino, State of California, and the parties hereto waive all provisions of law providing for the filing, removal or change of venue to any other court.

10.16 North Palisades Project as a Private Undertaking. It is specifically understood and agreed by and between the parties hereto that the development of the North Palisades Project is a private development, that neither party is acting as the agent of the other in any respect hereunder, and that each party is an independent contracting entity with respect to the terms, covenants and conditions contained in this Amended and Restated Agreement. No partnership, joint venture or other association of any kind is formed by this Amended and Restated Agreement. The only relationship between CITY and OWNER is that of a government entity regulating the development of private property and the owner of such property.

10.17 Further Actions and Instruments. Each of the parties shall cooperate with and provide reasonable assistance to the other to the extent contemplated hereunder in the performance of all obligations under this Amended and Restated Agreement and the satisfaction of the conditions of this Amended and Restated Agreement. Upon the request of either party at any time, the other party shall promptly execute, with acknowledgment or affidavit if reasonably required, and file or record such required instruments and writings and take any actions as may be reasonably necessary under the terms of this Amended and Restated Agreement to carry out the intent and to fulfill the provisions of this Amended and Restated Agreement or to evidence or consummate the transactions contemplated by this Amended and Restated Agreement.

10.18 Eminent Domain. No provision of this Amended and Restated Agreement shall be construed to limit or restrict the exercise by CITY of its power of eminent domain.

10.19 Agent for Service of Process. In the event OWNER is not a resident of the State of California or it is an association, partnership or joint venture without a member, partner or joint venturer resident of the State of California, or it is a foreign corporation, then in any such event, OWNER shall file with the Planning Director, upon its execution of this Amended and Restated Agreement, a designation of a natural person residing in the State of California, giving his or her name, residence and business addresses, as its agent for the purpose of service of process in any court action arising out of or based upon this Amended and Restated Agreement, and the delivery to such agent of a copy of any process in any such action shall constitute valid service upon OWNER. If for any reason service of such process upon such agent is not feasible, then in such event OWNER may be personally served with such process out of this County and such service shall constitute valid service upon OWNER. OWNER is amenable to the process so served, submits to the jurisdiction of the Court so obtained and waives any and all objections and protests thereto. OWNER for itself, assigns and successors hereby waives the provisions of the Hague Convention (Convention on the Service Abroad of Judicial and Extra Judicial Documents in Civil or Commercial Matters, 20 U.S.T. 361, T.I.A.S. No. 6638).

10.20 Estoppel Certificate. Within thirty (30) business days following a written request by any of the parties, the other party shall execute and deliver to the requesting party a statement certifying that (i) either this Amended and Restated Agreement is unmodified and in full force and effect or there have been specified (date and nature) modifications to the Amended and Restated Agreement, but it remains in full force and effect as modified; and (ii) either there are no known current uncured defaults under this Amended and Restated Agreement or that the responding party alleges that specified (date and nature) defaults exist. The statement shall also provide any other reasonable information requested. The failure to timely deliver this statement shall constitute a conclusive presumption that this Amended and Restated Agreement is in full force and effect without modification except as may be represented by the requesting party and that there are no uncured defaults in the performance of the requesting party, except as may be represented by the requesting party. OWNER shall pay to CITY all costs incurred by CITY in connection with the issuance of estoppel certificates under this Section 10.20 prior to CITY's issuance of such certificates.

10.21 Authority to Execute. The person or persons executing this Amended and Restated Agreement on behalf of OWNER warrants and represents that he or she/they have the authority to execute this Amended and Restated Agreement on behalf of his or her/their corporation, partnership or business entity and warrants and represents that he or she/they has/have the authority to bind OWNER to the performance of its obligations hereunder.

IN WITNESS WHEREOF, the parties hereto have executed this Development Amended and Restated Agreement on the last day and year set forth below.

OWNER

North Palisade Partners, LLC
a Delaware Limited Liability Company

By: _____
Brian Wong
Its: Managing Director

Dated: _____

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____)

On _____ before me,
_____
_____
(insert name and title of the officer)

personally appeared
_____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

CITY:

CITY OF FONTANA, a California municipal corporation

By:_____
Acquanetta Warren, Mayor

Dated: _____

By: _____
Matthew C. Ballantyne, City Manager

ATTEST:

By:_____
Germaine Key, City Clerk

APPROVED AS TO LEGAL FORM:

BEST BEST & KRIEGER LLP

_____
City Attorney

ACKNOWLEDGMENT

A notary public or other officer completing this certificate verifies only the identity of the individual who signed the document to which this certificate is attached, and not the truthfulness, accuracy, or validity of that document.

State of California
County of _____)

On _____ before me,
_____
_____
(insert name and title of the officer)

personally appeared
_____,
who proved to me on the basis of satisfactory evidence to be the person(s) whose name(s) is/are subscribed to the within instrument and acknowledged to me that he/she/they executed the same in his/her/their authorized capacity(ies), and that by his/her/their signature(s) on the instrument the person(s), or the entity upon behalf of which the person(s) acted, executed the instrument.

I certify under PENALTY OF PERJURY under the laws of the State of California that the foregoing paragraph is true and correct.

WITNESS my hand and official seal.

Signature _____ **(Seal)**

5703203.2
27967-940

EXHIBIT "A-1"

LEGAL DESCRIPTION OF THE PROPERTY

TENTATIVE PARCEL MAP NO. 20707

IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

BEING A CONSOLIDATION OF PARCELS 1, 2 AND 3 OF PARCEL MAP 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP FILED IN BOOK 22, PAGE 80 OF PARCEL MAPS, TOGETHER WITH A PORTION OF THE WEST HALF OF FARM LOT 758 OF MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMTI-TROPIC LAND AND WATER COMPANY, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, BOTH IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TENTATIVE PARCEL MAP NO. 20708

IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

BEING A CONSOLIDATION OF THE EAST 10 ACRES OF FARM LOT 757 OF MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMTI-TRAPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

TENTATIVE PARCEL MAP NO. 20709

IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA

BEING A CONSOLIDATION OF THE EAST 3 ACRES OF THE WEST 8 ACRES OF FARM LOT 757 OF MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMTI-TRAPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, TOGETHER WITH PARCELS 1, 2, 3 AND 4 OF PARCEL MAP NO. 5352, AS PER MAP FILED IN BOOK 51, PAGE 89 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "A-2"

LEGAL DESCRIPTION OF THE ACACIA PROPERTY

The Land referred to herein below is situated in the City of Fontana, County of San Bernardino, State of California, and is described as follows:

THE EAST ONE HALF OF THE WEST ONE HALF OF FARM LOT 758, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI -TROPIC LAND AND WATER COMPANY, AS PER PLAT RECORDED IN BOOK 11 OF MAPS, PAGE 12, RECORDS OF SAID COUNTY.

(AREAS AND DISTANCES COMPUTED TO STREET CENTERS.)

For conveyancing purposes only: APN 0255-021-17-0-000

EXHIBIT "A-3"

LEGAL DESCRIPTION OF THE NORTH PALISADES PROPERTY

THE LAND REFERRED TO HEREIN BELOW IS SITUATED IN THE CITY OF FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL A: (APN 0255-011-13)
THE EAST 3 ACRES OF THE WEST 5 ACRES OF THE EAST 10 ACRES OF FARM LOT 757, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, AS PER MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. THE ACREAGE OF THE ABOVE DESCRIBED REAL PROPERTY IS COMPUTED TO THE CENTER OF ALL STREETS AND ROADS AS SHOWN ON SAID MAP.

PARCEL B: (APN 0255-011-14)
THE WEST 2 ACRES OF THE WEST 5 ACRES OF THE EAST 10 ACRES OF LOT 757, SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, RECORDS OF SAID COUNTY. THE AREA AND DISTANCES OF THE ABOVE DESCRIBED PROPERTY ARE COMPUTED TO THE CENTERS OF THE ADJOINING STREETS SHOWN ON SAID MAP.

PARCEL D: (APN 0255-011-18)
THE EAST 1/2 OF THE EAST 3 ACRES OF THE WEST 8 ACRES OF FARM LOT 757, ACCORDING TO THE MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER CO., IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL E: (APN 0255-011-19)
THE WEST ONE-HALF OF THE EAST 3 ACRES OF THE WEST 8 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11 OF MAPS, PAGE 12, RECORDS OF SAID COUNTY.

PARCEL F: (APN 0255-011-25)
THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISIONS OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.EXCEPTING THEREFROM THE NORTH 450 FEET. ALSO EXCEPTING THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET. ALSO EXCEPTING THEREFROM THE NORTH 14 FEET OF THE SOUTH 44 FEET.AREA AND DISTANCES COMPUTED TO STREET CENTERS.

PARCEL G: (APN 0255-011-26)
THE SOUTH 150 FEET OF THE NORTH 450 FEET OF THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, RECORDS OF SAID COUNTY.EXCEPT THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET.
AREAS AND DISTANCES OF ABOVE PROPERTY ARE COMPUTED TO THE CENTER OF THE ADJOINING STREETS SHOWN ON SAID MAP.

PARCEL H: (APN 0255-011-27)
THE SOUTH 150 FEET OF THE NORTH 300 FEET OF THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, RECORDS OF SAID COUNTY.EXCEPT THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET THEREOF.

PARCEL I: (APN 0255-011-28)
THE NORTH 150 FEET OF THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN ON A MAP RECORDED IN BOOK 11, PAGE 12 OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.EXCEPT THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET. AREAS AND DISTANCES COMPUTED TO STREET CENTERS AS SHOWN ON SAID MAP.

PARCEL J: (APN 0255-011-29)
PARCEL 1 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 51 OF PARCEL MAPS, PAGE 89, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

PARCEL K: (APN 0255-011-30)
PARCEL 2 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS SHOWN ON MAP FILED IN BOOK 51 PAGE 89, OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY. EXCEPTING THEREFROM, THAT PORTION OF SAID PARCEL 2, AS CONVEYED TO THE CITY OF FONTANA, A MUNICIPAL CORPORATION, IN GRANT DEED RECORDED JULY 29, 2010 AS INSTRUMENT NO. 2010-0304886, OF OFFICIAL RECORDS.

PARCEL L: (APN 0255-011-31)
PARCEL 3 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 51 PAGE 89 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY RECORDER.

PARCEL M: (APN 0255-011-32)
PARCEL 4 OF PARCEL MAP NO. 5352, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER MAP RECORDED IN BOOK 51 PAGE 89 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY RECORDER.

EXHIBIT "A-4"

LEGAL DESCRIPTION OF THE REMAINING ORIGINAL DA PROPERTY

LEGAL DESCRIPTION

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE EAST 5 ACRES OF FARM LOT 757, ACCORDING TO MAP SHOWING SUBDIVISIONS OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, IN THE CITY OF FONTANA, COUNTY OF
SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 11, PAGE 12, OF MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXCEPTING THEREFROM THE NORTH 450 FEET.

ALSO EXCEPTING THEREFROM THE WEST 3 FEET OF THE EAST 33 FEET.

ALSO EXCEPTING THEREFROM THE NORTH 14 FEET OF THE SOUTH 44 FEET.

NOTE: AREA AND DISTANCES COMPUTED TO STREET CENTERS.

APN: **0255-011-25**

0255-021-18

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

THE SOUTH 240 FEET OF THE WEST, 1/2 OF THE WEST 1/2 OF LOT 758, ACCORDING TO MAP SHOWING SUBDIVISION OF LANDS BELONGING TO THE SEMI-TROPIC LAND AND WATER COMPANY, AS PER PLAT RECORDED IN BOOK 11 OF MAPS, PAGE 12, RECORDS OF SAN BERNARDINO COUNTY, CALIFORNIA.

0255-021-22

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 1 OF PARCEL MAP NO. 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 22 OF PARCEL MAPS, PAGE 80, RECORDS OF SAID COUNTY.

0255-021-23

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL 2 OF PARCEL MAP NO. 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT RECORDED IN BOOK 22 OF PARCEL MAPS, PAGE 80, OF PARCEL MAPS IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

0255-021-24

LEGAL DESCRIPTION:

THE LAND REFERRED TO HEREIN BELOW IS SITUATED FONTANA, IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AND IS DESCRIBED AS FOLLOWS:

PARCEL NO. 3 OF PARCEL MAP NO. 1778, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS PER PLAT FILED IN BOOK 22, PAGE 80 OF PARCEL MAPS, IN THE OFFICE OF THE COUNTY RECORDER OF SAID COUNTY.

EXHIBIT "B"

MAP SHOWING THE PROPERTY AND ITS LOCATION

EXHIBIT "C"

FORM OF ASSIGNMENT AND ASSUMPTION AGREEMENT

[SEE FOLLOWING PAGES]

Recording Requested by and
When Recorded Return To:

_____
_____
_____
_____

(Space above this line for recorder's use only)

DOCUMENTARY TRANSFER TAX: $-0- (No consideration)

PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT

This PARTIAL ASSIGNMENT AND ASSUMPTION AGREEMENT (the "**Agreement**") is made and entered into as of _____, 202_, by and between _____ ("**Assignor**") and _____ ("**Assignee**") having an address at _____, with reference to the following recitals.

RECITALS

A. Assignor was the owner of approximately ____ gross acres of land area located in the City of Fontana, County of San Bernardino, State of California, more particularly described in Exhibit "A" attached hereto ("**Project Site**").

B. Assignor and the City of Fontana, a California municipal corporation ("**City**"), are parties to that certain "First Amendment and Restatement of Development Agreement No. 23-085, Applicable to the _____ Property", dated _____ (the "**Development Agreement**"), relating to the development of the Project Site (the "**Project**"). The Development Agreement is recorded as instrument _____ in San Bernardino County Official Records.

C. Assignor has transferred a portion of the Project Site, generally described as _____ and more particularly described in Exhibit "B" attached hereto (the "**Assigned Property**") to Assignee in accordance with the terms of a grant deed and (iv) retained ownership of the remainder of the Project Site, consisting of _____ (the "**Retained Property**"). *[NTD: IF THE ASSIGNMENT IS A FULL ASSIGNMENT, THEN PROVISIONS RELATING TO RETAINED OBLIGATIONS WILL BE REMOVED]*

D. In accordance with Section 2.4 of the Development Agreement, Assignor desires to assign all rights and obligations of Assignor under the Development Agreement as to the Assigned Property ("**Assigned Property Rights and Obligations**")

and (ii) retain, as the owner of the Retained Property, all remaining obligations under the Development Agreement (the "**Retained Property Rights and Obligations**").

NOW, THEREFORE, for good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the parties hereto agree as follows:

AGREEMENT

1. Effective Date. This Agreement shall not be deemed to be effective unless and until the transfer of title to the Assigned Property from Assignor to Assignee occurs, as evidenced by the recordation of a grant deed in the San Bernardino County Official Records conveying the Assigned from Assignor to Assignee (the date of recordation of such grant deed, the "**Effective Date**").

2. Assignment of Development Agreement. Assignor does hereby sell, transfer, assign, convey and deliver to Assignee all of Assignor's rights, title, obligations, and interests in the Assigned Property Rights and Obligations. This Agreement is only intended to assign the Assigned Property Rights and Obligations and does not assign any other rights or obligations under the Development Agreement. Assignor makes no representation or warranties, express or implied, to Assignee concerning the Development Agreement, except as provided herein.

3. Assumption of Responsibilities. Assignee hereby assumes, as of the Effective Date, the Assigned Property Rights and Obligations and agrees to observe and fully perform all of the duties and obligations of Assignor under the Development Agreement with respect to the Assigned Property Rights and Obligations and to be subject to all of the terms and conditions of the Development Agreement with respect to the Assigned Property Rights and Obligations, in each case to the extent arising on or after the Effective Date. Assignor and Assignee acknowledge and agree that, from and after the Effective Date, Assignee shall be the "Owner" under the Development Agreement with respect to the Assigned Property and the Assigned Property Rights and Obligations.

4. Amendments. Any amendments or modifications to this Agreement must be in writing, signed by duly authorized representatives of each of the parties hereto, acknowledged and approved by the City, and recorded in the Official Records for San Bernardino County, California.

5. Governing Law; Venue. This Agreement and the legal relations of the parties hereto shall be governed by and construed and enforced in accordance with the laws of the State of California, without regard to its principles of conflicts of law. All rights and obligations of the Parties under this Assignment are to be performed in the City of Fontana, and the County of San Bernardino shall be the venue for any legal action or proceeding that may be brought, or arise out of, in connection with or by reason of this Agreement.

6. Severability. Any provision of this Agreement which shall prove to be invalid, void, or illegal shall in no way affect, impair, or invalidate any other provision hereof and such other provisions shall remain in full force and effect.

7. Further Assurances. Each party shall execute and deliver such other certificates, agreements and documents and take such other actions as may be reasonably required to consummate or implement the transactions contemplated by this Agreement provided the same does not increase such party's obligations and liabilities or reduce such party's rights under this Agreement and/or the Development Agreement other than to a de minimis extent.

8. Authority of Signatories to Bind Principals. The persons executing this Agreement on behalf of their respective principals represent that (i) they have been authorized to do so and that they thereby bind the principals to the terms and conditions of this Agreement and (ii) their respective principals are properly and duly organized and existing under the laws of _____, and are permitted to do business in, the State of California.

9. No Waiver. The waiver or failure to enforce any provision of this Agreement shall not operate as a waiver of any future breach of any such provision or any other provision hereof.

10. Interpretation. The parties acknowledge that this Agreement is the product of negotiation and compromise on the part of both parties, and the parties agree that since both have participated in the negotiation and drafting of this Agreement, this Agreement shall not be construed as if prepared by one of the parties, but rather according to its fair meaning as a whole, as if both parties had prepared it.

11. Recordation. Assignor and Assignee shall record this Agreement against the Assigned Property in the Official Records contemporaneously with the recordation of the instrument conveying title to the Assigned Property to Assignee and prior to the lien of any security interest that will encumber the Assigned Property after the conveyance.

12. Counterparts. This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed to be an original and all of which counterparts taken together shall constitute but one and the same instrument.

[SIGNATURE PAGE FOLLOWS]

IN WITNESS WHEREOF, this Agreement has been executed by the parties as of the date set forth above.

"Assignor"	"Assignee"
_____	_____
a _____ limited liability company	a _____ limited liability company
By: _____	By: _____
Name: _____	Name: _____
Title: _____	Title: _____

EXHIBIT "A"

Project Site Legal Description

EXHIBIT "B"

Assigned Property Legal Description

EXHIBIT "D"

SUBSEQUENT DEVELOPMENT APPROVALS INTEGRATED INTO VESTED RIGHTS UNDER SECTION 3.5

FONTANA
CALIFORNIA

NOTICE PUBLIC HEARING

Si desea información en Español referente a esta notificación o proyecto, favor de comunicarse al (909) 350-6728.

In compliance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) and the federal rules and regulations adopted in implementation thereof, the Agenda will be made available in appropriate alternative formats to persons with a disability. Should you need special assistance to participate in this meeting, please contact the City Clerk's Department by calling (909) 350-7602. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A PUBLIC HEARING HAS BEEN SCHEDULED BEFORE THE PLANNING COMMISSION OF THE CITY OF FONTANA FOR THE FOLLOWING:

MASTER CASE (MCN) NO. 23-0100-R1: DEVELOPMENT AGREEMENT (AGR) NO. 23-0085-R1

A request for the First Amendment to and Restatement of Development Agreement No. 23-0085, Applicable to the Acacia Property, located north of Santa Ana Avenue east of Oleander Avenue, and west of Cypress Avenue.

Environmental Determination: Pursuant to Sections 15162 and 15164 of the California Environmental Quality Act (CEQA) Guidelines and Section 8.06 of the City of Fontana's 2019 Local CEQA Guidelines, the Citrus and Oleander Avenue at Santa Ana Avenue Program Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2022110389) has been prepared for the project. The aforementioned EIR was adopted by the City Council on November 15, 2023, and it anticipated the development of a warehouse building and development agreement and also adequately identified any potential impacts associated with this project. No new additional impacts beyond what was anticipated in the EIR mentioned above were identified.

Location of Property: The project site is located north of Santa Ana Avenue and east of Oleander Avenue, and west of Cypress Avenue

Date of Hearing: April 21, 2026

Place of Hearing: Steelworkers Auditorium
8437 Sierra Avenue
Fontana, CA 92335

Time of Hearing: 6:00 pm

Should you have any questions concerning this project, please contact DiTanyon Johnson, Planning Manager, at (909) 350-6678 or by email at djohnson@fontanaca.gov

ANY INTERESTED PARTY MAY PROVIDE INFORMATION BY LETTER OR EMAIL WHICH MAY BE OF ASSISTANCE TO THE PLANNING COMMISSION. A COPY OF THE APPLICATION AND ENVIRONMENTAL DOCUMENTATION IS AVAILABLE FOR INSPECTION AT THE PLANNING DEPARTMENT, CITY HALL. PLEASE CONTACT THE PLANNER LISTED ABOVE.

IF YOU CHALLENGE IN COURT ANY ACTION TAKEN CONCERNING A PUBLIC HEARING ITEM, YOU

FONTANA
CALIFORNIA

MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE PUBLIC HEARING DESCRIBED IN THIS NOTICE, OR IN WRITTEN CORRESPONDENCE TO THE CITY AT, OR PRIOR TO, THE PUBLIC HEARING.

Publish: April 10, 2026
S.B. Sun Newspaper

FONTANA
CALIFORNIA

NOTICE PUBLIC HEARING

Si desea información en Español referente a esta notificación o proyecto, favor de comunicarse al (909) 350-6728.

In compliance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) and the federal rules and regulations adopted in implementation thereof, the Agenda will be made available in appropriate alternative formats to persons with a disability. Should you need special assistance to participate in this meeting, please contact the City Clerk's Department by calling (909) 350-7602. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A PUBLIC HEARING HAS BEEN SCHEDULED BEFORE THE PLANNING COMMISSION OF THE CITY OF FONTANA FOR THE FOLLOWING:

MASTER CASE (MCN) NO. 23-0100-R2: DEVELOPMENT AGREEMENT (AGR) NO. 23-0085-R2

A request for the First Amendment to and Restatement of Development Agreement No. 23-0085, Applicable to the North Palisades Property, located north of Santa Ana Avenue, east of Citrus Avenue, and west of Oleander Avenue

Environmental Determination: Pursuant to Sections 15162 and 15164 of the California Environmental Quality Act (CEQA) Guidelines and Section 8.06 of the City of Fontana's 2019 Local CEQA Guidelines, the Citrus and Oleander Avenue at Santa Ana Avenue Program Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2022110389) was prepared for the project. The aforementioned EIR was adopted by the City Council on November 15, 2023, and it anticipated the development of a warehouse building and development agreement and also adequately identified any potential impacts associated with this project. No new additional impacts beyond what was anticipated in the EIR mentioned above were identified.

Location of Property: The project site is located north of Santa Ana Avenue, east of Citrus Avenue and west of Oleander Avenue

Date of Hearing: April 21, 2026

Place of Hearing: Steelworkers Auditorium
8437 Sierra Avenue
Fontana, CA 92335

Time of Hearing: 6:00 pm

Should you have any questions concerning this project, please contact DiTanyon Johnson, Planning Manager, at (909) 350-6678 or by email at djohnson@fontanaca.gov

ATTACHMENT NO. 7

FONTANA
CALIFORNIA

ANY INTERESTED PARTY MAY PROVIDE INFORMATION BY LETTER OR EMAIL WHICH MAY BE OF ASSISTANCE TO THE PLANNING COMMISSION. A COPY OF THE APPLICATION AND ENVIRONMENTAL DOCUMENTATION IS AVAILABLE FOR INSPECTION AT THE PLANNING DEPARTMENT, CITY HALL. PLEASE CONTACT THE PLANNER LISTED ABOVE.

