

# **City of Fontana**

8353 Sierra Avenue  
Fontana, CA 92335



## **Regular Agenda**

**WORKSHOP - 5:30 P.M.**

**REGULAR MEETING - 7:00 P.M.**

**Ord. No. 1926 Reso. No. 2023-097**

**Tuesday, September 26, 2023**

**7:00 PM**

**Grover W. Taylor Council Chambers**

## **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. A complete agenda packet is located in the binder on the table in the lobby of the Grover W. Taylor Council Chambers 8353 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 Grover W. Taylor Council Chambers 8353 Sierra Avenue Fontana, CA 92335 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 a modification or accommodation in order 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 in the Grover W. Taylor Council Chambers 8353 Sierra Avenue Fontana, CA 92335.

Traduccion en Español disponible a peticion. Favor de notificar al Departamento "City Clerk". Para mayor informacion, favor de marcar el numero (909) 350-7602.

**WORKSHOP:****A. City Council Workshop**

5:30 P.M. City Council Workshop

**A. 1. Park & Trail Discussion/ Needs Assessment.**

[21-2494](#)

**CALL TO ORDER/ROLL CALL:****A. Call To Order/Roll Call:****INVOCATION/PLEDGE OF ALLEGIANCE:****A. Invocation/Pledge of Allegiance:****PROCLAMATION:****A. Proclamation****A. 1. Mayor Warren and City Council to proclaim September 26, 2023, as Human Resources Professional Day (Director of Human Resources and Risk Management Rakesha Voss to present).**

[21-2485](#)



**SPECIAL PRESENTATIONS:****A. Special Presentations**

- A. 1. Mayor and City Council to recognize local Fontana Athletes of World Cup, Maryrose Ortiz and Destinea Aguirre. [21-2486](#)**
- 2. Special Recognition of Fontana PONY Baseball Leagues.**
- 3. Mayor Warren and City Council to recognize Officer Shaun Pisani, Lead Property Control Clerk Yvonne Jimenez, Property Clerks Stefanie Cendejas-Otzo, Diane Kimball and Community Service Officer David Martinez as August Employees of the month (Captain Angela Stover and Police Administrative Support Service Manager Michelle Blank to present).**
- 4. Mayor Warren and City Council to recognize Human Resources and Risk Management Department Employee of the Year: Melvin Alegado, Senior Human Resources Analyst ( Human Resources and Risk Management Director Rakesha Voss to present.)**

**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 [21-2487](#)**  
Approve the minutes of the September 12, 2023, City Council Meeting.  
**Attachments:** [City Council Meeting Minutes 9-12-2023.pdf](#)
- B. Second Amendment to the City Manager Employment Agreement between the City of Fontana and Matthew C. Ballantyne. [21-2311](#)**  
Approve the Second Amendment to the City Manager Employment Agreement between the City of Fontana and Matthew C. Ballantyne.  
**Attachments:** [Second Amendment to City Manager Employment Agreement for Council 09/12/2023](#)
- C. Final Acceptance of the Police Facility Fence Installation Project [21-2391](#)**  
Accept as complete the work performed by J & A Engineering Corp. for the construction of the Police Facility Fence Installation Project (#37600021) and approve the final construction amount of \$369,687.37 (SB-03-DE-23).  
**Attachments:** [Vicinity Map.pdf](#)
- D. Accept a Carbon Reduction Program (CRP) Grant for San Sevaine Trail Phase 1-Segment 2 Project [21-2402](#)**  
Approve and authorize the City Manager to accept the CRP Grant in the amount of \$2,721,400 for the San Sevaine Trail Phase 1-Segment 2 Project, and authorize staff to request reimbursements to grant requirements.  
**Attachments:** [SCAG Agenda Recommending Award](#)
- E. Declare City Property to be Public Right of Way and Accept the Property into the City Street System [21-2410](#)**  
Adopt **Resolution No. 2023-097**, declaring the Subject Property as public right of way, and pursuant to Section 1806 of the Streets and Highways Code, to be accepted by the City of Fontana into the City Street system  
**Attachments:** [File 21-2410 Resolution.docx](#)  
[Exhibit A.pdf](#)  
[Figure 1.pdf](#)

**F. Approve Measure I Five-Year Capital Project Needs Analysis Amendment and Annual Adoption** [21-2465](#)

Adopt **Resolution No. 2023-098**, approving an amendment to the Fiscal Years 2023/2024 - 2027/2028 Measure I Five Year Capital Project Needs Analysis (CPNA) and adopting the Measure I Five Year CPNA for Fiscal Years 2024/2025 - 2028/2029.

**Attachments:** [CPNA Resolution No. 2023-XX](#)  
[FINAL 2024-2028 Amended CPNA .pdf](#)  
[FINAL of 2025-2029 New CPNA .pdf](#)

**G. 2024 ABC Grant** [21-2467](#)

1. Approve an ABC Grant in the amount of \$23,990.00 to increase the department's proactive efforts of ABC education and enforcement. The funding will be used for the current employee's salary, operation, and equipment
2. Authorize the Chief of Police to sign the agreement between the Department of Alcoholic Beverage Control and the Fontana Police Department for the total amount of \$23,990.00.
3. Approve the expenditure plan for the use of the funds to help offset the cost of personnel within the Police Department
4. Approve to increase revenues and appropriation in the amount of \$23,990.00 to project #40100003-301-A.

**Attachments:** [23-APP16 std213.pdf](#)  
[Exhibits.pdf](#)

**H. Police Department Monthly Information Update** [21-2473](#)

Accept the Police Department monthly information update for August 2023.

**Attachments:** [August 2023 Report for City Council Rev.pptx](#)

**I. Fontana Chamber of Commerce - Contract Renewal** [21-2484](#)

Approve and authorize the City Manager to execute a contractual services agreement between the City of Fontana and the Fontana Chamber of Commerce in the amount of \$50,000.

**Attachments:** [Fontana Chamber Contract. Final.pdf](#)

**J. Authorize City to enter into Regional Contract with the [21-2502](#)  
Inland Empire Utilities Agency (IEUA)**

Authorize the City to enter into a regional contract with the Inland Empire Utilities Agency (IEUA) for the transmission, treatment, and disposal of sewage delivered by contracting agencies.

**Attachments:** [2023.08.09 - REGIONAL SEWER CONTRACT DRAFT  
FINAL FOR SIGNATURE.pdf](#)

**PUBLIC HEARINGS:**

To speak on Public Hearing Items, submit comments via e-mail at [publiccomments@fontanaca.gov](mailto: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 5:00 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. Quarterly Lien Action for Delinquent Sewer, Rubbish and [21-2476](#)  
Weed Abatement Accounts**

1. Authorize staff to complete and record lien notices against real property for those sewer accounts sixty days or more delinquent as described in Certified Lien List and direct staff to forward recorded liens to the County for collection.
2. Authorize staff to complete and record liens against real property for those rubbish accounts more than ninety days delinquent as described in the Certified Lien List and direct staff to forward recorded liens to the County for collection.
3. Adopt **Resolution No. 2023- 099**, of the City Council of the City of Fontana adopting the statement of unpaid expenses for weed abatement and imposing a lien against real property for payment thereof.

**Attachments:** [Public Hearing Notice - Rubbish](#)  
[Public Hearing Notice - Sewer](#)  
[Public Hearing Notice - Weed Abatement](#)  
[Weed Abatement Resolution September 2023](#)

- B. Master Case No. 23-062 and Appeal No. 23-016: Appeal of the Planning Commission's decision to uphold the Director of Planning's approval of Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007, for the request to install a new wireless telecommunications facility consisting of a 75' mono-palm with 14 antennas, supporting equipment, and an equipment enclosure of 347 square feet total, pursuant to CEQA determinations. [21-2407](#)**

Based on the information in the staff report and subject to the attached Findings, staff recommends that the City Council:

1. Deny Appeal No. 23-016, thereby upholding the decision of the Planning Commission and Director of Planning approving Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007, for the request to install a new wireless telecommunications facility consisting of a 75' mono-palm with 14 antennas, supporting equipment, and an equipment enclosure of 347 square feet total.
2. Direct staff to prepare, execute, and file a CEQA Notice of Exemption with the County Clerk, as appropriate, within five (5) working days of the Council's final action on Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007.

**Attachments:** [Attachment No. 1 - Uniform Appeal Letter from Appellant](#)  
[Attachment No. 2 - Vicinity Map](#)  
[Attachment No. 3 - Director's Approval Packet.pdf](#)  
[Attachment No. 4 - Planning Commission Packet](#)  
[Attachment No. 5 - Notice of Public Hearing](#)  
[Attachment No. 6 - AT&T's Response Letter](#)

## **NEW BUSINESS:**

- A. New Business**

**A. Issuance of Special Tax Bonds for CFD #100 (Victoria) [21-2474](#)**

Adopt **Resolution No. 2023-100**, of the City Council of the City of Fontana authorizing the issuance of City of Fontana Community Facilities District No. 100 (Victoria) Special Tax Bonds, Series 2023, in an aggregate principal amount of not to exceed \$6,000,000, authorizing the execution and delivery of an Indenture, a Bond Purchase Agreement and a Continuing Disclosure Agreement, authorizing the distribution of an Official Statement in connection therewith and authorizing the execution of necessary documents and certificates and related actions.

**Attachments:** [Resolution](#)  
[Indenture](#)  
[Continuing Disclosure Agreement](#)  
[Bond Purchase Agreement](#)  
[Preliminary Official Statement](#)  
[Appraisal Report](#)

**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 October 10, 2023 at 7:00 p.m. in the Grover W. Taylor Council Chambers located at 8353 Sierra Avenue, Fontana, California.



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

**File #:** 21-2494

**Agenda #:** A.

**Agenda Date:** 9/26/2023

**Category:** Workshop

#### Workshop

Tuesday, September 26,, 2023

5:00 P.M.

Grover W. Taylor Council Chambers



#### City Council

Acquanetta Warren, Mayor

Peter Garcia, Mayor Pro Tem

John Roberts, Council Member

Jesus "Jesse" Sandoval, Council Member

Phillip W. Cothran., Council Member





# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-2485

**Agenda #:** A.

**Agenda Date:** 9/26/2023

**Category:** Proclamation

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### Proclamations

Tuesday, September 26, 2023

7:00 P.M.

Grover W. Taylor Council Chambers



### City Council

Acquanetta Warren, Mayor

Peter Garcia, Mayor Pro Tem

John Roberts, Council Member

Jesus "Jesse" Sandoval, Council Member

Phillip W. Cothran., Council Member



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

**File #:** 21-2486

**Agenda #:** A.

**Agenda Date:** 9/26/2023

**Category:** Special Presentation

### Special Presentation

Tuesday, September 26, 2023

7:00 P.M.

Grover W. Taylor Council Chambers



### City Council

Acquanetta Warren, Mayor

Peter Garcia, Mayor Pro Tem

John Roberts, Council Member

Jesus "Jesse" Sandoval, Council Member

Phillip W. Cothran., Council Member



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-2487

**Agenda #:** A.

**Agenda Date:** 9/26/2023

**Category:** Consent Calendar

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**FROM:**

City Clerk

**SUBJECT:**

Approval of Minutes

**RECOMMENDATION:**

Approve the minutes of the September 12, 2023, 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 the September 12, 2023, 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

8353 Sierra Avenue  
Fontana, CA 92335



## Minutes

**Tuesday, September 12, 2023**

**7:00 PM**

**Grover W. Taylor Council Chambers**

## **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*

## **WORKSHOP:**

### **A. 4:30 P.M. City Council Workshop**

The Workshop of the Fontana City Council was held on Tuesday, September 12, 2023, in the Grover W. Taylor Council Chambers, 8353 Sierra Avenue, Fontana, CA 92335. Mayor Warren called the meeting to order at 4:35 p.m. with all members of the City Council present.

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

- A. Chief Financial Officer Jessica Brown provided a presentation on the CalPERS pension plan and pre-funding plans.

City Manager to bring back a policy on UALs.

No public communications were received.

The Council directed staff to pursue a pre-funding scenario, develop a funding strategy policy and return to Council for consideration.

- B. Supervising Code Enforcement Inspector Jason Barber also provided a presentation on non-permitted street vending.

Council Member Cothran expressed concern with Code Compliance, Police and Public Works all enforcing at the same time.

Mayor Pro Tem Garcia expressed support for more enforcement for small business owners operating in the City.

The following individuals spoke under public communications:

Miguel Suarez, discussed concerns with multiple street vendors and the importance of the City protecting and supporting small businesses.

Gilberto Diaz, thanked the City for addressing the street vendor issue and discussed concerns with the County of San Bernardino Environmental Health Services Department.

Eliseo Haro, stated that illegal street vendors have negatively impacted his business.

Raul Hernandez, asked how other cities such as Rancho Cucamonga and Upland are controlling the street vendor issue.

Marina Brinkman, discussed an incident involving a transient at Village Park on September 9, 2023.

Direction was provided to staff to present a proposal to the Council for the option of staffing five days per week, addressing property owner responsibility, confiscation of equipment and suspending grant opportunities.

The Council directed staff to return for consideration an urgency ordinance making it a misdemeanor to follow, threaten or interfere with Code Enforcement and Public Safety Officers while on duty, along with a resolution expanding legal authority to confiscate equipment and food from non-permitted street vendors.

The Workshop adjourned at 6:00 p.m.

## **PUBLIC COMMUNICATION - CLOSED SESSION:**

There were no public communications received for the following items:

1. CONFERENCE WITH LEGAL COUNSEL – EXISTING LITIGATION PURSUANT TO GOVERNMENT CODE SECTION 54956.9 (d) (1) Case: Robert King v. City of Fontana, et al. Superior Court of the State of California- for the County of San Bernardino Case No. CIVDS2016703

2. CONFERENCE WITH LEGAL COUNSEL- ANTICIPATED LITIGATION Initiation of litigation pursuant to paragraph (4) of subdivision (d) of Section 54956.9: (one (1) potential case)

### **A. Public Communications - Closed Session**

## **CLOSED SESSION:**

### **A. 6:00 P.M. CLOSED SESSION**

The Closed Session meeting of the Fontana City Council was held in the Executive Conference Room, 8353 Sierra Avenue, Fontana, CA 92335, on Tuesday, September 12, 2023.

Mayor Warren called the meeting to order at 6:01 p.m., with all members of the City Council present.

## **CALL TO ORDER/ROLL CALL:**

### **A. 7:00 P.M. Call To Order/Roll Call:**

A Regular Meeting of the Fontana City Council was held in the Grover W. Taylor Council Chambers, 8353 Sierra Avenue, Fontana, CA 92335, on Tuesday, September 12, 2023. Mayor Warren called the meeting to order at 7:04 p.m.

## **ROLL CALL:**

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

**ABSENT:** None

City Clerk Key and City Treasurer Koehler-Brooks were also in attendance.

## **INVOCATION/PLEDGE OF ALLEGIANCE:**

**A. 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:**

**A. Closed Session Announcement:**

Assistant City Attorney Michelina Hassell reported that the City Council met in Closed Session on the items listed on the agenda, but took no reportable action.

**PROCLAMATION:**

**A. Proclamation**

1. Mayor Warren and City Council to proclaim September 22, 2023, as Native American Day (District Director, Vanessa Brierty, to present).

Mayor Warren and City Council proclaimed September 22, 2023, as Native American Day, Vanessa Brierty accepted.

2. Mayor Warren and City Council to proclaim the month of September as Senior Center Month, (Community Services Supervisor Douglas Johnson to present).

Mayor Warren and City Council proclaimed the month of September as Senior Center Month, Community Services Supervisor Douglas Johnson accepted the proclamation.

3. Mayor Warren and City Council to proclaim September 24, 2023, as National Public Lands Day (Community Services Coordinator Jordan Gionet to present).

Mayor Warren and City Council proclaimed September 24, 2023, as National Public Lands Day, Community Services Coordinator Jordan Gionet accepted the proclamation.

**SPECIAL PRESENTATIONS:**

Mayor Warren and City Council recognized Scripps National Spelling Bee participant Jup Singh.

Mayor Warren and City Council recognized District 71 Fontana Little League Championship Teams from Fontana American Little League, Fontana Community Little League, Fontana Elks Little League, and Southridge Little League.

Mayor Warren and City Council recognized Fontana Police Department's July 2023 Employees of the Month Corporal Christopher Gonzales, Officers Joshua Carreon, Mark Ruff, and Community Policing Technician Heather Howard.

**PUBLIC COMMUNICATIONS:**

## **A. Public Communications**

The following individuals spoke under public communications:

Rebecca Gonzalez expressed support for Fontana Little League and discussed concerns with Council Member Sandoval.

Mark Richini spoke in opposition of Planned Parenthood.

Michael Townsend, on behalf of Assemblyman Reyes, commended the Council on the downtown revitalization and for all the special recognitions given to staff and the community at tonight's meeting.

## **CONSENT CALENDAR:**

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

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|-----------|--|----------------|
| <b>A.</b> | Approval of Minutes  | <b>21-2395</b> |
| <b>B.</b> | Adoption of Ordinance No. 1923 (Second Reading)  | <b>21-2394</b> |
| <b>C.</b> | Adopt a Resolution Adopting a New Job Description and Salary Range for the Emergency Services Coordinator Classification<br>Adopt a Resolution Adopting a New Job Description and Salary Range for the Emergency Services Coordinator Classification   | <b>21-2382</b> |
| <b>D.</b> | Final Acceptance of Street and Sewer Improvements on Banana Avenue for Tract No. 18135   | <b>21-2392</b> |
| <b>E.</b> | Business License Compliance Program  | <b>21-2406</b> |
| <b>F.</b> | Acceptance of Final Map for Parcel Map No. 20585 and Abandonment of a Certain Portion of Right of Way of Banana Avenue<br>Acceptance of Final Map for Parcel Map No. 20585 and Abandonment of a Certain Portion of Right of Way of Banana Avenue<br><b>Attachments:</b> <a href="#">Parcel Map 20585.pdf</a><br><a href="#">Land Improvement Agreement.pdf</a><br><a href="#">Vicinity Map.pdf</a> | <b>21-2409</b> |
| <b>G.</b> | Award a Construction Contract for the Blanchard Avenue Sidewalk Gap Project<br>Award a Construction Contract for the Blanchard Avenue Sidewalk Gap Project   | <b>21-2417</b> |



**Attachments:** [Vicinity Map](#)  
[Bid Results](#)  
[Bid Detail](#)

- H.** Approve a Contract with TA Mentoring Services LLC for the Noble Youth Program to be delivered at Fontana Expanded Learning Program school sites. **21-2419**  
Approve a Contract with TA Mentoring Services LLC for the Noble Youth Program to be delivered at Fontana Expanded Learning Program school sites.  
**Attachments:** [TA Mentoring Services FELP 23-24.pdf](#)  
[FELP TA Mentoring Services Agreement 23-24.pdf](#)
- I.** Approve a Contract EBK & Company LLC to provide and deliver the US Engineering League for the Fontana Expanded Learning Program. **21-2420**  
Approve a Contract EBK & Company LLC to provide and deliver the US Engineering League for the Fontana Expanded Learning Program.  
**Attachments:** [USEL FELP Quote 2023 24.pdf](#)  
[FELP EBK Agreement 23-24.pdf](#)
- J.** Approve the purchase of Sandy Spin Inc. Skillastics Speed Stacks curriculum to be delivered at Fontana Expanded Learning Program's school sites. **21-2421**  
Approve the purchase of Sandy Spin Inc. Skillastics Speed Stacks curriculum to be delivered at Fontana Expanded Learning Program's school sites.  
**Attachments:** [Skillastics Quote.pdf](#)
- K.** Approve the purchase ZTag curriculum to be delivered at Fontana Expanded Learning Program's school sites. **21-2422**  
Approve the purchase ZTag curriculum to be delivered at Fontana Expanded Learning Program's school sites.  
**Attachments:** [ZTAGQuote-001083.pdf](#)
- L.** Approve an Encroachment Agreement to Construct and Maintain Improvements Beneath the Etiwanda Avenue Overpass **21-2423**  
Approve an Encroachment Agreement to Construct and Maintain Improvements Beneath the Etiwanda Avenue Overpass  
**Attachments:** [Encroachment Agreement.pdf](#)  
[Vicinity Map.pdf](#)
- M.** Award bid for the Active Transportation Program (ATP) Safe Routes to School (SRTS) Pedestrian Improvements Project on **21-2424**

Ramona, Alder, Locust Avenue Project [Federal ID No. ATPSB1L-5307(027)] (Bid No. SB-67-DE-23).

Award bid for the Active Transportation Program (ATP) Safe Routes to School (SRTS) Pedestrian Improvements Project on Ramona, Alder, Locust Avenue Project [Federal ID No. ATPSB1L-5307(027)] (Bid No. SB-67-DE-23).

**Attachments:** [Vicinity Map.pdf](#)  
[Bid Results.pdf](#)  
[Bid Detail.pdf](#)

**N.** Award a Contract for the Demolition of Slovene Hall. **21-2425**

Award a Contract for the Demolition of Slovene Hall.

**Attachments:** [Vendor Notification PW-24-SB-04.pdf](#)  
[Interior Demolition Bid - PW-24-SB-04.pdf](#)  
[Demolition.pdf](#)

**O.** Award a Construction Contract for the Arrow Boulevard at Cypress Avenue Traffic Signal Project (Bid No. SB-162-DE-23). **21-2426**

Award a Construction Contract for the Arrow Boulevard at Cypress Avenue Traffic Signal Project (Bid No. SB-162-DE-23).

**Attachments:** [Vicinity Map](#)  
[Bid Results](#)  
[Bid Detail](#)

**P.** Award bid (SB-112-CS23) to Carreras Tours LLC., to provide bussing transportation for the Fontana Expanded Learning Program. **21-2427**

Award bid (SB-112-CS23) to Carreras Tours LLC., to provide bussing transportation for the Fontana Expanded Learning Program.

**Attachments:** [Carreras Rates.pdf](#)

**Q.** Approve a Task Order for Engineering Design Services for the Courtplace Housing Development Project (Infrastructure Improvements) **21-2430**

Approve a Task Order for Engineering Design Services for the Courtplace Housing Development Project (Infrastructure Improvements)

**Attachments:** [Vicinity Map \(Courtplace Housing Development Project\).pdf](#)  
[TKE Proposal & Fee Schedule \(SQ-87-DE-19-58\).pdf](#)  
[Evaluation Form Tabulation \(SQ-87-DE-19-58\).pdf](#)

**R.** Police Department Monthly Information Update **21-2432**  
Police Department Monthly Information Update

**Attachments:** [July 2023 Report for City Council Rev.pptx](#)

- S.** Authorize the Purchase of a 570N EP Skip Loader from **21-2433**  
Sonsray Machinery.  
Authorize the Purchase of a 570N EP Skip Loader from Sonsray Machinery.

**Attachments:** [8-23 Unit 14497 Case Skiploader Quote.pdf](#)  
[Case Sourcewell.pdf](#)

- T.** Authorize the Purchase of a Altec AT37G Aerial Truck. **21-2434**  
Authorize the Purchase of a Altec AT37G Aerial Truck.

**Attachments:** [8-23 Unit 11435 Altec Quote.pdf](#)  
[Sourcewell Altec #110421.pdf](#)

- U.** Approve Crossing Guard Service Agreement between Fontana **21-2439**  
Unified School District, Etiwanda School District, and the City of  
Fontana  
Approve Crossing Guard Service Agreement between Fontana Unified  
School District, Etiwanda School District, and the City of Fontana

**Attachments:** [FUSD Xing Guard exp 2024.pdf](#)

- V.** Award a Construction Contract for the S. Highland Avenue at **21-2441**  
Mango Avenue Traffic Signal Project (Bid No. SB-97-DE-23).  
Award a Construction Contract for the S. Highland Avenue at Mango Avenue  
Traffic Signal Project (Bid No. SB-97-DE-23).

**Attachments:** [Vicinity Map](#)  
[Bid Results](#)  
[Bid Detail](#)

- W.** Award a Construction Contract for the Active Transportation **21-2442**  
Program (ATP) Fontana Safe Routes to School (SRTS) Gap  
Closure Project [Federal ID No. ATPSB1L-5307(029)] (Bid No.  
DE-24-SB-01).  
Award a Construction Contract for the Active Transportation Program (ATP)  
Fontana Safe Routes to School (SRTS) Gap Closure Project [Federal ID No.  
ATPSB1L-5307(029)] (Bid No. DE-24-SB-01).

**Attachments:** [Vicinity Map](#)  
[Bid Results](#)  
[Bid Detail](#)

- X.** Award a Construction Contract for the Alder Middle School Safe **21-2443**  
Routes to School (SRTS) Project on (Bid No. SB-146-DE-23).  
Award a Construction Contract for the Alder Middle School Safe Routes to  
School (SRTS) Project on (Bid No. SB-146-DE-23).

**Attachments:** [Vicinity Map](#)  
[Bid Results](#)  
[Bid Detail](#)

- |     |   |         |
|-----|---|---------|
| Y.  | <p>Declaring Surplus Land - Property located at 14355 Foothill Boulevard</p> <p>Declaring Surplus Land - Property located at 14355 Foothill Boulevard</p> <p><b>Attachments:</b>     <a href="#"><u>Attachment No. 1 - SLA Resolution Foothill Blvd</u></a><br/> <a href="#"><u>Attachment No. 2 - Notice of Availability Surplus Land Foothill Blvd</u></a></p>  | 21-2450 |
| Z.  | <p>Award a Contract for the interior renovation for Stage RED</p> <p>Award a Contract for the interior renovation for Stage RED</p> <p><b>Attachments:</b>     <a href="#"><u>Attachment No. 1 - Notice Invitiing Sealed Bids</u></a></p>   | 21-2452 |
| AA. | <p>Award of Contracts for Plan Review and Inspection Services For The Building &amp; Safety Department.</p> <p>Award of Contracts for Plan Review and Inspection Services For The Building &amp; Safety Department.</p> <p><b>Attachments:</b>     <a href="#"><u>Evaluation Summary BS-24-05-SP.pdf</u></a><br/> <a href="#"><u>4 Leaf Proposal.pdf</u></a><br/> <a href="#"><u>BPR Proposal (1).pdf</u></a><br/> <a href="#"><u>Interwest Proposal (3).pdf</u></a><br/> <a href="#"><u>Willdan Proposal (4).pdf</u></a><br/> <a href="#"><u>Bureau Veritas Proposal (2).pdf</u></a></p> | 21-2453 |

**PUBLIC HEARINGS:**

- A.** Public Hearing for Consolidated Annual Performance Evaluation Report (CAPER). **21-2396**

Mayor Warren opened the Public Hearing.

There was no written correspondences received.

Project Specialist, Mary Aguilar, 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 Roberts, seconded by Council Member

Cothran to approve the following.

1. Conduct a public hearing for the Consolidated Annual Performance and Evaluation Report prepared for the U.S. Department of Housing & Urban Development to report on specific Federal housing assistance and community development activities undertaken by the City of Fontana during Fiscal Year 2022-2023; and
2. Authorize the City Manager to execute and transmit any documents necessary to submit the Consolidated Annual Performance, along with any comments received during the public hearing and public comment period, to the Department of Housing & Urban Development.

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

- B.** First Amendment to Disposition and Development Agreement **21-2472**  
(Arrow & Nuevo) with New Legacy Development Corp.

**Attachments:** [FIRST AMENDMENT TO DISPOSITION AND DEVELOPMENT AGREEMENT draft 08.29.2023.pdf](#)

Mayor Warren opened the Public Hearing.

There were no written correspondences received.

Deputy City Manager, Philip Burum, provided the staff report and answered questions of the City Council.

City Council and staff discussed the current phase of the construction project.

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

**ACTION: Motion was made by Mayor Pro Tem Garcia, seconded by Mayor Council Member Roberts, and passed by a vote of 3-2 to approve staff recommendation on Public Hearing Item “B”. The motion carried by the following vote: AYES: Warren, Garcia, and Roberts; NOES: Cothran and Sandoval; ABSTAIN: None ABSENT: None**

## **CITY MANAGER COMMUNICATIONS:**

### **A. City Manager Communications**

City Manager Ballantyne welcomed Deputy City Clerk Christina Rudsell and recognized Specialist to the Deputy City Clerk Susana Gallardo.

## **ELECTED OFFICIALS COMMUNICATIONS/REPORTS:**

## **A. Elected Officials Communications/Reports**

City Treasurer Koehler-Brooks thanked the Community Services Department for their Above the Limits special needs program.

City Clerk Key discussed a recent 9/11 event and commended local business owners who succeeded in keeping their businesses open during the pandemic.

Mayor Pro Tem Garcia commended Fontana's young student athletes and recognized small business owners for expressing their concerns with illegal street vendors.

Council Member Cothran stated that the City should be proud of all the various items on tonight's Consent Calendar.

Council Member Sandoval commended Community Services staff for providing event flyers in Spanish and wished his grandsons Christian and Francisco a happy birthday.

Council Member Roberts also recognized Fontana's young student athletes and discussed concerns with illegal street vendor stating he looked forward to positive results with addressing the issue.

Mayor Warren congratulated the Council on the downtown revitalization effort, thanked staff for addressing the illegal street vendor issue, thanked Commissioner Armando Valles for the Church of Latter-Day Saint's efforts with providing hygiene products for the homeless population.

## **ADJOURNMENT:**

### **A. Adjournment**

Mayor Warren adjourned the meeting in memory of former San Bernardino County Administrative Officer Mark Herbert Uffer. The meeting adjourned at 8:25 p.m. to the next Regular City Council Meeting on September 26, 2023, at 7:00 p.m. in the Grover W. Taylor Council Chambers located at 8353 Sierra Avenue, Fontana, California.

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Christina Rudsell  
Deputy City Clerk

**THE FOREGOING MINUTES WERE ADOPTED AND APPROVED BY THE FONTANA CITY COUNCIL ON SEPTEMBER 26, 2023.**

Germaine Key  
City Clerk



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-2311

**Agenda #:** B.

**Agenda Date:** 9/26/2023

**Category:** Consent Calendar

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**FROM:**

Human Resources

**SUBJECT:**

Second Amendment to the City Manager Employment Agreement between the City of Fontana and Matthew C. Ballantyne.

**RECOMMENDATION:**

Approve the Second Amendment to the City Manager Employment Agreement between the City of Fontana and Matthew C. Ballantyne.

**COUNCIL GOALS:**

- To create a team by working together to provide stability and consistent policy direction.

**DISCUSSION:**

Matthew C. Ballantyne has served as the City Manager for the City of Fontana since 2022. The City Council recently concluded its annual evaluation of Mr. Ballantyne and, as a result of that positive evaluation, recommended an extension of the City Manager's employment term for an additional year, ending on April 17, 2028.

The Second Amendment, therefore, only extends the existing employment term, and there are no additional benefits conferred.

The accompanying amendment reflects this proposed modification.

**FISCAL IMPACT:**

None. The Second Amendment only extends the existing employment term, there are no additional benefits conferred.

**MOTION:**

Approve Staff Recommendation.



SECOND AMENDMENT  
TO CITY MANAGER EMPLOYMENT AGREEMENT

This Second Amendment City Manager Employment Agreement ("Second Amendment") is entered into on the execution date shown in the signature block below, and effective as of the 12<sup>th</sup> day of September, 2023 (the "Effective Date"), between the City of Fontana (hereinafter referred to as the "City") and Matthew C. Ballantyne (hereinafter referred to as "Employee").

RECITALS

A. Whereas on April 13, 2022, City and Employee entered into that certain City Manager Employment Agreement to retain the services of Employee as City Manager; and

B. Whereas on September 13, 2022, City and Employee entered into a First Amendment to the Agreement (both Agreement and its amendment are collectively referred to hereinafter as "Agreement"); and

C. Whereas, the City and Employee now wish to revise a specified section of the Agreement to modify a provision of the Agreement;

NOW THEREFORE, THE PARTIES HERETO HEREBY AGREE AS FOLLOWS:

1. The first paragraph of Section I of the Agreement, entitled "Employment and Term," is hereby amended, in its entirety, as follows:

I. Employment and Term.

The City hereby employs the Employee as City Manager for the City of Fontana. Unless otherwise extended by mutual agreement of the parties or terminated as provided herein, the term of this Agreement shall commence on April 18, 2022, and end on April 17, 2028, unless sooner terminated or extended by the City Council as set forth in the Agreement. In the event that the City Council determines that the Employee is not to be reemployed upon expiration of this Agreement, he shall be given written notice thereof by the City at least six (6) months in advance of the expiration of the term of this agreement. Should the City fail to give notice at least six (6) months prior to the end date of this Agreement, the Agreement shall be extended on the same terms for an additional period of one (1) year.

2. Continuing Effect of Agreement. Except as amended by this Second Amendment, all other provisions of the Agreement remain in full force and effect. From and after the date of this Agreement, whenever the term "Agreement" appears in the Agreement, it shall mean the Agreement as amended by this Second Amendment.

IN WITNESS WHEREOF, the Parties have executed this Second Amendment to City Manager Employment Agreement on the 12<sup>th</sup> day of September, 2023.

**CITY MANAGER**

\_\_\_\_\_  
Matthew C. Ballantyne, Employee

**CITY OF FONTANA**

\_\_\_\_\_  
Acquanetta Warren, Mayor

**ATTEST:**

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

**APPROVED AS TO FORM:**

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



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-2391

**Agenda #:** C.

**Agenda Date:** 9/26/2023

**Category:** Consent Calendar

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**FROM:**

Engineering

**SUBJECT:**

Final Acceptance of the Police Facility Fence Installation Project

**RECOMMENDATION:**

Accept as complete the work performed by J & A Engineering Corp. for the construction of the Police Facility Fence Installation Project (#37600021) and approve the final construction amount of \$369,687.37 (SB-03-DE-23).

**COUNCIL GOALS:**

- To improve public safety by increasing operational efficiency, visibility and availability.
- 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.

**DISCUSSION:**

On September 27, 2022, the City Council authorized the award of a construction contract to the lowest responsible/responsive bidder (J & A Engineering Corp.) in the amount of \$358,275.44 with a 10% contingency in the amount of \$35,827.54 for the Police Facility Fence Installation Project (#37600021). The City of Fontana determined the need for the installation of wrought iron fencing and vehicular gates to control access near the Police Department (PD) and its parking facilities along Seville Avenue, between Wheeler Avenue and Emerald Avenue.

J & A Engineering Corp. completed construction of the project on June 30, 2023. The project was successfully completed for the final contract amount of \$369,687.37, an increase of 3.19% from the original contract amount of \$358,275.44 and \$24,415.61 under the total authorized budget. All work has been completed to the satisfaction of the City.

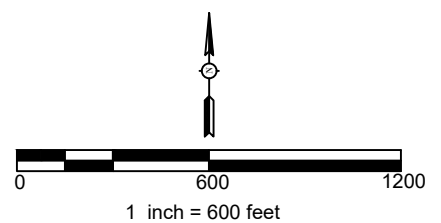
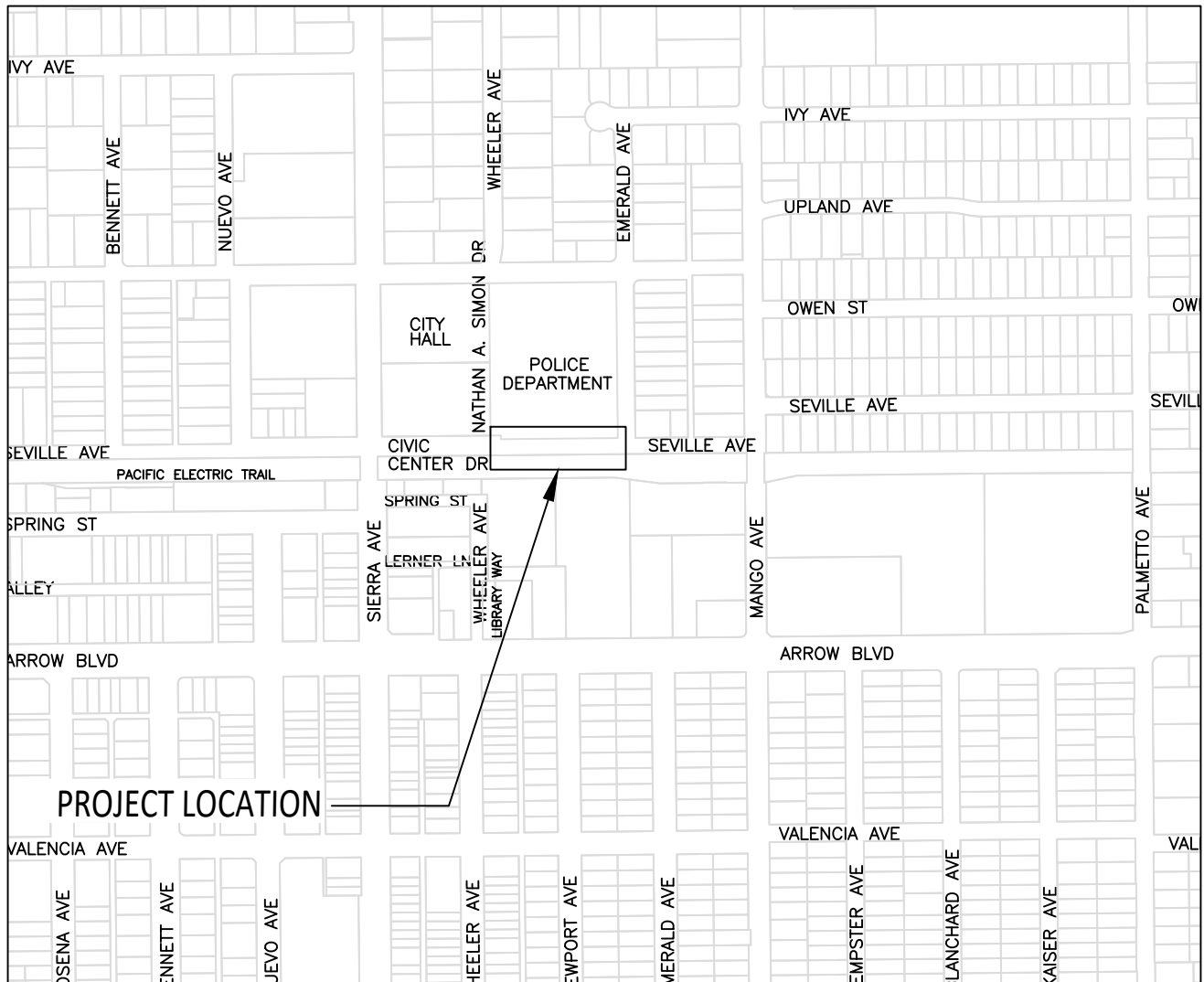
**FISCAL IMPACT:**

There is no fiscal impact associated with the approval of this item.

**MOTION:**

Approve staff recommendation.

# POLICE FACILITY FENCE INSTALLATION PROJECT





# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-2402

**Agenda #:** D.

**Agenda Date:** 9/26/2023

**Category:** Consent Calendar

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**FROM:**

Engineering

**SUBJECT:**

Accept a Carbon Reduction Program (CRP) Grant for San Sevaine Trail Phase 1-Segment 2 Project

**RECOMMENDATION:**

Approve and authorize the City Manager to accept the CRP Grant in the amount of \$2,721,400 for the San Sevaine Trail Phase 1-Segment 2 Project, and authorize staff to request reimbursements to grant requirements.

**COUNCIL GOALS:**

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

**DISCUSSION:**

In February 2023, the City was notified by San Bernardino County Transportation Authority that Carbon Reduction Program Grant Funds were available. The City submitted an eligibility form for the San Sevaine Trail Phase 1-Segment 2 Project and in April 2023 the SCAG Regional Council approved \$2,721,400 in CRP Funds for the project.

The San Sevaine Trail Phase 1-Segment 2 Project is a 1.25-mile long multi-user trail beginning at the Pacific Electric Trail in the City of Fontana to Banyan Street in the City of Rancho Cucamonga. The trail will be constructed along the west side of the Etiwanda Creek/San Sevaine Flood Control channel.

Staff requests that the City Council accept the grant and authorize staff to appropriate grant funds as required and request grant reimbursements as the project progresses.

**FISCAL IMPACT:**

The fiscal impact associated with the approval of this item is an increase in revenues and appropriations of \$2,741,000 in Fund 301 for the San Sevaine Trail Phase 1-Segment 2 Project (PN 3345) and will be included in the 2023-2024 first quarter budget report.

**MOTION:**

Approve staff recommendation.



SOUTHERN CALIFORNIA  
ASSOCIATION OF GOVERNMENTS  
900 Wilshire Blvd., Ste. 1700  
Los Angeles, CA 90017  
T: (213) 236-1800  
[www.scag.ca.gov](http://www.scag.ca.gov)

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Transportation Commission

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Human Development  
Frank Yokoyama, Cerritos

Energy & Environment  
Deborah Robertson, Rialto

Transportation  
Ray Marquez, Chino Hills

## MEETING NO. 654

# REGIONAL COUNCIL

***Members of the Public are Welcome to Attend  
In-Person & Remotely***  
**Thursday, April 6, 2023**  
**12:00 p.m. – 2:00 p.m.**

***To Attend In-Person:***  
**SCAG Main Office - Regional Council Room**  
**900 Wilshire Blvd., Ste. 1700**  
**Los Angeles, CA 90017**

**SCAG Riverside Office – Suite 805**  
**3403 10th Street**  
**Riverside, CA 92501**

***To Watch or View Only:***  
**<http://scag.ca.gov/RCLiveStream>**

***To Attend and Participate on Your Computer:***  
**<https://scag.zoom.us/j/249187052>**

***To Attend and Participate by Phone:***  
**Call-in Number: 1-669-900-6833**  
**Meeting ID: 249 187 052**

#### **PUBLIC ADVISORY**

If members of the public wish to review the attachments or have any questions on any of the agenda items, please contact Maggie Aguilar at (213) 630-1420 or via email at [aguilarm@scag.ca.gov](mailto:aguilarm@scag.ca.gov). Agendas & Minutes are also available at: <https://scag.ca.gov/meetings-leadership>.

SCAG, in accordance with the Americans with Disabilities Act (ADA), will accommodate persons who require a modification of accommodation in order to participate in this meeting. SCAG is also committed to helping people with limited proficiency in the English language access the agency's essential public information and services. You can request such assistance by calling (213) 630-1420. We request at least 72 hours (three days) notice to provide reasonable accommodations and will make every effort to arrange for assistance as soon as possible.



## AGENDA ITEM 3 REPORT

Southern California Association of Governments  
April 6, 2023

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**To:** Transportation Committee (TC)  
Regional Council (RC)

EXECUTIVE DIRECTOR'S  
APPROVAL

**From:** Warren Whiteaker, Department Manager  
(213) 236-1810, whiteakerw@scag.ca.gov

*Kome Ajise*

**Subject:** Approval of Expedited Programming for FY22 Carbon Reduction Program (CRP)

---

### RECOMMENDED ACTION FOR TC:

Recommend that the Regional Council: 1) approve expedited programming of Fiscal Year 2021-22 (FY2022) Carbon Reduction Program (CRP) funds for selected projects; and 2) authorize Executive Director to make necessary adjustments to selected projects to meet eligibility criteria and other applicable requirements.

### RECOMMENDED ACTION FOR RC:

Approve expedited programming of FY22 Carbon Reduction Program (CRP) funds for selected projects. Authorize Executive Director to make necessary adjustments to selected projects to meet eligibility criteria and other applicable requirements.

### STRATEGIC PLAN:

This item supports the following Strategic Plan Goal 1: Produce innovative solutions that improve the quality of life for Southern Californians. 7: Secure funding to support agency priorities to effectively and efficiently deliver work products.

### EXECUTIVE SUMMARY:

*The Carbon Reduction Program (CRP) is a new program established by the Infrastructure Investment and Jobs Act (IIJA) and provides funding for transportation projects that reduce carbon dioxide emissions from on-road transportation sources. The Southern California Association of Governments (SCAG) is responsible for the selection of CRP-funded projects in the SCAG region. SCAG staff is seeking RC approval for expedited project selection of Fiscal Year 2021-22 (FY2022) CRP funds. SCAG staff will subsequently develop program guidelines for the selection of CRP-funded projects for FY2023 through FY2026.*

### BACKGROUND:

CRP is a new program established by IIJA that provides over \$6.4 billion nationally over a five-year period (FY2022 through FY2026) for projects designed to reduce carbon dioxide emissions from on-

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road transportation sources. Under the program, each state is required to develop a Carbon Reduction Strategy by November 15, 2023, which identifies projects and strategies to reduce transportation emissions. The Carbon Reduction Strategy for California will be developed by the California Department of Transportation (Caltrans) in consultation with SCAG and other designated Metropolitan Planning Organizations (MPOs) within the State. Caltrans has indicated that the California Carbon Reduction Strategy will incorporate the following three pillars: 1) Rail and Transit, 2) Bike and Pedestrian, and 3) Zero-Emission Vehicles.

For each fiscal year, 65 percent of CRP funding apportioned to each state is required to be obligated in proportion to the relative share of population in urban areas within the state. The remaining 35 percent of funds apportioned to each state for each fiscal year may be obligated in any area of the state. For FY2022, the SCAG region's share of CRP funds is approximately \$33.6 million, which needs to be obligated by September 30, 2025, and expended by September 30, 2030.

#### Expedited Selection of Projects to be Funded with FY2022 CRP Funds

Due to the limited time to obligate FY2022 CRP funds, SCAG staff is recommending expedited project selection based on actions taken by the County Transportation Commissions (CTCs) within the SCAG region to advance eligible projects for FY2022 only. Specifically, the region's CTCs have solicited projects for consideration of CRP funding and submitted to SCAG for approval. Based on available FY2022 CRP funding, and SCAG staff finding that the projects listed below further the State's pillars for the California Reduction Strategy and align with regional transportation goals and objectives, SCAG staff recommend that the following projects be approved for FY2022 CRP funding:

Project	Recommended FY2022 CRP (\$ millions)
<b>Imperial County</b>	
Installation of EV Charging Stations at Various Locations in Imperial County	0.4
<b>Imperial County Total</b>	<b>0.4</b>
<b>Los Angeles County</b>	
Procurement of Battery Electric Buses, Charging Equipment, and Supporting Infrastructure	17.9
<b>Los Angeles County Total</b>	<b>17.9</b>
<b>Orange County</b>	
Purchase of 40 Fuel Cell Electric Buses	5.7
<b>Orange County Total</b>	<b>5.7</b>
<b>Riverside County</b>	
Interstate 15 Express Lanes Project Southern Extension (Preliminary Engineering Phase)	4.0
<b>Riverside County Total</b>	<b>4.0</b>
<b>San Bernardino County</b>	
City of Redlands: Redlands Regional Connector Project	0.7
City of Highland: Highland Regional Connector Project	0.7
City of Fontana: San Sevaine Trail	2.7
<b>San Bernardino County Total</b>	<b>4.1</b>

Project	Recommended FY2022 CRP (\$ millions)
<b>Ventura County</b>	
Microgrid for City of Thousand Oaks EV Bus Charging	1.0
Port of Hueneme North Terminal Shore Power System	0.4
<b><i>Ventura County Total</i></b>	<b>1.4</b>
<b>SCAG Regional Total</b>	<b>33.6</b>

Upon SCAG Regional Council approval, SCAG staff will work with the applicable CTCs to incorporate these projects into the 2023 Federal Transportation Improvement Program. During this process, the programmed CRP dollars above may be adjusted as necessary.

#### Selection of Projects to be Funded with FY2023 through FY2026 CRP Funds

SCAG staff will return with program guidelines for the selection of projects for FY2023 through FY2026 CRP funding. SCAG has received preliminary concurrence from the Federal Highway Administration (FHWA) on a framework for the selection of the CRP projects within the SCAG region, which is modeled after the federal apportionment approach. Specifically, SCAG will use 65 percent of CRP funds (approximately \$92 million for FY2023 through FY2026) for a CTC Partnership Program. County nomination targets<sup>1</sup> will guide the CTCs in the amount of funding requests that they submit to SCAG for project selection, including any CRP funds programmed for FY2022. SCAG will select projects based on the initial screening and prioritization by the CTCs and additional regional project evaluations. SCAG will select projects that advance regional and federal performance measures. CTCs will be encouraged to develop planning studies that support the implementation of Connect SoCal and serve as a roadmap for CRP projects. SCAG will use 35 percent of CRP funds (approximately \$49 million for FY2023 through FY2026) to support a Regional Partnership Program, which is intended to identify, evaluate, and award CRP funding for regional or local pilots and partnership projects that achieve regional transportation goals and objectives.

#### **FISCAL IMPACT:**

Work associated with this item is included in the FY2023 Overall Work Program (WBS No. 23-010.0170.01: RTP Amendments, Management, and Coordination and WBS No. 23-030.0146.02: Federal Transportation Improvement Program).

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<sup>1</sup> The CRP nomination targets will mirror the nomination targets established for the Surface Transportation Block Grant (STBG) Program approved by the RC on February 2, 2023, as part of the STBG/CMAQ Compliance Action Plan.



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-2410

**Agenda #:** E.

**Agenda Date:** 9/26/2023

**Category:** Consent Calendar

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**FROM:**

Engineering

**SUBJECT:**

Declare City Property to be Public Right of Way and Accept the Property into the City Street System

**RECOMMENDATION:**

Adopt **Resolution No. 2023-097**, declaring the Subject Property as public right of way, and pursuant to Section 1806 of the Streets and Highways Code, to be accepted by the City of Fontana into the City Street system

**COUNCIL GOALS:**

- 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.
- 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 approved Capital Improvement Program Budget includes the Downtown Parking Structure Project ("Project"). The Project is to construct a 4-tier parking structure within the existing parking lot of the City's Human Resources Department Building located at 8491 Sierra Avenue, Fontana, CA 92335. An existing Southern California Gas main line located within the proposed footprint is in direct conflict with the new structure as shown in Figure 1. The proposed location of a replacement gas main, Library Drive (also known as Wheeler Ave), is currently City property but not public right of way. By declaring the property as public right of way, public utilities may access the property.