IF YOU CHALLENGE IN COURT ANY ACTION TAKEN CONCERNING A PUBLIC HEARING ITEM, YOU MAY BE LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE PUBLIC HEARING DESCRIBED IN THIS NOTICE, OR IN WRITTEN CORRESPONDENCE TO THE CITY AT, OR PRIOR TO, THE PUBLIC HEARING.

Publish: April 10, 2026
S.B. Sun Newspaper

City of Fontana

Planning Commission

Minutes

Joseph Armendarez, Chair
Ricardo Quintana, Vice Chair
Torrie Lozano, Secretary
Idilio Sanchez, Commissioner
Dylan Keetle, Commissioner

Tuesday, April 21, 2026 6:00 P.M. Grover W. Taylor Council Chambers

CALL TO ORDER/ROLL CALL:

A. Call to Order/Roll Call:

A regular meeting of the City of Fontana Planning Commission was held on Tuesday, April 21, 2026. Chair Armendarez called the meeting to order at 6:04 p.m.

Present: Chair Armendarez, Vice Chair Quintana, Secretary Lozano, and Commissioners Sanchez and Keetle

Absent: None

INVOCATION/PLEDGE OF ALLEGIANCE:

A. Invocation/Pledge of Allegiance:

Following the Invocation by Chaplain Victor Arias, the Pledge of Allegiance was led by Secretary Lozano.

PUBLIC COMMUNICATIONS:

A. Public Communications:

None.

CONSENT CALENDAR:

A. A Resolution of the Planning Commission of the City of Fontana Determining that the Acquisition of Certain Real Property Located at 15166 Foothill Boulevard, Identified as Assessor Parcel Number 1110-161-08-000, is in Conformance with the City of Fontana 2015-2035 General Plan; pursuant to a CEQA exemption in accordance with CEQA Guidelines Section 15061(b)(3).

Planning Commission adopted **Resolution No. PC 2026-011,** Determining that the Acquisition of Certain Real Property Located at 15166 Foothill Boulevard, Identified as Assessor Parcel Number 1110-161-08-000, is in Conformance with the City of Fontana 2015-2035 General Plan and make CEQA findings pursuant to State CEQA Guidelines Section 15061(b)(3) and direct staff to file a Notice of Exemption**.**

B. A Resolution of the Planning Commission of the City of Fontana Determining that the Acquisition of Certain Real Property Identified as Assessor Parcel Numbers 1100-111-51 and 1100-091-71 is in Conformance with the City of Fontana 2015-2035 General Plan; pursuant to a CEQA exemption in accordance with CEQA Guidelines Section 15061(b)(3).

Planning Commission adopted **Resolution No. PC 2026-012** Determining that the Acquisition of Certain Real Property Identified as Assessor Parcel Numbers 1100-111-51 and 1100-091-71 is in Conformance with the City of Fontana 2015-2035 General Plan and make CEQA findings pursuant to State CEQA Guidelines Section 15061(b)(3) and direct staff to file a Notice of Exemption**.**

C. Resolution of the Planning Commission of the City of Fontana Determining that the Vacation, Abandonment and Disposition of portions of Cherry Avenue, located south of Aliso Drive, Assessor Parcel Numbers 0236-122-23 and 0236-122-22, is in Conformance with the City of Fontana 2015-2035 General plan, pursuant to a CEQA exemption in accordance with CEQA Guidelines Section 15061(b)(3).

Planning Commission approved the location, purpose, and extent of the proposed real property vacation, abandonment, and disposition described herein as required under Government Code Section 65402(a) and adopted **Resolution No. PC 2026-013** finding that the proposed vacation, abandonment and disposition is in conformance with the City's General Plan, determining that the project is exempt under CEQA Guidelines Section 15060(b) (3) and directing staff to file a Notice of Exemption**.**

D. Approval of Minutes:

Approve the Regular Planning Commission Meeting Minutes of April 7, 2026.

ACTION: A Motion was made by Commissioner Sanchez and seconded by Commissioner Keetle and passed by a vote of 5-0 to approve the Consent Calendar.

The motion carried by the following vote:

Aye: Chair Armendarez, Vice Chair Quintana, Secretary Lozano, and Commissioners Sanchez and Keetle

Absent: None

Abstain: None

PH-A Master Case No. (MCN) 21-0128: Conditional Use Permit (CUP) No. 21-0021, Conditional Use Permit (CUP) No. 21-0025, and Administrative Site Plan (ASP) No. 21-0057 - A conditional use permit request for a proposed truck sales operation and a conditional use permit request for a proposed repair facility operation along with an administrative site plan request for the construction of an approximately 29,185 square foot building and associated site improvements on an approximately 1.9-acre, located at 14592 Boyle Avenue, (APN: 0236-051-13, -21, -29 and -30), pursuant to a Categorical Exemption in accordance with CEQA Guidelines Section 15332.

Chair Armendarez opened the Public Hearing.

Alejandro Rico, Associate Planner, presented the staff report.

No written correspondence was received.

Commissioner Sanchez asked whether the truck sales operation would include mechanical repairs. Associate Planner Rico clarified that two Conditional Use Permits are proposed—one for truck sales and another for repairs—and confirmed that the repair permit is limited to collision work only, excluding mechanical repairs.

The applicant, Jose Carcelan, stated that he read and agreed to the Conditions of Approval, and described his project as a family-run truck sales and repair business that includes both incidental and heavy repairs, primarily servicing large fleet vehicles. He added that he currently operates another business on the west side of Cherry Avenue, and that this location is better suited to their needs.

No one spoke in favor or in opposition.

The Public Hearing was closed.

RECOMMENDATION:

Based on the information contained in the staff report and subject to the attached Findings and Conditions of Approval, staff recommends that the Planning Commission adopt Resolution No. PC 2026 -014, and,

1. **Determine that the project is categorically exempt from the California Environmental Quality Act ("CEQA") pursuant to CEQA Guidelines Section No. 15332 (Class No. 32, Infill Development) of, and Section No. 3.22 (Categorical Exemption) of the Local 2019 Guidelines for Implementing the CEQA, and direct staff to file a Notice of Exemption; and,**

2. **Approve Conditional Use Permit (CUP) No. 21-0021, and**

3. **Approve Conditional Use Permit (CUP) No. 21-0025, and**

4. **Approve Administrative Site Plan (ASP) No.21-0057**

ACTION: Motion was made by Commissioner Sanchez and seconded by Vice Chair Quintana and passed by a vote of 5-0 to approve Public Hearing Item "A"; adopt Resolution No. PC 2026-014; approve Conditional Use Permits (CUP) No. 21-0021 & No. 21-0025 and Administrative Site Plan (ASP) No.21-0057.

The motion carried by the following vote:

AYES: Chair Armendarez, Vice Chair Quintana, Secretary Lozano, and Commissioners Sanchez and Keetle NOES: None; ABSTAIN: None; ABSENT: None

PH-B Master Case No. 22-000011-R3: Tentative Parcel Map No. 20761 (TPM No. 22-000033-R2), Minor Use Permit No. 25-0006, and Design Review No. 22-00005-R2 - A request for site and architectural approval for a proposed revision to a previously approved commercial center. Revisions include the reconfiguration of the site from five parcels to four parcels and the relocation of the carwash building, vacuums and canopies to the northwest portion of the site, pursuant to a previously approved Mitigated Negative Declaration for the Midland Plaza project in accordance with CEQA Guidelines Sections 15162 through 15164 et seq.

Chair Armendarez opened the Public Hearing.

No written correspondence was received.

Cecily Session-Goins, Associate Planner, presented the staff report and noted several revisions to Conditions of Approval, including clarification in Section 6 that approval of the modified project supersedes prior entitlements, revision to Condition No. Planning Condition 15, Page 23 to require utility rooms and enclosures be constructed with durable,

compatible materials, and clarification of fire flow requirements (Condition No. 33, Page 25) as approved by the Fire Department.

Vice Chair Quintana requested clarification on the change to Condition No. 33, page 25; staff explained it reflects a reduction in required fire flow from 2,000 to 1,500 and an adjustment to hydrant spacing from 300 to 312 feet, as approved by the Fire Department. Commissioners Sanchez inquired about lighting and the absence of a night rendering; staff confirmed the site will include comprehensive lighting throughout buildings, parking areas, and canopy, with tower illumination likely from interior lighting.

The applicant, Daniel Goalwin stated that he read and agreed to the Conditions of Approval and explained the project was revised due to market conditions, specifically the lack of a pharmacy tenant, leaving a portion of the site available for potential future development. In response to Commissioner Sanchez input, the applicant confirmed the corner tower will be illuminated from within to enhance visibility. The applicant also indicated an anticipated construction start within the year.

The following individual spoke:

- Ingrid (Speaker did not fill out public comment card).

The Public Hearing was closed.

RECOMMENDATION:

Based on the information in the staff report and subject to the attached Findings and Conditions of Approval, staff recommends that the Planning Commission adopt Resolution No. PC 2026 -015; and,

1. **Find that, pursuant to CEQA Guidelines Sections 15162 through 15164 et sec, the project has been reviewed under the previous Mitigated Negative Declaration for Tentative Parcel Map No. 20761 (TPM No. 22-000033), Conditional Use Permit No. 22-000002, Design Review No 22-000005 and has adequately identified that there will be no impacts associated with the project that cannot be mitigated, and no previously reviewed impact areas have substantially changed and direct staff to file a Notice of Determination; and,**

2. **Adopt a resolution approving Tentative Parcel Map No. 20761 (TPM No. 22-000033-R2), Minor Use Permit No. 25-0006, and Design Review No. 22-000005-R2.**

ACTION: Motion was made by Vice Chair Quintana and seconded by Secretary Lozano and passed by a vote of 5-0 to approve Public Hearing Item "B"; adopt Resolution No. PC 2026-015: Approve Tentative Parcel Map No. 20761 (TPM No. 22-

000033-R2), Minor Use Permit No. 25-0006, and Design Review No. 22-000005- with amended conditions of approval.

The motion carried by the following vote:

AYES: Chair Armendarez, Vice Chair Quintana, Secretary Lozano, and Commissioners Sanchez and Keetle NOES: None; ABSTAIN: None; ABSENT: None

PH-C Master Case No. 26-0011 and Municipal Code Amendment No. 26-0002: Fontana Municipal Code amendments to Chapter 30 to modify standards for outdoor dining and parking standards in the downtown core, make revisions to the No Net Loss program, add definitions to differentiate vehicle parking from storage, clarify timing of entitlement applications, and modify the definition of accessory land uses, pursuant to a categorical exemption from the California Environmental Quality Act ("CEQA") in accordance with CEQA Guidelines Sections 15060(c), 15378, and 15061(B)(3).

Chair Armendarez opened the Public Hearing.

Cecily Session-Goins, Associate Planner, presented the staff report.

No written correspondence was received.

Secretary Lozano asked for clarification on which requirements were being removed, and Secretary Quintana inquired about parking that is not being eliminated but shifted to nearby facilities for customer use.

Associate Planner Session-Goins, emphasized that the changes aim to encourage downtown development by reducing on-site parking constraints and supporting entertainment, restaurant, and retail uses.

Chair Armendarez expressed support for the direction, noting it would enable more infrastructure and expand entertainment opportunities for the community.

No one spoke in favor or in opposition.

The Public Hearing was closed.

RECOMMENDATION:

Based on the information contained in this staff report, staff recommends that the Planning Commission adopt Resolution No. PC 2026-016; and,

1. **Determine that the Ordinance is categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for**

Implementing CEQA, in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and,

2. **Approve a resolution recommending that the City Council adopt an Ordinance for Municipal Code Amendment (MCA) No. 26-0002 to amend Chapter 30 of the Municipal Code.**

ACTION: Motion was made by Commissioner Keetle and seconded by Commissioner Lozano and passed by a vote of 5-0 to approve Public Hearing Item "C" and adopt Resolution No. PC 2026-016.

The motion carried by the following vote:

AYES: Chair Armendarez, Vice Chair Quintana, Secretary Lozano, and Commissioners Sanchez and Keetle NOES: None; ABSTAIN: None; ABSENT: None

PH-D Master Case No. 23-0100: Development Agreement No. 23-0085R1 and Development Agreement No. 23-0085R2 - a request to amend and restate the previously approved Development Agreement (DA) for the Citrus/Oleander Industrial Commerce Center Project to allocate the provision of public benefit fees among properties in a manner consistent with Planning Commission Resolution No. 2025-040.

Chair Armendarez opened the Public Hearing.

No written correspondence was received.

DiTanyon Johnson, Planning Manager, presented the staff report.

Jonathan Shardlow, on behalf of the applicant, stated that he had read and agreed to the Conditions of Approval and explained the project was originally one site bisected by Oleander Avenue but is now split between two developers. North Palisade Partners will develop a 400,000-square-foot industrial warehouse west of Oleander, while Acacia will develop an 88,000-square-foot industrial warehouse to the east. He stated the project is industrial in nature and will provide infrastructure improvements to the area.

No one spoke in favor or in opposition.

The Public Hearing was closed.

RECOMMENDATION:

Based on the information contained in this staff report, staff recommends that the Planning Commission adopt Resolution No. PC 2026-017; and forward a recommendation to the City Council to:

1. **Determine that the recommended development agreement modifications are categorically exempt from the California Environmental Quality Act (CEQA) pursuant to CEQA Guidelines Sections 15060(c), 15061(B)(3) (the common-sense exemption), and 15378 and Sections No. 3.01, 3.22, and 10.59 of the 2019 Local Guidelines for Implementing CEQA, in that the activity is covered by the general rule that CEQA applies only to projects which have the potential for causing a significant effect on the environment where it can be with certainty that there is no possibility that the activity in question may have a significant effect on the environment, the activity is not subject to CEQA; and,**

2. **Determine that the development agreement modifications together with the underlying project were adequately analyzed in the previously certified Citrus and Oleander Avenue at Santa Ana Avenue Project Environmental Impact Report (EIR) (State Clearinghouse No. 2022110389) and its subsequent Addendum, and pursuant to CEQA Guidelines Section 15162, no subsequent or supplemental EIR is required because there are no substantial changes in the project or its circumstances, and no new information of substantial importance has been identified that would result in any new or more severe significant environmental impacts; and.**

3. **Adopt an Ordinance approving Amended and Restated Development Agreement No. 23-0085R1, as to Assessor's Parcel Number 0255-021-17 (Acacia DA Amendment); and**

4. **Adopt an Ordinance approving Amended and Restated Development Agreement No. 23-0085R2, as to Assessor's Parcel Numbers 0255-011-13, 0255-011-14, 0255-011-18, 0255-011-19 and 0255-011-25 thru 0255-011-32 (North Palisades DA Amendment).**

ACTION: Motion was made by Secretary Lozano and seconded by Commissioner Keetle and passed by a vote of 5-0 to approve Public Hearing Item "D" and adopt Resolution No. PC 2026-017 and

The motion carried by the following vote

AYES: Chair Armendarez, Vice Chair Quintana, Secretary Lozano, and Commissioners Sanchez and Keetle NOES: None; ABSTAIN: None; ABSENT: None

DIRECTOR COMMUNICATIONS:

A. Director Communications:

None.

COMMENTS:

A. Public Communication Commission Comments:

Commissioner Sanchez expressed excitement about long-awaited development plans finally moving forward, noting that it is encouraging to see progress in downtown Fontana. He shared enthusiasm about future nightlife and local entertainment options that would provide residents with more activities within the city rather than traveling to neighboring areas. He also conveyed appreciation for working with the city as a planning commissioner and thanked staff for their ongoing efforts, closing with well wishes for a good night and a blessing for the community.

Commissioner Keetle thanked city staff for consistently providing thorough information and making the commission's work easier, specifically acknowledging Director Nevins and the planning team for their support. He also expressed appreciation to the City Council for the opportunity to serve on the commission.

Secretary Lozano thanked the planning staff for their presentations and expressed excitement about the projects reviewed during the meeting. She also acknowledged the City Council for the opportunity to serve in the role and participate in decision-making on development projects. She ended by wishing everyone a great evening.

Vice Chair Quintana thanked staff for their presentations and reports, noting consistent appreciation for their work. He echoed excitement about ongoing development efforts, particularly the revitalization of downtown Fontana, describing it as a positive step forward for the city. He concluded by expressing gratitude for the opportunity to serve on the commission.

Chair Armendarez apologized for any mispronunciations of staff names and expressed strong appreciation for the planning team's work in preparing materials and being available to address questions in advance of meetings. He emphasized excitement about downtown development and the city's direction toward being open for business and supporting economic growth. He also thanked staff for their dedication in making meetings efficient and well-prepared, and for helping ensure clear communication on projects and issues. He concluded by wishing everyone a blessed night and thanking attendees for coming.

ADJOURNMENT:

Chair Armendarez adjourned the meeting at 6:51 p.m. to the next Regular Planning

Commission Meeting on Tuesday, May 5, 2026, at 6:00 p.m. in the Grover W. Taylor Council Chambers located at 8353 Sierra Avenue, Fontana, California.

_____
Susana Gallardo
Deputy City Clerk

THE FOREGOING MINUTES WERE APPROVED BY THE PLANNING COMMISSION ON THE 5th DAY OF MAY 2026.

_____
Joseph Armendarez
Chair

FONTANA
CALIFORNIA

NOTICE PUBLIC HEARING

Si desea información en Español referente a esta notificación o proyecto, favor de comunicarse al (909) 350-6728.

In compliance with Section 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Sec. 12132) and the federal rules and regulations adopted in implementation thereof, the Agenda will be made available in appropriate alternative formats to persons with a disability. Should you need special assistance to participate in this meeting, please contact the City Clerk's Department by calling (909) 350-7602. Notification 48 hours prior to the meeting will enable the City to make reasonable arrangements to ensure accessibility to this meeting.

A PUBLIC HEARING HAS BEEN SCHEDULED BEFORE THE CITY COUNCIL OF THE CITY OF FONTANA FOR THE FOLLOWING:

MASTER CASE (MCN) NO. 23-0100R1/ DEVELOPMENT AGREEMENT (AGR) NO. 23-0085R1

A request for the First Amendment to and Restatement of Development Agreement No. 23-0085, Applicable to the Acacia Property, located north of Santa Ana Avenue east of Oleander Avenue, and west of Cypress Avenue.

Environmental Determination: Pursuant to Sections 15162 and 15164 of the California Environmental Quality Act (CEQA) Guidelines and Section 8.06 of the City of Fontana's 2019 Local CEQA Guidelines of the Citrus and Oleander Avenue at Santa Ana Avenue Program Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2022110389) has been prepared for this proposed project. The aforementioned EIR was adopted by the City Council on November 15, 2023, and it anticipated the development of a warehouse building and development agreement and also adequately identified any potential impacts associated with this project. No new additional impacts beyond what was anticipated in the EIR mentioned above were identified.

Location of Property: The project site is located north of Santa Ana Avenue and east of Oleander Avenue, and west of Cypress Avenue

Date of Hearing: May 26, 2026

Place of Hearing: Steelworkers Auditorium
8437 Sierra Avenue
Fontana, CA 92335

Time of Hearing: 2:00 pm

Should you have any questions concerning this project, please contact DiTanyon Johnson, Planning Manager, at (909) 350-6678 or by email at djohnson@fontanaca.gov

ANY INTERESTED PARTY MAY PROVIDE INFORMATION BY LETTER OR EMAIL WHICH MAY BE OF ASSISTANCE TO THE CITY COUNCIL. A COPY OF THE APPLICATION AND ENVIRONMENTAL DOCUMENTATION IS AVAILABLE FOR INSPECTION AT THE PLANNING DEPARTMENT, CITY HALL. PLEASE CONTACT THE PLANNER LISTED ABOVE.

IF YOU CHALLENGE IN COURT ANY ACTION TAKEN CONCERNING A PUBLIC HEARING ITEM, YOU MAY BE

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LIMITED TO RAISING ONLY THOSE ISSUES YOU OR SOMEONE ELSE RAISED AT THE PUBLIC HEARING DESCRIBED IN THIS NOTICE, OR IN WRITTEN CORRESPONDENCE TO THE CITY AT, OR PRIOR TO, THE PUBLIC HEARING.

Publish: May 15, 2026

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NOTICE PUBLIC HEARING

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A PUBLIC HEARING HAS BEEN SCHEDULED BEFORE THE CITY COUNCIL OF THE CITY OF FONTANA FOR THE FOLLOWING:

MASTER CASE (MCN) NO. 23-0100R2/ DEVELOPMENT AGREEMENT (AGR) NO. 23-0085R2

A request for the First Amendment to and Restatement of Development Agreement No. 23-0085, Applicable to the North Palisades Property, located north of Santa Ana Avenue, east of Citrus Avenue, and west of Oleander Avenue

Environmental Determination: Pursuant to Sections 15162 and 15164 of the California Environmental Quality Act (CEQA) Guidelines and Section 8.06 of the City of Fontana's 2019 Local CEQA Guidelines, the Citrus and Oleander Avenue at Santa Ana Avenue Program Environmental Impact Report (EIR) (State Clearinghouse [SCH] No. 2022110389) was prepared for the project. The aforementioned EIR was adopted by the City Council on November 15, 2023, and it anticipated the development of a warehouse building and development agreement and also adequately identified any potential impacts associated with this project. No new additional impacts beyond what was anticipated in the EIR mentioned above were identified.

Location of Property: The project site is located north of Santa Ana Avenue, east of Citrus Avenue and west of Oleander Avenue

Date of Hearing: May 26, 2026

Place of Hearing: Steelworkers Auditorium
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Publish: May 15, 2026

File #: 26-0967
Agenda #: A.

Agenda Date: 5/26/2026
Category: New Business

FROM:
Finance

SUBJECT:
Fiscal Year 2025-26 Third Quarter Budget Status Report

RECOMMENDATION:
Approve the recommended Fiscal Year 2025-26 Third Quarter Budget adjustments.

COUNCIL GOALS:

- Operate in a businesslike manner by ensuring that the public debate is based on accurate information.
- Operate in a businesslike manner by correcting problems immediately.
- Practice sound fiscal management by producing timely and accurate financial information.
- Practice sound fiscal management by living within our means while investing in the future.
- Practice sound fiscal management by fully funding liabilities and reserves.
- Practice sound fiscal management by developing long-term funding and debt management plans.
- Invest in the City’s infrastructure (streets, sewers, parks, etc.) by maintaining and improving the city's existing infrastructure.
- Invest in the City’s infrastructure (streets, sewers, parks, etc.) by providing for the development of new infrastructure.
- Invest in the City’s infrastructure (streets, sewers, parks, etc.) by utilizing Measure-I Funds wisely.

DISCUSSION:
The City’s budget is an important policy document, serving as the annual financial plan that identifies the spending priorities for the organization. Quarterly budget status reports are developed and presented to the City Council to provide the most current information on the financial activities of the City upon which to base decisions. Additionally, quarterly reports assist City departments in communicating their financial operations throughout the fiscal year including any program changes and significant impacts to their annual budgets, as well as gauging the City’s budget plan as compared to actual revenue and expenditures. This report includes requested departmental budget adjustments and preliminary year-to-date actuals through Third Quarter of Fiscal Year 2025-26, covering the period through March 31, 2026.

The current citywide Fiscal Year 2025-26 budget is comprised of a total of 200 funds including the

General Fund, Other General Funds (10 funds), Special Revenue Funds (135 funds), Enterprise Funds (5 funds), Capital Project Funds (36 funds), a Debt Service Fund, an Internal Service Fund, and Other Agency Funds (11 funds). The current total citywide Fiscal Year 2025-26 budget (excluding other agency funds) includes total uses (expenditures and transfers out) for all City funds of $848.1 million and total sources (revenues and transfers in) of $700.0 million. The Recommended Budget includes an increase in total sources of $14.6 million for a total of $714.6 million and an increase in total uses of $35.8 million for a total of $883.9 million.

2025-26 Budget
All City Fund

	Current	Proposed Revisions	Recommended
Revenues	$ 607,389,364	$ 12,540,203	$ 619,929,567
Transfers In	$ 92,636,541	$ 2,030,477	$ 94,667,018
Total Sources	**$ 700,025,905**	**$ 14,570,680**	**$ 714,596,585**
Expenditures	$ (755,443,060)	$ (33,798,561)	$ (789,241,621)
Transfers Out	$ (92,636,541)	$ (2,030,477)	$ (94,667,018)
Total Uses	**$ (848,079,601)**	**$ (35,829,038)**	**$ (883,908,639)**
Results from Operations	**$ (148,053,696)**	**$ (21,258,358)**	**$ (169,312,054)**

GENERAL FUND

The current Fiscal Year 2025-26 General Fund Operating Budget includes total uses of $214.6 million and total sources of $214.2 million. The Recommended Budget includes an increase in total sources of $150,000 for a total of $214.3 million and an increase in total uses of $150,000 for a total of $214.8 million.

2025-26 Budget
General Fund (Fund 101)

	Current	Proposed Revisions	Recommended
Revenues	$ 201,919,251	$ 150,000	$ 202,069,251
Transfers In	$ 12,262,084	$ -	$ 12,262,084
Total Sources	**$ 214,181,335**	**$ 150,000**	**$ 214,331,335**
Expenditures	$ (161,712,340)	$ 915,000	$ (160,797,340)
Transfers Out	$ (52,920,040)	$ (1,065,000)	$ (53,985,040)
Total Uses	**$ (214,632,380)**	**$ (150,000)**	**$ (214,782,380)**
Results from Operations	**$ (451,045)**	**$ -**	**$ (451,045)**

Notable Changes

- **Revenue Adjustments** - an increase in revenues of $150,000 from investment interest reflecting receipts to date.
- **Offsetting Adjustments** - no net change in uses. Decrease in expenditure appropriations of $1.1 million, and an increase to Transfers-Out of $1.1 million. Notable requests include:
  - Decreasing operating appropriations of $1.0 million and increasing transfers out of $1.0 million to Fund #601 for The Path and Navigation Center improvements.
  - Decreasing operating appropriations of $65,000 and increasing transfers out of $65,000 to Fund #601 for 8491 Sierra shops.
  - Transferring $50,000 in available legal appropriations from Human Resources department to Police department.
- **One-time Requests** - Increase appropriations of $150,000 for one-time Building & Safety re-typing services for un-readable plans expenditures.

Fund Balance Analysis

The recommended 2025-26 ending fund balance of $62.6 million has not changed since the First Quarter Budget Status Report. Included in the fund balance are total operating reserves of $39.8 million (which reflects 25% of recurring annual expenditures).

There are no Fund Balance Reserves adjustments included in the Third Quarter Budget Report.

2025-26 Budget
General Fund Balance

	Current	Proposed Revisions	Recommended
Reserved	$ 340,263	$ -	$ 340,263
Designated			
PERS Rate Stability	$ 14,355,753	$ -	$ 14,355,753
Contingencies	$ 39,794,070	$ -	$ 39,794,070
Annual Shelter JPA	$ 582,570	$ -	$ 582,570
Operating Contingencies	$ 3,000,000	$ -	$ 3,000,000
Future Projects & Resv.	$ 4,494,226	$ -	$ 4,494,226
Unappropriated	$ -	$ -	$ -
Ending Fund Balance	**$ 62,566,882**	**$ -**	**$ 62,566,882**

OTHER GENERAL FUNDS

Other General Funds includes a total of 10 funds which are funded by the General Fund for services that support the City's general operations. The most notable funds include City Technology, Facility Maintenance, Office of Emergency Services, KFON, Self-Insurance, Retiree Medical Benefits, and General Fund Operating Projects.

The current 2025-26 Other General Funds Operating Budget includes total uses of $46.0 million and total sources of $40.2 million. The Recommended Budget includes no change in sources and an increase in total uses of $121,300 for a total of $46.1 million.

2025-26 Budget
Other General Funds

	Current	Proposed Revisions	Recommended
Revenues	$ 17,550,402	$ (41,477)	$ 17,508,925
Transfers In	$ 22,615,374	$ 41,477	$ 22,656,851
Total Sources	**$ 40,165,776**	**$ -**	**$ 40,165,776**
Expenditures	$ (39,648,007)	$ (121,300)	$ (39,769,307)
Transfers Out	$ (6,345,449)	$ -	$ (6,345,449)
Total Uses	**$ (45,993,456)**	**$ (121,300)**	**$ (46,114,756)**
Results from Operations	**$ (5,827,680)**	**$ (121,300)**	**$ (5,948,980)**

Notable Changes

- **City Technology** - Increase appropriations of $47,000 for WCAG ADA compliance software.
- **KFON** - Increase appropriations of $74,300 for FXN studio design, build, and installation.
- **Lease Fire** - Decrease contribution revenue from Fund #210 and increase transfer in from

Fund #601 for the Fire Lease Agreement amendment.

OTHER CITY FUNDS

Other City Funds includes a total of 178 funds which Special Revenue Funds, Debt Service Funds, Capital Project Funds, Enterprise Funds, and Internal Service Funds.

The current 2025-26 Other City Funds Operating Budget includes total uses of $587.5 million and total sources of $445.7 million. The Recommended Budget includes an increase in total sources of $14.4 million for a total of $460.1 million and an increase in total uses of $35.6 million for a total of $623.0 million.

2025-26 Budget
Other City Funds

	Current	Proposed Revisions	Recommended
Revenues	$ 387,919,711	$ 12,431,680	$ 400,351,391
Transfers In	$ 57,759,083	$ 1,989,000	$ 59,748,083
Total Sources	**$ 445,678,794**	**$ 14,420,680**	**$ 460,099,474**
Expenditures	$ (554,082,713)	$ (34,592,261)	$ (588,674,974)
Transfers Out	$ (33,371,052)	$ (965,477)	$ (34,336,529)
Total Uses	**$ (587,453,765)**	**$ (35,557,738)**	**$ (623,011,503)**
Results from Operations	**$ (141,774,971)**	**$ (21,137,058)**	**$ (162,912,029)**

Notable Changes

- **Special Revenue Funds** - Net decrease in fund balance of $501,719 primarily due to:
  - Federal Asset Seizure (Fund 223): Decrease in revenues of $1.0 million based on receipts to date
  - Measure I 2010-204 Local (Fund 246): Increase appropriations of $410,577 primarily for Catawba Ave SRTS construction, Rectangular Rapid Flashing Beacons (RRFB) equipment, and for pedestrian crossing signal design.

These decreases are offset by the following:

- State COPS AB 3229 (Fund 322): Increase revenues and $272,000 based on receipts to date.
- Federal Seizure Treasury (Fund 221): Increase revenues of $100,000 based on receipts to date.
- CFD #1 Southridge Village (Fund 401): Decrease available appropriations of $432,759 for completed Recycled Water Retrofits-CFD #1 project.

In addition to these adjustments, an offsetting adjustment is requested in Measure I 20120-

2040 Reimb (Fund 245) to increase revenues and appropriations of $12.3 million for Westgate Cherry Victoria (RAISE), Etiwanda/Slover construction, and Cypress Storm Drain design and construction.

- **Debt Service Fund** - Decrease in fund balance of $2.9 million due to a increased appropriations for Lease Revenue Bond 2025 debt service payment.
- **Capital Project Funds** - Decrease in fund balance of $17.7 million primarily due to:
  - Capital Reinvestment (Fund 601)
    - Increase appropriations of $400,000 for 8470 Nuevo bakery.
    - Increase appropriations of $500,000 for Lewis Library STEAM.
    - Increase appropriations of $800,000 for 8491 Sierra shops.
  - Capital Improvement (Fund 602)
    - Increase appropriations of $200,000 for 16717 Spring St. demolition.
    - Decrease appropriations of $700,000 and transfer out of $700,000 to Fund #601 for Courtplace Gap funding.
    - Decrease appropriations of $224,000 and transfer out of $224,000 to Fund #601 for 8491 Sierra shops.
  - Storm Drain (Fund 622): Increase appropriations of $2.8 million for Cypress Storm Drain design and construction.
  - Circulation Mitigation (Fund 630): Increase appropriations of $5.8 million for Westgate Cherry Victoria (RAISE), Etiwanda/Slover construction, and Cypress Storm Drain design and construction.
  - CFD #112 The Gardens Phase One (Fund 677): Increase appropriations of $7.5 million for developer reimbursement.
- **Enterprise Funds**
  - Stage Red (Fund 720): Increase revenues and appropriations of $667,719 for Stage Red ASM based on receipts to date.

ORGANIZATIONAL CHANGES

There are no organizational changes included in the 2025-26 Third Quarter Budget Status Report.

FISCAL IMPACT:

The fiscal impact associated with this item is summarized below and details are provided in the Third Quarter Budget Status Report.

	Sources Inc/(Dec)	Uses (Inc)/Dec	Fund Bal Impact Icr/(Dec)
General Fund	$ 150,000	$ (150,000)	$ -
Other General Funds	$ -	$ (121,300)	$ (121,300)
Other City Funds	$ 14,420,680	$ (35,557,738)	$ (21,137,058)
Total	**$ 14,570,680**	**$ (35,829,038)**	**$ (21,258,358)**

The General Fund projected ending fund balance remains $62.6 million due to the net impact of the

recommended budget adjustments.

MOTION:
Approve staff recommendation.

Third Quarter Budget Status Report

Fiscal Year 2025/2026

Quick Look Indicators	Third Quarter*	See Page
Revenues	↑	7
Expenditures	↑	8
Fund Balance	↑	9

*Compared to same period prior fiscal year

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Report Objectives

The purpose of the Third Quarter Budget Status Report is to:

- Provide the City Council with an overview of all funds;
- Comment on significant economic trends;
- Recommend write off of doubtful accounts; and
- Recommend budget changes to address known budget deficiencies which will materially impact fund balance;

Summary of Key Points

General Fund:

- Net increase in General Fund inflows of $150,000:
  - Increase to Interest and Rentals of $150,000
- Net increase in General Fund outflows of $150,000:
  - Offsetting adjustments of $1,065,000 (transfers out offset by decreased appropriations)
  - Increase to new one-time requests of $150,000

Other Funds:

- Additional funding for the following projects:
  - $9,000,000 Westgate Cherry Victoria (RAISE) (Measure I 2010-2040 Reimb Fund #245, Circulation Mitigation Fund #630)
  - $9,000,000 Etiwanda/Slover construction (Measure I 2010-2040 Reimb Fund #245, Circulation Mitigation Fund #630)
  - $3,000,000 Travis Barker Skate Park (Capital Reinvestment Fund #601)
  - $2,904,586 Cypress Storm Drain design and construction (Measure I 2010-2040 Reimb Fund #245, Storm Drain Fund #622)
  - $1,000,000 The Path & Navigation Ctr improvements (Capital Reinvestment Fund #601)
  - $800,000 8491 Sierra Ave shops (Capital Reinvestment Fund #601)
  - $700,000 Courtplace Gap Funding (Capital Reinvestment Fund #601)
  - $500,000 Lewis Library STEAM (Capital Reinvestment Fund #601)
  - $500,000 Fernandez Park fiber optic connection (Capital Project -TUT Fund #604)
  - $400,000 8740 Nuevo Ave bakery (Capital Reinvestment Fund #601)
  - $300,000 Marygold paving project (Capital Project -TUT Fund #604)
  - $240,000 Catawba Ave SRTS TDA 2023 (Measure I 2010-2040 Local Fund #246)

Significant Economic Trends

Nationally:

- The Federal Reserve Bank of Atlanta has projected continued economic growth heading into early 2026, though at a moderate pace compared to earlier estimates. Recent GDP tracking suggests growth in the range of approximately 2.0% to 3.0% for late 2025 into early 2026. Inflation appears to be stabilizing, as data from the Bureau of Labor Statistics indicates the Consumer Price Index (CPI) is increasing at roughly 2.5% to 3.0% year over year. This moderation is largely driven by easing goods prices and more stable supply chains, though services inflation remains somewhat persistent. Economic activity continues to be supported by consumer spending and government expenditures, while higher interest rates have continued to constrain business investment and certain sectors of the housing market.
- The labor market showed signs of slowing during the third quarter of FY 2025–26, with the unemployment rate remaining relatively stable at approximately 4.0% to 4.2% in early 2026. The pace of job creation has moderated compared to prior years, with monthly gains averaging roughly 125,000 to 175,000 jobs, reflecting more cautious hiring by employers amid higher borrowing costs and economic uncertainty. While job growth continues, the slower pace indicates a cooling labor market compared to the stronger expansion seen in 2024. The Federal Reserve maintains its dual mandate of promoting maximum employment and price stability, and in recent meetings has shifted toward a more accommodative stance by reducing the federal funds target range to approximately 3.50% to 3.75%. This marks multiple rate cuts beginning in late 2025, as policymakers place greater emphasis on supporting employment while inflation continues to trend closer to the Federal Reserve's long-term target.

The State of California:

- California's labor market showed modest signs of stabilization during the third quarter of FY 2025–26, with the unemployment rate holding relatively steady at approximately 5.4% to 5.6% in early 2026. Recent data from the California Employment Development Department indicates that while job growth has slowed compared to prior years, employment levels have remained stable overall. Government employment continued to see incremental gains, particularly at the local level, reflecting ongoing hiring in public services and education. Although broader hiring activity has moderated, the slower pace of job losses and steady public sector growth suggest a more stable labor market compared to the declines observed earlier in the year.

City of Fontana

- Fiscal Year 2024/25 ended with 583 single family dwelling permits being issued. At the end of March 2026, 329 single family dwelling permits have been issued compared to 469 permits for the prior fiscal year.
- Third Quarter 2025/26 sales were 0.3% lower than the same quarter one year ago. This is primarily due to a weaker economy, lower taxable sales, and shifts in consumer behavior.
- The Local Agency Investment Fund (LAIF) is currently paying 3.82% (daily rate) on City investments as of March 31, 2026, down from 4.30% for the same time last year. The 2-year treasury benchmark rate as of March 31, 2026, is 3.79% down from 3.89% last year.

Summary of Proposed General Fund Adjustments

The Third Quarter Budget Report recommends the following General Fund budget adjustments:

		Fund Balance Impact	
		Revenues	Expenditures
Adjust revenue estimates to reflect midyear collections:			
Decrease to Recreation		150,000	
		$ 150,000	
Offsetting adjustments:			
Development Services	The Path & Navigation Ctr improvements		(1,000,000)
Development Services	8491 Sierra Ave. shops		(65,000)
Human Resources	Correct Q2 Legal Services adjustment		(50,000)
Police Department	Correct Q2 Legal Services adjustment		50,000
			$ (1,065,000)
New requests (one-time):			
Planning	Re-typing and digitizing un-readable plans		150,000
			$ 150,000
		$ 150,000	**$ (915,000)**
Transfers:	To Fund #601 for The Path & Navigation Ctr improvements		1,000,000
	To Fund #601 for 8491 Sierra Ave. shops		65,000
		$ 150,000	**$ 150,000**

General Fund Revenues

Revenues continue to be monitored on a monthly basis. Staff recommends a net increase in revenues of $150,000 as part of the Third Quarter Budget Status Report. See page 36 for details of the revenue adjustments.

Revenue Source	Adopted Budget	Current Budget Before Adjustments	Received as of 03/31/2026	Percent of Current Budget Received	Recommended Third Quarter Adjustments	Recommended Budget After Adjustments	Percent of Recommended Budget Received
Sales Tax	$ 54,914,670	$ 54,914,670	$ 31,453,714	57.28%	$ -	$ 54,914,670	57.28%
Transactional Use Tax	42,740,750	43,603,350	28,492,736	65.35%	-	43,603,350	65.35%
Property Tax	46,948,270	48,690,790	25,320,292	52.00%	-	48,690,790	52.00%
Interest and Rentals	4,013,580	5,248,975	501,973	9.56%	150,000	5,398,975	9.30%
Franchises	10,828,300	10,828,300	4,099,923	37.86%	-	10,828,300	37.86%
Business Related	11,260,870	11,260,870	8,785,775	78.02%	-	11,260,870	78.02%
Development Related	9,599,490	9,599,490	7,028,395	73.22%	-	9,599,490	73.22%
Recreation	4,220,670	4,220,670	3,114,807	73.80%	-	4,220,670	73.80%
Motor Vehicle in-Lieu	250,000	250,000	327,519	131.01%	-	250,000	131.01%
Miscellaneous Revenues	2,034,740	2,104,740	1,209,624	57.47%	-	2,104,740	57.47%
Reimbursables	1,794,870	1,807,086	1,858,730	102.86%	-	1,807,086	102.86%
From Other Agencies	9,390,310	9,390,310	6,855,233	73.00%	-	9,390,310	73.00%
Total General Fund	**$ 197,996,520**	**$ 201,919,251**	**$ 119,048,719**	**58.96%**	**$ 150,000**	**$ 202,069,251**	**58.91%**

NOTE: Property Tax in-lieu of VLF collections are lagging due to the State's distribution which provides for lump-sum payments in January and May. Interest revenue is received starting in October and is followed by a year-end accrual for a full twelve months of interest. A large number of Business Licenses are renewable in December. A large share of Franchise revenues is received annually in the month of April. **When adjusted for these anomalies, the percent of recommended budget received is 67.37%.**

General Fund Expenditures

General Fund expenditures for Third Quarter are on track and within budget. Staff recommends a net decrease in appropriations of $915,000. See page 36 for details of the expenditure adjustments.

Department	Adopted Budget	Current Budget Before Adjustments	Spent as of 03/31/2026	Percent of Current Budget Spent	Recommended Third Quarter Adjustments	Recommended Budget After Adjustments	Percent of Recommended Budget Spent
City Administration	$ 4,817,820	$ 4,792,072	$ 2,569,521	53.62%	-	$ 4,792,072	53.62%
Human Resources	2,397,360	2,254,120	1,166,862	51.77%	(50,000)	2,204,120	52.94%
Administrative Services	884,080	843,316	496,634	58.89%	-	843,316	58.89%
City Clerk	1,040,820	1,613,172	1,100,988	68.25%	-	1,613,172	68.25%
Community Services	15,876,460	15,956,595	10,321,528	64.69%	-	15,956,595	64.69%
Innovation & Technology	5,405,410	5,287,724	3,813,298	72.12%	-	5,287,724	72.12%
Finance	6,053,080	6,511,441	3,810,597	58.52%	-	6,511,441	58.52%
Development Services	6,489,730	6,477,078	2,218,142	34.25%	(1,065,000)	5,412,078	40.99%
Building and Safety	4,798,280	5,164,429	3,298,881	63.88%	-	5,164,429	63.88%
Planning	3,709,460	4,400,224	2,370,558	53.87%	150,000	4,550,224	52.10%
Public Works & Engineering	17,018,050	17,959,424	11,059,554	61.58%	-	17,959,424	61.58%
Police	85,267,660	90,452,746	63,374,717	70.06%	50,000	90,502,746	70.03%
Total General Fund	**$ 153,758,210**	**$ 161,712,340**	**$ 105,601,280**	**65.30%**	**$ (915,000)**	**$ 160,797,340**	**65.67%**

NOTE: The above amounts do not include projects.

Fund Balance Review

The City Council has established an Undesignated General Fund Balance goal of 25% of adopted recurring annual appropriations. The Third Quarter Report recommendations maintain this balance. The City's Undesignated General Fund Balance represents the available resources to provide funding for future contingencies such as earthquakes, economic fluctuations, major infrastructure repairs and investment in capital for improved productivity and efficiencies.

There are no Fund Balance Reserves adjustments included in the Third Quarter Budget Report.

Fund Balance Reserves After Adjustments

25% Contingency Reserve	**$39,794,070**
Animal Shelter JPA Reserve	**$582,570**
Operating Contingencies Reserve	**$3,000,000**
Future Projects and Reserves	**$4,494,226**
PERS Rate Stability Reserve	**$14,355,753**
Unappropriated Fund Balance	**$0**
Total	**$62,226,619**

Organizational Changes

Quarterly Budget Reports are routinely used to recommend organizational and/or personnel changes within a fiscal year. Upon approval, the total recurring costs for these organizational changes will be added to the department's target numbers. The changes have been reviewed by Human Resources and comply with City personnel rules.

There are no organizational changes recommended as part of the Third Quarter Budget Status Report.

Write off of Doubtful Accounts

A review of the City's Doubtful Accounts (bad debts) is routinely a part of the City's Third Quarter Budget Review. The review and subsequent write off is necessary to accurately reflect the true value of City assets. The budget is not impacted by the reduction as budget revenue estimates are based on receipts rather than billings.

The following write offs consist of items that are: (1) too small to collect, and therefore not cost effective or (2) unable to locate. In many cases, these items will be referred to a collection agency for further action.

These items represent an information item for the City Council. Specific City Council action related to the write offs is not required.

The write offs are categorized by fund number, account, and dollar amount.

Account Title	Account #		Amount
Prohibited Call Fines	101-1305	$	29,700
Returned Checks	101-1307		461
Illegal Fireworks	101-1306		24,450
Miscellaneous	101-1306		69,521
Total Write Offs		**$**	**124,132**

Liability Claims

The City Council has authorized the Director of Human Resources and the City Manager to settle liability claims within specified dollar amounts as follows:

City Manager with the concurrence of the City Attorney	$50,000
Director of Human Resources/Risk Management with concurrence of the City Attorney	$10,000

The City Council has directed staff to report claim settlements as part of each quarterly budget report. There were no liability claims settled during the Third Quarter of Fiscal Year 2025/2026.