**FISCAL IMPACT:**

Library Drive is currently maintained as a City street. Declaring it public right of way will have no fiscal impact as it would continue to be maintained by the City.

**MOTION:**

Approve staff recommendation.

## **RESOLUTION NO. 2023-XXX**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA DECLARING PROPERTY TO BE PUBLIC RIGHT OF WAY AND ACCEPTING THE PROPERTY INTO THE CITY' STREET SYSTEM.**

**WHEREAS**, on March 8, 2022, the City Council of the City of Fontana ("City") approved the ARPA Expenditure Plan which included the Downtown Parking Structure Project ("Project") in the amount of \$10.0 million in the Revenue Loss category; and

**WHEREAS**, on June 13, 2023, the City Council approved \$5,000,000.00 of Capital Reinvestment Funds 601 for the Project; and

**WHEREAS**, on August 25, 2022, the City issued a Request for Qualifications (RFQ) for Design-Build Entities for the Project; and

**WHEREAS**, on August 7, 2023, the City awarded and authorized the City Manager to execute a design-build contract with Bomel Construction Company Inc. for the Project in the amount of \$11,909,993.00, which includes a City-owned contingency in the amount of \$900,000.00 (Bid No. SQ-24-DE-23-01); and

**WHEREAS** the City identified that a lack of public right of way (utility easement) along Library Drive. would prohibit public utility installation needed for the Project and other City facilities in the vicinity (the "Property"); and

**WHEREAS** the Property is more particularly described and shown in Exhibit "A" attached hereto and incorporated herein; and

**WHEREAS**, Streets and Highways Code section 1806 provides that the City Council, by resolution, may accept the Property into the City street system.

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

**Section 1.** That the recitals set forth hereinabove are true and correct in all respects and are incorporated herein.

**Section 2.** The Property is hereby declared to be public right of way, and pursuant to Section 1806 of the Streets and Highways Code, is hereby accepted by the City of Fontana into the City street system.

**Section 3.** Pursuant to California Environmental Quality Act ("CEQA") Guidelines, Section 15004, the City's adoption of this Resolution is not a "Project" subject to CEQA because it merely states the City's desire to declare certain City property a public right-

of-way for future development projects and the City will take those measures required to assess potential environmental impacts of the use of said rights-of-way at a future date.

**SECTION 4.** This Resolution shall become effective upon its adoption.

**APPROVED AND ADOPTED** 26<sup>th</sup> day of September 2023.

**READ AND APPROVED AS TO LEGAL FORM:**

\_\_\_\_\_  
City Attorney

I, Germaine Key, City Clerk of the City of Fontana, and Ex-Officio Clerk of the City Council, do hereby certify that the foregoing resolution is the actual resolution duly and regularly adopted by the City Council at a regular meeting on the 26<sup>th</sup> day of September 2023 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

Recording Requested By  
City of Fontana

When Recorded, Mail To:

City of Fontana  
8353 Sierra Avenue  
Fontana, CA 92335  
Attn: Engineering Division

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APN: **0192-042-21**  
Library Drive

No Recording Fee Required;  
This Document is Exempt from  
Fee Pursuant to Government  
Code Section 27383  
Documentary Tax Due: \$ None  
By: \_\_\_\_\_

## **EASEMENT DEED**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the **City of Fontana, a Municipal Corporation** ("Grantor"), does hereby dedicate on behalf of the PUBLIC, an EASEMENT to the CITY OF FONTANA, a Municipal Corporation for street, highway and public utility purposes over, under and upon the real property in the City of Fontana, County of San Bernardino, State of California described as follows:

**Said Easement is more specifically described in EXHIBIT "A", sheet 3 of 4 and shown on Plat EXHIBIT "B", sheet 4 of 4, both attached hereto.**

Grantor:

**City of Fontana,  
a Municipal Corporation**

\_\_\_\_\_  
By: Matthew C. Ballantyne, City Manager

\_\_\_\_\_  
Date

(Signatures must be Notarized, see Sheet 2 for All-Purpose Notary Acknowledgement)

## CALIFORNIA ALL- PURPOSE ACKNOWLEDGEMENT

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 the document.

State of California }  
County of San Bernardino }

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,  
DATE NAME, TITLE OF OFFICER

personally appeared \_\_\_\_\_

\_\_\_\_\_  
NAME(S) OF SIGNER(S)

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 OF NOTARY PUBLIC

## CITY OF FONTANA ACCEPTANCE CERTIFICATE

This is to certify that the interest in real property conveyed by the Easement Deed or Grant Deed dated \_\_\_\_\_ from the **City of Fontana, a Municipal Corporation**, to the City of Fontana, a Municipal Corporation, is hereby accepted by the undersigned officer pursuant to authority conferred by Resolution 91-152 of the City Council adopted on July 16, 1991; and the grantee consents to the recordation thereof by its duly authorized officer.

\_\_\_\_\_  
Gia Lam Kim, P.E.  
City Engineer  
City of Fontana



# EXHIBIT "A"

## LEGAL DESCRIPTION:

APN: 0192-042-21

THE EASTERLY 23.95 FEET, OF THE WESTERLY 43.95 FEET WESTERLY, OF THE EASTERLY 906.62 FEET OF THE SOUTH 200.00 FEET OF BLOCK 17 OF TRACT NO. 2266, FONTANA TOWNSITE, IN THE CITY OF FONTANA, AS PER MAP RECORDED IN BOOK 32 OF MAPS, PAGES 43 THROUGH 53, INCLUSIVE, RECORDS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.

CONTAINING APPROXIMATELY 0.110 ACRES, 4,790 S.F.

SEE **EXHIBIT "B"**, PLAT TO ACCOMPANY LEGAL DESCRIPTION AND BY THIS REFERENCE MADE A PART HEREOF.

PREPARED BY:



MARK WARE, P.L.S. 5820

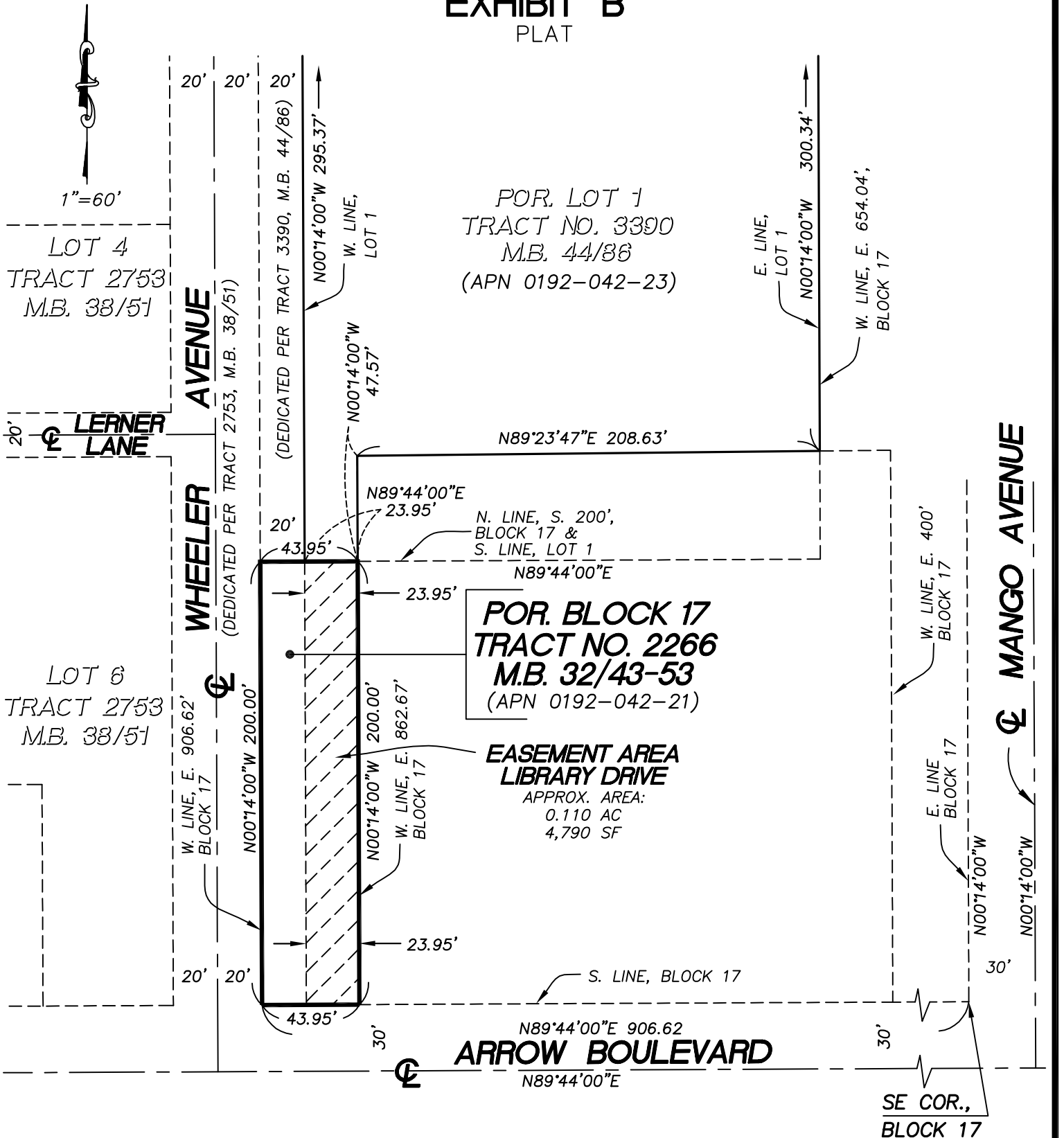
DATE 09-05-23





# EXHIBIT "B"

## PLAT



**SURVEYOR'S NOTE:**  
BASIS OF BEARINGS AND  
DISTANCES DERIVED FROM  
RECORD DATA AND  
CALCULATION PER TRACT NO.  
3390, M.B. 44/86.

Recording Requested By  
City of Fontana

When Recorded, Mail To:

City of Fontana  
8353 Sierra Avenue  
Fontana, CA 92335  
Attn: Engineering Division

---

APN: **0192-042-23**  
Library Drive

No Recording Fee Required;  
This Document is Exempt from  
Fee Pursuant to Government  
Code Section 27383  
Documentary Tax Due: \$ None  
By: \_\_\_\_\_

## **EASEMENT DEED**

FOR A VALUABLE CONSIDERATION, receipt of which is hereby acknowledged, the **Fontana Public Financing Authority** ("Grantor"), does hereby dedicate on behalf of the PUBLIC, an EASEMENT to the CITY OF FONTANA, a Municipal Corporation for street, highway and public utility purposes over, under and upon the real property in the City of Fontana, County of San Bernardino, State of California described as follows:

**Said Easement is more specifically described in EXHIBIT "A", sheet 3 of 4 and shown on Plat EXHIBIT "B", sheet 4 of 4, both attached hereto.**

Grantor:

**Fontana Public Financing Authority**

\_\_\_\_\_  
By: Matthew C. Ballantyne  
Title: Executive Director

\_\_\_\_\_  
Date

(Signatures must be Notarized, see Sheet 2 for All-Purpose Notary Acknowledgement)

## CALIFORNIA ALL- PURPOSE ACKNOWLEDGEMENT

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 the document.

State of California }  
County of San Bernardino }

On \_\_\_\_\_ before me, \_\_\_\_\_, Notary Public,  
DATE NAME, TITLE OF OFFICER

personally appeared \_\_\_\_\_

\_\_\_\_\_  
NAME(S) OF SIGNER(S)

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 OF NOTARY PUBLIC

## CITY OF FONTANA ACCEPTANCE CERTIFICATE

This is to certify that the interest in real property conveyed by the Easement Deed or Grant Deed dated \_\_\_\_\_ from the **Fontana Public Financing Authority**, to the City of Fontana, a Municipal Corporation, is hereby accepted by the undersigned officer pursuant to authority conferred by Resolution 91-152 of the City Council adopted on July 16, 1991; and the grantee consents to the recordation thereof by its duly authorized officer.

\_\_\_\_\_  
Gia Lam Kim, P.E.  
City Engineer  
City of Fontana



# EXHIBIT "A"

## LEGAL DESCRIPTION:

APN: 0192-042-23

THE WESTERLY 23.95 FEET, OF THE SOUTH 67.60 FEET OF LOT 1 OF TRACT NO. 3390, IN THE CITY OF FONTANA, AS PER MAP RECORDED IN BOOK 44 OF MAPS, PAGE 86, RECORDS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.

CONTAINING APPROXIMATELY 0.037 ACRES, 1,619 S.F.

SEE **EXHIBIT "B"**, PLAT TO ACCOMPANY LEGAL DESCRIPTION AND BY THIS REFERENCE MADE A PART HEREOF.

PREPARED BY:

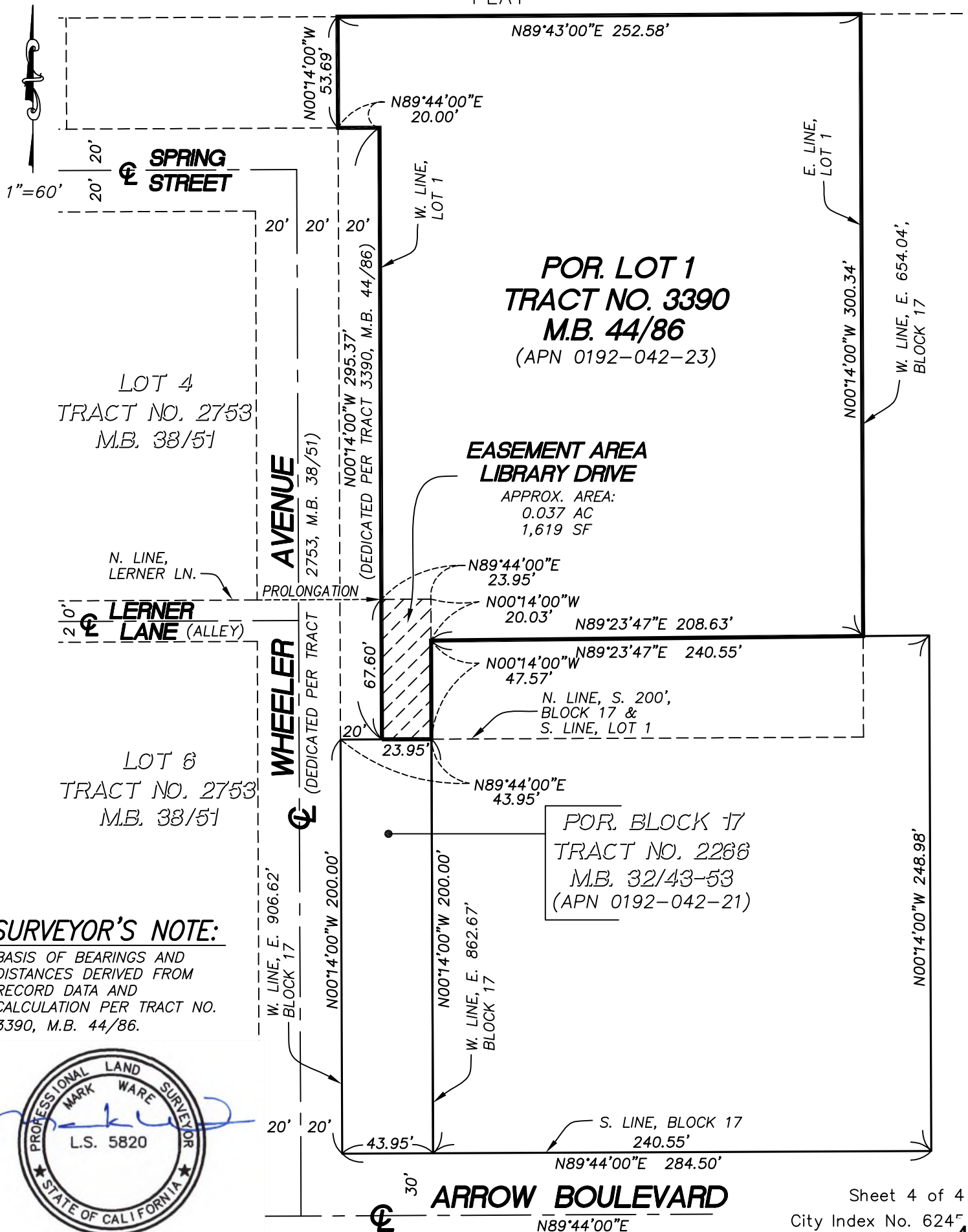


MARK WARE, P.L.S. 5820

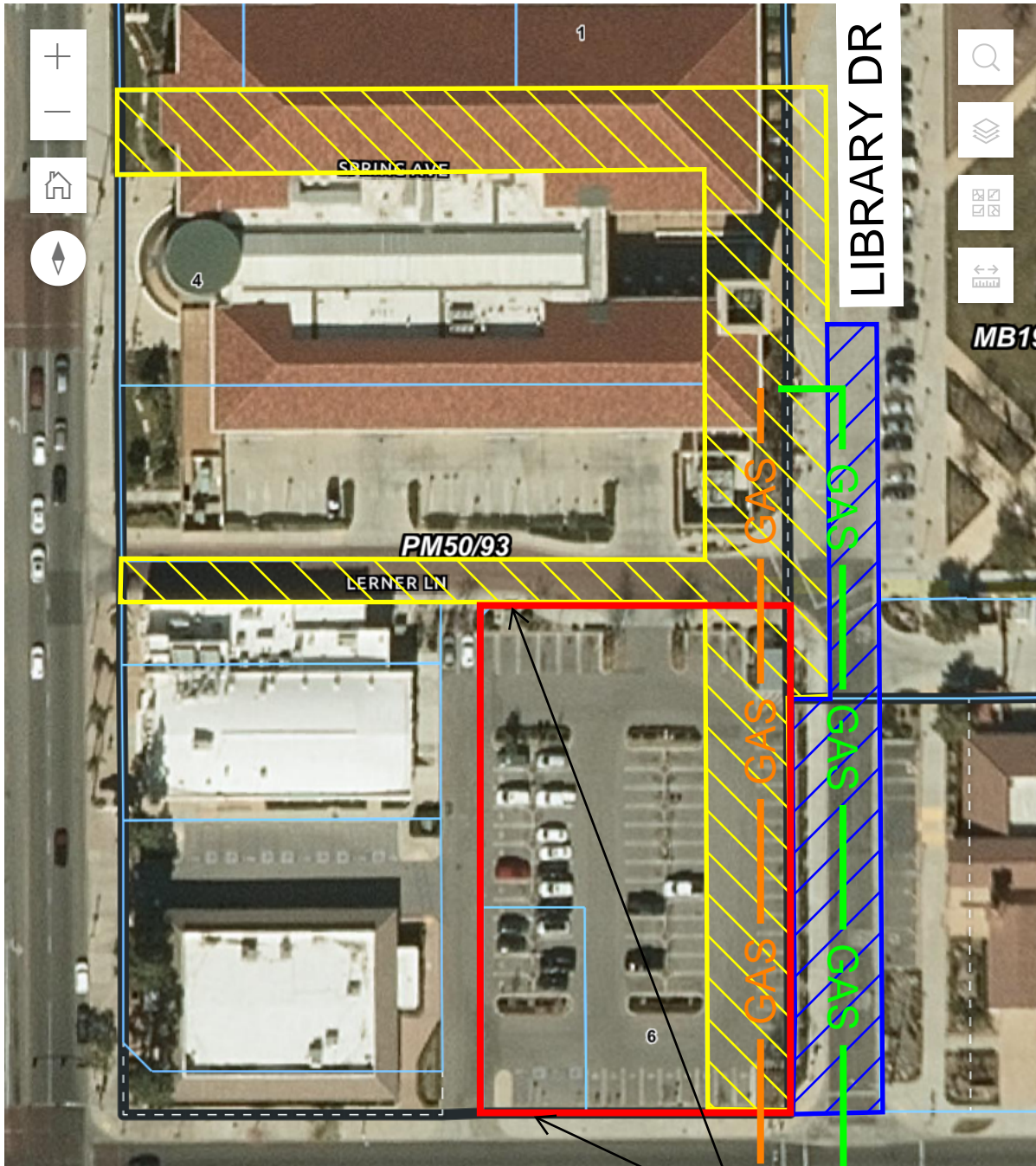
DATE 09-05-23



PLAT



SIERRA AVE



ARROW BLVD

PROPOSED PARKING  
STRUCTURE



FUTURE PARKING STRUCTURE



PROPOSED DECLARATION FOR STREET AND  
HIGHWAY PURPOSES ALONG LIBRARY DR



CURRENT ROADWAY DEDICATION FOR  
WHEELER AND LERNER AVENUES

— GAS —

EXISTING GAS MAIN UNDER FUTURE  
PARKING STRUCTURE TO BE REMOVED

— GAS —

REALIGNED GAS MAIN UNDER LIBRARY DR





# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

**File #:** 21-2465

**Agenda #:** F.

**Agenda Date:** 9/26/2023

**Category:** Consent Calendar

#### **FROM:**

Engineering

#### **SUBJECT:**

Approve Measure I Five-Year Capital Project Needs Analysis Amendment and Annual Adoption

#### **RECOMMENDATION:**

Adopt **Resolution No. 2023-098**, approving an amendment to the Fiscal Years 2023/2024 - 2027/2028 Measure I Five Year Capital Project Needs Analysis (CPNA) and adopting the Measure I Five Year CPNA for Fiscal Years 2024/2025 - 2028/2029.

#### **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:**

San Bernardino County Transportation Authority (SBCTA) is responsible for administering the San Bernardino County Measure I Program in which projects receive funding through the Local Pass-Through Program or Major Streets Program. The City of Fontana receives and utilizes funds through the two (2) Measure I Programs for transportation-related projects.

The Capital Project Needs Analysis (CPNA) List identifies the projects that will be funded by the Major Street Program with a five-year projection. Annually, SBCTA requires local jurisdictions to complete an update of these five-year programs identifying the projects to be funded. Projects include major roadway improvements such as Sierra Avenue Widening (Foothill Boulevard to Baseline Avenue), Foothill Boulevard Widening (Hemlock to Almeria Avenue), and Etiwanda Avenue/Slover Intersection Widening. The use of Major Street Program funds in the Measure I Program requires funds from the local Development Impact Fee to match at a ratio of 32.1%.

The projects named in the CPNA list are identified independently from the Local Pass-Through Program List referred to as the Five-Year Capital Improvement Program (CIP) List approved by the City Council on July 25, 2023.

#### **FISCAL IMPACT:**

Under the Measure I Program, there are two areas of funding for projects: the Local Pass-Through Program identified as Fund 246 and the Major Streets Program identified as Fund 245. The Local Pass-Through Program was approved by the City Council on July 25, 2023.

The Measure I Major Streets Program is reimbursed by SBCTA as work is completed. The required 32.1% match by the City will ultimately be funded by Development Impact Fees. The project budgets for the projects listed on the CPNA will be established as each individual project moves forward, providing full funding details.

**MOTION:**

Approve staff recommendation.



**RESOLUTION NO. 2023-\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA  
APPROVING AN AMENDMENT TO THE FISCAL YEAR 2023/2024 -  
2027/2028 MEASURE I FIVE-YEAR CAPITAL PROJECT NEEDS  
ANALYSIS AND ADOPTING THE MEASURE I FIVE-YEAR CAPITAL  
PROJECT NEEDS ANALYSIS FOR FISCAL YEARS 2024/2025-  
2028/2029.**

**WHEREAS**, San Bernardino County voters approved passage of Measure I in November 2004, authorizing the San Bernardino County Transportation Authority to impose a one-half of one percent retail transactions and use tax applicable in the incorporated and unincorporated territory of the County of San Bernardino; and

**WHEREAS**, revenue from the tax can only be used for transportation improvement and traffic management programs authorized in the Expenditure Plans set forth in Ordinance No. 04-01 of the Authority; and

**WHEREAS**, the Strategic Plan requires each local jurisdiction applying for revenue from the Local Street Program to annually adopt and update a Five-Year Capital Project Needs Analysis; and

**WHEREAS**, California Public Utilities Code 190300 and Ordinance No. 04-01 require each local jurisdiction to maintain General Fund expenditures for transportation-related construction and maintenance activities at the required Maintenance of Effort base year level in each fiscal year of the adopted Five-Year Capital Improvement Plan, which for the City of Fontana is \$1,901,831.

**NOW, THEREFORE, BE IT RESOLVED** that the City Council of the City of Fontana hereby approve Exhibit "A" Measure I Five-Year Capital Project Needs Analysis Amendment for Fiscal Years 2023/2024 - 2027/2028 and adopt Exhibit "B" Measure I Five-Year Capital Project Needs Analysis for Fiscal Years 2024/2025 through 2028/2029.

**APPROVED AND ADOPTED** this 26<sup>th</sup> day of September 2023.

**READ AND APPROVED AS TO LEGAL FORM:**

---

City Attorney

I, Germaine McClellan Key, City Clerk of the City of Fontana, and Ex-Officio Clerk of the City Council, do hereby certify that the foregoing resolution is the actual resolution

Resolution No. 2023-\_\_\_\_

duly and regularly adopted by the City Council at a regular meeting on the 26<sup>th</sup> day of September 2023, by the following to-wit:

**AYES:**

**NOES:**

**ABSENT:**

**ABSTAIN:**

---

City Clerk of the City of Fontana

---

Mayor of the City of Fontana

**ATTEST:**

---

City Clerk

**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 10,759,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FUTURE
Widen Sierra Ave. from Summit Ave. to I-15 (36003378)	PA&ED Total Cost: Fund Type:	\$0.00							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Total Project Cost Estimate: \$400,000.00	PS&E Total Cost: Fund Type:	\$0.00							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Measure I Request: \$99,139.00 (Summation of Measure I)	ROW Total Cost: Fund Type:	\$144,116.00							
		MSI Arterial	\$ 99,139.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 44,977.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Comments:	CONST Total Cost: Fund Type:	\$0.00							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2022/2023 expenses.

**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 12,031,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FUTURE
<b>Widen Sierra Ave from Foothill Blvd to Baseline Ave. (36003281)</b>	<b>PA&amp;ED</b> <b>Total Cost:</b> <b>Fund Type:</b>	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Current Total Project Cost Estimate:</b> <b>\$21,343,063.00</b>	<b>PS&amp;E</b> <b>Total Cost:</b> <b>Fund Type:</b>	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Measure I Request:</b> <b>\$11,795,903.00</b> (Summation of Measure I)	<b>ROW</b> <b>Total Cost:</b> <b>Fund Type:</b>	<b>\$1,326,367.00</b>							
		MSI Arterial	\$ 900,603.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 425,764.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Comments:</b>	<b>CONST</b> <b>Total Cost:</b> <b>Fund Type:</b>	<b>\$16,046,098.00</b>							
		MSI Arterial	\$ 9,876,800.00	\$ 1,018,500.00	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 4,669,298.00	\$ 481,500.00	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2022/2023 expenses.

**Capital Project Needs Analysis**

**City of Fontana  
Valley Arterial Sub-Program**

Nexus Project Cost	\$ 13,826,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FUTURE
Widen Foothill Blvd from Hemlock to Almeria. (36003333)	PA&ED Total Cost: Fund Type:	\$413,614.00							
		MSI Arterial	\$ 280,844.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 132,770.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Total Project Cost Estimate: \$2,230,000.00	PS&E Total Cost: Fund Type:	\$1,430,000.00							
		MSI Arterial	\$ 970,970.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 459,030.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Measure I Request:  \$1,251,814.00 (Summation of Measure I)	ROW Total Cost: Fund Type:	\$0.00							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Comments:	CONST Total Cost: Fund Type:	\$0.00							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2022/2023 expenses.

**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 8,069,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FUTURE
Widen Slover Ave. from Etiwanda Ave to 800' e/o Etiwanda from 2 to 4 lanes(36003350)	PA&ED								
	Total Cost:	\$0.00							
	Fund Type:	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Total Project Cost Estimate: \$13,147,629.00	PS&E								
	Total Cost:	\$0.00							
	Fund Type:	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Measure I Request: \$5,563,638.00 (Summation of Measure I)	ROW								
	Total Cost:	\$452,195.00							
	Fund Type:	MSI Arterial	\$ 307,040.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 145,155.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Comments:	CONST								
	Total Cost:	\$10,888,071.00							
	Fund Type:	MSI Arterial	\$ 5,256,598.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 2,485,077.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ 3,146,396.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2022/2023 expenses.

**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 1,000,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FUTURE
Citrus Ave. widening at SR -210 from 4 to 6 lanes (36000039)	<b>PA&amp;ED</b> Total Cost: Fund Type:	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Total Project Cost Estimate: <b>\$620,000.00</b>	<b>PS&amp;E</b> Total Cost: Fund Type:	<b>\$620,000.00</b>							
		MSI Arterial	\$ 420,980.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ 199,020.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Measure I Request:  <b>\$420,980.00</b> (Summation of Measure I)	<b>ROW</b> Total Cost: Fund Type:	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Comments:	<b>CONST</b> Total Cost: Fund Type:	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2022/2023 expenses.

**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 4,707,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FUTURE
<b>Westgate (36000042). Widen Cherry Ave (Baseline Ave to So. Highland Ave 4 to 6 lanes).</b>  <b>Current Total Project Cost Estimate:</b> <b>\$3,900,000.00</b>  <b>Total Measure I Request:</b>  <b>\$1,302,865.00</b> (Summation of Measure I)  <b>Comments:</b> <b>Total Project Cost is for both Cherry Ave (Baseline Ave to So. Highland Ave) and Walnut Ave (I-15 to San Servaine).</b>	<b>PA&amp;ED</b>	<b>Total Cost:</b>	<b>\$0.00</b>						
		<b>Fund Type:</b>	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>PS&amp;E</b>	<b>Total Cost:</b>	<b>\$0.00</b>						
		<b>Fund Type:</b>	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>ROW</b>	<b>Total Cost:</b>	<b>\$0.00</b>						
		<b>Fund Type:</b>	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>CONST</b>	<b>Total Cost:</b>	<b>\$1,918,800.00</b>						
		<b>Fund Type:</b>	MSI Arterial	\$ 1,302,865.00	\$ -	\$ -	\$ -	\$ -	\$ -
			DEV FEE	\$ 615,935.00	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2022/2023 expenses.



**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 4,859,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FUTURE
Westgate (36000042). Widen Walnut Ave ( I-15 to San Sevaine 2 to 4 lanes.)	PA&ED	Total Cost:	\$0.00						
		Fund Type:	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	PS&E	Total Cost:	\$0.00						
		Fund Type:	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Total Project Cost Estimate: \$3,900,000.00	ROW	Total Cost:	\$0.00						
		Fund Type:	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	CONST	Total Cost:	\$1,981,200.00						
		Fund Type:	MSI Arterial	\$ 1,345,235.00	\$ -	\$ -	\$ -	\$ -	\$ -
			DEV FEE	\$ 635,965.00	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Measure I Request:  \$1,345,235.00 (Summation of Measure I)	ROW	Total Cost:	\$0.00						
		Fund Type:	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	CONST	Total Cost:	\$1,981,200.00						
		Fund Type:	MSI Arterial	\$ 1,345,235.00	\$ -	\$ -	\$ -	\$ -	\$ -
			DEV FEE	\$ 635,965.00	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Comments: Total Project Cost is for both Cherry Ave (Baseline Ave to So. Highland Ave) and Walnut Ave (I-15 to San Servaine).	ROW	Total Cost:	\$0.00						
		Fund Type:	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	CONST	Total Cost:	\$1,981,200.00						
		Fund Type:	MSI Arterial	\$ 1,345,235.00	\$ -	\$ -	\$ -	\$ -	\$ -
			DEV FEE	\$ 635,965.00	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2022/2023 expenses.

**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 107,590,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FUTURE
<b>Intersection Widening at Santa Ana Ave./Juniper Ave. Santa Ana and Juniper Ave TS (36000054)</b>	<b>PA&amp;ED</b>								
	<b>Total Cost:</b>	<b>\$0.00</b>							
	<b>Fund Type:</b>	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Current Total Project Cost Estimate:</b> <b>\$870,000.00</b>	<b>PS&amp;E</b>	- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Measure I Request:</b>  <b>\$590,730.00</b> (Summation of Measure I)	<b>PS&amp;E</b>	MSI Arterial	\$ 67,900.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 32,100.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Comments:</b>	<b>ROW</b>								
		<b>Total Cost:</b>	<b>\$0.00</b>						
		<b>Fund Type:</b>	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>CONST</b>	- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>CONST</b>								
		<b>Total Cost:</b>	<b>\$770,000.00</b>						
		<b>Fund Type:</b>	MSI Arterial	\$ 522,830.00	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 247,170.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2022/2023 expenses.

**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 9,708,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 23/24	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FUTURE
Widen Foothill Blvd from Citrus Ave to Maple Ave from 4 to 6 lanes. Cypress Strom Drain (37603361)	<b>PA&amp;ED</b> Total Cost: Fund Type:	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Total Project Cost Estimate: <b>\$16,495,336.00</b>	<b>PS&amp;E</b> Total Cost: Fund Type:	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Measure I Request:  <b>\$230,860.00</b> (Summation of Measure I)	<b>ROW</b> Total Cost: Fund Type:	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Comments: This project is being funded by multiple funding sources. Fund 622 - Storm Drain Fund has allocated \$8,116,715 and Fund 302 -ARPA has allocated \$5,840,000 for this project.	<b>CONST</b> Total Cost: Fund Type:	<b>\$16,495,336.00</b>							
		MSI Arterial	\$ -	\$ 230,860.00	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ -	\$ 109,140.00	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 1,900,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		OTHER	\$ 8,116,715.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		OTHER	\$ 5,840,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		MI LOCAL ST	\$ 298,621.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2022/2023 expenses.

	Program	Jurisdiction	Public Share	Project Name	Dev Loan?	5-Yr Advance	NEXUS Project Cost	Current Cost Estimate	MI Prior	MI FY 23/24	MI FY 24/25	MI FY 25/26	MI FY 26/27	MI FY 27/28	MSI Future	MI Total
Proj 1	Valley Arterial Sub-Program	City of Fontana	67.9%	Widen Sierra Ave. f	No	No	\$ 10,759,000	\$ 400,000	\$ 99,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,139
Proj 2	Valley Arterial Sub-Program	City of Fontana	67.9%	Widen Sierra Ave fr	No	No	\$ 12,031,000	\$ 21,343,063	\$10,777,403	\$ 1,018,500	\$ -	\$ -	\$ -	\$ -	\$ -	\$11,795,903
Proj 3	Valley Arterial Sub-Program	City of Fontana	67.9%	Widen Foothill Blvd	No	No	\$ 13,826,000	\$ 2,230,000	\$ 1,251,814	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,251,814
Proj 4	Valley Arterial Sub-Program	City of Fontana	67.9%	Widen Slover Ave. 1	No	No	\$ 8,069,000	\$ 13,147,629	\$ 5,563,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,563,638
Proj 5	Valley Arterial Sub-Program	City of Fontana	67.9%	Citrus Ave. widenin	No	No	\$ 1,000,000	\$ 620,000	\$ 420,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 420,980
Proj 6	Valley Arterial Sub-Program	City of Fontana	67.9%	Westgate (3600004	No	No	\$ 4,707,000	\$ 3,900,000	\$ 1,302,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,302,865
Proj 7	Valley Arterial Sub-Program	City of Fontana	67.9%	Westgate (3600004	No	No	\$ 4,859,000	\$ 3,900,000	\$ 1,345,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,345,235
Proj 8	Valley Arterial Sub-Program	City of Fontana	67.9%	Intersection Wideni	No	No	\$107,590,000	\$ 870,000	\$ 590,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 590,730
Proj 9	Valley Arterial Sub-Program	City of Fontana	67.9%	Widen Foothill Blvd	No	No	\$ 9,708,000	\$ 16,495,336	\$ -	\$ 230,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,860
Proj 10	- Select Project Program -	- Select Jurisdiction -	100.0%	- Add Project Nam	-Select Yes/No-	-Select Yes/No-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proj 11	- Select Project Program -	- Select Jurisdiction -	100.0%	- Add Project Nam	-Select Yes/No-	-Select Yes/No-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proj 12	- Select Project Program -	- Select Jurisdiction -	100.0%	- Add Project Nam	-Select Yes/No-	-Select Yes/No-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proj 13	- Select Project Program -	- Select Jurisdiction -	100.0%	- Add Project Nam	-Select Yes/No-	-Select Yes/No-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proj 14	- Select Project Program -	- Select Jurisdiction -	100.0%	- Add Project Nam	-Select Yes/No-	-Select Yes/No-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proj 15	- Select Project Program -	- Select Jurisdiction -	100.0%	- Add Project Nam	-Select Yes/No-	-Select Yes/No-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FAPD

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AgencyList	DeveloperShareList	PhaseList	FundList	ProjectProgramList	MSIFund	Developer Share Vlookup Sort	DeveloperShareList	DevLoan/5YrAdv
- Select Jurisdiction -		- Select Phase -	- Select Fund -	- Select Project Program -	AutoFill	- Select Jurisdiction -		-Select Yes/No-
City of Adelanto	63.5%	PSR	CMAQ	Valley Arterial Sub-Program	MSI Arterial	City of Adelanto	63.5%	Yes
Town of Apple Valley	55.0%	PA&ED	DEMO	Valley Freeway Interchange Program	MSI Interchange	City of Chino	35.2%	No
City of Chino	35.2%	PS&E	DEV FEE	Victor Valley Major Local Highway Program	MSI MLHP	City of Chino Hills	13.7%	
City of Chino Hills	13.7%	ROW	DEV LOAN			City of Colton	43.6%	
City of Colton	43.6%	CONST	HBP			City of Fontana	32.1%	
City of Fontana	32.1%		LPP			City of Grand Terrace	39.9%	
City of Grand Terrace	39.9%		MI LOCAL ST			City of Hesperia	58.9%	
City of Hesperia	58.9%		MI VFI			City of Highland	46.4%	
City of Highland	46.4%		OTHER			City of Loma Linda	38.8%	
City of Loma Linda	38.8%		PUC			City of Montclair	18.9%	
City of Montclair	18.9%		PROP 1B			City of Ontario	44.4%	
City of Ontario	44.4%		RIV COUN			City of Rancho Cucamonga	28.7%	
City of Rancho Cucamonga	28.7%		RXR			City of Redlands	23.1%	
City of Redlands	23.1%		STP			City of Rialto	40.9%	
City of Rialto	40.9%		STIP			City of San Bernardino	32.4%	
City of San Bernardino	32.4%		TCRP			City of Upland	48.3%	
City of Upland	48.3%					City of Yucaipa	30.9%	
City of Yucaipa	30.9%					San Bernardino County - Adelanto Sphere	63.0%	
San Bernardino County - Adelanto Sphere	63.0%					San Bernardino County - Apple Valley Sphere	57.2%	
San Bernardino County - Apple Valley Sphere	57.2%					San Bernardino County - Chino Sphere	36.7%	
San Bernardino County - Chino Sphere	36.7%					San Bernardino County - Colton Sphere	37.2%	
San Bernardino County - Colton Sphere	37.2%					San Bernardino County - Devore/Glen Helen Sphere	62.2%	
San Bernardino County - Devore/Glen Helen Sphere	62.2%					San Bernardino County - Fontana Sphere	41.7%	
San Bernardino County - Fontana Sphere	41.7%					San Bernardino County - Hesperia Sphere	41.5%	
San Bernardino County - Hesperia Sphere	41.5%					San Bernardino County - Loma Linda Sphere	72.3%	
San Bernardino County - Loma Linda Sphere	72.3%					San Bernardino County - Montclair Sphere	36.6%	
San Bernardino County - Montclair Sphere	36.6%					San Bernardino County - Redlands Donut Hole	62.0%	
San Bernardino County - Redlands Sphere	35.5%					San Bernardino County - Redlands Sphere	35.5%	
San Bernardino County - Redlands Donut Hole	62.0%					San Bernardino County - Rialto Sphere	37.6%	
San Bernardino County - Rialto Sphere	37.6%					San Bernardino County - San Bernardino Sphere	23.1%	
San Bernardino County - San Bernardino Sphere	23.1%					San Bernardino County - Upland Sphere	38.7%	
San Bernardino County - Upland Sphere	38.7%					San Bernardino County - Victorville Sphere	17.8%	
San Bernardino County - Victorville Sphere	17.8%					San Bernardino County - Yucaipa Sphere	39.5%	
San Bernardino County - Yucaipa Sphere	39.5%					Town of Apple Valley	55.0%	

**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 10,759,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FUTURE
Widen Sierra Ave. from Summit Ave. to I-15 (37603378)	PA&ED Total Cost: Fund Type:	\$0.00							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Total Project Cost Estimate: \$400,000.00	PS&E Total Cost: Fund Type:	\$0.00							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Measure I Request: \$95,139.00 (Summation of Measure I)	ROW Total Cost: Fund Type:	\$140,116.00							
		MSI Arterial	\$ 95,139.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 44,977.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Comments:	CONST Total Cost: Fund Type:	\$0.00							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2023/2024 expenses.

**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 12,031,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FUTURE
<b>Widen Sierra Ave from Foothill Blvd to Baseline Ave. (37603281)</b>	<b>PA&amp;ED</b> <b>Total Cost:</b> <b>Fund Type:</b>	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Current Total Project Cost Estimate:</b> <b>\$21,343,063.00</b>	<b>PS&amp;E</b> <b>Total Cost:</b> <b>Fund Type:</b>	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Measure I Request:</b>  <b>\$11,795,903.00</b> (Summation of Measure I)	<b>ROW</b> <b>Total Cost:</b> <b>Fund Type:</b>	<b>\$1,326,367.00</b>							
		MSI Arterial	\$ 900,603.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 425,764.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Comments:</b>	<b>CONST</b> <b>Total Cost:</b> <b>Fund Type:</b>	<b>\$16,046,098.00</b>							
		MSI Arterial	\$ 10,895,300.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 5,150,798.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2023/2024 expenses.

**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 13,826,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FUTURE
Widen Foothill Blvd from Hemlock to Almeria. (37603333)	PA&ED Total Cost: Fund Type:	\$413,614.00							
		MSI Arterial	\$ 280,844.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 132,770.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Total Project Cost Estimate: \$2,230,000.00	PS&E Total Cost: Fund Type:	\$1,430,000.00							
		MSI Arterial	\$ 970,970.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ 459,030.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Measure I Request:  \$1,251,814.00 (Summation of Measure I)	ROW Total Cost: Fund Type:	\$0.00							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Comments:	CONST Total Cost: Fund Type:	\$0.00							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2023/2024 expenses.



**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 8,069,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FUTURE
Widen Slover Ave. from Etiwanda Ave to 800' e/o Etiwanda from 2 to 4 lanes(37603350)	PA&ED Total Cost: Fund Type:	\$0.00							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Total Project Cost Estimate: \$13,147,629.00	PS&E Total Cost: Fund Type:	\$0.00							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Measure I Request: \$5,563,638.00 (Summation of Measure I)	ROW Total Cost: Fund Type:	\$452,195.00							
		MSI Arterial	\$ 307,040.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 145,155.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Comments:	CONST Total Cost: Fund Type:	\$10,888,071.00							
		MSI Arterial	\$ 5,256,598.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 2,485,077.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		OTHER	\$ 3,146,396.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2023/2024 expenses.

**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 1,000,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FUTURE
Citrus Ave. widening at SR -210 (37600039)	<b>PA&amp;ED</b> Total Cost: Fund Type:	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>PS&amp;E</b> Total Cost: Fund Type:	<b>\$620,000.00</b>							
		MSI Arterial	\$ 420,980.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 199,020.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Total Project Cost Estimate: <b>\$620,000.00</b>	<b>ROW</b> Total Cost: Fund Type:	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>CONST</b> Total Cost: Fund Type:	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Measure I Request:  <b>\$420,980.00</b> (Summation of Measure I)	<b>Comments:</b>								

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2023/2024 expenses.

**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 4,707,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FUTURE
<b>Westgate (37600042). Widen Cherry Ave (Baseline Ave to So. Highland Ave 4 to 6 lanes).</b>	<b>PA&amp;ED</b> Total Cost: Fund Type:	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Current Total Project Cost Estimate:</b> <b>\$3,900,000.00</b>	<b>PS&amp;E</b> Total Cost: Fund Type:	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Total Measure I Request:</b>  <b>\$1,302,865.00</b> (Summation of Measure I)	<b>ROW</b> Total Cost: Fund Type:	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Comments:</b> <b>Total Project Cost is for both Cherry Ave (Baseline Ave to So. Highland Ave) and Walnut Ave (I-15 to San Servaine).</b>	<b>CONST</b> Total Cost: Fund Type:	<b>\$1,918,800.00</b>							
		MSI Arterial	\$ 1,302,865.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 615,935.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2023/2024 expenses.

**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 4,859,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FUTURE
<b>Westgate (37600042). Widen Walnut Ave ( I-15 to San Sevaine 2 to 4 lanes.)</b>  <b>Current Total Project Cost Estimate:</b> <b>\$3,900,000.00</b>  <b>Total Measure I Request:</b>  <b>\$1,345,235.00</b> (Summation of Measure I)  <b>Comments:</b> <b>Total Project Cost is for both Cherry Ave (Baseline Ave to So. Highland Ave) and Walnut Ave (I-15 to San Servaine).</b>	<b>PA&amp;ED</b>	<b>Total Cost:</b>	<b>\$0.00</b>						
		<b>Fund Type:</b>	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>PS&amp;E</b>	<b>Total Cost:</b>	<b>\$0.00</b>						
		<b>Fund Type:</b>	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>ROW</b>	<b>Total Cost:</b>	<b>\$0.00</b>						
		<b>Fund Type:</b>	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>CONST</b>	<b>Total Cost:</b>	<b>\$1,981,200.00</b>						
		<b>Fund Type:</b>	MSI Arterial	\$ 1,345,235.00	\$ -	\$ -	\$ -	\$ -	\$ -
			DEV FEE	\$ 635,965.00	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2023/2024 expenses.

**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 107,590,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FUTURE
<b>Intersection Widening at Santa Ana Ave./Juniper Ave. Santa Ana and Juniper Ave TS (37600054)</b>  <b>Current Total Project Cost Estimate:</b> <b>\$870,000.00</b>  <b>Total Measure I Request:</b>  <b>\$590,730.00</b> (Summation of Measure I)  <b>Comments:</b>	<b>PA&amp;ED</b> <b>Total Cost:</b> <b>Fund Type:</b>	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>PS&amp;E</b> <b>Total Cost:</b> <b>Fund Type:</b>	<b>\$100,000.00</b>							
		MSI Arterial	\$ 67,900.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 32,100.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>ROW</b> <b>Total Cost:</b> <b>Fund Type:</b>	<b>\$0.00</b>							
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	<b>CONST</b> <b>Total Cost:</b> <b>Fund Type:</b>	<b>\$770,000.00</b>							
		MSI Arterial	\$ 522,830.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 247,170.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2023/2024 expenses.

**Capital Project Needs Analysis**  
**City of Fontana**  
**Valley Arterial Sub-Program**

Nexus Project Cost	\$ 9,708,000
Dev. Loan?	No
5-Year Advance?	No
Public Share:	67.9%
Dev. Share:	32.10%

Project Information	Phase	Funding	PRIOR*	FY 24/25	FY 25/26	FY 26/27	FY 27/28	FY 28/29	FUTURE
Widen Foothill Blvd from Citrus Ave to Maple Ave from 4 to 6 lanes. Cypress Strom Drain (37603361)	<b>PA&amp;ED</b> Total Cost: Fund Type:								
		MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Current Total Project Cost Estimate: \$16,495,336.00	<b>PS&amp;E</b> Total Cost: Fund Type:	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Measure I Request:  \$230,860.00 (Summation of Measure I)	<b>ROW</b> Total Cost: Fund Type:	MSI Arterial	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		- Select Fund -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Comments: This project is being funded by multiple funding sources. Fund 622 - Storm Drain Fund has allocated \$8,116,715 and Fund 302 -ARPA has allocated \$5,840,000 for this project.	<b>CONST</b> Total Cost: Fund Type:								
		MSI Arterial	\$ 230,860.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 109,140.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		DEV FEE	\$ 1,900,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		OTHER	\$ 8,116,715.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		OTHER	\$ 5,840,000.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		MI LOCAL ST	\$ 298,621.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
		Other:	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

\*Prior should identify any expenses incurred in prior years that have not yet been reimbursed by SBCTA including anticipated FY 2023/2024 expenses.