American Rescue Plan Act (ARPA) Expenditure Plan

CITY OF FONTANA

AMERICAN RESCUE PLAN ACT (ARPA) EXPENDITURE PLAN

ESTIMATED AS OF March 31, 2026

Approved Projects by Federal Use Category	Amount	Expended	Available
Public Health & Economic Response	**22,633,152**	**22,430,513**	**202,639**
Fontana Forward Grant Program	190,786	190,786	-
Homelessness Prevention Resources and Care Center	6,442,229	6,408,682	33,547
Leveraged Project: Support Government Employment	9,842,763	9,842,763	-
Metrolink Station Security Cameras	66,411	66,411	-
Park Improvements	3,241,828	3,072,736	169,092
Vaccine Bonus	526,986	526,986	-
Ventilation Upgrade for City Facilities	2,322,150	2,322,150	-
Revenue Loss	**10,000,000**	**9,999,606**	**394**
Parking Structure	10,000,000	9,999,606	394
Uniform Administrative Requirement, Cost Principles, and Audit Requirements for Federal Awards (2 CFR Part 200)	**51,433**	**51,433**	**-**
Administrative Costs	51,433	51,433	-
Water, Sewer, and Broadband Infrastructure	**16,531,692**	**14,862,417**	**1,669,275**
Cypress Storm Drain Project	7,340,000	6,071,366	1,268,634
Data Security & Threat Detection	157,927	157,927	-
Endpoint Detection & Response Solution	154,806	154,806	-
Fiber to City facilities	1,773,968	1,660,210	113,758
Leveraged Project: Accela	3,406,636	3,406,636	-
Leveraged Project: Fontana 311	2,398,355	2,139,790	258,565
Septic to Sewer	500,000	471,770	28,230
Sewer and Storm Drain Infrastructure Masterplan	375,130	375,130	-
Update Master Infrastructure Plans	424,870	424,781	89
Premium Pay	**1,040,837**	**1,040,837**	**-**
Part-Time Employee Retention	152,936	152,936	-
Public Safety Premium Pay	887,901	887,900	-
Total	**50,257,114**	**48,384,804**	**1,872,309**

Grants Submitted & Awarded

CITY OF FONTANA

GRANTS SUBMITTED & AWARDED

ESTIMATED AS OF March 31, 2026

Department > Grant Name	Funding Source	Fund #	Date	Awarded	Expended	Remaining
Community Services				**57,864,798**	**18,698,917**	**39,165,881**
After School Education and Safety - ASES (2025-2027)	State	385	Jul-24	13,222,206	7,930,676	5,291,530
Extended Learning Program - ELO-P (2025-2027)	State	386	Jul-24	44,642,592	10,768,241	33,874,351
Development Services Admin				**8,354,206**	**3,725,501**	**4,628,705**
Beverage Recycling Grant (2024-2025)	State	301		107,324	53,395	53,929
Catawba SRTS Sidewalk	State	303	Dec-23	396,348	28,341	368,007
TDA Article 3 2025	State	303	Nov-25	1,124,400	-	1,124,400
City of Fontana Support Local Arts Events (2025-2026)	County	720		250,000	73,039	176,961
Emergency Management Performance Grant (2022& 2024)	Federal	301		63,050	47,258	15,793
Emergency Rental Assistance	Federal	104	Mar-22	151,415	151,415	-
Oil Payment Program OPP15 2025	State	301	May-25	29,819	-	29,819
Organic Waste SB1383	State	301	May-24	561,790	255,651	306,139
Permanent Local Housing Allocation	State	295	Aug-21	5,670,060	3,116,403	2,553,657
Housing				**35,912,419**	**18,414,952**	**17,497,467**
Calhome Program Grant	State	301	Apr-22	500,000	309,933	190,067
CDBG (2020-2025)	Federal	362		14,580,448	11,856,534	2,723,914
Family Homelessness Challenge - Tamarind	State	301	Jul-22	2,726,608	2,511,712	214,896
Healthy Homes Grant (HHPP)	Federal	301	May-25	1,500,000	84,285	1,415,715
HESG (2024-2025)	Federal	362		346,709	168,665	178,044
HOME (2018-2025)	Federal	363		8,150,454	1,187,519	6,962,935
HomeKey B	State	301	Jun-22	618,200	618,200	-
LBP Healthy Home Grant	Federal	301	Dec-23	4,400,000	484,006	3,915,994
Older Adults Grant (OAHMP)	Federal	301	Jan-25	2,000,000	104,098	1,895,902
Prohousing Incentive Program (PIP)	State	301	Jun-24	1,090,000	1,090,000	-

Grants Submitted & Awarded – continued

CITY OF FONTANA

GRANTS SUBMITTED & AWARDED

ESTIMATED AS OF March 31, 2026

Department > Grant Name	Funding Source	Fund #	Date	Awarded	Expended	Remaining
Public Works & Engineering				**81,840,624**	**72,615,469**	**9,225,155**
Alder-Locust-Ramona SRTS	State	301	Jun-23	167,000	154,826	12,174
Alder-Locust-Ramona SRTS	Federal	301	Jun-23	1,746,000	1,632,994	113,006
ARPA - Citty	Federal	302	Jun-22	50,257,113	48,276,769	1,980,344
ARPA - County	Federal	304	Jun-22	3,125,000	2,927,120	197,880
Courtplace Housing Development	Federal	301	Mar-23	4,000,000	3,977,401	22,599
Date Elementary SRTS	State	301	Jul-21	1,790,000	201,164	1,588,836
Downtown - Norma Torres	Federal	301	Mar-24	850,000	180,706	669,294
Downtown Revital - Reyes	State	301	Sep-23	3,000,000	1,519,789	1,480,211
EECBG - Energy Efficiency & Conservation	Federal	301	Sep-24	230,640	229,523	1,117
Fontana SRTS	State	301	Mar-23	1,477,000	1,432,364	44,636
Homelessness Prevention	County	301	Apr-25	500,000	411,751	88,249
Pacific Electric Trail Improvement Project	Federal	301	Mar-23	750,000	741,035	8,965
San Sevaine - CRP	Federal	301	Aug-23	4,221,400	3,936,660	284,740
San Sevaine - MSRC	State	301	Nov-15	500,000	500,000	-
San Sevaine - RTP	Federal	301	May-16	6,560,571	6,460,416	100,155
SMART Grant	Federal	301	Jun-24	2,000,000	2,683	1,997,317
TMS Signal Updates	State	301	Sep-23	665,900	30,269	635,631
Police Department				**3,967,391**	**1,785,459**	**2,181,932**
Alcoholic Beverage Control (2024-2026)	State	301		72,205	58,123	14,082
Edward Byrne Memorial JAG (2022-2024)	Federal	301		151,942	144,934	7,008
Homeland Security Grant (2022-2024)	Federal	301		98,670	91,170	7,500
Officer Wellness and Mental Health Grant Award	State	301	Feb-23	136,204	136,204	-
Selective Traffic Enforcement Program (STEP) (2024 - 2026)	Federal	301		1,000,874	780,428	220,446
State COPS AB3229 2023-2026 (other funding source)	State	322		2,507,496	574,600	1,932,896
Total				**187,939,437**	**115,240,297**	**72,699,140**

Transaction Use Tax (TUT) Expenditure Plan

CITY OF FONTANA

TRANSACTION USE TAX (TUT) EXPENDITURE PLAN

ESTIMATED AS OF March 31, 2026

Fund Distribution By Category	Amount	Obligated	Actuals	Available
Facilities	**7,027,850**	**1,098,571**	**2,076,532**	**3,852,746**
Art Depot Flooring	20,000	-	17,846	2,154
Art Depot HVAC Replacement	49,000	-	48,087	913
Backflow Device Replacements	150,000	100,550	-	49,450
Baseball Field Laser Grading - Bill Martin	85,000	55,138	-	29,863
DSO Water Heater Replacement	13,000	-	12,860	140
Facility Improvements - Paint	150,000	-	100,500	49,500
Facility Improvements 25/26 Total $1.5M	566,000	-		566,000
Facility Improvements ORG 60437300	19,720	-		19,720
Fence & Handrail Painting	75,000	-	131,661	(56,661)
Heritage Center Flooring Replacement	133,000	-	73,271	59,729
Heritage Center Water Heater Rplcmt	27,000	-	26,780	220
Historical Society Re-roof	4,700	-	9,500	(4,800)
HUD Grant - PE Trail	80,850	-	80,850	-
Jesse Turner Fountain New Q1	22,250	-		22,250
Jessie Turner Center HVAC Replacement	100,000	85,284		14,716
Library HVAC Replacement	30,080	11,886	30,079	(11,885)
Library Water Heater Replacement	12,000	-		12,000
Park Light Pole Painting - Fontana	60,000	-		60,000
Park Restroom Renovation - Fontana	30,000	-	25,090	4,910
Public Works HVAC Replacement	291,000	290,554		446
Ralph Lewis Park Field Replacement	1,980,150	53,479	1,242,651	684,020
Seville Park Pickle Ball Court	2,000,000	324,137	88,638	1,587,225
Stage Red HVAC and Water Heater Rplcmt	56,500	107,221		(50,721)
Village of Heritage Pools New Q1	210,000	-	188,720	21,281
East Courtyard Fountain Repair	108,800	-		108,800
Southridge Ballfield Shade Structures	700,000	-		700,000
Sycamore Hills Rubber Playground Surfacing Replacement	53,800	70,323		(16,523)

Transaction Use Tax (TUT) Expenditure Plan - continued

CITY OF FONTANA

TRANSACTION USE TAX (TUT) EXPENDITURE PLAN

ESTIMATED AS OF March 31, 2026

Fund Distribution By Category	Amount	Obligated	Actuals	Available
Transportation	**6,631,330**	**226,033**	**2,435,874**	**3,969,424**
2025-26 Pavement Rehabilitation ($7.9M BOND 601)	2,100,000	108,942	1,400,290	590,768
2026-27 Pavement Rehabilitation	-	-		-
ADA Ramps Upgrade	500,000	15,326	34,634	450,040
Development Reimbursement	3,631,330	-	993,005	2,638,325
Pavement Software Program	150,000	99,710		50,290
RAISE Gap Funding	-	-		-
Specialty Sign Requests	100,000	-		100,000
Street Maintenance	150,000	2,055	7,945	140,000
Utilities	**339,050**	**258,472**	**-**	**80,578**
Storm Drain Maintenance	339,050	258,472		80,578
Housing / Community Development	**7,900,000**	**-**	**7,700,000**	**200,000**
Aldea Apartments Gap Funding Q1	200,000	-	-	200,000
Aldea Apartments Purchase Q1	7,700,000	-	7,700,000	-
Communications	**105,795**	**-**	**105,758**	**37**
Police Dept Dispatch Radios New Q1	105,795	-	105,758	37
Technology	**500,000**	**-**	**-**	**500,000**
Park Security Camera with Fiber	500,000	-		500,000
Total	**22,504,025**	**1,583,076**	**12,318,164**	**8,602,785**

Treasury Report

City of Fontana
Investment Portfolio Asset Summary
As of March 31, 2026

ASSETS	March 31, 2026					
Asset Allocation	Current Par Value	Total Cost Value	Market Value	Accrued Int/Div	Market Value Plus Accrued	Percent of Total
Advisor-Managed Portfolio						
Cash/Sweep	$ 219,909	$ 219,909	$ 219,909	$ -	$ 219,909	0.05%
Money Market	$ -	$ -	$ -	$ -	$ -	0.00%
Total Cash/Sweep	$ 219,909	$ 219,909	$ 219,909	$ -	$ 219,909	0.05%
Marketable Securities						
Agency Security	$ 91,716,058	$ 47,859,175	$ 48,588,403	$ 194,087	$ 48,782,490	12.10%
Mortgage Pools	-		-		-	0.00%
CMO & Asset Backed Securities	36,094,985	24,873,114	24,791,147	-	24,791,147	6.15%
Corporate Bonds	104,690,000	105,175,039	105,184,278	1,134,343	106,318,621	26.38%
Municipal Bonds	-	-	-	-	-	0.00%
U.S. Treasuries	220,795,000	220,458,345	221,029,591	1,906,235	222,935,826	55.31%
Total Marketable Securities	$ 453,296,043	$ 398,365,673	$ 399,593,419	$ 3,234,665	$ 402,828,084	99.95%
Total Advisor-Managed Portfolio	$ 453,515,952	$ 398,585,582	$ 399,813,328	$ 3,234,665	$ 403,047,993	100.00%
Pooled Investments						
California Class	$ 394,798	$ 394,798	$ 394,798	$ -	$ 394,798	0.33%
Local Agency Investment Fund (LAIF)	$ 118,022,315	$ 118,022,315	$ 118,022,315	$ -	$ 118,022,315	99.67%
Total Pooled Investments	$ 118,417,113	$ 118,417,113	$ 118,417,113	$ -	$ 118,417,113	100.00%
Deposit Accounts						
Bank of America - General Checking	$ 16,019,384	$ 16,019,384	$ 16,019,384	$ -	$ 16,019,384	92.67%
Bank of America - Veterans	9,050	9,050	9,050	-	9,050	0.05%
Escrow Accounts	343,975	343,975	343,975	39	344,014	1.99%
Petty Cash/Self Insurance	914,525	914,525	914,525	-	914,525	5.29%
Total Deposit Accounts	$ 17,286,934	$ 17,286,934	$ 17,286,934	$ 39	$ 17,286,973	100.00%
Investments Held by Fiscal Agents						
Schwab - 115 Trusts						
OPEB		$ 27,665,533	$ 31,232,573	$ 16,109	$ 31,248,681	12.47%
Pension Stabilization		12,657,334	14,700,087	5,787	14,705,874	5.87%
Other Fiscal Agent Accounts	-	204,619,291	204,619,291	-	204,619,291	81.66%
Total Investments Held by Fiscal Agents	$ -	$ 244,942,157	$ 250,551,950	$ 21,896	$ 250,573,846	100.00%
Total Cash and Investments	$ 589,220,000	$ 779,231,787	$ 786,069,326	$ 3,256,599	$ 789,325,925	

The information presented in this report reflects the data as stated on the official financial statements and records as of the reporting date.

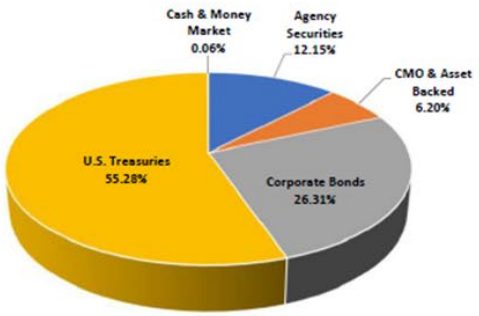
Treasury Report – continued

OPERATING AND 115 TRUST ASSETS SUMMARY

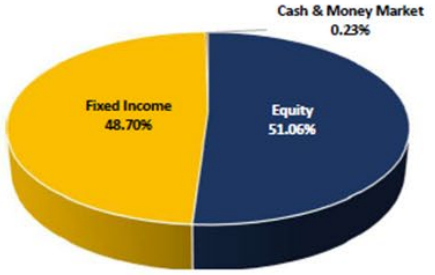
March 31, 2026

Operating Assets - Asset Allocation (BlackRock/Schwab)				
Asset Type	Period Ending Par Value/Shares	Original Cost Basis	Adjusted Cost Basis	Period Ending Market Value
Agency Securities	$ 91,716,058	$ 47,859,180	$ 47,859,175	$ 48,588,403
CMO & Asset Backed	$ 36,094,985	$ 24,873,114	$ 24,873,114	$ 24,791,147
Corporate Bonds	$ 104,690,000	$ 105,293,491	$ 105,175,039	$ 105,184,278
U.S. Treasuries	$ 220,795,000	$ 220,695,766	$ 220,458,345	$ 221,029,591
Cash & Money Market*	$ 219,909	$ 219,909	$ 219,909	$ 219,909
Totals	$ 453,515,952	$ 398,941,461	$ 398,585,583	$ 399,813,329

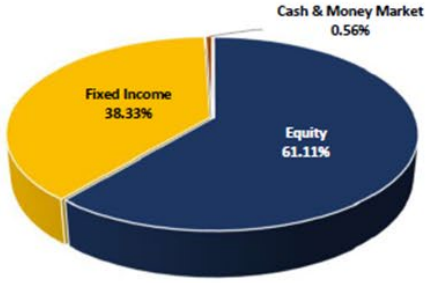
*Includes $0.00 of Money Market assets set aside in a separate Schwab account (sweep from BlackRock account).



Section 115 OPEB Irrevocably Committed Assets - Asset Allocation (Shuster/Schwab)				
Asset Type	Initial Investment	2/28/2026 Value	3/31/2026 Cost Basis	3/31/2026 Value
Equity	$ -	$ 16,957,628	$ 12,585,799	$ 15,948,482
Fixed Income	$ -	$ 15,509,510	$ 15,006,859	$ 15,211,215
Cash & Money Market	$ 23,810,690	$ 79,453	$ 72,876	$ 72,876
Totals	$ 23,810,690	$ 32,546,591	$ 27,665,533	$ 31,232,573



Section 115 Pension Stablization Irrevocably Committed Assets - Asset Allocation (Shuster/Schwab)				
Asset Type	Initial Investment	2/28/2026 Value	3/31/2026 Cost Basis	3/31/2026 Value
Equity	$ -	$ 9,551,065	$ 7,022,843	$ 8,982,632
Fixed Income	$ -	$ 5,754,220	$ 5,551,986	$ 5,634,950
Cash & Money Market	$ 10,800,000	$ 74,620	$ 82,505	$ 82,505
Totals	$ 10,800,000	$ 15,379,905	$ 12,657,334	$ 14,700,087
Combined Totals		$ 445,671,133	$ 438,908,450	$ 445,745,989



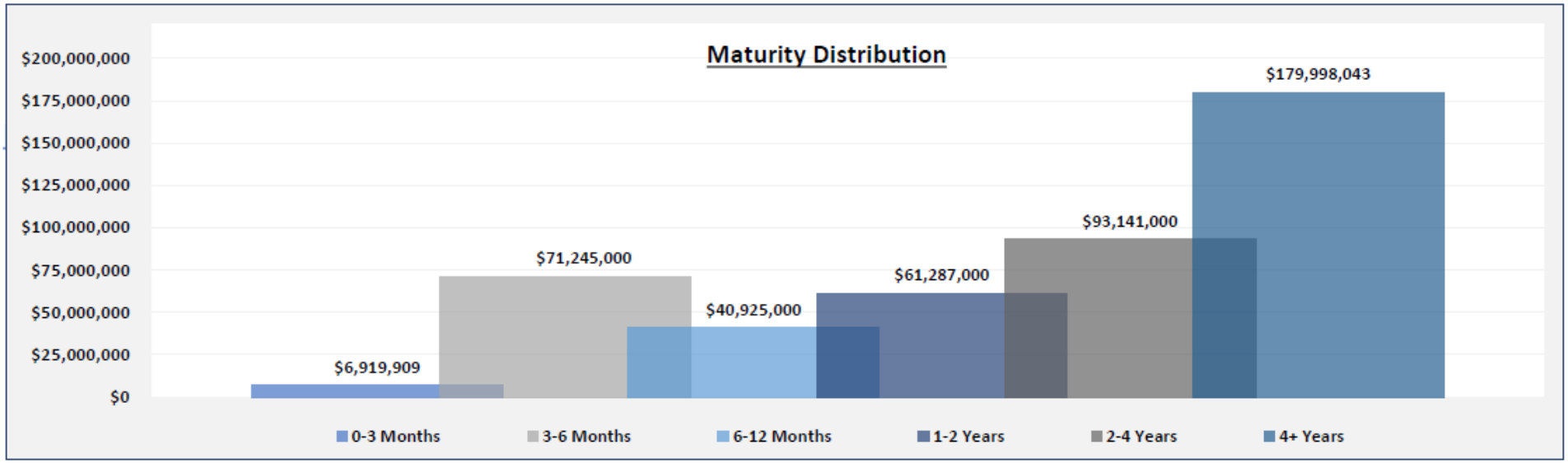
This summary was assembled by Shuster Advisory Group, LLC ("Shuster") by request from the City of Fontana. The information shown is taken from Schwab custodial data and is believed to be accurate. Any discrepancy is purely unintentional and is not guaranteed by Shuster.

Treasury Report – continued

OPERATING ASSETS (SCHWAB) - MATURITY DISTRIBUTION

March 31, 2026

Current Par Value	0-3 Months	3-6 Months	6-12 Months	1-2 Years	2-4 Years	4+ Years
Agency Securities	$ -	$ -	$ 4,000,000	$ -	$ 8,500,000	$ 79,216,058
CMO & Asset Backed	$ -	$ -	$ -	$ 897,000	$ 13,416,000	$ 21,781,985
Corporate Bonds	$ 1,500,000	$ 3,020,000	$ 4,120,000	$ 13,325,000	$ 56,225,000	$ 26,500,000
U.S. Treasuries	$ 5,200,000	$ 68,225,000	$ 32,805,000	$ 47,065,000	$ 15,000,000	$ 52,500,000
Cash & Money Market	$ 219,909	$ -	$ -	$ -	$ -	$ -
Totals	**$ 6,919,909**	**$ 71,245,000**	**$ 40,925,000**	**$ 61,287,000**	**$ 93,141,000**	**$ 179,998,043**



This summary was assembled by Shuster Advisory Group, LLC ("Shuster") by request from the City of Fontana. The information shown is taken from Schwab custodial data and is believed to be accurate. Any discrepancy is purely unintentional and is not guaranteed by Shuster.

Treasury Report – continued

OPERATING ASSETS (SCHWAB) - HOLDINGS DETAIL

March 31, 2026

Asset Class	Issuer	Cusip	Coupon Rate	Yield to Maturity	Maturity Date	Weighted Average Life (WAL)	Ending Par Value/Shares	Original Cost Basis	Amortization Value	Adjusted Cost Basis	Ending Market Value	Ending Unit Price
Cash & Money Market	Schwab Cash	Cash	0			0	219,909.00	219,909.45	-	219,909.45	219,909.45	1.00
	Total Count:	1				0	219,909.00	219,909.45	-	219,909.45	219,909.45	