	Program	Jurisdiction	Public Share	Project Name	Dev Loan?	5-Yr Advance	NEXUS Project Cost	Current Cost Estimate	MI Prior	MI FY 24/25	MI FY 25/26	MI FY 26/27	MI FY 27/28	MI FY 28/29	MSI Future	MI Total
Proj 1	Valley Arterial Sub-Program	City of Fontana	67.9%	Widen Sierra Ave.	No	No	\$ 10,759,000	\$ 400,000	\$ 95,139	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 95,139
Proj 2	Valley Arterial Sub-Program	City of Fontana	67.9%	Widen Sierra Ave f	No	No	\$ 12,031,000	\$ 21,343,063	#####	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	#####
Proj 3	Valley Arterial Sub-Program	City of Fontana	67.9%	Widen Foothill Blvc	No	No	\$ 13,826,000	\$ 2,230,000	\$ 1,251,814	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,251,814
Proj 4	Valley Arterial Sub-Program	City of Fontana	67.9%	Widen Slover Ave.	No	No	\$ 8,069,000	\$ 13,147,629	\$ 5,563,638	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,563,638
Proj 5	Valley Arterial Sub-Program	City of Fontana	67.9%	Citrus Ave. widenir	No	No	\$ 1,000,000	\$ 620,000	\$ 420,980	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 420,980
Proj 6	Valley Arterial Sub-Program	City of Fontana	67.9%	Westgate (376000)	No	No	\$ 4,707,000	\$ 3,900,000	\$ 1,302,865	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,302,865
Proj 7	Valley Arterial Sub-Program	City of Fontana	67.9%	Westgate (376000)	No	No	\$ 4,859,000	\$ 3,900,000	\$ 1,345,235	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,345,235
Proj 8	Valley Arterial Sub-Program	City of Fontana	67.9%	Intersection Widen	No	No	\$ 107,590,000	\$ 870,000	\$ 590,730	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 590,730
Proj 9	Valley Arterial Sub-Program	City of Fontana	67.9%	Widen Foothill Blvc	No	No	\$ 9,708,000	\$ 16,495,336	\$ 230,860	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 230,860
Proj 10	- Select Project Program -	- Select Jurisdiction -	100.0%	- Add Project Nam	-Select Yes/No-	-Select Yes/No-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proj 11	- Select Project Program -	- Select Jurisdiction -	100.0%	- Add Project Nam	-Select Yes/No-	-Select Yes/No-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proj 12	- Select Project Program -	- Select Jurisdiction -	100.0%	- Add Project Nam	-Select Yes/No-	-Select Yes/No-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proj 13	- Select Project Program -	- Select Jurisdiction -	100.0%	- Add Project Nam	-Select Yes/No-	-Select Yes/No-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proj 14	- Select Project Program -	- Select Jurisdiction -	100.0%	- Add Project Nam	-Select Yes/No-	-Select Yes/No-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Proj 15	- Select Project Program -	- Select Jurisdiction -	100.0%	- Add Project Nam	-Select Yes/No-	-Select Yes/No-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FAPD

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FAPD

AgencyList	DeveloperShareList	PhaseList	FundList	ProjectProgramList
- Select Jurisdiction -		- Select Phase -	- Select Fund -	- Select Project Program -
City of Adelanto	63.5%	PSR	CMAQ	Valley Arterial Sub-Program
Town of Apple Valley	55.0%	PA&ED	DEMO	Valley Freeway Interchange Program
City of Chino	35.2%	PS&E	DEV FEE	Victor Valley Major Local Highway Program
City of Chino Hills	13.7%	ROW	DEV LOAN	
City of Colton	43.6%	CONST	HBP	
City of Fontana	32.1%		LPP	
City of Grand Terrace	39.9%		MI LOCAL ST	
City of Hesperia	58.9%		MI VFI	
City of Highland	46.4%		OTHER	
City of Loma Linda	38.8%		PUC	
City of Montclair	18.9%		PROP 1B	
City of Ontario	44.4%		RIV COUN	
City of Rancho Cucamonga	28.7%		RXR	
City of Redlands	23.1%		STP	
City of Rialto	40.9%		STIP	
City of San Bernardino	32.4%		TCRP	
City of Upland	48.3%			
City of Yucaipa	30.9%			
San Bernardino County - Adelanto Sphere	63.0%			
San Bernardino County - Apple Valley Sphere	57.2%			
San Bernardino County - Chino Sphere	36.7%			
San Bernardino County - Colton Sphere	37.2%			
San Bernardino County - Devore/Glen Helen Sphere	62.2%			
San Bernardino County - Fontana Sphere	41.7%			
San Bernardino County - Hesperia Sphere	41.5%			
San Bernardino County - Loma Linda Sphere	72.3%			
San Bernardino County - Montclair Sphere	36.6%			
San Bernardino County - Redlands Sphere	35.5%			
San Bernardino County - Redlands Donut Hole	62.0%			
San Bernardino County - Rialto Sphere	37.6%			
San Bernardino County - San Bernardino Sphere	23.1%			
San Bernardino County - Upland Sphere	38.7%			
San Bernardino County - Victorville Sphere	17.8%			
San Bernardino County - Yucaipa Sphere	39.5%			

MSIFund	Developer Share Vlookup Sort	DeveloperShareList	DevLoan/5YrAdv
AutoFill	AgencyList		
MSI Arterial	- Select Jurisdiction -		0.0%
MSI Interchange	City of Adelanto	63.5%	Yes
MSI MLHP	City of Chino	35.2%	No
	City of Chino Hills	13.7%	
	City of Colton	43.6%	
	City of Fontana	32.1%	
	City of Grand Terrace	39.9%	
	City of Hesperia	58.9%	
	City of Highland	46.4%	
	City of Loma Linda	38.8%	
	City of Montclair	18.9%	
	City of Ontario	44.4%	
	City of Rancho Cucamonga	28.7%	
	City of Redlands	23.1%	
	City of Rialto	40.9%	
	City of San Bernardino	32.4%	
	City of Upland	48.3%	
	City of Yucaipa	30.9%	
	San Bernardino County - Adelanto Sphere	63.0%	
	San Bernardino County - Apple Valley Sphere	57.2%	
	San Bernardino County - Chino Sphere	36.7%	
	San Bernardino County - Colton Sphere	37.2%	
	San Bernardino County - Devore/Glen Helen Sphere	62.2%	
	San Bernardino County - Fontana Sphere	41.7%	
	San Bernardino County - Hesperia Sphere	41.5%	
	San Bernardino County - Loma Linda Sphere	72.3%	
	San Bernardino County - Montclair Sphere	36.6%	
	San Bernardino County - Redlands Donut Hole	62.0%	
	San Bernardino County - Redlands Sphere	35.5%	
	San Bernardino County - Rialto Sphere	37.6%	
	San Bernardino County - San Bernardino Sphere	23.1%	
	San Bernardino County - Upland Sphere	38.7%	
	San Bernardino County - Victorville Sphere	17.8%	
	San Bernardino County - Yucaipa Sphere	39.5%	
	Town of Apple Valley	55.0%	





# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-2467

**Agenda #:** G.

**Agenda Date:** 9/26/2023

**Category:** Consent Calendar

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**FROM:**

Police Department

**SUBJECT:**

2024 ABC Grant

**RECOMMENDATION:**

1. Approve an ABC Grant in the amount of \$23,990.00 to increase the department's proactive efforts of ABC education and enforcement. The funding will be used for the current employee's salary, operation, and equipment
2. Authorize the Chief of Police to sign the agreement between the Department of Alcoholic Beverage Control and the Fontana Police Department for the total amount of \$23,990.00.
3. Approve the expenditure plan for the use of the funds to help offset the cost of personnel within the Police Department
4. Approve to increase revenues and appropriation in the amount of \$23,990.00 to project #40100003-301-A.

**COUNCIL GOALS:**

- Improve public safety by emphasizing community-oriented policing, community involvement, and youth programs.
- Improve public safety by utilizing other city programs to help reduce crime.

**DISCUSSION:**

The Alcoholic Beverage Control (ABC) has awarded the Fontana Police Department a grant in the amount of \$23,990.00. Funds will be used to implement Minor Decoy operations, Shoulder Tap operations, general enforcement operations, IMPACT operations, and undercover operations at disorderly on-sale locations. Officers assigned to grant will conduct operations during off-duty hours and to be paid overtime based on policy. The grant operations will be conducted July 1, 2023 through June 30, 2024.

**FISCAL IMPACT:**

The City of Fontana will increase revenues in the amount of \$23,990.00; and increase appropriations for expenditures in the amount of \$23,990.00 in grant fund #301, project #40100003. Budget change

forms will be submitted to the Budget Office during first quarter.

**MOTION:**

Approve staff recommendation.

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## **EXHIBIT A SCOPE OF WORK**

### **I. SCOPE OF WORK**

- Contractor agrees to implement the Department of Alcoholic Beverage Control (ABC), Alcohol Policing Partnership program. This program is intended to work with law enforcement agencies to develop an effective, comprehensive and strategic approach to eliminate the crime and public nuisance problems associated with problem alcoholic beverage outlets.
- Contractor agrees to implement ABC's Minor Decoy, Shoulder Tap Programs and conduct Informed Merchants Preventing Alcohol-Related Crime Tendencies (IMPACT) Inspections. These programs target both ABC licensed premises and individuals who furnish alcoholic beverages to the underage operators. The project is targeted to reduce underage drinking and the resultant DUI driving injuries and fatalities, and/or property damages, reduce youth access to alcoholic beverages through the education of licensee(s), enforcement intervention and the impressions of omnipresence of law enforcement. In addition, Contractor agrees to the following goals:
  1. The operation period of the grant is July 1, 2023 through June 30, 2024.
  2. Contractor agrees to raise public awareness that selling, serving and/or furnishing alcoholic beverages to individuals under twenty-one years old is a criminal violation that will be prosecuted by local city and district attorneys.
  3. Minor Decoy operations are designed to educate and deter licensed locations from selling/furnishing alcohol to minors. Contractor agrees to conduct Minor Decoy Operations at both "On-Sale" and "Off-Sale" licensed establishments within the operation period of the grant.
  4. Shoulder Tap operations are used to detect and deter adult furnishers outside of a licensed business. Contractor agrees to conduct Shoulder Tap Operations at "Off-Sale" licensed locations to apprehend adults that are unaffiliated with the licensed businesses and who are purchasing alcohol for minors outside of the stores within the operation period of the grant.
  5. Informed Merchants Preventing Alcohol-Related Crime Tendencies (IMPACT) primary goal is to educate licensee's on alcohol related laws to help reduce alcohol-related crime in and around licensed premises. Contractor agrees to conduct visits and inspections of licensed premises identifying areas of non-compliance at "On-Sale" and "Off-Sale" licensed locations within the operation period of the grant.

### **II. GOALS AND OBJECTIVES**

1. Conduct at least five (5) Minor Decoy operations.
2. Conduct at least nine (9) Shoulder Tap operations, including the Statewide Shoulder Tap operation conducted by ABC.
3. Conduct at least ten (10) IMPACT operations.

4. Conduct at least five (5) General Enforcement operations.
5. Conduct at least four (4) Task Force operations with Code Enforcement.
6. Conduct at least three (3) Roll Call trainings.
7. Conduct at least five (5) TRACE trainings.
8. Provide at least four (4) LEAD trainings.
9. Provide press/social media releases on grant enforcement activities.
  - A. To announce the start of the program;
  - B. At the conclusion of each Minor Decoy Operation has been held (to announce the number of licensed premises who sold to the minor decoy)
  - C. At the conclusion of each Shoulder Tap Operation has been held (to announce the number of adults arrested for purchasing alcoholic beverages for the decoy).
10. Contractor will fax (916) 419-2599 or email each press release to the Department's Public Information Officer ([pio@abc.ca.gov](mailto:pio@abc.ca.gov)) as soon as it is released.
11. Contractor agrees in all press releases, in addition to any credits the agency wishes to give, will include the following statement: "This project is part of the Department of Alcoholic Beverage Control's Alcohol Policing Partnership."

Contractor agrees to complete and submit monthly reports, on a format designed and provided by the Department of Alcoholic Beverage Control due no later than 15<sup>th</sup> of the following month.

### III. PROJECT REPRESENTATIVES

The project representatives during the term of this agreement will be:

Fontana Police Department  
Heather Howard Community Policing Tech.  
17005 Upland Avenue  
Fontana, CA 92335  
(909) 356-7107  
[hhoward@fontana.org](mailto:hhoward@fontana.org)

Department of Alcoholic Beverage Control  
Brandon Shotwell, Supervising Agent in Charge  
3927 Lennane Drive, Suite 100  
Sacramento, CA 95834  
(916) 419-2329  
[Brandon.shotwell@abc.ca.gov](mailto:Brandon.shotwell@abc.ca.gov)

Direct all fiscal inquiries to:

Fontana Police Department  
Leona Kwan, Senior Administrative Analyst  
17005 Upland Avenue  
Fontana, CA 92335  
(909) 356-7169  
[lkwan@fontana.org](mailto:lkwan@fontana.org)

Department of Alcoholic Beverage Control  
Kristine Okino, Grant Coordinator  
3927 Lennane Drive, Suite 100  
Sacramento, CA 95834  
[Kristine.okino@abc.ca.gov](mailto:Kristine.okino@abc.ca.gov)

## **EXHIBIT B**

### **BUDGET DETAIL AND PAYMENT PROVISIONS**

#### **I. INVOICING AND PAYMENT**

- For services satisfactorily rendered and upon receipt and approval of the invoice, the Department of Alcoholic Beverage Control agrees to pay a monthly payment of approved reimbursable costs per the Budget Detail of personnel overtime and benefits (actual cost) and/or allowable costs.
- Invoices shall clearly reference this contract number (23-APP16) and must not exceed the contract total authorized amount of \$23,990.00. Invoices are to be submitted by the 15<sup>th</sup> of every month, on the prescribed form designed by the Department of Alcoholic Beverage Control.

Submit to:                      Department of Alcoholic Beverage Control  
   Attn: Kristine Okino, Grant Coordinator  
   3927 Lennane Drive  
   Sacramento, California 95834

- Payment shall be made in arrears within 30 days from the receipt of an undisputed invoice. Nothing contained herein shall prohibit advance payments as authorized by Item 2100-101-3036, Budget Act, Statutes of 2023.
- Contractor understands in order to be eligible for reimbursement; cost must be incurred on or after the effective date of the project, July 1, 2023 and on or before the project termination date, June 30, 2024.
- Revisions to the "Scope of Work" and the "Budget Detail" may be requested by a change request letter submitted by the Contractor. If approved, the revised Grant Scope of Work and/or Budget Detail supersedes and replaces the previous grant and will initiate an amendment. No revisions can exceed allotted amount as shown on the Budget Detail. The total amount of the grant must remain unchanged.
- Contractor agrees to refund to the State any amounts claimed for reimbursement and paid to Contractor which are later disallowed by the State after audit or inspection of records maintained by the Contractor.
- Only the costs displayed in the Budget Detail are authorized for reimbursement by the State to Contractor under this agreement. Any other costs incurred by Contractor in the performance of this agreement are the sole responsibility of Contractor.
- Title shall be reserved to the State for any State-furnished or State-financed property authorized by the State which is not fully consumed in the performance of this agreement. Contractor is responsible for the care, maintenance, repair, and protection of any such property. Inventory records shall be maintained by Contractor and submitted to the State upon request. All such property shall be returned to the State upon the expiration of this grant unless the State otherwise directs.
- Prior approval by the State in writing is required for the location, costs, dates, agenda, instructors, instructional materials, and attendees at any reimbursable training seminar, workshop or conference, and over any reimbursable publicity or educational materials to be made available for distribution. Contractor is required to acknowledge the support of the State whenever publicizing the work under this grant in any media.

## II. BUDGET DETAIL

COST CATEGORY	TOTAL COST
<b>A. Personnel Services</b>	
<u>Overtime</u>	
Corporal (\$90/hour @ 90/hours)	\$8,100.00
Officer (\$79/hour @ 160/hours)	\$12,640.00
<b>TOTAL Personnel</b>	<b>\$20,740.00</b>
<b>B. Operating Expenses (receipts required)</b>	
Buy Money	\$500.00
<b>TOTAL Operating</b>	<b>\$500.00</b>
<b>C. Equipment (receipts required, must be purchased by 12/31)</b>	
Two-Way Radios	\$250.00
<b>TOTAL Equipment</b>	<b>\$250.00</b>
<b>D. Travel Costs</b>	
Registration, lodging, per diem	\$2,500.00
<b>TOTAL Travel</b>	<b>\$2,500.00</b>
<b>GRANT TOTAL</b>	<b>\$23,990.00</b>

### **III. BUDGET CONTINGENCY CLAUSE**

- It is mutually agreed that if the Budget Act of the current year and/or any subsequent years covered under this Agreement does not appropriate sufficient funds for the program, this Agreement shall be of no further force and effect. In this event, the State shall have no liability to pay any funds whatsoever to Contractor or to furnish any other considerations under this Agreement and Contractor shall not be obligated to perform any provisions of this Agreement.
- If funding for any fiscal year is reduced or deleted by the Budget Act for purposes of this program, the State shall have the option to either cancel this Agreement with no liability occurring to the State, or offer an agreement amendment to Contractor to reflect the reduced amount.

### **IV. PROMPT PAYMENT CLAUSE**

- Payment will be made in accordance with, and within the time specified in, Government Code Chapter 4.5, commencing with Section 927.



## **EXHIBIT C GENERAL TERMS AND CONDITIONS**

1. **APPROVAL:** This Agreement is of no force or effect until signed by both parties and approved by the Department of General Services, if required. Contractor may not commence performance until such approval has been obtained.
2. **AMENDMENT:** No amendment or variation of the terms of this Agreement shall be valid unless made in writing, signed by the parties and approved as required. No oral understanding or Agreement not incorporated in the Agreement is binding on any of the parties.
3. **ASSIGNMENT:** This Agreement is not assignable by the Contractor, either in whole or in part, without the consent of the State in the form of a formal written amendment.
4. **AUDIT:** Contractor agrees that the awarding department, the Department of General Services, the Bureau of State Audits, or their designated representative shall have the right to review and to copy any records and supporting documentation pertaining to the performance of this Agreement. Contractor agrees to maintain such records for possible audit for a minimum of three (3) years after final payment, unless a longer period of records retention is stipulated. Contractor agrees to allow the auditor(s) access to such records during normal business hours and to allow interviews of any employees who might reasonably have information related to such records. Further, Contractor agrees to include a similar right of the State to audit records and interview staff in any subcontract related to performance of this Agreement. (Gov. Code §8546.7, Pub. Contract Code §10115 et seq., CCR Title 2, Section 1896).
5. **INDEMNIFICATION:** Contractor agrees to indemnify, defend and save harmless the State, its officers, agents and employees from any and all claims and losses accruing or resulting to any and all contractors, subcontractors, suppliers, laborers, and any other person, firm or corporation furnishing or supplying work services, materials, or supplies in connection with the performance of this Agreement, and from any and all claims and losses accruing or resulting to any person, firm or corporation who may be injured or damaged by Contractor in the performance of this Agreement.
6. **DISPUTES:** Contractor shall continue with the responsibilities under this Agreement during any dispute.
7. **TERMINATION FOR CAUSE:** The State may terminate this Agreement and be relieved of any payments should the Contractor fail to perform the requirements of this Agreement at the time and in the manner herein provided. In the event of such termination the State may proceed with the work in any manner deemed proper by the State. All costs to the State shall be deducted from any sum due the Contractor under this Agreement and the balance, if any, shall be paid to the Contractor upon demand.
8. **INDEPENDENT CONTRACTOR:** Contractor, and the agents and employees of Contractor, in the performance of this Agreement, shall act in an independent capacity and not as officers or employees or agents of the State.

9. RECYCLING CERTIFICATION: The Contractor shall certify in writing under penalty of perjury, the minimum, if not exact, percentage of post-consumer material as defined in the Public Contract Code Section 12200, in products, materials, goods, or supplies offered or sold to the State regardless of whether the product meets the requirements of Public Contract Code Section 12209. With respect to printer or duplication cartridges that comply with the requirements of Section 12156(e), the certification required by this subdivision shall specify that the cartridges so comply (Pub. Contract Code §12205).
10. NON-DISCRIMINATION CLAUSE: During the performance of this Agreement, Contractor 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. Contractor shall insure that the evaluation and treatment of employees and applicants for employment are free of such discrimination. Contractor and subcontractors shall comply with the provisions of the Fair Employment and Housing Act (Gov. Code §12900 et seq.), the regulations promulgated thereunder (Cal. Code Regs., tit. 2, §11000 et seq.), the provisions of Article 9.5, Chapter 1, Part 1, Division 3, Title 2 of the Government Code (Gov. Code §§11135-11139.5), and the regulations or standards adopted by the awarding state agency to implement such article. Contractor shall permit access by representatives of the Department of Fair Employment and Housing and the awarding state agency 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 Agency shall require to ascertain compliance with this clause. Contractor 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. (See Cal. Code Regs., tit. 2, §11105.)

Contractor shall include the nondiscrimination and compliance provisions of this clause in all subcontracts to perform work under the Agreement.

11. CERTIFICATION CLAUSES: The CONTRACTOR CERTIFICATION CLAUSES contained in the document CCC 04/2017 are hereby incorporated by reference and made a part of this Agreement by this reference as if attached hereto.
12. TIMELINESS: Time is of the essence in this Agreement.
13. COMPENSATION: The consideration to be paid Contractor, as provided herein, shall be in compensation for all of Contractor's expenses incurred in the performance hereof, including travel, per diem, and taxes, unless otherwise expressly so provided.
14. GOVERNING LAW: This contract is governed by and shall be interpreted in accordance with the laws of the State of California.
15. ANTITRUST CLAIMS: The Contractor by signing this agreement hereby certifies that if these services or goods are obtained by means of a competitive bid, the Contractor shall comply with the requirements of the Government Codes Sections set out below.

- a. The Government Code Chapter on Antitrust claims contains the following definitions:
    - 1) "Public purchase" means a purchase by means of competitive bids of goods, services, or materials by the State or any of its political subdivisions or public agencies on whose behalf the Attorney General may bring an action pursuant to subdivision (c) of Section 16750 of the Business and Professions Code.
    - 2) "Public purchasing body" means the State or the subdivision or agency making a public purchase. Government Code Section 4550.
  - b. In submitting a bid to a public purchasing body, the bidder offers and agrees that if the bid is accepted, it will assign to the purchasing body all rights, title, and interest in and to all causes of action it may have under Section 4 of the Clayton Act (15 U.S.C. Sec. 15) or under the Cartwright Act (Chapter 2 (commencing with Section 16700) of Part 2 of Division 7 of the Business and Professions Code), arising from purchases of goods, materials, or services by the bidder for sale to the purchasing body pursuant to the bid. Such assignment shall be made and become effective at the time the purchasing body tenders final payment to the bidder. Government Code Section 4552.
  - c. If an awarding body or public purchasing body receives, either through judgment or settlement, a monetary recovery for a cause of action assigned under this chapter, the assignor shall be entitled to receive reimbursement for actual legal costs incurred and may, upon demand, recover from the public body any portion of the recovery, including treble damages, attributable to overcharges that were paid by the assignor but were not paid by the public body as part of the bid price, less the expenses incurred in obtaining that portion of the recovery. Government Code Section 4553.
  - d. Upon demand in writing by the assignor, the assignee shall, within one year from such demand, reassign the cause of action assigned under this part if the assignor has been or may have been injured by the violation of law for which the cause of action arose and (a) the assignee has not been injured thereby, or (b) the assignee declines to file a court action for the cause of action. See Government Code Section 4554.
16. CHILD SUPPORT COMPLIANCE ACT: For any Agreement in excess of \$100,000, the contractor acknowledges in accordance with Public Contract Code 7110, that:
- a. The contractor recognizes the importance of child and family support obligations and shall fully comply with all applicable state and federal laws relating to child and family support enforcement, including, but not limited to, disclosure of information and compliance with earnings assignment orders, as provided in Chapter 8 (commencing with section 5200) of Part 5 of Division 9 of the Family Code; and
  - b. The contractor, to the best of its knowledge is fully complying with the earnings assignment orders of all employees and is providing the names of all new employees to the New Hire Registry maintained by the California Employment Development Department.

17. UNENFORCEABLE PROVISION: In the event that any provision of this Agreement is unenforceable or held to be unenforceable, then the parties agree that all other provisions of this Agreement have force and effect and shall not be affected thereby.
18. PRIORITY HIRING CONSIDERATIONS: If this Contract includes services in excess of \$200,000, the Contractor shall give priority consideration in filling vacancies in positions funded by the Contract to qualified recipients of aid under Welfare and Institutions Code Section 11200 in accordance with Pub. Contract Code §10353.
19. SMALL BUSINESS PARTICIPATION AND DVBE PARTICIPATION REPORTING REQUIREMENTS:
  - a. If for this Contract Contractor made a commitment to achieve small business participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) report to the awarding department the actual percentage of small business participation that was achieved. (Govt. Code § 14841.)
  - b. If for this Contract Contractor made a commitment to achieve disabled veteran business enterprise (DVBE) participation, then Contractor must within 60 days of receiving final payment under this Contract (or within such other time period as may be specified elsewhere in this Contract) certify in a report to the awarding department: (1) the total amount the prime Contractor received under the Contract; (2) the name and address of the DVBE(s) that participated in the performance of the Contract; (3) the amount each DVBE received from the prime Contractor; (4) that all payments under the Contract have been made to the DVBE; and (5) the actual percentage of DVBE participation that was achieved. A person or entity that knowingly provides false information shall be subject to a civil penalty for each violation. (Mil. & Vets. Code § 999.5(d); Govt. Code § 14841.)
20. LOSS LEADER: If this contract involves the furnishing of equipment, materials, or supplies then the following statement is incorporated: It is unlawful for any person engaged in business within this state to sell or use any article or product as a "loss leader" as defined in Section 17030 of the Business and Professions Code. (PCC 10344(e).)

## **EXHIBIT D SPECIAL TERMS AND CONDITIONS**

1. **Disputes:** Any disputes concerning a question of fact arising under this contract which is not disposed of by agreement shall be decided by the Director, Department of Alcoholic Beverage Control, or designee, who shall reduce his decision in writing and mail or otherwise furnish a copy thereof to the Contractor. The decision of the Department shall be final and conclusive unless, within 30 days from the date of receipt of such copy, the Contractor mails or otherwise furnishes to the State a written appeal addressed to the Director of the Department of Alcoholic Beverage Control. The decision of the Director of Alcoholic Beverage Control or his duly authorized representative for the determination of such appeals shall be final and conclusive unless determined by a court of competent jurisdiction to have been fraudulent, capricious, arbitrary, or so grossly erroneous as necessarily to imply bad faith, or not supported by substantial evidence. In connection with any appeal proceeding under this clause, the contractor shall be afforded an opportunity to be heard and to offer evidence in support of its appeal. Pending final decision of a dispute hereunder, Contractor shall proceed diligently with the performance of the contract and in accordance with the decision of the State.
2. **Cancellation/Termination:** This agreement may be cancelled or terminated without cause by either party by giving thirty (30) calendar days advance written notice to the other party. Such notification shall state the effective date of termination or cancellation and include any final performance and/or payment/invoicing instructions/requirements. No penalty shall accrue to either party because of contract termination.
3. **Contract Validity:** This contract is valid and enforceable only if adequate funds are appropriated in Item 2100-101-3036, Budget Act of 2023, for the purposes of this program.
4. **Contractor Certifications:** By signing this agreement, Contractor certifies compliance with the provisions of CCC 04/2017, Standard Contractor Certification Clauses. This document may be viewed at: <https://www.dgs.ca.gov/OLS/Resources/Page-Content/Office-of-Legal-Services-Resources-List-Folder/Standard-Contract-Language>
5. If the State determines that the grant project is not achieving its goals and objectives on schedule, funding may be reduced by the State to reflect this lower level of project activity and/or cancel the agreement.



# STATE OF CALIFORNIA

## Department of Alcoholic Beverage Control

### Alcohol Policing Partnership Program

#### PROPOSAL COVER SHEET

(TO BE COMPLETED BY APPLICANT AGENCY)

<b>1. Name of Applicant Agency:</b> Fontana Police Department	
<b>2. Description of Applicant Agency:</b> Provide your city or county jurisdiction, and include population data, and relevant demographic and socio-economic characteristics of the community. The City of Fontana incorporates 43 square miles. There are approximately 211,000 residents in Fontana, made up of 70% Hispanic, 12% White, 8% Black, and 10% an accumulation of other races. Approximately 28% of the population of Fontana are persons under age 18. The median household income is an average of \$80,000, with a poverty rate of 11.5%.	
<b>3. Number of licenses in Project Area:</b> 255	<b>4. Tax ID:</b> 95-6004770
<b>5. Funds Requested:</b> \$ 23,990.00	<b>6. Project Period:</b> July 1, 2023–June 30, 2024
<b>7. Acceptance of Conditions:</b> By submitting this proposal, the applicant signifies acceptance of the responsibility to comply with all requirements stated in the Request for Proposals. The applicant understands that ABC is not obligated to fund the project until the applicant submits correctly completed documents required for the contract.	
<b>A. Project Director</b> Person with Day-To-Day Responsibility for the Project	<b>B. Sheriff or Chief of Police</b> Authorizing Official
Name: Heather Howard Address: 17005 Upland Ave. Fontana, CA 92335  Phone: (909) 356-7107 Email Address: hhoward@fontana.org Title: Community Policing Technician	Name: Michael Dorsey Address: 17005 Upland Ave. Fontana, CA 92335  Phone: (909) 350-7702 Email Address: mdorsey@fontana.org Title: Chief of Police
Signature: <i>Heather Howard</i>	Signature: <i>m. dorsey</i>
<b>C. Fiscal or Accounting Official</b>	<b>D. ABC USE ONLY</b>
Name: Leona Kwan Address: 17005 Upland Ave. Fontana, CA 92335  Phone: (909) 356-7169 Email Address: lkwan@fontana.org Title: Senior Administrative Analyst	
Signature: <i>Michelle Blank for Leona Kwan</i>	

## SCOPE OF WORK

### Summary

The Fontana Police Department includes a Chief and three Captains, comprising the command staff. Each Captain is responsible for a specific division, Administration, Field Services, and Special Operations. The department staff encompasses an allotted total of 310 employees; 217 sworn, and 93 non-sworn. The Fontana Police Department is immensely proactive in its efforts to protect its residents and continually strives to educate the community, especially children and young adults, while building bridges with officers. The Community Outreach and Public Engagement Unit will be administering the grant, if awarded, and has implemented a variety of programs targeting youth. Some of these include; Play Date with Police, the Fontana Police Explorer Program, Heroes and Helpers, Bicycle Give a Way, and continually visits schools in order to reach out to our youth, in the belief that positive interactions and influence earlier in their lives will lead to more responsible and productive citizens for the city. A component of that is the education of alcohol, tobacco, and drugs and the negative effects on the community as a whole. A small number of areas in the City are considered county areas, and are governed by the San Bernardino County Sheriff Department's -Fontana Station, with whom we regularly collaborate with. In addition, we also work closely with the Fontana Unified School Police, Reach Out, an ABC accredited RBS training provider, and the Fontana Community Coalition.

The City of Fontana's motto is, "Open for Business", which welcomes an ever increasing 255 active, retail ABC licenses within its city limits. Currently, the City of Fontana has 110 On-Sale and 145 Off-Sale licenses. The Fontana Police Department is requesting a total of \$23,990 to provide ABC education and enforcement. The funding will be used for officers' overtime salaries, operational expenses, and travel expenses for the APP conference. The officers assigned to the program are experienced in ABC laws and enforcement strategies. Fontana Police Department will immediately begin working on the grant goals and objectives after receiving additional training at the APP conference.

### Project Personnel

The project will require Officers Daniel Romero, Steven Reed, and Jason Delair to oversee and operate the program. These officers will be supervised by the Community Outreach and Public Engagement Sergeant Christian Surgent, who reports to the Administration Lieutenant Matthew Kraut and Administration Captain Brian Binks. The program data will be recorded and the monthly reports will be generated by Community Policing Technician and ABC Liaison Heather Howard. The ABC officers will work directly with C.P.T. Howard. This partnership is extremely beneficial as C.P.T. Howard is responsible for the record keeping of Conditional Use Permits for all ABC licensed premises in the city. All three officers are trained in ABC Laws and have experience with ABC education and enforcement.

The City of Fontana will fully fund the cost of C.P.T. Howard's participation in this grant for both regular time, overtime, benefit costs, and APP Conference costs. Additionally, the City of Fontana will fund the cost of the officer's regular time and benefit costs.

The Fontana Police Department is proud to state we have enjoyed an established and excellent working relationship with both ABC agents and the licensing staff for many years. Both agencies have retained an outstanding working relationship beyond prior grant terms. The Fontana Police Department is committed to achieving and exceeding the goals and objectives outlined in this proposal and looks forward to continuing our partnership with ABC, if given the opportunity.

## SCOPE OF WORK

### Problem Statement

Alcohol being furnished to minors is a very serious problem within the City of Fontana. The problem includes both licensed establishments selling alcohol to minors, and citizens purchasing alcohol for minors.

During IMPACT inspections in the past, Fontana Police were pleased to learn the majority of our licensed locations are complying with most ABC retail operating standards. However, the same cannot be said for sales to minors. Through previous years of grant enforcement operations, the percentages of sales to minors for licensed premises, and citizens has not decreased. This is a significant concern for Fontana Police. It is important to continually educate the public, as well as business owners and their employees, in this high turnover area of employment. A review of ABC enforcement activities in our city showed that 55% of citizens contacted, purchased alcohol for our minor decoy and 28% of licensed locations sold alcohol to our minor decoy. These alarming rates must be addressed to protect the youth in our community. Because these citizen numbers are significant, Fontana Police wishes to conduct Shoulder Tap operations, while still conducting Minor Decoy operations to continue to achieve educating licensed retailers of the importance of ABC enforcement compliance.

With the passing of Assembly Bill 1221, requiring RBS training for all On-Sale locations, we will continue to educate licensed retailers through hosting LEAD training at our department. The City of Fontana has required RBS training on Conditional Use Permits for both On-Sale and Off-Sale alcohol licenses for twenty years. Unfortunately, this condition has not been enforced due to funding concerns. If awarded grant funds, it will enable officers to expand enforcement in these areas. We will also collaborate with Reach Out, and the Fontana Community Coalition, to gain RBS compliance. Education is the key to unlocking successful and compliant licensees.

Through calls for service, problem locations have been identified in operating in a disorderly manner and have created quality of life concerns. These locations include: Daddy's Liquor located at 17264 Foothill Blvd. #K, Mobil Gas located at 16926 Foothill Blvd., 76 Gas Station at 16081 Valley Blvd., all in the City of Fontana. These locations have high calls for service that include single sales, selling alcohol to minors, loitering, excessive transient activity, and drunk in public arrests. Additionally, a handful of dense areas have high calls for service that include a high percentage of alcohol-related crimes. To reduce the drain on patrol resources, we will conduct a variety of general enforcement operations using our Community Outreach and Public Engagement officers.

To ensure our enforcement efforts are effective, we have discussed the filing of charges B&P 25658(a) with the San Bernardino County District Attorney's office. Terry Brown is the Supervising Deputy District Attorney for the Rancho Cucamonga branch of the San Bernardino County District Attorney's office. DDA Brown has articulated support of our efforts by prosecuting adults found to be in violation.



## SCOPE OF WORK

### **Project Description** section 1 of 2

#### **Goal 1: Gain RBS Compliance**

**Objective:** Gain compliance of Responsible Beverage Service training of licensed establishments as outlined in City Conditional Use Permits and provide accurate information to licensed On-Sale establishments about AB 1221 requirements for future compliance.

**Method:** Collaborate with Reach Out and the Fontana Community Coalition (FCC) to create and implement a compliance plan. Conduct compliance checks of licensed locations in the city that have a Conditional Use Permit requiring RSB training. Provide a copy of the conditions of approval, and information for available RBS training. Maintain a catalog of compliant and non-compliant locations. Strive to have 75% compliance by the grant's end.

**Duration:** Immediate and on-going beyond the grant period.

#### **Goal 2: Educate Licensed Premises through L.E.A.D.**

**Objective:** Educate licensees and their employees as to the responsibilities and laws which accompany selling and serving alcohol. Knowledge of ABC laws, checking IDs, and basic responsibility, provides greater compliance.

**Method:** Provide (4) L.E.A.D. classes free of charge. Post all L.E.A.D. class dates on our website, Facebook, and Instagram. Send out L.E.A.D. class flyers to all licensees within the community about the free class.

**Duration:** Throughout the grant period.

#### **Goal 3: Reduce Alcohol-Related Calls for Service at Licensed Premises**

**Objective:** Reduce calls for service that are alcohol related at licensed premises that are draining patrol resources.

**Method:** Conduct general enforcement to combat drunk in public, sales to minors or obviously intoxicated persons, overserving, beer runs, open container, loitering or other issues that cause a disorderly house. Contact those licensees, educate them on ABC laws and penalties, and being a responsible retailer. Conduct a minimum of five (5), four-hour general enforcement operations.

**Duration:** Throughout the grant period.

#### **Goal 4: Conduct Nine (9) Shoulder Tap Operations**

**Objective:** Increase the compliance rate of citizens in our community by 50% with not providing alcoholic beverages to minors.

**Method:** Conduct nine (9), five-hour operations. Officers will work with the APP Agent during Shoulder Tap operations. We follow ABC Rule 141 and utilize only ABC approved decoys from Fontana P.D. Explorer Post #531. We will conduct training on Shoulder Tap operations, policies, forms and report writing. Track results to ensure compliance rates have increased. Provide social media updates and a press release following each operation highlighting operation results and ABC APP grant funding.

**Duration:** Throughout the grant period.

## SCOPE OF WORK

### **Project Description** section 2 of 2

#### **Goal 5: Conduct Five (5) Minor Decoy Operations**

**Objective:** Increase compliance of licensed premises as they relate to underage alcohol sales by 50%.

**Method:** Conduct five (5), five-hour operations. Officers will work with the APP Agent during Minor Decoy operations. We follow ABC Rule 141 and utilize only ABC approved decoys from Fontana P.D. Explorer Post #531. Provide arrest reports to ABC as outlined in B&P 24202. We will conduct training on Minor Decoy operations, policies, forms and report writing. Track results to ensure compliance rates have increased. Provide social media updates and a press release following each operation highlighting operation results and ABC APP grant funding.

**Duration:** Throughout the grant period.

#### **Goal 6: Conduct Ten (10) IMPACT Inspections – Maintain Compliance**

**Objective:** Maintain established compliance with ABC requirements and promote responsible retailers.

**Method:** Conduct ten (10) separate IMPACT inspections of licensed premises within the City. Each operation will be a minimum of five (5) hours in duration. Provide educational material to all licensees reference Retail Operating Standards and provide police department contact information for any ABC questions or issues at the premises.

**Duration:** Throughout the grant period.

#### **Goal 7: Conduct Four (4) Mini ABC Task Force IMPACT Inspection Operations**

**Objective:** Ensure compliance with ABC requirements, local, state, and federal laws, and promote responsible retailers. Utilize Mini ABC Task Force partnerships with the County Fire Department, City Code Compliance, and City Planning, showing teamwork and cohesion of the various city departments by completing four (4) Mini Task Force IMPACT inspection operations.

**Method:** Conduct IMPACT inspections at problematic licensed premises. Provide educational material to all licensees reference Retail Operating Standards. Coordinate and conduct four (4) Mini ABC Task Force IMPACT inspection operations with the County Fire Department, City Code Compliance, and City Planning. Each operation will be five (5) hours in duration. These are separate from the IMPACT inspections listed in Goal #6. Provide social media updates and a press release following each Mini ABC Task Force operation highlighting operation results and ABC APP grant funding.

**Duration:** Throughout the grand period.

#### **Goal 8: Provide Three (3) Roll-Call Trainings to Fontana Police Sworn Personnel**

**Objective:** Keep sworn officers updated on ABC laws and recent alcohol trends

**Method:** Provide three roll-call trainings to all Fontana Police Department personnel. Roll-call trainings are provided to sworn staff in a memorandum form. Each officer must read and sign that he/she has read and understands the training. Each roll-call training is kept in each officer's permanent training files.

**Duration:** Immediate and on-going throughout the grant period.

## SCOPE OF WORK

### Additional Information

Goal 9: Community Awareness of Grant Accomplishments via Social Media (20) and Department Press Releases.

Objective: Maintain community awareness of grant accomplishments and advise the media of grant activities such as grant award announcement, enforcement operation results and community collaborations..

Method: Provide a minimum of twenty (20) social media updates on Facebook, Instagram, website, and press releases to include grant award announcement, highlight grant accomplishments, announce educational opportunities, and enforcement operation results. The COPE unit, responsible for this grant, is also the police department's Press Information unit. The officers in the COPE unit have an excellent relationship with our local media teams and will provide those teams will press releases about grant activities.

Duration: Immediate and on-going throughout the grant period.

Goal 10: Host five (5) T.R.A.C.E. training for Fontana Police Sworn Personnel

Objective: Educate sworn officers to immediately notify ABC of any alcohol related incident involving persons under 21 years of age and including great bodily injury or death. Also, ABC notification of anyone charged with vehicular manslaughter under the influence of alcohol, regardless of age.

Method: Host the ABC APP agent in briefing training for each of our five (5) patrol teams.

Duration: During grant period.

In summary, the grant funds will be used to increase the hours officers have to enforce alcohol-related crimes, raise public awareness regarding underage drinking, conduct minor decoy operations, conduct shoulder tap operations, conduct inspections at "on-sale" and "off-sale" licensed locations, host classes for the community, train law enforcement personnel on ABC laws, and provide alcohol and drug abuse prevention programs in the community.

## BUDGET DETAIL WORKSHEET

### A. Personnel Services

#### Salaries

	Classification/Positions	Computation	Total Cost
1			
2			
3			
SUBTOTAL			\$ 0

#### Overtime

	Classification/Positions	Computation	Total Cost
1	Police Corporal w/ Advanced	\$90.00 per hour x est 90 hrs	\$ 8,100
2	Police Officer w/ Advanced	\$79.00 per hour x est. 160hrs	\$ 12,640
3			
4			
5			
6			
SUBTOTAL			\$ 20,740

#### Benefits

	Classification/Positions	Computation	Total Cost
1			
2			
3			
4			
5			
SUBTOTAL			\$ 0

### B. Operating Expenses and Equipment

#### Operating Expenses\*

	Description	Computation	Total Cost
1	Two Way Radios-4 pack for Decoy Op		\$ 250
2			
SUBTOTAL			\$ 250

\*maximum of \$2,500.00

#### Operating Expenses\*

	Description	Computation	Total Cost
1	Decoy Operation "Buy Money"		\$ 500
2			
3			
SUBTOTAL			\$ 500

\*maximum of \$2,500.00

### C. Travel Expenses \*

	Description	Computation	Total Cost
1	Registration fee for APP Conference	\$325 x 2 officers	\$ 650
2	Travel, per diem, lodging for conferenc		\$ 1,850
3			
4			
SUBTOTAL			\$ 2,500

\*APP Conference only. All travel cannot exceed current state rates.

**GRANT TOTAL** **\$ 23,990**

## OTHER FUNDING SOURCES

Complete the following to report the total funds available to support the activities related to accomplishing the goals and objectives of the contract. In the "Grant Funds" column, report the ABC funds requested by category. In the "Other Funds" column, report all other funds available to support the project by category (if none, leave blank). Then calculate the totals by category in the "Program Total" column. Total each column down to arrive at the total program funds available.

Note: Round all budget amounts to the nearest dollar—no cents.

Budget Category	Grant Funds	Other Funds	Program Total
<b>A. Personnel Services</b>	\$ 20,740	\$ 20,995	\$ 41,735
<b>B. Operating Expense</b>	\$ 500		\$ 500
<b>C. Travel/Registration Fees</b>	\$ 2,500	\$ 1,250	\$ 3,750
<b>D. Equipment</b>	\$ 250		\$ 250
<b>TOTALS</b>	<b>\$ 23,990</b>	<b>\$ 22,245</b>	<b>\$ 46,235</b>

This form does not become part of the contract but is **required** in the Request for Proposal package.

\*Disclaimer—Please complete only if your department will contribute funds.

**CITY OF FONTANA**  
**POLICE OFFICERS' ASSOCIATION HOURLY/MONTHLY/ANNUAL PAY SCHEDULE**  
**EFFECTIVE 07/30/2022**

TITLE	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	Hourly Monthly Annual
Police Officer Trainee (non-sworn)	PO01	\$35.66 \$6,181.07 \$74,172.80	(Step "1" Only)				
Police Officer	PO02	\$39.22 \$6,798.14 \$81,577.60	\$41.19 \$7,139.60 \$85,675.20	\$43.25 \$7,496.67 \$89,960.00	\$45.42 \$7,872.80 \$94,473.60	\$47.70 \$8,268.00 \$99,216.00	
Police Officer w/Intermediate Certificate	PO03	\$41.02 \$7,110.14 \$85,321.60	\$43.08 \$7,467.20 \$89,606.40	\$45.24 \$7,841.60 \$94,099.20	\$47.51 \$8,235.07 \$98,820.80	\$49.89 \$8,647.60 \$103,771.20	
Police Officer w/Advanced Certificate	PO04	\$42.88 \$7,432.54 \$89,190.40	\$45.03 \$7,805.20 \$93,662.40	\$47.29 \$8,196.94 \$98,363.20	\$49.66 \$8,607.74 \$103,292.80	\$52.15 \$9,039.34 \$108,472.00	
Police Corporal w/Intermediate Certificate	PO05	\$45.09 \$7,815.60 \$93,787.20	\$47.35 \$8,207.34 \$98,488.00	\$49.72 \$8,618.14 \$103,417.60	\$52.21 \$9,049.74 \$108,596.80	\$54.83 \$9,503.87 \$114,046.40	
Police Corporal w/Advanced Certificate	PO06	\$48.89 \$8,474.27 \$101,691.20	\$51.34 \$8,898.94 \$106,787.20	\$53.91 \$9,344.40 \$112,132.80	\$56.61 \$9,812.40 \$117,748.80	\$59.45 \$10,304.67 \$123,656.00	

**CITY OF FONTANA  
POLICE BENEFIT ASSOCIATION  
HOURLY/MONTHLY/ANNUAL PAY SCHEDULE  
Effective 07/02/2022**

TITLE	RANGE	STEP 1	STEP 2	STEP 3	STEP 4	STEP 5	Hourly Monthly Annual
Account Clerk I	PB01	\$20.47 \$3,548.14 \$42,577.60	\$21.50 \$3,726.67 \$44,720.00	\$22.58 \$3,913.87 \$46,966.40	\$23.71 \$4,109.74 \$49,316.80	\$24.90 \$4,316.00 \$51,792.00	
Account Clerk II	PB02	\$22.17 \$3,842.80 \$46,113.60	\$23.28 \$4,035.20 \$48,422.40	\$24.45 \$4,238.00 \$50,856.00	\$25.68 \$4,451.20 \$53,414.40	\$26.97 \$4,674.80 \$56,097.60	
Accounting Technician	PB03	\$29.75 \$5,156.67 \$61,880.00	\$31.24 \$5,414.94 \$64,979.20	\$32.81 \$5,687.07 \$68,244.80	\$34.46 \$5,973.07 \$71,676.80	\$36.19 \$6,272.94 \$75,275.20	
Administrative Analyst I	PB04	\$33.98 \$5,889.87 \$70,678.40	\$35.68 \$6,184.54 \$74,214.40	\$37.47 \$6,494.80 \$77,937.60	\$39.35 \$6,820.67 \$81,848.00	\$41.32 \$7,162.14 \$85,945.60	
Administrative Analyst II	PB05	\$37.53 \$6,505.20 \$78,062.40	\$39.41 \$6,831.07 \$81,972.80	\$41.39 \$7,174.27 \$86,091.20	\$43.46 \$7,533.07 \$90,396.80	\$45.64 \$7,910.94 \$94,931.20	
Administrative Clerk I	PB06	\$18.72 \$3,244.80 \$38,937.60	\$19.66 \$3,407.74 \$40,892.80	\$20.65 \$3,579.34 \$42,952.00	\$21.69 \$3,759.60 \$45,115.20	\$22.78 \$3,948.54 \$47,382.40	
Administrative Clerk II	PB07	\$20.68 \$3,584.54 \$43,014.40	\$21.72 \$3,764.80 \$45,177.60	\$22.81 \$3,953.74 \$47,444.80	\$23.96 \$4,153.07 \$49,836.80	\$25.16 \$4,361.07 \$52,332.80	
Administrative Technician	PB08	\$25.11 \$4,352.40 \$52,228.80	\$26.37 \$4,570.80 \$54,849.60	\$27.69 \$4,799.60 \$57,595.20	\$29.08 \$5,040.54 \$60,486.40	\$30.54 \$5,293.60 \$63,523.20	
Animal Services Officer	PB09	\$23.17 \$4,016.14 \$48,193.60	\$24.33 \$4,217.20 \$50,606.40	\$25.55 \$4,428.67 \$53,144.00	\$26.83 \$4,650.54 \$55,806.40	\$28.18 \$4,884.54 \$58,614.40	
Community Policing Technician	PB10	\$26.66 \$4,621.07 \$55,452.80	\$28.00 \$4,853.34 \$58,240.00	\$29.40 \$5,096.00 \$61,152.00	\$30.87 \$5,350.80 \$64,209.60	\$32.42 \$5,619.47 \$67,433.60	
Community Services Officer I	PB11	\$22.28 \$3,861.87 \$46,342.40	\$23.40 \$4,056.00 \$48,672.00	\$24.57 \$4,258.80 \$51,105.60	\$25.80 \$4,472.00 \$53,664.00	\$27.09 \$4,695.60 \$56,347.20	
Community Services Officer II	PB12	\$24.27 \$4,206.80 \$50,481.60	\$25.49 \$4,418.27 \$53,019.20	\$26.77 \$4,640.14 \$55,681.60	\$28.11 \$4,872.40 \$58,468.80	\$29.52 \$5,116.80 \$61,401.60	



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-2473

**Agenda #:** H.

**Agenda Date:** 9/26/2023

**Category:** Consent Calendar

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**FROM:**

Police Department

**SUBJECT:**

Police Department Monthly Information Update

**RECOMMENDATION:**

Accept the Police Department monthly information update for August 2023.

**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 August 2023 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

August 2023



## NOTEWORTHY EVENTS

- Fontana Police Department's Traffic unit addressed multiple complaints at local schools due to school going back in session.
- Fontana Police Department Honor Guard assisted in funeral services for two Cal-Fire firemen.
- Fontana Police hosted a blood drive.
- Fontana Police Lieutenant Dills hosted an Area Commander meeting in area 4.
- Fontana Police Gang Unit and RRT seized multiple illegal firearms and narcotics.
- Patrol responded to a report of a man with a gun at Sierra Lakes Golf Course resulting in an Officer Involved Shooting.
- COPE released information on the growing crime trend of "Bank Jugging" and did several on camera interviews with local TV stations.
- COPE hosted Playdate with the Police at Don Day Park.