Asset Class	Issuer	Cusip	Coupon Rate	Yield to Maturity	Maturity Date	Weighted Average Life (WAL)	Ending Par Value/Shares	Original Cost Basis	Amortization Value	Adjusted Cost Basis	Ending Market Value	Ending Unit Price
Agency Securities	FHLMC 1.5%44 MBS-CMO DUE	3137H0A40	1.50%	1.61%	4/15/2044	0.54	4,400,000.00	424,872.31	-	424,872.31	414,136.29	98.32
Agency Securities	FHLMC G18659 3%32 DUE 09/01/3	3128MMWV1	3.00%	3.31%	9/1/2032	0.30	744,000.00	76,441.86	-	76,441.86	79,241.38	98.22
Agency Securities	FHLB 0.6%26 DUE 12/30/26	3130AKKS8	0.60%	3.47%	12/30/2026	0.75	2,000,000.00	1,710,085.00	-	1,710,085.00	1,952,984.00	97.65
Agency Securities	FHLMC SB0032 3.5%32 DUE 09/01/3	3132CWA95	3.50%	3.60%	9/1/2032	2.40	3,799,000.00	6,470.75	-	6,470.75	27,843.72	99.41
Agency Securities	FHLMC SB1459 5.5%40 DUE 01/01/4	3132CXTQ5	5.50%	5.27%	1/1/2040	3.51	3,500,000.00	2,889,368.67	-	2,889,368.67	2,886,801.65	102.27
Agency Securities	FFCB 4.33%30 DUE 03/18/30	3133ER7E5	4.33%	4.39%	3/18/2030	3.96	2,000,000.00	1,999,410.00	-	1,999,410.00	1,995,870.00	99.79
Agency Securities	FFCB 4.58%29 DUE 04/02/29	3133ETBK2	4.58%	4.62%	4/2/2029	3.00	2,000,000.00	2,000,010.00	(1.15)	2,000,008.85	1,997,630.00	99.88
Agency Securities	FFCB 4.64%30 DUE 06/10/30	3133ETKR7	4.64%	4.71%	6/10/2030	4.19	5,000,000.00	4,990,010.00	-	4,990,010.00	4,986,240.00	99.72
Agency Securities	FHLMC 3.95%31 DUE 01/16/31	3134HCQT9	3.95%	4.17%	1/16/2031	4.79	5,000,000.00	4,995,010.00	-	4,995,010.00	4,952,195.00	99.04
Agency Securities	FEDERAL NTNL MO 0.875%26 DUE 12/1	3135G06L2	0.88%	3.49%	12/18/2026	0.71	2,000,000.00	1,793,205.00	-	1,793,205.00	1,958,830.00	97.94
Agency Securities	FEDERAL NTNL MORT 4.4%29 DUE 12/1	3136GAZY4	4.40%	4.35%	12/11/2029	3.69	2,000,000.00	2,000,010.00	(3.94)	2,000,006.06	2,003,054.00	100.15
Agency Securities	FEDERAL NTNL MORT 4.5%29 DUE 03/1	3136GCYD1	4.50%	4.48%	3/30/2029	3.00	2,500,000.00	2,500,322.50	-	2,500,322.50	2,500,322.50	100.05
Agency Securities	FNMA PL BM5111 3%33 DUE 11/01/	3140J9VD0	3.00%	3.40%	11/1/2033	2.38	4,882,000.00	415,913.56	-	415,913.56	885,545.38	97.34
Agency Securities	FNMA PL CB4524 5%37 DUE 08/01/3	3140QQA21	4.50%	4.32%	8/1/2037	3.70	165,000.00	107,430.56	-	107,430.56	104,876.69	101.57
Agency Securities	FNMA PL CB4525 5%37 DUE 08/01/3	3140QQA39	5.00%	4.82%	8/1/2037	3.75	149,496.00	72,602.01	-	72,602.01	71,092.66	101.58
Agency Securities	FNMA PL CB4526 5%37 DUE 09/01/3	3140QQA47	5.00%	4.84%	9/1/2037	3.62	442,735.00	270,359.89	-	270,359.89	264,652.88	101.38
Agency Securities	FNMA PL CB4508 4.5%37 DUE 08/01/	3140QQAJ4	5.00%	5.03%	8/1/2037	3.81	448,000.00	268,164.87	-	268,164.87	258,540.53	99.73
Agency Securities	FNMA PL CB4509 4.5%37 DUE 08/01/	3140QQAK1	4.50%	4.53%	8/1/2037	3.77	840,624.00	430,934.21	-	430,934.21	416,268.86	99.71
Agency Securities	FNMA PL CB4510 4.5%37 DUE 08/01/	3140QQAL9	4.50%	4.54%	8/1/2037	3.64	483,000.00	265,801.69	-	265,801.69	256,864.44	99.66
Agency Securities	FNMA PL CB4514 4.5%37 DUE 09/01/	3140QQAQ8	5.00%	5.02%	9/1/2037	3.70	728,251.00	382,174.89	-	382,174.89	368,156.82	99.80
Agency Securities	FNMA PL CB4523 5%37 DUE 08/01/3	3140QQAZ8	5.00%	4.82%	8/1/2037	3.68	385,141.00	238,063.12	-	238,063.12	231,730.00	101.57
Agency Securities	FNMA PL CB4755 5%37 DUE 09/01/3	3140QQH99	5.00%	4.91%	9/1/2037	3.65	486,000.00	286,935.49	-	286,935.49	281,047.30	100.81
Agency Securities	FNMA PL CB4756 5%37 DUE 09/01/3	3140QQJA4	5.00%	4.82%	9/1/2037	3.62	271,000.00	130,475.36	-	130,475.36	128,946.62	101.57
Agency Securities	FNMA PL CB4757 5%37 DUE 09/01/3	3140QQJB2	4.50%	4.32%	9/1/2037	3.64	457,000.00	222,356.57	-	222,356.57	219,903.21	101.58
Agency Securities	FNMA PL CB4758 5%37 DUE 09/01/3	3140QQJC0	5.00%	4.82%	9/1/2037	3.63	312,000.00	151,777.40	-	151,777.40	150,425.78	101.58
Agency Securities	FNMA PL CB4759 5%37 DUE 09/01/3	3140QQJD8	5.00%	4.84%	9/1/2037	3.77	315,000.00	161,578.20	-	161,578.20	159,971.69	101.38
Agency Securities	FNMA PL CB4760 5%37 DUE 09/01/3	3140QQJE6	5.00%	4.81%	9/1/2037	3.57	632,000.00	364,678.11	-	364,678.11	359,471.87	101.64
Agency Securities	FNMA PL CB5005 5%37 DUE 10/01/3	3140QQR31	4.50%	4.32%	10/1/2037	3.65	188,000.00	107,126.97	-	107,126.97	108,548.24	101.64
Agency Securities	FNMA PL CB4990 4.5%37 DUE 11/01/	3140QQRL1	4.50%	4.53%	11/1/2037	3.68	240,312.00	133,161.67	-	133,161.67	135,213.12	99.73
Agency Securities	FNMA PL CB4991 4.5%37 DUE 10/01/	3140QQRM9	5.00%	5.03%	10/1/2037	3.77	125,049.00	60,647.05	-	60,647.05	61,641.05	99.71
Agency Securities	FNMA PL CB4995 4.5%37 DUE 10/01/	3140QQRR8	4.50%	4.52%	10/1/2037	3.57	185,273.00	97,914.48	-	97,914.48	99,424.06	99.80
Agency Securities	FNMA PL FM2743 3%34 DUE 02/01/	3140X6BM2	3.00%	3.46%	2/1/2034	2.46	2,590,000.00	405,865.64	-	405,865.64	414,867.11	96.84
Agency Securities	FNMA PL FM6298 4%38 DUE 06/01/	3140X97L3	4.00%	4.03%	6/1/2038	3.14	1,887,000.00	690,105.66	-	690,105.66	630,365.58	99.74
Agency Securities	FNMA PL FM8952 4%37 DUE 12/01/	3140XC5N4	4.00%	4.11%	12/1/2037	2.95	2,149,000.00	921,233.84	-	921,233.84	835,466.74	98.97
Agency Securities	FNMA PL FS6072 2.5%36 DUE 12/01/	3140XMXA9	2.50%	3.03%	12/1/2036	3.37	843,175.00	500,349.33	-	500,349.33	541,686.58	95.16
Agency Securities	FNMA PL MA0919 3.5%31 DUE 12/01	31418AAV0	3.50%	3.85%	12/1/2031	2.21	5,269,000.00	200,720.52	-	200,720.52	204,199.93	98.18
Agency Securities	FNMA PL MA0976 3.5%32 DUE 02/01	31418ACN6	3.50%	3.85%	2/1/2032	2.21	6,180,000.00	272,563.04	-	272,563.04	277,517.22	98.18
Agency Securities	FNMA PL MA1401 3%33 DUE 04/01/	31418ARX8	3.00%	3.64%	4/1/2033	2.80	3,339,000.00	324,598.65	-	324,598.65	329,477.10	96.00
Agency Securities	FNMA PL MA2832 3%36 DUE 12/01/	31418CEE0	3.00%	3.52%	12/1/2036	4.10	1,662,000.00	182,401.61	-	182,401.61	260,649.05	95.35
Agency Securities	FNMA PL MA3060 3%32 DUE 07/01/	31418CMJ0	3.00%	3.38%	7/1/2032	2.46	2,178,000.00	207,419.89	-	207,419.89	214,173.01	97.86
Agency Securities	FNMA PL MA4389 1.5%31 DUE 07/01	31418D2X9	1.50%	2.59%	7/1/2031	0.25	1,440,000.00	492,602.36	-	492,602.36	521,770.34	94.59
Agency Securities	FHLMC RR0001 4.5%40 DUE 06/01/4	3142JCAB6	4.50%	4.56%	6/1/2040	4.10	5,000,000.00	4,170,161.22	-	4,170,161.22	4,128,879.37	99.40
Agency Securities	FHLMC RR0002 5%40 DUE 06/01/4	3142JCAC4	5.00%	4.93%	6/1/2040	4.36	7,500,000.00	5,850,941.74	-	5,850,941.74	5,854,266.22	100.69
Agency Securities	FHLMC RR0017 5%40 DUE 08/01/4	3142JCAT7	5.00%	4.93%	8/1/2040	4.10	5,000,000.00	4,086,904.75	-	4,086,904.75	4,057,615.01	100.69
	Total Count:	44	3.79%	4.06%		3.55	91,716,058.00	47,859,180.44	(5.09)	47,859,175.35	48,588,403.00	

Asset Class	Issuer	Cusip	Coupon Rate	Yield to Maturity	Maturity Date	Weighted Average Life (WAL)	Ending Par Value/Shares	Original Cost Basis	Amortization Value	Adjusted Cost Basis	Ending Market Value	Ending Unit Price
CMO & Asset Backed	ARI FLEET LEASE T 5.6%32 ABS-AUTO	00218KAB9	5.30%	5.21%	11/15/2032	0.27	205,000.00	63,961.79	-	63,961.79	64,258.08	100.47
CMO & Asset Backed	AMERICAN EXPRESS 5.23%28 ABS-CC	02582JKD1	5.23%	4.98%	9/15/2028	0.45	325,000.00	324,993.36	-	324,993.36	326,874.08	100.58
CMO & Asset Backed	AMERICAN EXPRES 4.319%30 ABS-CC	02582JKP4	4.28%	4.23%	4/15/2030	2.04	843,000.00	842,994.83	-	842,994.83	844,457.72	100.17
CMO & Asset Backed	ARI FLEET LEASE 5.54%33 ABS-AUTO	04033HAB1	5.54%	5.45%	4/15/2033	0.31	100,000.00	37,155.48	-	37,155.48	37,335.26	100.50
CMO & Asset Backed	BA CREDIT CARD T 4.79%28 ABS-CC	05522RDG0	4.79%	4.75%	5/15/2028	0.12	1,582,000.00	1,581,667.46	-	1,581,667.46	1,583,343.28	100.08
CMO & Asset Backed	BA CREDIT CARD T 4.98%28 ABS-CC	05522RDH8	4.98%	4.71%	11/15/2028	0.62	500,000.00	499,958.00	-	499,958.00	503,307.10	100.66
CMO & Asset Backed	CNH EQUIPMENT TR 3.89%27 ABS-SPCI	12663JAC5	3.89%	3.90%	11/15/2027	0.17	413,000.00	90,887.97	-	90,887.97	90,871.21	99.97
CMO & Asset Backed	CARMAX AUTO OWNE 4.92%28 ABS-AU	14318WAD9	5.52%	5.31%	10/16/2028	0.64	98,000.00	71,790.20	-	71,790.20	72,143.11	100.51
CMO & Asset Backed	CARMAX AUTO OWNER T 6%28 ABS-AU	14318XAC9	4.59%	4.18%	7/17/2028	0.53	642,000.00	373,974.10	-	373,974.10	377,496.80	100.92
CMO & Asset Backed	CARMAX AUTO OWNE 4.59%28 ABS-AU	14320AAB7	6.00%	5.91%	7/17/2028	0.42	1,505,000.00	975,835.32	-	975,835.32	977,712.90	100.19
CMO & Asset Backed	ELEMENT FLEET MA 6.16%35 ABS-AUT	165183C25	6.16%	6.07%	10/15/2035	0.34	306,000.00	88,062.23	-	88,062.23	88,630.45	100.64
CMO & Asset Backed	CHESAPEAKE FUNDI 5.52%36 ABS-AUT	165183DE1	5.52%	5.39%	5/15/2036	0.58	468,000.00	210,187.80	-	210,187.80	212,240.98	100.98
CMO & Asset Backed	CITIBANK CREDIT C 4.3%30 ABS-CC	17305EHA6	4.30%	4.21%	6/21/2030	2.22	3,200,000.00	3,199,142.80	-	3,199,142.80	3,211,032.00	100.34

Treasury Report - continued

OPERATING ASSETS (SCHWAB) - HOLDINGS DETAIL

March 31, 2026

Asset Class	Issuer	Cusip	Coupon Rate	Yield to Maturity	Maturity Date	Weighted Average Life (WAL)	Ending Par Value/Shares	Original Cost Basis	Amortization Value	Adjusted Cost Basis	Ending Market Value	Ending Unit Price
CMO & Asset Backed	ENTERPRISE FLEET 6.4%30 ABS-AUTO	29374LAB6	5.23%	4.99%	3/20/2030	0.36	490,000.00	169,386.35	-	169,386.35	170,869.55	100.88
CMO & Asset Backed	ENTERPRISE FLEET 5.56%30 ABS-AUTO	29375NAB1	5.56%	5.46%	4/22/2030	0.19	710,000.00	118,341.91	-	118,341.91	118,775.27	100.35
CMO & Asset Backed	ENTERPRISE FLEET 5.5%30 ABS-AUTO	29375NAC9	5.50%	5.21%	4/22/2030	0.72	143,000.00	142,993.25	-	142,993.25	144,527.71	101.07
CMO & Asset Backed	ENTERPRISE FLEET 5.23%30 ABS-AUTO	29375PAB6	6.40%	6.26%	3/20/2030	0.45	330,000.00	138,488.76	-	138,488.76	139,163.37	100.48
CMO & Asset Backed	ENTERPRISE FLEET 5.16%30 ABS-AUTO	29375PAC4	5.16%	4.83%	9/20/2030	1.23	50,000.00	50,009.79	-	50,009.79	50,661.54	101.32
CMO & Asset Backed	FORD CR AUTO OWN 4.65%28 ABS-AUT	344928AD8	4.65%	4.55%	2/15/2028	1.78	342,000.00	88,963.67	-	88,963.67	89,125.73	100.18
CMO & Asset Backed	FORD CR AUTO OWN 5.53%28 ABS-AUT	344940AD3	5.53%	5.20%	9/15/2028	2.45	389,000.00	220,237.65	-	220,237.65	221,988.69	100.78
CMO & Asset Backed	FORD CREDIT FL 4.9199%28 ABS-AUTO	34528QHV9	4.92%	4.87%	5/15/2028	0.12	911,000.00	911,011.33	-	911,011.33	911,969.85	100.11
CMO & Asset Backed	FORD CREDIT FLOO 5.24%31 ABS-AUTC	34528QJF2	5.24%	4.70%	4/15/2031	3.04	760,000.00	760,008.66	-	760,008.66	778,433.42	102.43
CMO & Asset Backed	FOUNDATION FIN TR 5.5%49 ABS-CDO	349941AA2	5.50%	5.39%	12/15/2049	2.16	303,000.00	175,800.49	-	175,800.49	178,297.70	101.42
CMO & Asset Backed	GMF FLOORPLAN OW 5.34%28 ABS-AU	361886CR3	5.34%	5.22%	6/15/2028	0.21	678,000.00	677,844.37	-	677,844.37	679,749.10	100.26
CMO & Asset Backed	GM FINL REVOLVIN 4.98%36 ABS-AUTC	36269KAA3	4.98%	4.74%	12/11/2036	2.94	446,000.00	445,889.42	-	445,889.42	455,006.84	102.02
CMO & Asset Backed	HONDA AUTO RECEI 4.15%29 ABS-AUT	437921AD1	4.15%	4.13%	10/15/2029	1.55	2,574,000.00	2,573,721.71	-	2,573,721.71	2,575,276.19	100.05
CMO & Asset Backed	HAROT 2023-4 A2 5.67%28 ABS-AUTO	438123AC5	5.67%	5.25%	6/21/2028	0.58	196,000.00	108,522.15	-	108,522.15	109,502.68	100.89
CMO & Asset Backed	MMAF EQUIPMENT F 4.95%31 ABS-SPC	55318CAC8	4.95%	4.75%	7/14/2031	1.01	112,985.00	112,989.32	-	112,989.32	114,041.87	100.94
CMO & Asset Backed	NAVISTAR FINL CO 5.59%29 ABS-AUTO	63938PBW8	5.59%	5.56%	4/25/2029	2.06	299,000.00	298,984.96	-	298,984.96	299,238.48	100.08
CMO & Asset Backed	NAVIENT PRIVATE 0.97%69 ABS-CDO	63942EAA6	0.97%	1.29%	12/16/2069	2.73	1,495,000.00	606,747.61	-	606,747.61	542,708.07	89.43
CMO & Asset Backed	NAVIENT PRIVATE 1.11%70 ABS-STUD	63942GAA1	1.11%	1.44%	2/18/2070	3.04	1,010,000.00	455,475.79	-	455,475.79	406,830.22	89.31
CMO & Asset Backed	NAVIENT PRIVATE 0.94%69 ABS-STUD	63942LAA0	0.94%	1.20%	7/15/2069	1.77	755,000.00	186,008.10	-	186,008.10	200,180.98	91.21
CMO & Asset Backed	NAVIENT PRIVATE 4.16%70 ABS-STUD	63942PAA1	4.16%	4.31%	10/15/2070	3.09	1,139,000.00	617,464.67	-	617,464.67	599,398.77	97.06
CMO & Asset Backed	NAVIENT PRIVATE 6.48%72 ABS-STUD	63942TAA3	6.48%	6.34%	3/15/2072	1.32	184,000.00	66,747.90	-	66,747.90	68,174.65	102.15
CMO & Asset Backed	NELNET STUDENT L 1.42%62 ABS-SPCL	64034QAB4	4.53%	4.84%	4/20/2062	1.89	920,000.00	249,871.48	-	249,871.48	236,701.55	94.71
CMO & Asset Backed	NELNET STUDENT 4.5295%62 MBS-CMI	64035GAA7	1.42%	1.46%	4/20/2062	1.97	580,000.00	166,128.45	-	166,128.45	164,471.75	99.01
CMO & Asset Backed	NISSAN AUTO RECE 5.93%28 ABS-AUTC	65480MAD5	5.93%	5.64%	3/15/2028	0.38	142,000.00	57,887.89	-	57,887.89	58,215.62	100.55
CMO & Asset Backed	ONEMAIN FINL I 5.1722%36 ABS-CLO	68269HAE5	5.17%	5.09%	9/14/2036	1.03	621,000.00	621,025.00	-	621,025.00	625,292.35	100.69
CMO & Asset Backed	PFS FING CORP 5.52%28 ABS-SPCL	69335PEY7	4.92%	4.63%	10/16/2028	0.54	180,000.00	179,999.08	-	179,999.08	181,265.26	100.70
CMO & Asset Backed	PFS FINANCING CO 4.95%29 ABS-SPCL	69335PFE0	4.95%	4.73%	2/15/2029	0.87	905,000.00	904,980.93	-	904,980.93	910,499.14	100.61
CMO & Asset Backed	PORSCHE FINL AUT 6.22%29 ABS-AUTC	732916AD3	5.79%	5.58%	1/22/2029	0.38	387,000.00	113,583.47	-	113,583.47	114,193.56	100.54
CMO & Asset Backed	PORSCHE FINL AUT 4.81%28 ABS-AUTC	73328QAC8	4.81%	4.71%	9/22/2028	0.29	792,000.00	166,152.11	-	166,152.11	166,584.15	100.25
CMO & Asset Backed	SMB PRIVATE ED L 1.59%53 ABS-STUD	78448YAC5	1.39%	1.74%	1/15/2053	2.50	294,000.00	112,533.41	-	112,533.41	118,810.00	92.51
CMO & Asset Backed	SMB PRIVATE EDUC 1.34%53 ABS-CDO	78449MAA4	1.34%	1.58%	3/17/2053	1.74	800,000.00	218,739.07	-	218,739.07	207,098.57	94.68
CMO & Asset Backed	SMB PRIVATE ED L 2.85%54 ABS-STUD	78450FAA5	2.85%	3.17%	11/16/2054	3.21	130,000.00	50,703.95	-	50,703.95	52,413.70	94.05
CMO & Asset Backed	PRIVATE ED LN 6.3723%53 ABS-STUD	78450QAB9	1.59%	1.55%	1/15/2053	2.48	490,000.00	269,025.06	-	269,025.06	273,582.56	100.92
CMO & Asset Backed	SMB PRIVATE EDUCATI 0%58 ABS-STUI	78454XAB0	5.47%	5.36%	10/15/2058	3.32	1,430,000.00	749,173.69	-	749,173.69	762,274.27	101.75
CMO & Asset Backed	SMB PRIVATE ED 1.3899%53 MBS-MBS	83206AAA1	5.17%	5.77%	1/15/2053	2.58	500,000.00	158,861.03	-	158,861.03	146,538.18	91.89
CMO & Asset Backed	SOFI PROFESSIONA 1.14%47 ABS-STUD	83405NAA4	1.14%	1.74%	2/15/2047	3.30	935,000.00	395,259.27	-	395,259.27	353,877.36	89.52
CMO & Asset Backed	SOFI PROFESSIONA 1.03%43 MBS-CMO	83405YAA0	1.03%	1.88%	8/17/2043	3.18	210,000.00	71,543.87	-	71,543.87	62,559.87	87.43
CMO & Asset Backed	TOYOTA AUTO RECE 5.54%28 ABS-AUT	89239FAD4	5.54%	5.17%	8/15/2028	2.37	243,000.00	162,525.81	-	162,525.81	163,913.76	100.85
CMO & Asset Backed	VERIZON MASTER T 4.83%31 ABS-SPCL	92348KCH4	4.83%	4.53%	12/22/2031	2.72	101,000.00	100,994.05	-	100,994.05	102,525.52	101.51
CMO & Asset Backed	VERIZON MASTER TR 4.4%31 ABS-SPCL	92348KEF6	4.40%	4.35%	6/20/2031	2.22	2,541,000.00	2,540,839.75	-	2,540,839.75	2,547,018.61	100.24
CMO & Asset Backed	VOLKSWAGEN AUTO 5.48%28 ABS-AUT	92867VAD6	5.48%	5.14%	12/20/2028	1.71	390,000.00	297,037.63	-	297,037.63	299,688.04	100.88
	Total Count:	54	4.21%	4.19%		1.64	36,094,985.00	24,873,114.20	-	24,873,114.20	24,791,147.47	

Asset Class	Issuer	Cusip	Coupon Rate	Yield to Maturity	Maturity Date	Weighted Average Life (WAL)	Ending Par Value/Shares	Original Cost Basis	Amortization Value	Adjusted Cost Basis	Ending Market Value	Ending Unit Price
Corporate Bonds	ALTRIA GROUP, INC 6.2%28 DUE 11/01	022095BQ5	6.20%	4.55%	11/1/2028	2.50	1,000,000.00	1,054,820.00	-	1,054,820.00	1,041,079.00	104.11
Corporate Bonds	ALTRIA GROUP, INC 4.5%30 DUE 08/06	022095BU6	4.50%	4.63%	8/6/2030	4.34	1,000,000.00	1,008,580.00	(162.73)	1,008,417.27	994,716.00	99.47
Corporate Bonds	AMERICAN EXPRESS VAR 27 DUE 07/2	025816DG1	5.39%	5.20%	7/28/2027	0.32	455,000.00	445,415.40	-	445,415.40	456,159.34	100.25
Corporate Bonds	AMERICAN EXPRESS VAR 29 DUE 07/2	025816DH9	5.28%	4.73%	7/27/2029	2.32	3,750,000.00	3,840,382.50	(5,937.93)	3,834,444.57	3,813,806.25	101.70
Corporate Bonds	ELEVANCE HEALTH, 4.75%30 DUE 02/1	036752BB8	4.75%	4.73%	2/15/2030	3.79	2,000,000.00	2,036,340.00	(1,199.40)	2,035,140.60	2,001,750.00	100.09
Corporate Bonds	ASTRAZENECA FIN L 4.8%27 DUE 02/26	04636NAK9	4.80%	4.19%	2/26/2027	0.82	1,081,000.00	1,079,208.92	-	1,079,208.92	1,087,369.25	100.59
Corporate Bonds	BANK OF AMERICA C VAR 28 DUE 12/2	06051GHD4	3.42%	4.12%	12/20/2028	0.76	1,000,000.00	968,890.00	-	968,890.00	981,418.00	98.14
Corporate Bonds	BANK OF AMERICA C VAR 27 DUE 07/2	06051GJS9	1.73%	2.37%	7/22/2027	0.30	1,000,000.00	960,610.00	-	960,610.00	991,313.00	99.13
Corporate Bonds	BANK OF AMERICA C VAR 29 DUE 04/2	06051GLG2	5.20%	4.76%	4/25/2029	0.07	500,000.00	509,310.00	(632.03)	508,677.97	506,320.50	101.26
Corporate Bonds	BANK OF AMERICA C VAR 29 DUE 09/1	06051GLS6	5.82%	4.87%	9/15/2029	2.45	1,000,000.00	1,044,470.00	(3,889.37)	1,040,580.63	1,030,701.00	103.07
Corporate Bonds	BANK OF AMERICA C VAR 27 DUE 09/1	06051GLV9	5.93%	5.41%	9/15/2027	0.45	1,635,000.00	1,631,935.85	-	1,631,935.85	1,647,416.19	100.76
Corporate Bonds	THE BANK OF NEW Y VAR 27 DUE 04/2	06406RBQ9	4.95%	4.94%	4/26/2027	0.07	1,455,000.00	1,412,888.20	-	1,412,888.20	1,455,093.12	100.01
Corporate Bonds	THE BANK OF NEW Y 3.3%29 DUE 08/2	06406YAA0	3.30%	4.46%	8/23/2029	3.39	3,000,000.00	2,914,940.00	-	2,914,940.00	2,888,421.00	96.28
Corporate Bonds	BOARD TRUSTEES 4.146%30 DUE 08/0	09659DAC0	4.15%	4.30%	8/1/2030	4.33	2,500,000.00	2,500,010.00	(10.00)	2,500,000.00	2,484,480.00	99.38
Corporate Bonds	BROADCOM INC. 5.05%29 DUE 07/12	11135FBX8	5.05%	4.42%	7/12/2029	3.20	1,500,000.00	1,550,230.00	-	1,550,230.00	1,529,004.00	101.93
Corporate Bonds	BROADCOM INC. 4.6%30 DUE 07/15/	11135FCK5	4.60%	4.47%	7/15/2030	4.20	4,000,000.00	4,060,350.00	-	4,060,350.00	4,019,776.00	100.49
Corporate Bonds	BROADCOM INC. 4.2%30 DUE 10/15/	11135FCW9	4.20%	4.58%	10/15/2030	4.53	2,000,000.00	2,000,080.00	-	2,000,080.00	1,968,598.00	98.43
Corporate Bonds	CATERPILLAR FINL SE 5%27 DUE 05/14/	14913UAL4	5.00%	4.20%	5/14/2027	1.12	535,000.00	534,436.50	-	534,436.50	539,944.47	100.92
Corporate Bonds	CISCO SYSTEMS, IN 4.8%27 DUE 02/26/	17275RBQ4	4.80%	4.17%	2/26/2027	0.82	1,081,000.00	1,079,619.70	-	1,079,619.70	1,087,607.07	100.61
Corporate Bonds	CITIGROUP INC. VAR 30 DUE 02/13/3	172967PF2	5.17%	4.75%	2/13/2030	2.86	1,000,000.00	1,027,950.00	(1,088.92)	1,026,861.08	1,015,264.00	101.53
Corporate Bonds	CITIGROUP INC. VAR 29 DUE 03/04/2	17327CAW3	4.79%	4.67%	3/4/2029	1.92	2,000,000.00	2,018,830.00	(1,048.90)	2,017,781.10	2,006,572.00	100.33

Treasury Report - continued

OPERATING ASSETS (SCHWAB) - HOLDINGS DETAIL

March 31, 2026

Asset Class	Issuer	Cusip	Coupon Rate	Yield to Maturity	Maturity Date	Weighted Average Life (WAL)	Ending Par Value/Shares	Original Cost Basis	Amortization Value	Adjusted Cost Basis	Ending Market Value	Ending Unit Price
Corporate Bonds	CONOCOPHILLIPS CO 4.7%30 DUE 01/1	20826FBJ4	4.70%	4.50%	1/15/2030	3.70	2,000,000.00	2,045,940.00	(1,889.13)	2,044,050.87	2,013,656.00	100.68
Corporate Bonds	JOHN DEERE CAPIT 1.05%26 DUE 06/17	24422EVR7	1.05%	3.20%	6/17/2026	0.21	295,000.00	263,828.75	-	263,828.75	293,147.10	99.37
Corporate Bonds	ENTERPRISE PRODUC 2.8%30 DUE 01/3	29379VBX0	2.80%	4.49%	1/31/2030	3.83	1,500,000.00	1,389,160.00	-	1,389,160.00	1,409,902.50	93.99
Corporate Bonds	NEXTERA ENERGY, 4.45%26 DUE 05/15	341081GR2	2.63%	2.63%	5/15/2026	0.12	605,000.00	604,740.65	-	604,740.65	605,057.47	100.01
Corporate Bonds	THE GOLDMAN SACHS VAR 30 DUE 07/	38141GB29	5.05%	4.79%	7/23/2030	3.31	5,500,000.00	5,610,745.00	(1,022.41)	5,609,722.59	5,555,407.00	101.01
Corporate Bonds	THE GOLDMAN SACHS VAR 28 DUE 08/	38141GZU1	4.48%	4.47%	8/23/2028	1.39	1,500,000.00	1,509,790.00	(176.41)	1,509,613.59	1,500,348.00	100.02
Corporate Bonds	HSBC USA INC. 5.294%27 DUE 03/04/	40428HA44	5.29%	4.41%	3/4/2027	0.92	630,000.00	630,025.00	(16.23)	630,008.77	635,499.27	100.87
Corporate Bonds	JPMORGAN CHASE &. VAR 28 DUE 02/2	46647PCW4	2.95%	3.61%	2/24/2028	0.89	1,355,000.00	1,270,635.60	-	1,270,635.60	1,337,798.27	98.73
Corporate Bonds	JPMORGAN CHASE &. VAR 30 DUE 06/1	46647PDF0	4.57%	4.60%	6/14/2030	3.20	1,000,000.00	1,012,010.00	-	1,012,010.00	998,514.00	99.85
Corporate Bonds	JPMORGAN CHASE &. VAR 28 DUE 07/2	46647PDG8	4.81%	4.63%	7/25/2028	1.31	3,000,000.00	3,037,745.00	-	3,037,745.00	3,011,697.00	100.39
Corporate Bonds	JPMORGAN CHASE &. VAR 28 DUE 01/2	46647PEA0	5.04%	4.75%	1/23/2028	0.81	965,000.00	965,025.00	(0.06)	965,024.94	969,954.31	100.51
Corporate Bonds	JPMORGAN CHASE &. VAR 30 DUE 01/2	46647PEB8	5.20%	4.87%	1/23/2030	2.81	3,000,000.00	3,028,960.00	(3,753.81)	3,025,206.19	3,034,185.00	101.14
Corporate Bonds	MASSMUTUAL GLOBAL 5.1%27 DUE 04	57629W4S6	5.10%	4.36%	4/9/2027	1.02	500,000.00	499,875.00	-	499,875.00	503,947.50	100.79
Corporate Bonds	MET TOWER GLOBAL 4.85%27 DUE 01/	58989V2G8	4.85%	4.37%	1/16/2027	0.79	180,000.00	179,870.20	-	179,870.20	180,726.66	100.40
Corporate Bonds	MORGAN STANLEY 5.882%26 DUE 10/	61690U7W4	5.88%	4.54%	10/30/2026	0.50	1,148,000.00	1,148,025.00	-	1,148,025.00	1,158,018.60	100.87
Corporate Bonds	MORGAN STANLEY BA VAR 28 DUE 01/	61690U8A1	4.95%	4.81%	1/14/2028	0.78	1,170,000.00	1,162,209.40	-	1,162,209.40	1,172,977.65	100.25
Corporate Bonds	MORGAN STANLEY VAR 27 DUE 07/2(	61747YEC5	1.51%	2.16%	7/20/2027	1.30	705,000.00	619,184.20	-	619,184.20	698,796.70	99.12
Corporate Bonds	MORGAN STANLEY VAR 28 DUE 01/21	61747YEK7	2.48%	3.36%	1/21/2028	0.80	1,045,000.00	970,944.95	-	970,944.95	1,028,091.90	98.38
Corporate Bonds	MORGAN STANLEY VAR 28 DUE 04/2(	61747YER2	4.21%	4.33%	4/20/2028	1.05	1,305,000.00	1,266,031.60	-	1,266,031.60	1,301,634.41	99.74
Corporate Bonds	MORGAN STANLEY VAR 29 DUE 02/01	61747YFA8	5.12%	4.70%	2/1/2029	1.83	1,000,000.00	1,027,300.00	(7,799.97)	1,019,500.03	1,011,408.00	101.14
Corporate Bonds	MORGAN STANLEY VAR 28 DUE 04/1!	61747YFP5	5.65%	5.08%	4/13/2028	1.03	1,115,000.00	1,115,025.00	(8.21)	1,115,016.79	1,127,513.65	101.12
Corporate Bonds	MORGAN STANLEY VAR 30 DUE 04/1(	61747YFQ3	5.66%	4.96%	4/18/2030	3.04	1,000,000.00	1,029,520.00	(1,879.69)	1,027,640.31	1,025,630.00	102.56
Corporate Bonds	THE PNC FINL SERV VAR 29 DUE 06/12/	693475BR5	5.58%	4.83%	6/12/2029	2.20	4,500,000.00	4,640,610.00	(28,796.40)	4,611,813.60	4,601,736.00	102.26
Corporate Bonds	THE PNC FINL SERV VAR 30 DUE 05/14/	693475BX2	5.49%	4.79%	5/14/2030	3.12	1,500,000.00	1,541,140.00	(2,924.99)	1,538,215.01	1,539,582.00	102.64
Corporate Bonds	PHILIP MORRIS I 4.375%30 DUE 04/30/	718172DT3	4.38%	4.55%	4/30/2030	4.08	3,000,000.00	3,015,400.00	-	3,015,400.00	2,979,780.00	99.33
Corporate Bonds	PHILIP MORRIS I 3.875%28 DUE 10/27/	718172DX4	3.88%	4.27%	10/27/2028	2.57	1,500,000.00	1,495,360.00	-	1,495,360.00	1,485,109.50	99.01
Corporate Bonds	ROCHE HOLDINGS, 2.625%26 DUE 05/1	771196BK7	4.45%	5.21%	5/15/2026	0.04	600,000.00	562,081.00	-	562,081.00	599,120.40	99.85
Corporate Bonds	THE CHARLES SCH 5.875%26 DUE 08/2	808513CG8	5.88%	4.88%	8/24/2026	0.31	1,920,000.00	1,918,437.20	-	1,918,437.20	1,929,609.60	100.50
Corporate Bonds	THERMO FISHER SCI 4.2%31 DUE 03/01	883556DC3	4.20%	4.48%	3/1/2031	4.91	3,500,000.00	3,493,095.00	(12.67)	3,493,082.33	3,467,370.50	98.76
Corporate Bonds	TOYOTA MOTOR CRE 4.55%29 DUE 08/	89236TMK8	4.55%	4.39%	8/9/2029	3.35	2,000,000.00	2,031,250.00	(828.56)	2,030,421.44	2,010,210.00	100.51
Corporate Bonds	U.S. BANCORP 3.15%27 DUE 04/27/2	91159HHR4	3.15%	4.15%	4/27/2027	1.07	1,000,000.00	981,340.00	-	981,340.00	988,703.00	98.87
Corporate Bonds	U.S. BANCORP VAR 29 DUE 06/12/2!	91159HJM3	5.78%	4.91%	6/12/2029	2.20	5,000,000.00	5,163,445.00	(29,983.76)	5,133,461.24	5,128,865.00	102.58
Corporate Bonds	U.S. BANCORP VAR 30 DUE 01/23/3(	91159HJQ4	5.38%	4.78%	1/23/2030	2.81	2,000,000.00	2,036,400.00	(4,766.14)	2,031,633.86	2,042,522.00	102.13
Corporate Bonds	UNITEDHEALTH GRO 5.25%28 DUE 02/	91324PEP3	5.25%	4.38%	2/15/2028	0.31	1,000,000.00	1,042,370.00	(16,529.46)	1,025,840.54	1,016,166.00	101.62
Corporate Bonds	UNITEDHEALTH GROU 4.6%27 DUE 04/	91324PEY4	4.60%	4.14%	4/15/2027	0.95	505,000.00	501,505.15	-	501,505.15	507,518.43	100.50
Corporate Bonds	UNITEDHEALTH GROU 4.8%30 DUE 01/	91324PFG2	4.80%	4.52%	1/15/2030	3.70	2,000,000.00	2,040,360.00	(1,427.48)	2,038,932.52	2,019,302.00	100.97
Corporate Bonds	UNITEDHEALTH GRO 4.65%31 DUE 01/	91324PFP2	4.65%	4.61%	1/15/2031	4.70	1,500,000.00	1,529,965.00	-	1,529,965.00	1,502,535.00	100.17
Corporate Bonds	WELLS FARGO BANK 5.45%26 DUE 08/(	94988J6D4	5.45%	4.92%	8/7/2026	0.27	1,100,000.00	1,099,937.00	-	1,099,937.00	1,102,754.40	100.25
Corporate Bonds	WELLS FARGO & CO VAR 28 DUE 06/0	95000U2S1	2.39%	3.49%	6/2/2028	1.16	1,060,000.00	968,716.60	-	968,716.60	1,034,852.56	97.63
Corporate Bonds	WELLS FARGO & CO VAR 28 DUE 07/2!	95000U3A9	4.85%	4.71%	7/25/2028	1.31	1,350,000.00	1,366,129.00	-	1,366,129.00	1,354,147.20	100.31
Corporate Bonds	WELLS FARGO & CO VAR 29 DUE 07/2!	95000U3E1	5.57%	4.84%	7/25/2029	2.31	3,500,000.00	3,619,190.00	(134.73)	3,619,055.27	3,579,590.00	102.27
Corporate Bonds	WELLS FARGO & CO VAR 30 DUE 01/2!	95000U3J0	5.01%	4.61%	1/23/2030	2.81	1,250,000.00	1,285,847.50	(2,523.62)	1,283,323.88	1,267,716.25	101.42
Corporate Bonds	WELLS FARGO & CO VAR 28 DUE 04/2!	95000U3L5	5.71%	5.07%	4/22/2028	1.05	895,000.00	895,025.00	(8.73)	895,016.27	906,369.19	101.27
	Total Count:	64	4.75%	4.56%		2.44	104,690,000.00	105,293,490.87	(118,451.74)	105,175,039.13	105,184,278.21	

Asset Class	Issuer	Cusip	Coupon Rate	Yield to Maturity	Maturity Date	Weighted Average Life (WAL)	Ending Par Value/Shares	Original Cost Basis	Amortization Value	Adjusted Cost Basis	Ending Market Value	Ending Unit Price
U.S. Treasuries	US TREASURY BILL26 U S T BILL DUE	912797SL2	0.00%	0.74%	4/9/2026	0.02	2,700,000.00	2,689,083.58	-	2,689,083.58	2,697,833.79	99.92
U.S. Treasuries	US TREASURY BILL26 U S T BILL DUE	912797TH0	0.00%	1.07%	4/14/2026	0.04	2,500,000.00	2,493,755.00	-	2,493,755.00	2,496,722.75	99.87
U.S. Treasuries	US TREASUR NT 3.25%06/29 UST NOTE	91282CEV9	3.25%	3.83%	6/30/2029	3.25	10,000,000.00	9,853,845.40	-	9,853,845.40	9,817,968.00	98.18
U.S. Treasuries	US TREASU NT 3.625%05/28 UST NOTE	91282CHE4	3.63%	3.81%	5/31/2028	2.17	5,000,000.00	5,000,409.03	-	5,000,409.03	4,980,468.50	99.61
U.S. Treasuries	US TREASUR NT 3.75%06/30 UST NOTE	91282CHU3	3.75%	3.91%	6/30/2030	4.25	7,500,000.00	7,486,458.38	-	7,486,458.38	7,452,538.50	99.37
U.S. Treasuries	US TREASUR NT 4.5%07/26 UST NOTE	91282CHM6	4.50%	3.98%	7/15/2026	0.29	1,100,000.00	1,097,864.09	-	1,097,864.09	1,102,277.33	100.21
U.S. Treasuries	US TREASU NT 4.375%08/26 UST NOTE	91282CHU8	4.38%	3.96%	8/15/2026	0.37	9,070,000.00	9,027,879.46	-	9,027,879.46	9,088,777.62	100.21
U.S. Treasuries	US TREASU NT 4.625%09/26 UST NOTE	91282CHY0	4.63%	3.89%	9/15/2026	0.45	7,540,000.00	7,503,223.47	-	7,503,223.47	7,569,452.75	100.39
U.S. Treasuries	US TREASU NT 4.625%10/26 UST NOTE	91282CJC6	4.63%	3.89%	10/15/2026	0.54	6,370,000.00	6,322,323.05	-	6,322,323.05	6,398,614.68	100.45
U.S. Treasuries	US TREASU NT 4.625%11/26 UST NOTE	91282CJK8	4.63%	3.90%	11/15/2026	0.62	4,715,000.00	4,733,323.20	(11,775.03)	4,721,548.17	4,738,575.00	100.50
U.S. Treasuries	US TREASU NT 4.375%12/26 UST NOTE	91282CJP7	4.38%	3.83%	12/15/2026	0.71	6,580,000.00	6,619,226.95	(24,962.70)	6,594,264.25	6,607,501.77	100.42
U.S. Treasuries	US TREASU NT 4.125%02/27 UST NOTE	91282CKA8	4.13%	3.79%	2/15/2027	0.88	15,140,000.00	15,007,587.41	-	15,007,587.41	15,186,720.53	100.31
U.S. Treasuries	US TREASUR NT 4.5%05/27 UST NOTE	91282CKR1	4.50%	3.87%	5/15/2027	1.12	20,050,000.00	19,957,711.63	-	19,957,711.63	20,198,025.14	100.74
U.S. Treasuries	US TREASU NT 4.625%06/27 UST NOTE	91282CKV2	4.63%	3.88%	6/15/2027	1.20	8,000,000.00	8,077,850.94	(36,494.23)	8,041,356.71	8,074,687.20	100.93
U.S. Treasuries	US TREASU NT 4.375%07/27 UST NOTE	91282CK23	4.38%	3.86%	7/15/2027	1.29	19,015,000.00	19,175,233.63	(76,299.92)	19,098,933.71	19,144,984.64	100.68
U.S. Treasuries	US TREASU NT 4.375%07/26 UST NOTE	91282CLB5	4.38%	3.87%	7/31/2026	0.33	50,515,000.00	50,625,226.47	(81,739.39)	50,543,487.08	50,623,526.43	100.21
U.S. Treasuries	US TREASUR NT 4%07/29 UST NOTE	91282CLC3	4.00%	3.86%	7/31/2029	3.33	7,500,000.00	7,598,275.27	(6,149.96)	7,592,125.31	7,534,277.25	100.46
U.S. Treasuries	US TREASU NT 3.625%08/29 UST NOTE	91282CLK5	3.63%	3.86%	8/31/2029	3.41	3,500,000.00	3,487,739.04	-	3,487,739.04	3,473,066.10	99.23
U.S. Treasuries	US TREASUR NT 3.5%09/29 UST NOTE	91282CLN9	3.50%	3.86%	9/30/2029	3.50	2,000,000.00	1,945,482.11	-	1,945,482.11	1,976,171.80	98.81

Treasury Report - continued

OPERATING ASSETS (SCHWAB) - HOLDINGS DETAIL

March 31, 2026

Asset Class	Issuer	Cusip	Coupon Rate	Yield to Maturity	Maturity Date	Weighted Average Life (WAL)	Ending Par Value/Shares	Original Cost Basis	Amortization Value	Adjusted Cost Basis	Ending Market Value	Ending Unit Price
U.S. Treasuries	US TREASU NT 3.875%10/27 UST NOTE	91282CLQ2	3.88%	3.83%	10/15/2027	1.54	2,000,000.00	1,987,748.00	-	1,987,748.00	2,001,250.00	100.06
U.S. Treasuries	US TREASU NT 3.875%07/28 UST NOTE	91282CNM9	3.88%	3.82%	7/15/2028	2.29	13,500,000.00	13,588,079.25	-	13,588,079.25	13,517,401.50	100.13
U.S. Treasuries	US TREASU NT 3.625%08/28 UST NOTE	91282CNU1	3.63%	3.80%	8/15/2028	0.62	3,500,000.00	3,503,112.76	-	3,503,112.76	3,485,371.05	99.58
U.S. Treasuries	US TREASU NT 3.375%09/28 UST NOTE	91282CNY3	3.38%	3.80%	9/15/2028	0.59	9,000,000.00	8,954,107.62	-	8,954,107.62	8,907,538.50	98.97
U.S. Treasuries	US TREASU NT 3.375%02/28 UST NOTE	91282CQB0	3.38%	3.78%	2/29/2028	1.91	1,500,000.00	1,488,235.18	-	1,488,235.18	1,488,281.25	99.22
U.S. Treasuries	US TREASUR NT 3.5%02/31 UST NOTE	91282CQD6	3.50%	3.93%	2/28/2031	4.91	1,500,000.00	1,474,055.49	-	1,474,055.49	1,470,761.70	98.05
U.S. Treasuries	US TREASU NT 3.875%03/31 UST NOTE	91282CQG9	3.88%	3.94%	3/31/2031	5.00	1,000,000.00	997,930.06	-	997,930.06	996,796.80	99.68
	Total Count:	26	4.07%	3.79%		1.27	220,795,000.00	220,695,766.47	(237,421.23)	220,458,345.24	221,029,590.58	

This summary was assembled by Shuster Advisory Group, LLC ("Shuster") by request from the City of Fontana. Account adjusted cost basis, ending value, and other information reflects the market value of your cash and investments provided by Charles Schwab & Co., Inc (Schwab). It does not include pending CMO/Asset-Backed investments, Mortgage Pools investments, and Agency Mortgage Pool Investments, such as bonds issued from the Federal Home Loan Mortgage Corporation (FHLMC), Federal National Mortgage Association (FNMA), or Government National Mortgage Association (GNMA), are amoritizing bonds whose principal is paid down over time. As such, performance should be evaluated relative to the Cost Basis of the investment, not the Par Value.

Glossary

Coupon Rate: This is the stated coupon rate for the security. For variable rate securities this rate may change. Data provided by Orion.

Yield to Maturity: This is the actual average annual return on a note if held to maturity. Data provided by Orion.

Maturity Date: This is the stated maturity date of the security. Certain securities like mortgage pools, collateralized mortgage obligations, and asset backed securities can have the option to be paid back prior to maturity.

CMO & Asset Backed Securities: This is a type of financial security which is collateralized by an underlying pool of assets.

Ending Par Value/Shares: The original par value of the security.

Cost Basis: Original cost of the security.

Adjusted Cost Basis: The original cost basis adjusted for amortization.

Weighted-Average-Life: This measures the average length of time for anticipated principal repayments to measure a bond's risk and liquidity.