# CITYWIDE

- Priority 1 response time- 4:56 (Emergency calls like subject not breathing, shots fired, and other immediate risk to life/safety)
- Calls for service- 10,327
- Total Traffic Accidents- 231
  - Non-Injury- 178, Injury - 53
- Total arrests- 484
  - Hispanic- 337, White- 60 , Black- 71, All others races- 16
- Total Group A Offenses- 796
  - Crimes Against Persons- 207
  - Crimes Against Property- 421
  - Crimes Against Society- 168





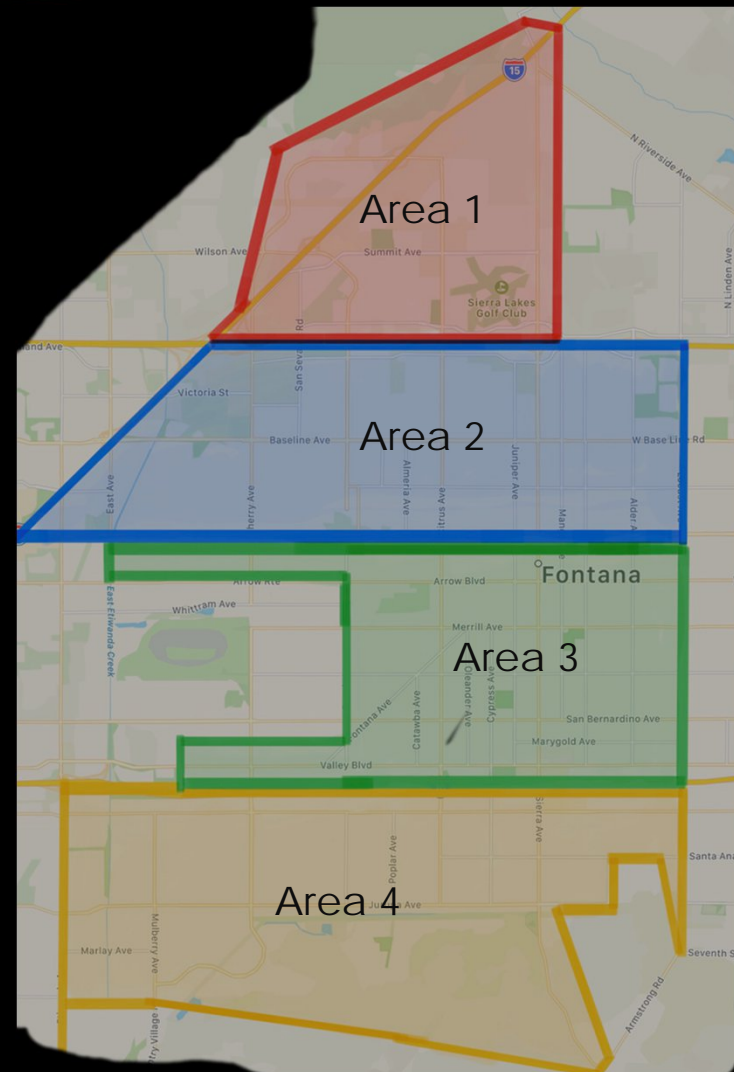
# CITYWIDE

- Crimes Against Person- 207
  - Homicide- 1
  - Sex Offenses- 11
  - Assault- 190
  - Kidnapping- 5
  - Other- 0
- Crimes Against Property- 421
  - Robbery- 13
  - Burglary- 49
  - Larceny- 174
  - Destruction of Property- 34
  - Fraud- 24
  - Possession of Stolen Property- 48
  - Motor Vehicle Theft- 57
  - Other Miscellaneous Property Crimes- 22
- Crimes Against Society- 168
  - Drug and Paraphernalia Possession- 124
  - Possession of Child Pornography- 2
  - Possession of Weapons- 42
  - Other Miscellaneous Crimes- 0



# 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 KELLEN GUTHRIE  
EMAIL- [KGUTHRIE@FONTANA.ORG](mailto:KGUTHRIE@FONTANA.ORG)  
DESK- (909) 350-7716

- Total Group A Offenses- 93
- Crimes Against Persons- 27
- Crimes Against Property- 56
- Crimes Against Society- 10





# BEAT 2

AREA COMMANDER IS LIEUTENANT MATT KRAUT  
EMAIL- [MKRAUT@FONTANA.ORG](mailto:MKRAUT@FONTANA.ORG)  
DESK- (909) 356-7142

- Total Group A Offenses- 200
- Crimes Against Persons- 68
- Crimes Against Property- 116
- Crimes Against Society- 16



# BEAT 3

AREA COMMANDER IS LIEUTENANT CHRIS TUSANT  
EMAIL – [CTUSANT@FONTANA.ORG](mailto:CTUSANT@FONTANA.ORG)  
DESK – (909) 350-7706

- Total Group A Offenses- 315
- Crimes Against Persons- 81
- Crimes Against Property- 155
- Crimes Against Society- 79



# Beat 4

AREA COMMANDER IS LIEUTENANT TRACY DILLS  
EMAIL – [TDILLS@FONTANA.ORG](mailto:TDILLS@FONTANA.ORG)  
DESK – (909) 350-7707

- Total Group A Offenses- 138
- Crimes Against Persons- 28
- Crimes Against Property- 90
- Crimes Against Society- 20



A large, semi-transparent watermark of the Fontana Police Department badge is centered in the background. The badge is circular with a star in the center and the words "POLICE OFFICER" and "FONTANA POLICE" visible. The top of the slide features a horizontal gradient bar transitioning from yellow to orange to red to green to blue.

## ADDITIONAL USEFUL INFORMATION

- For more information regarding specific geographical crime data, visit [www.crimemapping.com](http://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@fontana.org](mailto:mdorsey@fontana.org)



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-2484

**Agenda #:** I.

**Agenda Date:** 9/26/2023

**Category:** Consent Calendar

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**FROM:**

Economic Development

**SUBJECT:**

Fontana Chamber of Commerce - Contract Renewal

**RECOMMENDATION:**

Approve and authorize the City Manager to execute a contractual services agreement between the City of Fontana and the Fontana Chamber of Commerce in the amount of \$50,000.

**COUNCIL GOALS:**

- Promote economic development by pursuing business attraction, retention, and expansion through strategic community partnerships.

**DISCUSSION:**

Staff recommends that the City Council approve the renewal of the contract with the Fontana Chamber of Commerce to continue providing vital support and serve as an extension to the Economic Development Department. This partnership will enable the City to further its commitment to fostering economic growth and prosperity within the City.

The terms of the agreement shall be from September 23, 2023, to June 30, 2025. The Parties shall have the option to renew up to two (2) successive one-year (1) terms.

**FISCAL IMPACT:**

The financial implications of this contract renewal are within the existing budget allocation for the Economic Development Department. Monetary compensation shall not exceed Fifty Thousand Dollars (\$50,000) per year. The contract shall waive up to 4 (four) Temporary Use Permits per year for the sole purpose of job fair events.

**MOTION:**

Approve Staff Recommendation.

**AGREEMENT FOR SERVICES BETWEEN  
THE CITY OF FONTANA AND  
THE FONTANA CHAMBER OF COMMERCE**

THIS CONTRACTUAL SERVICES AGREEMENT (hereinafter the "Agreement") is renewed as of **September 23, 2023** (the "Renewal Date") by and between the City of Fontana (hereinafter "the City"), a municipal corporation, with its principal place of business at 8353 Sierra Avenue, Fontana, California 92335, and the Fontana Chamber of Commerce (hereinafter "the Chamber"), a California nonprofit corporation, with its principal place of business at 8491 Sierra Avenue, Fontana, California 92335.

**RECITALS**

**WHEREAS**, the Chamber takes pride in investing in the economic growth and development of the city of Fontana. Established in 1914, the Chamber remains dedicated to seeking out new businesses while elevating active local establishments; and

**WHEREAS**, on July 1, 2022, the City entered into a commercial lease with the Chamber for the location of 8491 Sierra Avenue, Fontana, California 92335 for the sum of one-dollar (\$1.00) per year for a term of three (3) years; the in-kind value of lease services provided by City of Fontana is \$97,860 per year to the Fontana Chamber of Commerce and

**WHEREAS**, the City desires to engage the Chamber as a consultant that will serve as an extension to the City's Economic Development Department. The Chamber will render services to attract, retain and engage new businesses in the matter as described in this Agreement, and

**AGREEMENT**

NOW, THEREFORE, in consideration of the mutual promises set forth in this Agreement the Parties agree as follows:

**ARTICLE 1. TERMS**

**1.1 General Scope of Services.** The City hereby engages the Chamber, and the Chamber promises and agrees to furnish to the City, subject to the terms and conditions set forth in this Agreement, all labor, materials, tools, equipment, services, incidental and customary work necessary to deliver the services described in Exhibit A "Scope of Services" (herein after "Services") of this Agreement. The Chamber agrees to perform the Services in accordance with the terms and conditions of this Agreement and pursuant to all applicable local, state, and federal laws, rules, and regulations.

**1.2 The City's Representative.** The City hereby designates the City Manager to act as its representative under this Agreement ("City's Representative"). The City's Representative shall have the power to act on behalf of the City for all purposes under this Agreement. The Chamber shall not accept direction or orders from any person other than the City's Representative or his or her designee.



**1.3 The Chamber's Representative.** The Chamber hereby designates its Executive Director, or his or her designee, to act as its representative for the performance of this Agreement ("Chamber's Representative"). The Chamber's Representative shall have full authority to represent and act on behalf of the Chamber for all purposes of this Agreement. The Chamber's Representative shall supervise and direct all services performed under this Agreement, using his or her best skill and attention, and shall be responsible for all means, methods, techniques, sequences, and procedures and for the satisfactory coordination of all of the Services under this Agreement.

**1.4 Term.** The term ("Term") of this Agreement shall be from **September 23, 2023, to June 30, 2025**. The Parties shall have the option to renew this Agreement for up to two (2) successive one-year (1) terms, provided that the conditions set forth in Section 1.5 are met. Any such renewal must be mutually agreed upon by the Parties in writing.

**1.5 Renewal.** Prior to the commencement of a renewal pursuant to Section 1.4, the Chamber's performance under this Agreement, and its compliance with the goals and objectives set forth therein, shall be reviewed and evaluated by the City's Representative. At the end of each fiscal quarter, the Chamber shall submit to the City's Representative—with a copy to the City's Economic Development Department—a quarterly report consistent with Section 2.2. The City Representative shall complete its review of the Chamber's reports by **June 30** of each fiscal year and shall make a determination as to whether the Chamber has met the goals and objectives established under this Agreement. Any renewal made pursuant to Section 1.4 is conditioned upon a determination, by the City Representative, that the goals and objectives prescribed herein have been met. Following the City Representative's review and assessment of the Chamber's quarterly reports, the City Representative shall notify the Chamber's Representative of the City's decision and desire to renew.

## **ARTICLE 2. RESPONSIBILITIES OF THE CHAMBER**

**2.1 Services—General.** The Chamber shall work closely and cooperate fully with the Economic Development Department to host job fairs, business trainings, community programs, business seminars, business leads and employer/employee workshops for Fontana residents. The Chamber shall report its progress in connection to these efforts pursuant to Section 2.2 of this Agreement.

**2.2 Quarterly Report.** Every fiscal quarter, the Chamber shall submit to the City Representative—with a copy to the City's Economic Development Department—a written report ("Quarterly Report") detailing the progress of the Chamber's performance. The Quarterly Report shall be due on or before the fifteenth (15th) day of each fiscal quarter and shall include a detailed summary of the activities performed and the activities planned as it relates to the Services described in Exhibit A. The report shall also identify all quantifiable milestones, goals and outcomes for each program planned and implemented in connection with this Agreement. The City may, in its sole and absolute discretion, approve or deny payment of compensation to the Chamber (as described herein) based on the Quarterly Report. The City's review of the Quarterly Report shall be conducted by the City Representative or his or her designee.

**2.3 Accounting Records.** The Chamber shall maintain and complete accurate financial records, including but not limited to, receipts and disbursements, with respect to

all costs and expenses incurred by the Chamber during the Term of this Agreement. All such records shall be clearly identifiable. The Chamber, upon the City's request, shall allow a representative of the City during normal business hours to examine, audit, and make transcripts or copies of such records and any other documents created pursuant to this Agreement.

**2.4 Political Activities.** The Chamber shall not use any funds received under this Agreement to fund any local municipal election issue or candidate.

**2.5 The Chamber's Responsibilities for Costs and Expenses.** Except as otherwise expressly stated herein, the Chamber shall be responsible for all costs and expenses incurred relative to the Chamber, its personnel and its subcontractors in connection with the Services performed under this Agreement, including, and without limitation to, the payment of salaries, fringe benefits, contributions, payroll taxes, withholding taxes and other taxes or levies, office overhead expense, travel expenses, telephone and other telecommunication expenses, and document reproduction expenses.

**2.6 Independent Contractor.** The Services to be performed under this Agreement, shall be performed by the Chamber or under the Chamber's supervision. The Chamber shall determine the means, methods and details of performing such services subject to the requirements of this Agreement. The Chamber represents that it possesses the professional and technical personnel required to perform under this Agreement. The City retains the Chamber as an independent contractor and not as an employee of the City. All personnel performing on behalf of the Chamber shall at all times be under the Chamber's exclusive direction and control.

**2.7 Personnel Licenses.** The Chamber represents and warrants that it and all personnel engaged in performing the Services as described herein are, and shall continue to be, fully qualified, authorized and permitted under state and local law to perform such services under this Agreement. The Chamber represents and warrants that it and all personnel, including subcontractors, engaged in performing the Services have, and shall maintain, all licenses, permits, qualifications, and approvals of whatever nature that are legally required to perform the services described under this Agreement.

**2.8 Conformance to Applicable Requirements.** The Chamber shall conform to all applicable city, county, state, and federal laws, rules, and regulations in effect at the time the services are provided. All Services shall be subject to approval of the City. The Chamber shall keep itself fully informed of and in compliance with all local, state, and federal laws, rules and regulations in any manner affecting its performance under this Agreement, including all Cal/OSHA requirements, and shall give all notices required by law. The Chamber shall be liable for all violations of such laws and regulations in connection with its performance under this Agreement. If the Chamber performs any work knowing it to be contrary to such laws, rules, and regulations, the Chamber shall be solely responsible for all costs arising therefrom. If the Chamber performs any work without giving written notice to the City, the Chamber shall be solely responsible for all costs arising therefrom. The Chamber shall defend, indemnify, and hold the City, its officials, officers, employees, and agents free and harmless, pursuant to the indemnification provisions of this Agreement, from any claim or liability arising out of any failure or failure to comply with such laws, rules or regulations.



## **ARTICLE 3. RESPONSIBILITIES OF THE CITY.**

**3.1 Cooperation.** The City shall cooperate with the Chamber relative to the provisions of this Agreement. To the extent permitted by applicable law, the City shall provide criteria and information in its possession, or reasonably obtainable by it, as requested by the Chamber as it relates to the Chamber's performance under this Agreement and shall make that information and related data available for the Chamber's use during the performance of this Agreement.

## **ARTICLE 4. COMPENSATION.**

**4.1 Compensation.** In consideration of the Services performed by the Chamber, the City shall pay to the Chamber a sum of **Fifty Thousand Dollars (\$50,000.00)** per year and waive up to four (4) Temporary Use Permits per year. Temporary Use Permits waivers will be applied to event services performed. Payments will be made in quarterly installments of **Twelve Thousand Five Hundred Dollars (\$12,500.00)** pursuant to Section 4.3 for the Term of this Agreement.

In no event shall compensation under this Agreement exceed the compensation set forth herein without the City's prior written approval. The Chamber shall send the City a quarterly invoice requesting payment for the aforementioned amount before payment may be made by the City.

The City may provide to the Chamber materials, services, and equipment in partial or total satisfaction of any monetary compensation due herein. The value of such equipment, materials and services shall be as agreed upon in writing prior to execution.

**4.2 Reimbursements.** The Chamber shall not be reimbursed for any expenses unless authorized in writing by the City.

**4.3 Payment of Compensation.** The Chamber shall submit invoices to the City on a quarterly basis for the payment of Compensation as described in Section 4.1, together with the Chamber's Quarterly Report. The City shall make payment to the Chamber within thirty (30) days following the receipt of the invoice. The City may, in its sole and absolute discretion, withhold payment of compensation should the Chamber fail to provide the City with any Quarterly Report required under Section 2.2.

## **ARTICLE 5. GENERAL PROVISIONS.**

**5.1 Termination of Agreement.** Either Party may, by written notice to the other Party, terminate this Agreement at any time and without cause by giving written notice to the non-terminating Party of such termination, and specifying the effective date thereof, at least ninety (90) days before the effective date of such termination. Upon termination, the

Chamber shall be compensated only for those Services rendered to the City, and the Chamber shall be entitled to no further compensation.

**5.2 Delivery of Notices.** All notices permitted or required under this Agreement shall be given to the respective Parties at the following addresses, or at such other address as the respective Parties may provide in writing for this purpose:

Chamber: Fontana Chamber of Commerce  
8491 Sierra Avenue  
Fontana, California 92335  
Attn: Executive Director

City: City of Fontana  
8353 Sierra Avenue  
Fontana, CA 92335  
Attn: City Manager

With Copy to: Best, Best & Krieger  
2855 E. Guasti Road, Suite 400  
Ontario, California 91761

Such notice shall be deemed made when personally delivered or within forty-eight (48) hours after deposit in the U.S. Mail, first class postage prepaid and addressed to the Party at its applicable address. Actual notice shall be deemed adequate notice on the date actual notice ~~was~~ regardless of the method of service.

**5.3 The Ralph M. Brown Act.** The Parties do not intend, by executing this Agreement, to create a relationship which subjects the Chamber to the Brown Act. The Parties hereby acknowledge that the Chamber may be subject to the Brown Act if it receives funds from the City and any City Council Member is appointed by the Council to the Chamber's governing body as a full voting member, however, no such appointment is intended under this Agreement or anticipated in the future. (See Gov. Code, § 54952, subd. (c)(1)(B).) The Chamber shall keep itself fully informed of and in compliance with the Brown Act, to the extent it is applicable.

**5.4 Documents & Data Licensing of Intellectual Property.** This Agreement creates a non-exclusive and perpetual license for the City to copy, use, modify, reuse, or sublicense any and all copyrights, designs, and other intellectual property embodied in plans, specifications, studies, drawings, estimates, and other documents or works of authorship fixed in any tangible medium of expression, including but not limited to, physical drawings or data magnetically or otherwise recorded on computer diskettes, which are prepared or caused to be prepared by the Chamber under this Agreement (Documents & Data). The Chamber shall require all subcontractors to agree in writing that the City is granted a non-exclusive and perpetual license for any Documents & Data the subcontractor prepares under this Agreement. The Chamber represents and warrants that the City has the legal right to license any and all Documents & Data. The Chamber makes no such representation and warranty in regard to Documents & Data which were prepared by design professionals not subcontracted by the

Chamber or provided to the Chamber by the City. The City shall not be limited in any way in its use of the Documents and Data at any time, provided that any such use not within the purposes intended by this Agreement shall be at the City's sole risk.

**5.5 Confidentiality.** All ideas, memoranda, specifications, plans, procedures, drawings, descriptions, computer program data, input record data, written information and other Documents and Data either created by or provided to the Chamber in connection with the performance of this Agreement shall be held confidential by the Chamber. Such materials shall not, without prior written consent of City, be used by the Chamber for any purposes other than the performance of the services under this Agreement, nor shall such materials be disclosed to any person or entity not connected with the performance of the services, subject to the limitations of the California Public Records Act. Nothing furnished to the Chamber that is otherwise generally known, has become known, or is related to the industry shall be deemed confidential. The Chamber shall not use the City's name or insignia, photographs of any product of the Services, or any publicity pertaining to the Services in any magazine, trade paper, newspaper, television or radio production or other similar medium without the prior written consent of the City.

**5.6 Cooperation; Further Acts.** The Parties shall fully cooperate with one another and shall take any additional actions as may be necessary and appropriate to attain the purposes of this Agreement.

**5.7 Attorney's Fees.** If either Party commences an action against the other Party, either legal, administrative, or otherwise, arising out of or in connection with this Agreement, the prevailing Party in such litigation shall be entitled to have and recover from the losing Party reasonable attorney's fees and all other costs of such action.

**5.8 Professional Liability.** At all times during the performance of the work under this Agreement the Chamber 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 Chamber. "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.

Minimum Policy Requirements:

- (i) Insurance limits are required for the Agreement:
  - a. Commercial General Liability
    - i. \$1,000,000 per occurrence / \$2,000,000 aggregate for bodily injury, personal injury, and property damage
  - b. Automobile Liability for bodily injury and property damage including coverage for owned, non-owned and hired vehicles
    - i. \$1,000,000 per occurrence
  - c. Workers' Compensation in compliance with applicable statutory requirements and Employer's Liability

- i. \$1,000,000 per occurrence
  - d. Professional Liability
    - i. \$1,000,000 per claim and aggregate (errors and omissions)
    - ii.
- (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.

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.

All subcontractors shall meet the requirements of this Section before commencing Work. Contractor shall furnish separate certificates and endorsements for each subcontractor. Subcontractor policies of General Liability insurance shall name the City, its officials, employees, agents and authorized volunteers as additional insureds using form ISO 20 38 04 13 or endorsements providing the exact same coverage. All coverages for subcontractors shall be subject to all of the requirements stated herein except as otherwise agreed to by the City in writing.

**5.9 Indemnification.** To the fullest extent permitted by law, Chamber agrees to indemnify, defend (with independent counsel approved by the City), and hold harmless the City, its elected and appointed officials, officers, employees, agents, and volunteers (each an "Indemnified Party") from and against all liabilities (including without limitation all claims, losses, damages, penalties, fines, and judgments, associated investigation and administrative expenses, and defense costs, including but not limited to reasonable attorneys' fees, court costs and costs of alternative dispute resolution) regardless of nature or type, expressly including but not limited to those arising from bodily injury (including death) or property damage, arising out of or resulting from any act or omission to act by the Chamber or the Chamber's agents, officers, employees, subcontractors, or independent consultants hired by the Chamber under this Agreement. The Chamber's obligations apply regardless of whether or not liability is caused or contributed to by the negligence (including passive negligence) or other act or omission of an Indemnified Party. The acceptance or approval of the Chamber's work by an Indemnified Party shall not relieve or reduce the Chamber's indemnification obligation. The Chamber shall pay and satisfy any judgment, award or decree that may be rendered against the City, its officials, officers, agents, employees or representatives. The provisions of this Section shall survive completion of the work under this Agreement or the termination of this Agreement and are not limited by the provisions relating to insurance.

**5.10 Entire Agreement.** This Agreement contains the entire agreement of both parties with respect to the subject matter hereof, and supersedes all prior negotiations, understanding, and or agreements. This Agreement may only be modified by a writing signed by both Parties.

**5.11 Governing Law.** This Agreement shall be governed by the laws of the State of California. Venue shall be designated as San Bernardino County.

**5.12 Time of Essence.** Time is of the essence for each and every provision of this Agreement.

**5.13 Successors and Assigns.** This Agreement shall be binding on the successors and assigns of the Parties and shall not be assigned by the Chamber without the prior written consent of City.

**5.14 Assignment or Transfer.** The Chamber shall not assign, hypothecate, or transfer, either directly or by operation of law, this Agreement, or any interest herein without the prior written consent of the City. Any attempt to do so shall be null and void, and any assignees, hypothecates or transferees shall acquire no right or interest by reason of such attempted assignment, hypothecation, or transfer.

**5.15 Construction; References; Captions.** Since the Parties or their agents have participated fully in the preparation of this Agreement, the language of this Agreement shall be construed simply, according to its fair meaning, and not strictly for or against any Party. Any term referencing time, days or period for performance shall be deemed calendar days and not workdays. All references to the Chamber shall include all personnel, employees, agents, and subcontractors of the Chamber, except as otherwise specified in this Agreement. All references to the City include their respective directors, elected officials, officers, employees, agents, and volunteers except as otherwise specified in this Agreement. The captions of the various articles and paragraphs are for convenience and ease of reference only, and do not define, limit, augment, or describe the scope, content, or intent of this Agreement.

**5.16 Amendment; Modification.** No supplement, modification, or amendment of this Agreement shall be binding unless executed in writing and signed by both Parties.

**5.17 Waiver.** No waiver of any default shall constitute a waiver of any other default or breach, whether of the same or other covenant or condition. No waiver, benefit, privilege, or service voluntarily given or performed by a Party shall give the other Party any contractual rights by custom, estoppel, or otherwise.

**5.18 No Third-Party Beneficiaries.** There are no intended third-party beneficiaries of any right or obligation assumed by the Parties.

**5.19 Invalidity; Severability.** If any portion of this Agreement is declared invalid, illegal, or otherwise unenforceable by a court of competent jurisdiction, the remaining provisions shall continue in full force and effect.

**5.20 Prohibited Interests.** The Chamber maintains and warrants that it has not employed nor retained any company or person, other than a bona fide employee working solely for the Chamber, to solicit or secure this Agreement. Further, the Chamber 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 the Chamber, 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 member, 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.

**5.21 Non-discrimination.** The Parties represents that they are equal opportunity employers, and shall not discriminate against any subcontractor, employee or applicant for employment in any way, against any person, on the ground of race, color, national origin, religion, religious creed, age, sex and gender (including pregnancy, childbirth, breastfeeding or related medical conditions), sexual orientation, gender identity, gender expression, disability (mental and physical), medical condition, genetic information, marital status, or military and veteran status, nor exclude any person from participation in, or deny any person the benefits of, participation in any events or activities related to this Agreement.