Treasury Report - continued

SECTION 115 OPEB ASSETS (SHUSTER/SCHWAB) - HOLDINGS DETAIL

March 31, 2026

Asset Class	Name	Ticker/Symbol	Prior Month End	Ending Market Value
Cash	Schwab Bank Sweep	SchwabCash	$ 79,453.11	$ 72,875.63
Private Debt	Thorofare Asset Based Lending Fund V Lp	88599T108	$ 863,222.11	$ 863,222.11
Diversified Emerging Mkts	iShares Core MSCI Emerging Markets ETF	IEMG	$ 1,379,203.16	$ 1,253,249.36
Foreign Large Value	iShares MSCI EAFE Value	EFV	$ 2,044,893.74	$ 1,906,191.69
Foreign Large Blend	Avantis International Equity ETF	AVDE	$ 2,738,616.60	$ 2,520,002.52
Global Bond-USD Hedged	JPMorgan International Bond Opportunities ETF	JPIB	$ 1,525,311.37	$ 1,476,825.06
Infrastructure	iShares US Infrastructure ETF	IFRA	$ 1,174,129.09	$ 1,118,284.28
Intermediate Core-Plus Bond	Fidelity Total Bond ETF	FBND	$ 4,179,815.77	$ 4,128,558.52
Large Blend	Schwab S&P 500 Index	SWPPX	$ 2,998,450.38	$ 2,848,952.57
Large Blend	iShares MSCI USA Quality Factor ETF	QUAL	$ 1,529,168.15	$ 1,434,872.89
Large Blend	iShares US Equity Factor Rotation Active ETF	DYNF	$ 1,012,783.43	$ 967,972.82
Large Blend	iShares Core S&P 500	IVV	$ 1,317,211.67	$ 1,251,493.47
Large Growth	SPDR S&P 500 Growth ETF	SPYG	$ 672,035.80	$ 636,130.13
Large Value	SPDR S&P 500 Value ETF	SPYV	$ 11.17	$ 10.67
Large Value	Avantis US Large Cap Value ETF	AVLV	$ 1,427,108.52	$ 1,373,110.74
Multisector Bond	PIMCO Income Fund Instl	PIMIX	$ 5,589,212.34	$ 5,452,306.89
Multisector Bond	PIMCO Multisector Bond ETF	PYLD	$ 1,675,463.62	$ 1,637,388.85
Multisector Bond	Tcw Flexible Income Etf	FLXR	$ 1,676,484.53	$ 1,652,913.57
Technology	Vanguard Information Technology	VGT	$ 664,016.17	$ 638,210.76
	Totals		$ 32,546,590.73	$ 31,232,572.53

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Treasury Report - continued

SECTION 115 PENSION STABLIZATION ASSETS (SHUSTER/SCHWAB) - HOLDINGS DETAIL

March 31, 2026

Asset Class	Name	Ticker/Symbol	Prior Month End	Ending Market Value
Cash	Schwab Bank Sweep	SchwabCash	$ 74,620.16	$ 82,504.96
Private Debt	Thorofare Asset Based Lending Fund V Lp	88599T108	$ 359,100.46	$ 359,100.46
Diversified Emerging Mkts	iShares Core MSCI Emerging Markets ETF	IEMG	$ 777,053.96	$ 706,090.59
Foreign Large Blend	Avantis International Equity ETF	AVDE	$ 1,542,967.00	$ 1,419,797.40
Foreign Large Value	iShares MSCI EAFE Value	EFV	$ 1,151,865.65	$ 1,073,736.35
Global Bond-USD Hedged	JPMorgan International Bond Opportunities ETF	JPIB	$ 567,194.76	$ 549,164.88
Infrastructure	iShares US Infrastructure ETF	IFRA	$ 662,152.83	$ 630,659.01
Intermediate Core-Plus Bond	Fidelity Total Bond ETF	FBND	$ 1,510,734.74	$ 1,483,139.76
Large Blend	iShares US Equity Factor Rotation Active ETF	DYNF	$ 570,474.00	$ 545,233.38
Large Blend	iShares Core S&P 500	IVV	$ 1,331,134.18	$ 1,264,721.29
Large Blend	Schwab S&P 500 Index	SWPPX	$ 1,096,598.86	$ 1,041,924.24
Large Blend	iShares MSCI USA Quality Factor ETF	QUAL	$ 861,964.49	$ 808,811.96
Large Growth	SPDR S&P 500 Growth ETF	SPYG	$ 378,755.61	$ 358,519.38
Large Value	SPDR S&P 500 Value ETF	SPYV	$ 44.60	$ 42.57
Large Value	Avantis US Large Cap Value ETF	AVLV	$ 804,036.66	$ 773,614.17
Multisector Bond	PIMCO Income Fund Instl	PIMIX	$ 2,070,522.52	$ 2,019,805.93
Multisector Bond	PIMCO Multisector Bond ETF	PYLD	$ 623,208.40	$ 609,046.04
Multisector Bond	Tcw Flexible Income Etf	FLXR	$ 623,458.99	$ 614,693.31
Technology	Vanguard Information Technology	VGT	$ 374,016.94	$ 359,481.67
	Totals		$ 15,379,904.81	$ 14,700,087.35

This summary was assembled by Shuster Advisory Group, LLC ("Shuster") by request from the City of Fontana. The information shown is taken from Schwab custodial data and is believed to be accurate. Any discrepancy is purely unintentional and is not guaranteed by Shuster.

Conclusion

The City Council has provided fiscal policy direction that has laid the foundation for the 2025/2026 Operating Budget's conservative approach to revenues and expenditures. **The recommended budget changes included in the Third Quarter Budget Report continue to adhere to City Council Policy.**

As stated by the City Council's Mission Statement below, the City of Fontana embraces every opportunity to enrich the lives of those who reside in this community, and this is possible due to its committed elected leadership and the talents and ingenuity of the individuals in this community and organization. The key is through a well-planned, long-term fiscal plan, based upon economic development that will continue to generate high paying long-term employment opportunities, bring in new and stable sales tax revenue sources, and maintaining intergovernmental relations. Though there are still great challenges ahead, the City is firmly committed to meeting each and every challenge that comes our way.

"We seek and embrace every opportunity to enrich the lives of those who live, work, play and invest in the City of Fontana."

Mission Statement Adopted April 26, 2022

General Fund - Fund Balance Reconciliation

(Five-Year Summary)

	2021/22 Audited Actuals	2022/23 Audited Actuals	2023/24 Audited Actuals	2024/25 Audited Actuals	2025/2026 Adopted Budget	2025/2026 Adjusted Budget	2025/2026 Proposed Adjustments	2025/2026 Proposed Budget
Revenues	$ 135,371,657	$ 146,743,017	$ 151,466,541	$ 164,278,569	$ 197,996,520	$ 201,919,251	$ 150,000	$ 202,069,251
Expenditures	111,341,793	118,017,538	128,062,185	136,851,861	153,758,210	161,712,340	(915,000)	160,797,340
Revenues over (under) expenditures	**24,029,864**	**28,725,479**	**23,404,356**	**27,426,708**	**44,238,310**	**40,206,911**	**1,065,000**	**41,271,911**
Other sources & uses:								
Operating transfers in	12,073,139	11,585,264	11,566,054	12,384,062	12,244,050	12,262,084	0	12,262,084
Operating transfers out	(26,313,909)	(26,336,232)	(43,805,438)	(45,398,527)	(52,916,410)	(52,920,040)	(1,065,000)	(53,985,040)
Total other sources & uses	**(14,240,770)**	**(14,750,968)**	**(32,239,384)**	**(33,014,465)**	**(40,672,360)**	**(40,657,956)**	**(1,065,000)**	**(41,722,956)**
Revenues & other sources over (under) expenditures and other uses	9,789,094	13,974,511	(8,835,028)	(5,587,757)	3,565,950	(451,045)	0	(451,045)
Fund balance, beginning of year	47,728,351	57,517,445	72,639,194	64,798,697	51,634,946	61,081,278	0	61,081,278
Fund Balance Adjustment		1,147,238	994,531	2,405,106	2,124,090	1,936,649		1,936,649
GASB 31 Adjustment				(534,767)				
Fund balance, end of year	**$ 57,517,445**	**$ 72,639,194**	**$ 64,798,697**	**$ 61,081,278**	**$ 57,324,986**	**$ 62,566,882**	**$ 0**	**$ 62,566,882**
FUND BALANCE								
Reserved								
Inventories	$ 375,878	$ 407,053	$ 512,764	$ 340,263	$ 512,764	$ 340,263		$ 340,263
Total reserved	**375,878**	**407,053**	**512,764**	**340,263**	**512,764**	**340,263**	**0**	**340,263**
Designated								
Economic Uncertainty	9,469,586	0	0	0	0	0		0
CALPERS UAL Forecased Increases	0	0	0	0	0	0		0
PERS Rate Stability	10,886,393	10,694,317	12,204,822	13,644,923	11,651,142	14,355,753		14,355,753
Animal Shelter JPA	0	0	800,000	800,000	582,570	582,570		582,570
Operating Contingencies	0	0	3,000,000	3,000,000	3,000,000	3,000,000		3,000,000
Future projects and reserves	0	0	750,000	750,000	3,201,460	4,494,226		4,494,226
Unappropriated	20,280,588	38,595,914	14,443,275	9,458,256	0	0		0
	$ 41,012,445	**$ 49,697,284**	**$ 31,710,861**	**$ 27,993,442**	**$ 18,947,936**	**$ 22,772,812**	**$ -**	**$ 22,772,812**
Total available for contingencies	**$ 16,505,000**	**$ 22,941,910**	**$ 33,087,836**	**$ 33,087,836**	**$ 38,377,050**	**$ 39,794,070**		**$ 39,794,070**

Other Funds - Unreserved Fund Balances

Fiscal Year 2025/2026

		Audited Fund Balance July 1, 2025	Budget					Net Proposed Adjustments	Estimated Fund Balance June 30, 2026
			Revenues	Transfers In	Expenditures	Transfers Out	Available		
Other General Funds:									
102	City Technology	$ 3,412,830	$ -	$ 9,073,384	$ (12,143,729)	$ -	$ 342,485	(47,000)	$ 295,485
103	Facility Maintenance	755,292	0	9,683,940	(10,386,250)	0	52,982		52,982
104	Office of Emergency Services	1,250,323	0	0	(123,413)	0	1,126,910		1,126,910
105	KFON	1,936,782	250,000	0	(1,249,490)	0	937,292	(74,300)	862,992
106	Self Insurance	21,510,281	10,384,803	0	(10,632,645)	0	21,262,439		21,262,439
107	Retirees Medical Benefits	2,700,924	265,000	2,600,000	(2,813,960)	0	2,751,964		2,751,964
108	Supplemental Retirement	37,572	0	35,000	(36,410)	0	36,162		36,162
110	General Fund Operating Projects	675,466	650	1,223,050	(1,873,894)	0	25,272		25,272
115	Lease-Fire	3	6,345,449	0	0	(6,345,449)	3	-	3
125	Storm Water Compliance	444,115	304,500	0	(388,216)	0	360,399		360,399
	Total Other General Funds	**$ 32,723,588**	**$ 17,550,402**	**$ 22,615,374**	**$ (39,648,007)**	**$ (6,345,449)**	**$ 26,895,908**	**$ (121,300)**	**$ 26,774,608**
Special Revenue Funds:									
201	Muni Svcs Fiscal Impact Fee	$ 26,126,706	$ 943,100	$ -	$ -	$ (1,270,550)	$ 25,799,256	$ -	$ 25,799,256
221	Federal Seizure Treasury	171,577	0	0	(115,000)	0	56,577	100,000	156,577
222	Crime Prev Asset Seizure	34,755	2,500	0	(18,000)	0	19,255		19,255
223	Federal Asset Seizure	12,138,871	2,000,000	0	(6,850,476)	0	7,288,395	(988,467)	6,299,928
224	State Asset Seizure	541,035	20,000	0	(72,820)	0	488,215		488,215
225	PD Traffic Safety	3,417,930	400,000	0	(387,018)	0	3,430,912		3,430,912
226	Opioid Settlement	857,979	847,643	0	(1,090,466)	0	615,156		615,156
241	Air Quality Mgmt District	887,604	304,000	0	(636,518)	(13,480)	541,606	33,000	574,606
243	Traffic Safety	100,812	45,000	0	(52,760)	0	93,052		93,052
244	Prop 1B	146,491	0	0	0	0	146,491		146,491
245	Measure I Reimb 2010-2040	(2,875,240)	14,685,064	0	(11,809,824)	0	0	1	1
246	Measure I Local 2010-2040	12,555,539	5,710,860	0	(13,072,459)	(450,000)	4,743,940	(410,577)	4,333,363
281	Gas Tax (State)	2,118,532	6,012,640	0	(6,925,744)	(385,000)	820,428		820,428
282	Solid Waste Mitigation	9,487,247	5,505,000	0	(5,379,647)	(313,880)	9,298,720	-	9,298,720
283	Road Maintenance & Rehab	8,701,641	7,094,017	0	(12,746,110)	0	3,049,548	-	3,049,548
301	Grants	(11,239,754)	69,962,430	0	(58,646,152)	(76,524)	0	58,575	58,575
302	ARPA 2021	6,246,849	(992)	0	(6,245,857)	0	0	990	990
303	TDA/Article 3	(14,466)	1,632,271	0	(1,617,805)	0	0		0
304	ARPA - County	(886,432)	1,140,880	0	(254,448)	0	0		0

Other Funds - Unreserved Fund Balances

Fiscal Year 2025/2026

		Audited Fund Balance July 1, 2025	Budget					Net Proposed Adjustments	Estimated Fund Balance June 30, 2026
			Revenues	Transfers In	Expenditures	Transfers Out	Available		
Special Revenue Funds:									
322	State COPS AB 3229	$ 1,457,205	$ 400,000	$ -	$ (733,131)	$ -	$ 1,124,074	$ 272,000	$ 1,396,074
362	CDBG	(28,128)	5,123,947	0	(4,623,970)	(33,310)	438,539		438,539
363	Home Program	93,047	7,362,080	0	(7,157,098)	0	298,029		298,029
385	After School Program	0	4,407,400	0	(4,138,900)	(268,500)	0		0
386	ASES ELO-P Grant	(69,800)	13,127,390	0	(12,616,890)	(440,700)	0		0
395	LMD #1 City Wide	527,020	909,540	830,400	(1,560,975)	(207,900)	498,085		498,085
396	LMD #2 Village of Heritage	1,408,592	2,690,248	1,484,480	(4,218,162)	(431,190)	933,968		933,968
397	LMD #3 Empire Center	272,516	62,120	0	(75,810)	(7,100)	251,726		251,726
398	LMD #3 Hunter's Ridge	2,135,104	965,370	251,960	(1,266,024)	(146,260)	1,940,150		1,940,150
399	LLMD #3 Hunter's Ridge	89,454	35,810	0	(35,660)	(3,340)	86,264		86,264
401	CFD #1 Southridge Village	2,202,640	6,516,335	31,080	(5,131,084)	(3,095,150)	523,821	432,759	956,580
403	CFD #6-3A Bellgrove II	482,476	228,660	0	(172,140)	(46,820)	492,176		492,176
404	CFD #6-2 N Morningside	344,877	110,290	0	(105,660)	(14,460)	335,047		335,047
405	CFD #6-1 Stratham	500,035	209,240	0	(148,440)	(116,990)	443,845		443,845
406	CFD #6 The Landings	3,068,705	425,540	161,400	(698,990)	(87,160)	2,869,495		2,869,495
407	CFD #7 Country Club Estates	262,415	127,260	20,890	(231,360)	(27,700)	151,505		151,505
408	CFD #8 Presley	532,822	81,458	136,370	(300,930)	(34,260)	415,460		415,460
409	CFD #9M Morningside	(45,165)	184,680	115,300	(183,080)	(117,420)	(45,685)		(45,685)
410	CFD #10M Jurupa Industrial	237,558	42,610	0	(67,400)	(6,310)	206,458		206,458
412	CFD #12 Sierra Lakes	1,366,046	1,033,680	497,430	(1,561,680)	(174,580)	1,160,896		1,160,896
413	CFD #13M Summit Heights	147,566	559,310	477,600	(1,028,770)	(126,250)	29,456		29,456
414	CFD #14M Sycamore Hills	82,021	480,820	89,920	(527,950)	(115,840)	8,971		8,971
415	CFD #15M Silver Ridge	147,151	332,430	0	(181,340)	(217,970)	80,271		80,271
416	CFD #16M Ventana Pointe	64,220	48,670	0	(46,850)	(31,610)	34,430		34,430
418	CFD #18M Badiola Homes	47,204	7,010	0	(3,790)	(4,460)	45,964		45,964
420	CFD #20M	63,169	38,070	0	(38,940)	(20,080)	42,219		42,219
421	CFD #21M	243,058	40,950	0	(19,550)	(21,730)	242,728		242,728
423	CFD #23M	28,377	8,410	0	(2,270)	(10,920)	23,597		23,597
424	CFD#24M	191,286	46,400	0	(21,840)	(28,320)	187,526		187,526
425	CFD #25M	274,346	92,270	0	(61,960)	(53,710)	250,946		250,946
427	CFD #27M	(49,619)	66,210	38,280	(74,220)	(30,630)	(49,979)		(49,979)
428	CFD #28M	450,414	163,730	0	(108,060)	(110,680)	395,404		395,404

Other Funds - Unreserved Fund Balances

Fiscal Year 2025/2026

	Audited Fund Balance July 1, 2025	Budget					Net Proposed Adjustments	Estimated Fund Balance June 30, 2026
		Revenues	Transfers In	Expenditures	Transfers Out	Available		
Special Revenue Funds:								
429 CFD #29M	$ (4,284)	$ 29,910	$ 33,000	$ (42,430)	$ (21,060)	$ (4,864)		$ (4,864)
430 CFD #30M	744,646	241,050	0	(140,630)	(158,580)	686,486		686,486
431 CFD #31 Citrus Heights North	863,398	481,040	0	(275,030)	(190,800)	878,608		878,608
432 CFD #32M	107,915	18,730	0	(6,140)	(15,170)	105,335		105,335
433 CFD #33M Empire Lighting	178,917	46,700	0	(92,760)	(8,680)	124,177		124,177
434 CFD #34 Empire Detention Basin	266,847	21,140	0	(24,150)	(2,260)	261,577		261,577
435 CFD #35M	1,115,408	603,660	117,850	(884,657)	(106,880)	845,381		845,381
436 CFD #36M	30,455	24,940	7,570	(27,690)	(20,650)	14,625		14,625
437 CFD #37 Montelago	92,053	98,460	56,830	(153,140)	(58,240)	35,963		35,963
438 CFD #38M	909,552	181,870	0	(81,990)	(116,960)	892,472		892,472
439 CFD #39M	25,707	24,200	60	(21,180)	(16,580)	12,207		12,207
440 CFD #40M	79,156	10,530	0	(1,660)	(7,830)	80,196		80,196
441 CFD #41M	122,119	15,520	0	(12,550)	(8,090)	116,999		116,999
442 CFD #42M	252,359	49,380	0	(77,490)	(7,250)	216,999		216,999
444 CFD #44M	27,628	10,090	0	(10,980)	(6,220)	20,518		20,518
445 CFD #45M	318,901	113,370	0	(91,900)	(57,320)	283,051		283,051
446 CFD #46M	318,786	49,890	0	(43,530)	(24,510)	300,636		300,636
447 CFD #47M	(713)	12,980	9,680	(17,200)	(6,480)	(1,733)		(1,733)
448 CFD #48M	451,885	76,050	0	(61,010)	(31,670)	435,255		435,255
449 CFD #49M	26,949	14,470	0	(15,180)	(6,290)	19,949		19,949
450 CFD #50M	76,336	40,640	0	(22,920)	(30,160)	63,896		63,896
451 CFD #51M	72,621	75,350	0	(81,840)	(39,240)	26,891		26,891
453 CFD #53M	86,513	9,080	0	(6,210)	(5,230)	84,153		84,153
454 CFD #54M	17,770	28,280	15,300	(46,030)	(15,670)	(350)		(350)
455 CFD #55M	63,117	7,320	0	(6,530)	(3,210)	60,697		60,697
456 CFD #56M	126,907	26,040	0	(960)	(24,770)	127,217		127,217
457 CFD #57M	59,677	16,950	0	(18,010)	(6,560)	52,057		52,057
458 CFD #58M	18,336	4,410	0	(1,160)	(4,080)	17,506		17,506
459 CFD #59M	12,360	2,400	0	(1,160)	(110)	13,490		13,490
460 CFD #60M	85,717	12,940	0	(12,990)	(5,870)	79,797		79,797
461 CFD #61M	394,225	55,280	0	(30,070)	(29,090)	390,345		390,345
462 CFD #62M	55,598	5,580	0	(7,400)	(690)	53,088		53,088

Other Funds - Unreserved Fund Balances

Fiscal Year 2025/2026

	Audited Fund Balance July 1, 2025	Budget					Net Proposed Adjustments	Estimated Fund Balance June 30, 2026
		Revenues	Transfers In	Expenditures	Transfers Out	Available		
Special Revenue Funds:								
463 CFD #63M	$ 611,365	$ 54,640	$ -	$ (39,840)	$ (3,730)	$ 622,435		$ 622,435
464 CFD #64M	85,512	5,070	0	0	0	90,582		90,582
465 CFD #65M	203,464	20,430	0	(10,330)	(10,700)	202,864		202,864
466 CFD #66M	0	0	2,850	0	(2,850)	0		0
467 CFD #67M	191,691	43,450	0	(30,400)	(21,630)	183,111		183,111
468 CFD #68M	155,098	25,280	0	(18,460)	(12,980)	148,938		148,938
469 CFD #69M	633,010	178,130	0	(211,456)	(92,460)	507,224		507,224
470 CFD #70M Avellino	221,524	80,220	0	(56,680)	(39,760)	205,304		205,304
471 CFD #71M Sierra Crest	409,360	132,740	28,110	(158,580)	(21,450)	390,180		390,180
472 CFD #72M	28,442	12,160	0	(11,480)	(6,590)	22,532		22,532
473 CFD #73M	294,295	67,580	0	(33,480)	(37,290)	291,105		291,105
474 CFD #74M	579,245	84,810	0	(41,500)	(52,360)	570,195		570,195
475 CFD #75M	55,788	14,750	0	(10,640)	(8,880)	51,018		51,018
476 CFD #76M	79,891	37,860	0	(39,890)	(8,520)	69,341		69,341
477 CFD #77M	49,731	13,290	0	(10,660)	(6,840)	45,521		45,521
478 CFD #78M	251,280	79,060	0	(36,900)	(61,080)	232,360		232,360
479 CFD #79M	209,509	21,500	0	(860)	(80)	230,069		230,069
480 CFD #80M	385,486	240,810	0	(129,640)	(124,280)	372,376		372,376
481 CFD #81M	81,907	123,610	0	(105,450)	(48,850)	51,217		51,217
482 CFD #82M	211,424	29,480	0	(500)	0	240,404		240,404
483 CFD #83M	199,673	63,940	0	(33,960)	(31,190)	198,463		198,463
484 CFD #84M	45,400	19,500	0	(11,550)	(9,590)	43,760		43,760
485 CFD #85 THE MEADOWS	1,054,022	431,720	0	(362,460)	(37,280)	1,086,002		1,086,002
486 CFD #86 ETIWANDA RIDGE	198,568	67,660	0	(47,020)	(34,210)	184,998		184,998
487 CFD #87 El Paseo	219,896	77,250	0	(27,560)	(67,320)	202,266		202,266
488 CFD #88 SIERRA CREST II	316,437	113,730	10,420	(90,490)	(8,470)	341,627		341,627
489 CFD #89 BELROSE	245,609	60,980	0	(33,750)	(32,950)	239,889		239,889
490 CFD #90 SUMMIT @ ROSENA PH i	1,446,883	363,610	0	(280,160)	(78,930)	1,451,403		1,451,403
491 CFD #91M	35,989	6,080	0	(500)	(2,320)	39,249		39,249
492 CFD #92M	94,473	17,220	0	(8,690)	(6,360)	96,643		96,643
493 CFD #93M	48,140	12,780	0	(17,090)	(5,990)	37,840		37,840
494 CFD #94M	9,948	2,100	0	(500)	(1,750)	9,798		9,798

Other Funds - Unreserved Fund Balances

Fiscal Year 2025/2026

		Audited Fund Balance July 1, 2025	Budget					Net Proposed Adjustments	Estimated Fund Balance June 30, 2026
			Revenues	Transfers In	Expenditures	Transfers Out	Available		
Special Revenue Funds:									
495	CFD #95 SUMMIT @ ROSENA PH II	$ 431,865	$ 184,120	$ 3,200	$ (233,940)	$ (23,030)	$ 362,215		$ 362,215
496	CFD #96M Tr. 19957	46,622	11,330	0	(11,770)	(4,220)	41,962		41,962
497	CFD #97M	26,277	5,270	0	0	(3,690)	27,857		27,857
498	CFD #98M	26,684	6,050	0	(500)	(2,600)	29,634		29,634
500	CFD #100M	275,092	82,990	0	(29,280)	(58,590)	270,212		270,212
501	CFD #101M	35,041	8,010	0	(500)	(3,460)	39,091		39,091
502	CFD #102M	22,955	5,010	0	(500)	(1,750)	25,715		25,715
503	CFD #103M Estrada	20,104	4,420	0	0	(1,130)	23,394		23,394
504	CFD #104M	45,207	13,780	0	(9,790)	(4,610)	44,587		44,587
505	CFD #105M	109,765	47,560	0	(20,080)	(31,040)	106,205		106,205
506	CFD #106M	249,391	92,070	0	(22,930)	(47,510)	271,021		271,021
507	CFD #107M	59,441	39,910	0	(8,070)	(31,090)	60,191		60,191
509	CFD #109M	603,803	353,570	0	(180,470)	(154,100)	622,803		622,803
510	CFD #510M	26,066	17,420	0	0	(5,100)	38,386		38,386
511	CFD #111M	54,846	72,470	0	(14,490)	(57,490)	55,336		55,336
512	CFD #112M	122,978	304,580	0	(140,130)	(162,230)	125,198		125,198
513	CFD #113	0	64,960	0	0	0	64,960		64,960
514	CFD #114M	0	55,080	0	0	0	55,080		55,080
515	CFD #115M	0	426,000	0	0	0	426,000		426,000
516	CFD #116M	0	66,930	0	0	0	66,930		66,930
	Total Special Revenue Funds	**$ 102,850,348**	**$ 169,003,571**	**$ 4,419,980**	**$ (177,913,531)**	**$ (11,045,314)**	**$ 87,315,054**	**$ (501,719)**	**$ 86,813,335**
Debt Service Funds:									
580	General Debt Service	$ 62,975	$ 26,090,580	$ 5,794,025	$ (28,961,380)	$ -	$ 2,986,200	$ (2,927,226)	$ 58,974
	Total Debt Service Funds	**$ 62,975**	**$ 26,090,580**	**$ 5,794,025**	**$ (28,961,380)**	**$ -**	**$ 2,986,200**	**$ (2,927,226)**	**$ 58,974**
Capital Project Funds:									
601	Capital Reinvestment	$ 50,049,657	$ 131,500,230	$ 18,918,224	$ (199,019,923)	$ -	$ 1,448,188	$ (1,446,808)	$ 1,380
602	Capital Improvements	8,723,151	1,959,396	0	(10,282,664)	0	399,883	(180,042)	219,841
603	Future Capital Projects	21,457,523	0	0	(344,883)	(13,000,000)	8,112,640		8,112,640
604	Capital Project -TUT	5,465,078	0	22,232,980	(22,504,025)	0	5,194,033	-	5,194,033
620	San Sevaine Flood Control	2,717,718	529,400	111,023	(111,023)	(39,250)	3,207,868		3,207,868
621	Upper Etiwanda Flood Control	49,554	0	0	0	0	49,554		49,554

Other Funds - Unreserved Fund Balances

Fiscal Year 2025/2026

		Audited Fund Balance July 1, 2025	Budget					Net Proposed Adjustments	Estimated Fund Balance June 30, 2026
			Revenues	Transfers In	Expenditures	Transfers Out	Available		
Capital Project Funds:									
622	Storm Drain	$ 22,097,140	$ 1,105,000	$ 508,080	$ (9,836,640)	$ (106,310)	$ 13,767,270	$ (2,800,000)	$ 10,967,270
623	Sewer Expansion	2,904,602	5,205,770	0	(685,652)	(3,750)	7,420,970		7,420,970
630	Circulation Mitigation	33,011,891	4,917,030	2,447,341	(14,642,983)	(46,120)	25,687,159	(5,827,444)	19,859,715
631	Fire Assessment	801,116	260,000	191,548	(615,470)	(260,000)	377,194		377,194
632	General Government	14,431,415	430,000	394,047	(12,911,811)	(48,490)	2,295,161		2,295,161
633	Landscape Medians	2,716,298	400,000	79,715	(1,702,318)	(35,170)	1,458,525		1,458,525
634	Library Capital Improvement	1,508,188	152,090	138,623	(138,623)	(31,700)	1,628,578		1,628,578
635	Parks Development	16,691,823	3,904,230	1,195,973	(6,252,069)	(34,580)	15,505,377		15,505,377
636	Police Capital Facilities	4,660,425	655,500	381,755	(706,726)	(70,280)	4,920,674		4,920,674
637	Underground Utilities	1,208,879	600,000	0	0	0	1,808,879		1,808,879
657	CFD #31 Citrus Heights North	1,894,388	0	0	0	0	1,894,388		1,894,388
658	CFD #31	6,052	0	0	0	0	6,052		6,052
659	CFD #70 Avellino	798	0	0	0	0	798		798
660	CFD #71 Sierra Crest	2,686	0	0	0	0	2,686		2,686
661	CFD #80 Bella Strada	15,782	0	0	0	0	15,782		15,782
663	CFD #74B Citrus/Summit	192,800	0	0	0	0	192,800		192,800
664	CFD #86 Etiwanda Ridge	989,653	0	0	0	0	989,653		989,653
665	CFD #85 The Meadows	19,502	0	0	0	0	19,502		19,502
666	CFD #88 Sierra Crest II	105,422	0	0	0	0	105,422		105,422
667	CFD #89 Belrose	(74)	0	74	0	0	0		0
668	CFD #90 Summit @ Rosena Ph I	8,691,981	0	0	(600,300)	(58,330)	8,033,351		8,033,351
669	CFD #95 Summit @ Rosena II	5,932,129	0	0	0	(24,800)	5,907,329		5,907,329
670	CFD #87 El Paseo	960,065	0	0	0	0	960,065		960,065
671	CFD #106 Mountain View	51,862	0	0	0	0	51,862		51,862
672	CFD #99 The Retreat	72,165	0	0	0	0	72,165		72,165
673	CFD #100 Victoria	3,856,250	0	0	(1,508,654)	0	2,347,596		2,347,596
674	CFD #111 Monterado	5,333,237	0	0	0	(2,313,804)	3,019,433		3,019,433
675	CFD#107 Highland	2,723,683	0	0	(117,005)	(1,827,393)	779,285		779,285
676	CFD#109 Narra Hills	75,569	0	0	0	0	75,569		75,569
677	CFD #112 The Gardens Phase One	28,974,840	0	0	(13,684,780)	(1,422,521)	13,867,539	(7,471,610)	6,395,929
Total Capital Project Funds		**$ 248,393,248**	**$ 151,618,646**	**$ 46,599,383**	**$ (295,665,549)**	**$ (19,322,498)**	**$ 131,623,230**	**$ (17,725,904)**	**$ 113,897,326**

Other Funds - Unreserved Fund Balances

Fiscal Year 2025/2026

	Audited Fund Balance July 1, 2025	Budget					Net Proposed Adjustments	Estimated Fund Balance June 30, 2026
		Revenues	Transfers In	Expenditures	Transfers Out	Available		
Enterprise Funds:								
701 Sewer Maintenance & Operations	$ 10,268,521	$ 31,162,640	$ -	$ (28,315,434)	$ (2,704,670)	$ 10,411,057	$ -	$ 10,411,057
702 Sewer Capital Projects	1,028,456	300,010	115,613	(1,439,759)	(4,320)	0		0
703 Sewer Replacement	4,132,260	1,000,000	400,000	(4,426,135)	(274,540)	831,585		831,585
710 Water Utility	952,518	0	0	0	0	952,518		952,518
720 Stage Red	1,171,584	150,000	170,000	(1,471,874)	(19,710)	0	-	0
Total Enterprise Funds	**$ 17,553,339**	**$ 32,612,650**	**$ 685,613**	**$ (35,653,202)**	**$ (3,003,240)**	**$ 12,195,160**	**$ -**	**$ 12,195,160**
Internal Service Fund:								
751 FLEET OPERATIONS	$ 22,185,872	$ 8,594,264	$ 260,082	$ (15,889,051)	$ -	$ 15,151,167	$ 17,791	$ 15,168,958
Total Internal Service Funds	**$ 22,185,872**	**$ 8,594,264**	**$ 260,082**	**$ (15,889,051)**	**$ -**	**$ 15,151,167**	**$ 17,791**	**$ 15,168,958**
TOTAL ALL FUNDS	**$ 423,769,370**	**$ 405,470,113**	**$ 80,374,457**	**$ (593,730,720)**	**$ (39,716,501)**	**$ 276,166,719**	**$ (21,258,358)**	**$ 254,908,361**

General Fund - Recommended Adjustments

Fiscal Year 2025/2026

Fund	Organization Project #	Dept	Organization/Project Description	Object	Object Description	Appropriations	Revenues	Transfers In	Transfers Out	FB Impact	Reason
101 General Fund						(915,000)	150,000	-	1,065,000	-	
Revenue Adjustments						-	**150,000**	-	-	**150,000**	
	10128000	FN	Management Services	6310	Interest - Investments		150,000			150,000	Update revenue forecasts to reflect receipts to date
Offsetting Adjustments						**(1,065,000)**	-	-	**1,065,000**	-	
	10130000	DS	Development Svc Admin	8130	Other Professional Svcs	(1,000,000)				1,000,000	Decrease appropriations and Xfer to Fund #601 for The Path & Navigation Ctr improvements
	10130000	DS	Development Svc Admin	8790	Operating Transfer Out				1,000,000	(1,000,000)	
	10130105	DS	HomelessPrevent Res & Care C	8115	Consultant Services	(65,000)				65,000	Decrease appropriations and Xfer to Fund #601 for 8491 Sierra shops
	10130000	DS	Development Svc Admin	8790	Operating Transfer Out				65,000	(65,000)	
	10115000	HR	HR Administration	8110	Legal Services	(50,000)				50,000	Correct Mid-Year Legal Services budget adjustment
	10140100	PD	Administrative Services	8110	Legal Services	50,000				(50,000)	
New Requests (One-Time)						**150,000**	-	-	-	**(150,000)**	
	10134100	PL	Planning	8130	Other Professional Svcs	150,000				(150,000)	Increase appropriations for re-typing un-readable plans
										-	

Other Funds - Recommended Adjustments

Fiscal Year 2025/2026

Fund	Organization Project #	Dept	Organization/Project Description	Object	Object Description	Appropriations	Revenues	Transfers In	Transfers Out	FB Impact	Reason
102 City Technology						47,000	-	-	-	(47,000)	
	10226101	IT	Information Systems	8053	Cloud/Hosted	47,000				(47,000)	Increase appropriation for WCAG ADA compliance software
105 KFON						74,300	-	-	-	(74,300)	
	10510401	CA	Media Support Services	8329	Other Construction	74,300				(74,300)	Increase appropriations for FXN studio design, build, and installation File #26-0886, CC approved 03-24-26
115 Lease-Fire						-	(41,477)	41,477	-	-	
	11528100	FN	Lease-Fire	6835	Contribution From FFD		(41,477)			(41,477)	Decrease contribution from Fund #210 for Fire Lease Agreement Amendment
	11528100	FN	Lease-Fire	6900	Operating Transfers In			41,477		41,477	Xfer from Fund #601 for Fire Lease Agreement Amendment
221 Federal Seizure Treasury						-	100,000	-	-	100,000	
	22140383	PD	Fed Asset Sez Treasury	6019	Seizures - Federal		100,000			100,000	Increase rev projections based on receipts to date
223 Federal Asset Seizure						(11,533)	(1,000,000)	-	-	(988,467)	
	22340373	PD	Federal Seizures	6019	Seizures - Federal		(1,000,000)			(1,000,000)	Decrease rev projections based on receipts to date
	40300005-223-B	PD	License Plat R PhFA#109198&109201-2	8117	Inspection	(11,533)				11,533	Project complete; return to fund balance
241 Air Quality Mgmt Dist						(33,000)	-	-	-	33,000	
	37603362-241-A	PW&E	Bus Shelter Program - 2	8329	Other Construction	(33,000)				33,000	Project complete; return to fund balance
245 Measure I 2010-2040 Reimb						12,326,586	12,326,587	-	-	1	
	37600042-245-A	PW&E	Westgate at Cherry and Victoria Ave	5348	Measure I 2010-2040		6,111,000			6,111,000	} Increase revenues and appropriations for Westgate Cherry Victoria (RAISE)
	37600042-245-D	PW&E	Westgate at Cherry and Victoria Ave	8329	Other Construction	6,111,000				(6,111,000)	}
	37603350-245-A	PW&E	Etiwanda/Slover Arterial	5348	Measure I 2010-2040		6,111,000			6,111,000	} Increase revenues and appropriations for Etiwanda/Slover construction
	37603350-245-D	PW&E	Etiwanda/Slover Arterial	8329	Other Construction	6,111,000				(6,111,000)	}
	37603361-245-A	PW&E	Cypress Storm Drain	5348	Measure I 2010-2040		104,587			104,587	} Increase revenue and appropriation for Cypress Storm Drain design and construction
	37603361-245-A	PW&E	Cypress Storm Drain	8113	Design/Architect Service	104,586				(104,586)	}
246 Measure I 2010-2040 Local						410,577	-	-	-	(410,577)	
	37500043-246-A	PW&E	Etiwanda Ave TS Video Detect System	8329	Other Construction	(9,423)				9,423	Project complete; return to fund balance
	37600068-246-D	PW&E	Catawba Ave SRTS TDA 2023	8329	Other Construction	240,000				(240,000)	Increase appropriations for Catawba Ave SRTS construction
	37600070-246-A	PW&E	Citywide RRFB (TDA)	8329	Other Construction	30,000				(30,000)	Increase appropriations for Rectangular Rapid Flashing Beacons (RRFB) equipment
	37600094-246-A	PW&E	Three (3) Ped Crossing Signals	8329	Other Construction	150,000				(150,000)	Increase appropriations for pedestrian crossing signal design
282 Solid Waste Mitigation						-	-	-	-	-	
	37604103-282-A	PW&E	Pavement Rehabilitation Project	8329	Other Construction	(200,000)				200,000	} Move Pavement Rehab budget for Caltrans R/W design
	37600096-282-A	PW&E	Caltrans Limit Pavement Rehab	8329	Other Construction	200,000				(200,000)	}
283 Road Maintenance & Rehab						-	-	-	-	-	
	37600088-283-A	PW&E	FY 25/26 Pavement Rehab (RMRA)	5364	Gasoline Tax RMRA		(537,725)			(537,725)	} Move revenues to correct project
	37604130-283-H	PW&E	Pavement Rehabilitation - RMRA	5364	Gasoline Tax RMRA		537,725			537,725	}

Other Funds - Recommended Adjustments

Fiscal Year 2025/2026

Fund	Organization Project #	Dept	Organization/Project Description	Object	Object Description	Appropriations	Revenues	Transfers In	Transfers Out	FB Impact	Reason
301 Grants						(106,916)	(48,341)	-	-	58,575	
	30100003-301-B	DS	SB1383 Local Assistance Grant (OWR)	5390	Misc Grant Reimb		58,575			58,575	Increase revenues for FY23/24 unspent C/O cleanup
	37103160-301-A	PW&E	West Fontana Channel	5390	Misc Grant Reimb		(47,705)			(47,705)	Project complete; return to fund balance
	37103160-301-A	PW&E	West Fontana Channel	8119	Construction-Non-Capital	(47,705)				47,705	
	37600078-301-A	PW&E	Downtown Facade & Tenant Improvemen	5390	Misc Grant Reimb		(635,000)			(635,000)	Move revenues and appropriations to correct project
	37600080-301-A	PW&E	8572 Sierra - Warm Shell Impr.	5390	Misc Grant Reimb		635,000			635,000	
	37600078-301-A	PW&E	Downtown Facade & Tenant Improvemen	8130	Other Professional Svcs	(635,000)				635,000	
	37600080-301-A	PW&E	8572 Sierra - Warm Shell Impr.	8329	Other Construction	635,000				(635,000)	
	40200008-301-A	PD	STEP Grant 2025-PT25162	5325	Police OTS Reimb		(14,963)			(14,963)	Project complete; return to fund balance
	40200008-301-A	PD	STEP Grant 2025-PT25162	Various	Operating Accounts	(14,963)				14,963	
	40300009-301-A	PD	HSGP 2022 Grant	5349	Homeland Security Grant		(2,726)			(2,726)	Project complete; return to fund balance
	40300009-301-A	PD	HSGP 2022 Grant	8013	Equip (Non-Comp) <$5000	(2,726)				2,726	
	40300010-301-A	PD	2023 HSGP Grant	5349	Homeland Security Grant		(41,522)			(41,522)	Project complete; return to fund balance
	40300010-301-A	PD	2023 HSGP Grant	Various	Operating Accounts	(41,522)				41,522	
302 ARPA - City						-	990	-	-	990	
	30237699	PW&E	Capital Projects	5311	Federal Grant Funds		(1)			(1)	Project C/O update
	37600036-302-A	PW&E	Septic to Sewer Conversion	5311	Federal Grant Funds		98			98	Increase rev projections based on receipts to date
	37600059-302-D	PW&E	Fiber to City Facilities	5311	Federal Grant Funds		893			893	
322 State COPS AB 3229						-	272,000	-	-	272,000	
	32240237	PD	State COPS AB 3229	5324	State COPS AB3229		272,000			272,000	Increase rev projections based on receipts to date
401 CFD #1 Southridge Village						(432,759)	-	-	-	432,759	
	37204324-401-A	PW&E	Recycled Water Retrofits-CFD #1	Various	Operating Accounts	(432,759)				432,759	Project complete; return to fund balance
580 General Debt Service						2,927,226	-	-	-	(2,927,226)	
	58028200	FN	General Debt Service	8411	Interest	2,927,226				(2,927,226)	Increase appropriations for LRM 2025 interest payment
601 Capital Reinvestment						3,469,307	74,976	1,989,000	41,477	(1,446,808)	
	60128100	FN	Finance Administration	8790	Operating Transfer Out				41,477	(41,477)	Xfer to Fund #115 for Fire Lease Agreement Amendment
	60130000	PW&E	Special Projects	6900	Operating Transfers In			65,000		65,000	Xfer from GF #101 for capital projects
	60130000	PW&E	Special Projects	6900	Operating Transfers In			224,000		224,000	Xfer from Fund #602 for capital projects
	60130000	DS	Special Projects	6900	Operating Transfers In			1,000,000		1,000,000	Xfer from GF #101 and increase appropriations for The Path & Navigation Ctr improvements
	37600041-601-A	PW&E	Homelessness Prevent Res & Care Ctr	8314	Land & Bldg Improvements	250,000				(250,000)	
	37600084-601-A	PW&E	Regional Navigation Center	8314	Land & Bldg Improvements	750,000				(750,000)	
	60130106	DS	Economic Development	6332	Misc Rents/Leases		72,076			72,076	Increase revenues and appropriations for Orange Way & Motor Lodge lease
	60130106	DS	Economic Development	8130	Other Professional Svcs	72,076				(72,076)	
	60130106	DS	Economic Development	6332	Misc Rents/Leases		2,900			2,900	Increase revenues and appropriations for 16731 Arrow Blvd lease
	60130106	DS	Economic Development	8130	Other Professional Svcs	2,900				(2,900)	
	60130000	DS	Special Projects	6900	Operating Transfers In			700,000		700,000	Xfer from Fund #602 and increase appropriations for Courtplace Gap Funding
	37600063-601-A	PW&E	Courtplace	8310	Land	700,000				(700,000)	
	37000001-601-A	PW&E	Lease Revenue Bond Series 2025A	8130	Other Professional Svcs	(3,000,000)				3,000,000	Move LRB appropriations from Pickleball courts to Travis Barker Skate Park
	37600092-601-A	PW&E	Pickleball Court Project	8329	Other Construction	3,000,000				(3,000,000)	
	37104124-601-A	PW&E	SB Ave Paving 2 Party	Various	Operating Accounts	(5,214)				5,214	Project Complete; return to fund balance
	37600026-601-A	PW&E	Pave Rehab (Grid 54 Resd)	8329	Other Construction	(455)				455	Project complete; return to fund balance
	37600081-601-A	PW&E	8470 Nuevo - Warm Shell Impr.	8329	Other Construction	400,000				(400,000)	Increase appropriations for 8470 Nuevo bakery
	37600022-601-B	PW&E	Lewis Library Renovation	8329	Other Construction	500,000				(500,000)	Increase appropriations for Lewis Library STEAM
	37600093-601-A	PW&E	8491 Sierra Ave Shops	8329	Other Construction	800,000				(800,000)	Increase appropriations for 8491 Sierra shops

Other Funds - Recommended Adjustments

Fiscal Year 2025/2026

Fund	Organization / Project #	Dept	Organization/Project Description	Object	Object Description	Appropriations	Revenues	Transfers In	Transfers Out	FB Impact	Reason
602 Capital Improvement						(724,000)	19,958	-	924,000	(180,042)	
	60230000	DS	Special Projects	8310	Land	200,000				(200,000)	Increase appropriations for 16717 Spring St. demolition
	60230000	DS	Special Projects	8310	Land	(700,000)				700,000	} Decrease appropriations and Xfer to Fund #601 for
	60230000	DS	Special Projects	8790	Operating Transfer Out				700,000	(700,000)	} Courtplace Gap Funding
	60230000	DS	Special Projects	8790	Operating Transfer Out				224,000	(224,000)	} Complete Recycled Water Retrofits-CFD #1 project and Xfer
	37204324-602-A	PW&E	Recycled Water Retrofits-CFD #1	8130	Other Professional Svcs	(224,000)				224,000	} to Fund #601 for 8491 Sierra shops
	37603345-602-A	PW&E	San Sevaine PH I	6480	Miscellaneous Reimb		19,958			19,958	Increase revenues for City of Rancho San Sevaine reimbursement
604 Capital Project -TUT						-	-	-	-	-	
	60437000	PW&E	PW Admin - TUT	8130	Other Professional Svcs	(500,000)				500,000	} Move appropriation for Fernandez Park Fiber Optic
	37600095-604-A	PW&E	Fernandez Park Fiber Optic	8329	Other Construction	500,000				(500,000)	} Connection
	37600077-604-A	PW&E	Pavement Rehab - Sierra & Marygold	Various Operating Accounts		300,000				(300,000)	} Move Citywide Pavement Rehab budget for Marygold Paving
	37600090-604-C	PW&E	FY 25/26 Pavement Rehabilitation Pr	Various Operating Accounts		(300,000)				300,000	}
622 Storm Drain						2,800,000	-	-	-	(2,800,000)	
	37603361-622-D	PW&E	Cypress Storm Drain	8329	Other Construction	2,800,000				(2,800,000)	Increase appropriations for Cypress Storm Drain design and construction
630 Circulation Mitigation						5,827,444	-	-	-	(5,827,444)	
	37600042-630-D	PW&E	Westgate at Cherry and Victoria Ave	8329	Other Construction	2,889,000				(2,889,000)	Increase appropriations for Westgate Cherry Victoria (RAISE)
	37603350-630-D	PW&E	Etiwanda/Slover Arterial	8329	Other Construction	2,889,000				(2,889,000)	Increase appropriations for Etiwanda/Slover construction
	37603361-630-A	PW&E	Cypress Storm Drain	8113	Design/Architect Service	49,444				(49,444)	Increase appropriations for Cypress Storm Drain design and construction
677 CFD #112 The Gardens Phase One						7,471,610	-	-	-	(7,471,610)	
	67737000	PW&E	CFD #112 The Gardens Phase I	8330	Construction Contracts	7,471,610				(7,471,610)	Increase appropriations for developer reimbursement
720 Stage Red						667,719	667,719	-	-	-	
	72030104	DS	Stage Red	6488	Revenues - ASM		667,719			667,719	} Increase ASM revenues and expenditures based on receipts
	72030104	DS	Stage Red	8092	Expenses - ASM	667,719				(667,719)	} to date
751 Fleet Operations						-	17,791	-	-	17,791	
	75137305	PW&E	Fleet Maintenance	6710	Motorpool Charges		17,791			17,791	Increase revenues for fleet O&M offset