**5.22 Authority to Enter Agreement.** the Parties warrant that the individuals who have signed this Agreement have the legal power, right, and authority to enter this Agreement and bind each respective Party.

**5.23 Counterparts.** This Agreement may be executed in multiple counterparts, each of which shall be deemed an original, but all of which, together, shall constitute one and the same fully executed instrument.

**[Signatures on following pages]**

City of Fontana  
City Manager, Matthew C. Ballantyne

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Date:

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**APPROVED AS TO FORM**

By:

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Ruben Duran  
City Attorney  
City of Fontana

Fontana Chamber of Commerce

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Date:

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## EXHIBIT A

### Scope of Services

#### **BUSINESS ATTRACTION / RETENTION SERVICES**

The **Chamber shall** provide relocation information to prospective businesses interested in relocating to Fontana and assist such businesses with business development and workforce educational services.

The **Chamber shall** provide list of relocation business leads to the Economic Development promptly, to ensure timely follow up by Economic Development staff.

The **Chamber shall** market all economic development and business resources provided by the city on print, web, and social media channels.

The **Chamber shall** provide use of its facilities and necessary equipment to the City Economic Development department for small business development trainings, workshops or meetings. Space shall be appropriately scheduled and shall be provided based upon Chamber hours of operation and subject to availability.

The **Chamber shall** partner with the City to host and coordinate business activities, including but not limited to Grand Opening/Ribbon Cutting ceremonies, business mixers, new member luncheons, industry sector events and Chamber board meetings. The Chamber shall partner with the City to co-brand all aforementioned events.

The **Chamber shall** provide business mentorship programs, business education training, job placement services, business email marketing training, online business directory and a monthly newsletter to Fontana Businesses.

The **Chamber shall**, on the Chamber of Commerce website:

- Include a link to the City's Official Website.
  - o Promote the City's economic development programs by October 1, 2023.
  - o Promote the City's community events calendar by October 1, 2023
  - o List the City as a Title Partner on website and event programs by October 1, 2023.
  - o On-going maintenance and updates of Manufacturing Council / Visitor Pages.

The **Chamber shall** assist the City to plan and promote the following city initiatives:

- Mayor's Education Coalition (Workforce Development)
- Mayor's Manufacturing, Transportation, Logistics Council
- Downtown Revitalization (Retail / Entertainment)

Assistance shall include:

- Promotion to invitees and board members
- Dedicated page on Website
- Promotion in on newsletter, email blasts, and collateral

#### **COMMUNITY / BUSINESS EVENTS**

The **Chamber shall** host an Annual Business Gala and Installation Dinner recognizing Fontana businesses, the City shall:

- Be recognized and listed as Title Sponsor.
- Receive twenty (20) complimentary tickets for City Officials, staff, and guests.

The **Chamber shall** host a Monthly Business Networking and Education Luncheon; the City shall:

- Be allocated time to speak during business networking events and luncheon to attendees to promote city services, updates, etc.
- Receive ten (10) complimentary tickets for City Officials, staff, and guests



The **Chamber shall** host a Manufacturing Day event to showcase a local Manufacturers; the City shall:

- Be allocated time to speak to attendees to promote the successes of manufacturing within the city
- Chamber to collaborative with Economic Development on a proclamation submittal to recognize Manufacturing Day at a City Council Meeting
- Receive five (5) complimentary tickets for City Officials, staff, and guests

The **Chamber shall** host the Fontana Business Awards showcasing the advancement of small businesses within the business community, where the City shall:

- Be allocated time to speak to attendees to promote the successes of small businesses & entrepreneurs within the city
- Chamber to collaborative with Economic Development on a proclamation submittal to recognize Business Month at a City Council Meeting
- Receive ten (10) complimentary tickets for City Officials, staff, and guests

The **Chamber shall** host Bi-Annual Board of Directors Business Retreat to reconnect board members, engage advisory committees, and contribute to the mission of the Chamber, where the City shall:

- Receive three (3) tickets for City Officials, the City Manager or City Manager designee to attend, which shall include meals, events, and meetings.
- The City will cover travel expenses and accommodations separate from the contract

#### **REPORTING**

The **Chamber shall** provide quarterly reports that include quantitative metrics for the following:

- Number of Jobs Referred to local Fontana Residents and Businesses.
- Conversion Number of Residents / Non-residents placed into jobs in local Fontana Businesses.
- Number of local Fontana Businesses featured at Monthly Job Fairs.
  - o Provide List of Businesses.
- Number of New Business Leads from new business opportunities to Economic Development.
- Number of New Business Membership registered with the Chamber.
- Number of Ribbon Cutting Ceremonies held by the Chamber.
- Number Business Surveys distributed by the Chamber and survey results report to Economic Development for the development of new programming.
- Number of Local Meetings Attended related to business attraction or business retention efforts by the Chamber for new business leads, industry events, community events.
- Number of Visitors seeking lodging, shopping, dining, entertainment information from the Chamber.

The **Chamber shall** exchange data files for business outreach to the City:

- Chamber Membership list to include new chamber members (including contact information, address, email, industry, membership start date)

The in-kind value of services provided by the Fontana Chamber of Commerce is \$100,000 per year to the City of Fontana.



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-2502

**Agenda #:** J.

**Agenda Date:** 9/26/2023

**Category:** Consent Calendar

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**FROM:**

Development Services

**SUBJECT:**

Authorize City to enter into Regional Contract with the Inland Empire Utilities Agency (IEUA)

**RECOMMENDATION:**

Authorize the City to enter into a regional contract with the Inland Empire Utilities Agency (IEUA) for the transmission, treatment, and disposal of sewage delivered by contracting agencies.

**COUNCIL GOALS:**

- Concentrate on Inter-governmental relations by establishing partnerships and positive working relationships with other public agencies providing services to residents and local businesses.

**DISCUSSION:**

There are seven contracting agencies (Chino, Chino Hills, Cucamonga Valley Water District, Fontana, Montclair, Ontario, and Upland) that send their sewage to IEUA for treatment and disposal. The treatment and disposal includes the conversion of the effluent into recycle water. This relationship is governed by a regional contract that expired January 2, 2023.

Prior to January 2023, the agencies attempted to negotiate terms for a new agreement. In lieu of an agreement, IEUA adopted an ordinance to govern the existing relationship between the IEUA and its contracting agencies. Recently, IEUA set a deadline of September 30<sup>th</sup> for agencies to consider the latest draft agreement which provides greater benefits than the adopted ordinance. As such, the agreement seeks to maintain the previous service contract provisions and amendments that have been in place since 1972.

**FISCAL IMPACT:**

The City serves as a pass through for sewer fees to the IEUA. Any rate increases are adopted by the IEUA Board and the City conducts the Proposition 218 public hearing process on their behalf. Although there is minimal fiscal impact adopting this agreement, one provision does remove in the one-time extra territorial connection fee (\$3,600) that is charged to new developments in Fontana that are located just outside of IEUA's boundaries but are served by IEUA.

**MOTION:**

Approve Staff Recommendation.

# ***Regional Sewage Service Contract***

*With Exhibits*

*Dated \_\_\_\_\_, 2023*

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## RECITALS

A. WHEREAS, the parties previously entered into that certain Chino Basin Regional Sewage Contract, dated as of January 2, 1973, and amended April 12, 1984 and October 19, 1994; and

B. WHEREAS, said contract provided an effective term of 50 years and lapsed on January, 2, 2023; and

C. WHEREAS, the parties wish to enter into a new Regional Sewage Service Contract effective immediately; and

NOW THEREFORE, the parties agree as follows:

## SECTION 1 - DEFINITIONS

Unless otherwise required by the context, various terms used in this Contract, including the recitals, shall have the meanings set forth in this section. The singular number includes the plural and the plural the singular.

“Acquire” or “Acquisition” means to acquire or make the acquisition of one or more of the following:

- A. Fee simple title to land.
- B. Any interest in land by deed, easement, lease, sublease, contract or otherwise.
- C. Title to or any interest in any existing facilities located upon land.
- D. Interests or capacity rights in any land or facilities owned by others.

“Capacity Demand” means the volume and strength (i.e., biochemical oxygen demand and suspended solids) of sewage discharged from the Community Sewer System of a Contracting Agency into the Regional Sewerage System.

“Capital Capacity Reimbursement Account” means the accounts established and maintained by the Contracting Agencies and to which are deposited or credited Capital Capacity Reimbursement Payments.

“Capital Capacity Reimbursement Payment” means a deposit or credit made to the Capital Capacity Reimbursement Account of a Contracting Agency for new connections to its Community Sewer System.

“Chino Basin” means that area underlain by the Chino and Cucamonga groundwater basins and that portion of the Claremont Heights groundwater basin within San Bernardino County which groundwater basins are described in Bulletin No. 53 of the California Division of Water Resources, dated March, 1947, and entitled “South Coastal Basin Investigation - Overdraft on Groundwater Basins.”

“Commercial Unit” means a building, establishment or premises where businesses selling goods or providing professional or other services to the public or governmental offices are or will be located.

“Community Sewer System” means all facilities owned, controlled or operated by a Sewage Collection Agency for the purpose of collecting and conducting sewage to a Delivery Point, including collector sewers conducting sewage from the originating premises, trunk sewers conducting sewage from tributary collector sewers or other trunk sewers and any facilities appurtenant to the foregoing.

“Contracting Agency” means any Sewage Collection Agency located, in whole or in part, within the boundaries of IEUA which has entered into this Regional Sewage Service Contract with IEUA.

“Demand Deficit” means the difference between the aggregate total Forecasted Demand of a Contracting Agency and the total aggregate Equivalent Dwelling Units connected to its Community Sewer System during an eight-year period commencing with the fifth fiscal year preceding the fiscal year for which IEUA is at the time of the determination of such difference preparing a Ten-Year Sewer Capital Forecast, and including the initial three fiscal years of such Ten-Year Sewer Capital Forecast.

“Delivery Point” means the transfer point at which Sewage is delivered from a Community Sewer System into the Regional Sewerage System.

“Dispose” or “Disposal” means any process or method for the elimination or beneficial use of Sewage and any Effluent or solid waste residuals thereof, including exportation from the Chino Basin.

“Effluent” means the liquid outflow at the discharge point of any Regional Treatment Plant.

“Equivalent Dwelling Unit” or “EDU” means a measure of sewage flow equivalent in quantity and strength to the daily flow of an average single-family household determined by resolution of the Board of Directors of IEUA and referred to as Exhibit “J” hereto.



“Expansion” means the acquisition or construction of new facilities for the Regional Sewerage System and the making of any replacements, betterments, additions or extensions of the Regional Sewerage System.

“Facilities” means any pipelines, buildings, structures, works, improvements, fixtures, machinery, equipment, or appliances and any real property, or interests therein, necessary or convenient for the construction, maintenance and operation of any of the Regional Sewerage System.

“Fiscal Year” means a 12-month period commencing on July 1 and ending on the following June 30.

“Forecasted Demand” means the yearly forecasted or estimated volume and strength of sewage discharged from the Community Sewer System of a Contracting Agency into the Regional Sewerage System as set forth in a Ten-Year Sewer Capital Forecast.

“IEUA” means the Inland Empire Utilities Agency, a municipal water district.

“Industrial Unit” means a building, establishment, or premises where manufacturing, fabrication or assembly operations or industrial or chemical processes are conducted.

“Industrial Waste” means any wastewater and any water borne solid, liquid, or gaseous wastes resulting from any producing, manufacturing, or processing operations of whatever nature as more particularly defined, from time to time, by any federal, state, or regional agency authorized by law to prescribe quality standards for the discharge of sewage effluent and industrial waste effluent within the Chino Basin.

“Non-Domestic Waste” means waste or wastewater discharged into the Community Sewer System of a Contracting Agency which has a greater concentration of total dissolved solids or biochemical oxygen demand or any other constituents limited by IEUA than the waste or wastewater discharged from the typical single family domestic household in the Contracting Agency’s Service Area.

“Orange County Judgment” means the judgment entered in the action entitled Orange County Water District v. City of Chino, et al. (Case No. 117628, Superior Court, County of Orange).

“Recycled Water” means as defined in Title 22, Division 4, Chapter 3, Water Recycling Criteria, Section 60301.050 et seq., of the California Code of Regulations; water which is available as a result of the treatment of wastewater. Also as described in subdivision (n) of Section 13050 of the Water Code of the State of California, treated wastewater that is suitable for direct beneficial use or a controlled use that would not otherwise occur.

“Regional Interceptor” includes, but is not limited to, pipelines, facilities and appurtenances which receive sewage from the most downstream trunk or collector sewer of a Community Sewer System, or a portion thereof, for the purpose of transmitting the sewage to a Regional Treatment Plant or to any other point of disposal, and any facilities appurtenant thereto, or any sewer which is utilized for the transmission of the sewage of two or more Contracting Agencies to such a plant or point of disposal.

“Regional Policy Committee” means the committee provided for in Section 24 hereof

“Regional Sewerage System” means all facilities owned, controlled, or operated by IEUA and any interest or capacity rights of IEUA in facilities owned, controlled, or operated by others, for the purpose of transmitting, treating and/or disposing of Sewage, including interceptor sewers, sewage treatment and disposal plants, facilities for the Disposal of Effluent and solid waste residuals and any facilities appurtenant to the foregoing. The Regional Sewerage System does not include the Recycled Water system which is owned, operated, managed, and maintained by IEUA. The Regional Sewerage System shall include all other disposal facilities which are required to meet the requirements of the National Pollutant Discharge Elimination System Permit or permits or Waste Discharge Requirements issued to IEUA by the Regional Water Quality Control Board, Santa Ana Region, for the operation of the Regional Treatment Plants.

“Regional Technical Committee” means the committee provided for in Section 25 hereof.

“Regional Treatment Plant” means a sewage and wastewater treatment plant operated by IEUA as part of the Regional Sewerage System.

“Regional Wastewater Capital Improvement Fund” means the fund of IEUA into which is deposited all Supplemental Capital Outlay Funds received by IEUA from the Contracting Agencies for the acquisition, construction, improvement, and expansion of the Regional Sewerage System.

“Residential Unit” means a single-family residence, a condominium unit, an apartment unit or other such structure or portion thereof which is equipped and suitable for human habitation or a mobile home space in a mobile home park, not including, however, transient lodging rooms in motels or hotels which are considered to be commercial units.

“Santa Ana River (SAR) Base Flow Obligation” means the obligation established under the Orange County Judgment and defined under the Prado Settlement, Stipulations and Orders of Dismissal re Certain Defendants and Cross-Defendants (filed April 17, 1969), and the October 2, 1968, CBMWD – WMWD Agreement re Satisfaction of Joint Obligation Prado Settlement (“Allocation Agreement”), the October 28, 1968 Agreement between Chino Basin Municipal Water District and City of Pomona re the Prado Settlement, and the December 18, 1968 Agreement Between Western Municipal Water District of Riverside County and City of Corona in Regard to Prado Settlement (collectively “Settlement Agreement”), which obligation defines the shared responsibility for a Base Flow obligation at Prado Dam between IEUA and Western Municipal Water District. IEUA implements the Chino Basin portion of the Settlement Agreement which is commonly referred to as the Santa Ana River (“SAR”) Base Flow obligation at Prado.

“Service Area” means all territory now or hereafter served by the Community Sewer System owned, controlled or operated by any Contracting Agency. The IEUA service area includes the Cities of Chino, Chino Hills, Fontana, Montclair, Ontario, Upland, and the Cucamonga Valley Water District.

“Service Contract” means this Chino Basin Regional Sewage Service Contract and any substantially similar contract between IEUA and a Contracting Agency providing for the

Transmission, Treatment and Disposal of sewage from the Contracting Agencies by means of the Regional Sewerage System.

“Sewage” means any liquid waste and water borne solid waste resulting from residential, commercial, industrial, or institutional activities or uses.

“Sewage Collection Agency” means any county, city or special district, other than IEUA, which is located in whole or in part within the IEUA Service Area and which is authorized to own, control and operate a Community Sewer System.

“Sewer” means any pipeline conducting sewage, either by gravity or by pressure, and any facilities appurtenant thereto.

“Sewer User Charge” means any charge, fee, rental, or rate, excluding property taxes and Capital Capacity Reimbursement Payments, which is imposed on and collected from the owner, lessee, or occupant of property for providing services and facilities of any Community Sewer System or the Regional Sewerage System, or both.

“Supplemental Capital Outlay Funds” means contributions by a Contracting Agency from its Capital Capacity Reimbursement Account reserves to IEUA to supplement the funding of the planning, design and construction of Regional Sewerage System capital improvement projects.

“Transmit” or “Transmission” means the conducting (i) of Sewage from any Delivery Point to a Regional Treatment Plant or other point of Disposal or (ii) of Effluent from a Regional Treatment Plant to a point of Disposal;

“Treat” or “Treating” or “Treatment” means any process or method for altering the quality of Sewage and/or Effluent to meet applicable regulatory standards for Disposal or beneficial reuse.

“Wastewater Treatment Plant” or “WWTP” means a sewage and wastewater treatment plant constructed by a Contracting Agency and is not a part of the Regional Sewerage System.

## **SECTION 2 - RIGHTS AND OBLIGATIONS**

The Contracting Agencies shall have the right to deliver all Sewage collected by its Community Sewer Systems to the Regional Sewerage System and IEUA shall have the obligation to receive into the Regional Sewerage System all Sewage so delivered by the Contracting Agency subject to the provisions of this contract.

## **SECTION 3 - COMMUNITY SEWER SYSTEMS**

Each Contracting Agency shall be responsible for all costs and expenses of the acquisition, construction, operation, and maintenance of its Community Sewer System.

### **A. Inspection of Facilities**

Any authorized officer or employee of IEUA may enter and inspect any part of the Community Sewer System of any Contracting Agency during normal working hours on regular business days and upon the giving of not less than 24 hours prior notice of the inspection, except during emergencies.

## **SECTION 4 - RESERVED**

## **SECTION 5 - REQUESTS FOR REGIONAL INTERCEPTORS AND WASTEWATER TREATMENT PLANTS**

Regional Interceptors are a part of the Regional Sewerage System and their design and construction or acquisition shall be financed as provided in Section 9 hereof. Separate from the Regional Sewerage System, a Contracting Agency may construct, own and operate a wastewater treatment plant ("WWTP") or permit another person, firm or corporation to construct a WWTP which will be controlled and operated by the Contracting Agency when to do so is not detrimental to the operation of the Regional Sewerage System. The IEUA Board shall consider requests for Regional Interceptors and Contracting Agency construction of WWTPs pursuant to the following procedures:

A. Request To IEUA – Regional Interceptor and Contracting Agency Construction of WWTP.

1. Any Contracting Agency may make a written request to IEUA for a determination as to the location of a new Regional Interceptor, an acquisition of an existing Regional Interceptor, or the construction of a WWTP.
2. Notification. IEUA shall provide the Regional Technical Committee notice of written request from the Contracting Agency within 45 days of its receipt.
3. Determination by IEUA. IEUA shall review and determine whether the action proposed in the request will be detrimental to the operation of the Regional Sewerage System and present an informational item with a recommendation to the Regional Technical Committee for the request.
4. Recommendation By Regional Technical Committee. The Regional Technical Committee shall review the request and determination by IEUA and shall provide a recommendation to the Regional Policy Committee as an informational item.
5. Review and Recommendation By Regional Policy Committee. The Regional Policy Committee shall review the recommendation from the Regional Technical Committee and issue its own recommendation to IEUA regarding the request.

B. Determination by the IEUA Board.

The IEUA Board shall review and consider the Regional Policy Committee's recommendation for the request, and shall issue its final determination. The failure of the Regional Technical Committee or the Regional Policy Committee to take action on the request shall not preclude IEUA from taking action on the request.

C. Request For Hearing.

Any Contracting Agency, that disagrees with the determination may file a written request for a hearing before the IEUA Board.

D. Cost/Expense of Contracting Agency WWTP.

A Contracting Agency which constructs a WWTP shall be solely responsible for the cost and expense of the construction and maintenance and operation of said plant. Any such WWTP which is constructed and owned by a Contracting Agency shall not be operated by IEUA as a part of the Regional Sewerage System without the written consent of all other Contracting Agencies and IEUA.

E. Operation And Maintenance of Contracting Agency WWTP.

A Contracting Agency which constructs a WWTP may enter into a contract with IEUA for the maintenance and operation of the plant subject to the terms and conditions agreed to by the parties. In the event a Contracting Agency and IEUA enter into such a contract, the budgeting and funding for the maintenance and operation of the plant shall be accounted for separately by IEUA in order to prevent any adverse impact on the Regional Sewerage System or any impact on the rates and charges imposed by IEUA under this Service Contract.

## **SECTION 6 - REGIONAL SEWERAGE SYSTEM; PROHIBITED DISCHARGES**

IEUA shall own and operate a Regional Sewerage System for the Transmission, Treatment and Disposal of Sewage delivered by any Contracting Agency. The Regional Sewerage System, including any interests or capacity rights of IEUA in facilities owned, controlled or operated by others, shall be as shown or described in the IEUA Wastewater Facilities Master Plan, as amended from time to time, and is intended to accept domestic waste.

Use of the Regional Sewerage System by industrial users discharging process wastewater shall be governed by Ordinance No. 109, or any successors thereof.

Except as may be specifically provided on a temporary basis, no Contracting Agency shall discharge or cause to be discharged in the Regional Sewerage System any waste which exceeds or results in the inability of the wastewater treatment plant effluent to meet the wastewater discharge

requirements presently established by any State or Federal regulatory agency, or which may be adopted in the future.

A Contracting Agency shall not discharge wastewater, in quantities or concentrations, alone or in conjunction with a discharge or discharges from other sources that cause the pH of the wastewater entering the headworks of any Regional Treatment Plant to decrease below 6.0 Standard Units at any time.

A Contracting Agency shall not discharge wastewater, in quantities or concentrations, alone or in conjunction with a discharge or discharges cause an increase in temperature of a Regional Treatment Plant's influent to be above 90 degrees Fahrenheit, which normally occurs during the period of June through October, nor above 78 degrees Fahrenheit during the remainder of the year.

IEUA shall pay all costs and expenses incurred in the acquisition, construction, maintenance, and operation of the Regional Sewerage System. Each Contracting Agency shall, as provided in Section 17 hereof, pay to IEUA service charges representing a pro rata share of all net audited costs incurred by IEUA in the maintenance and operation of the Regional Sewerage System, and each Contracting Agency shall contribute Supplemental Capital Outlay Funds to IEUA for the improvement and expansion of the Regional Sewerage System as provided in Section 9 hereof.

Expansion of the Regional Sewerage System is done to accommodate growth and development within the respective Contracting Agency's service area and is based largely on growth projections and requests for expansion from the Contracting Agencies. Accordingly, voluntary withdrawal of wastewater flows by one or more Contracting Agencies could be detrimental to the Regional Sewerage System by creating stranded assets and resulting in increased costs to the remaining Contracting Agencies. Nevertheless, should a voluntary withdrawal of flows from the Regional Sewerage System occur, the impact of the withdrawal will be calculated by IEUA and an impact fee will be assessed against the withdrawing Contracting Agency.



## **SECTION 7 - REGIONAL PRETREATMENT PROGRAM**

IEUA owns and operates the Regional Sewerage System facilities that are regulated by National Pollutant Discharge Elimination System (NPDES) permits issued by the Regional Water Quality Control Board, and which are subject to numerical discharge limitations and requirements. Those permit regulations and discharge limitations require the control and restrictions to the discharge of industrial wastewater on Significant Industrial Users (SIUs). Furthermore, the permit regulations require IEUA to implement pretreatment regulations in all jurisdictions tributary to IEUA's service area. The regional pretreatment program requirements between IEUA and the Contracting Agencies shall be established by resolution of the Board of Directors of IEUA and in Ordinance No. 109 and any successors thereof.

## **SECTION 8 - RESERVED**

## **SECTION 9 - CAPITAL FINANCING OF REGIONAL SEWERAGE SYSTEM**

### **A. General**

The Regional Sewerage System and any improvement or expansion of that system will provide benefits to the entire territory served by that system in that the entire territory will be benefited by the protection of public health, the protection of the quality of water sources, the improvement of water management through integrated use of all sources of water supply, including sewage treatment plant effluent, the improvement of general conditions for individual, residential, commercial and agricultural development and the reduction in costs for the Transmission, Treatment, and Disposal of Sewage by the pro rata sharing of all costs incurred by IEUA in the maintenance and operation of the Regional Sewerage System.

The acquisition, construction, improvement, and expansion of the Regional Sewerage System shall be financed with real property tax revenues, revenues from capital capacity fees, sewage service charges levied by the Board of Directors of IEUA, grants and other financial assistance which may be available from any federal, state, local or other source, Supplemental Capital Outlay Funds contributed by the Contracting Agencies.

## B. Taxes, Sewage Service Standby or Availability Charges

The Board of Directors of IEUA may fix, levy, and collect sewage service standby or availability charges for the purpose of financing the acquisition, improvement, and expansion of the Regional Sewerage System. The IEUA Board of Directors will adopt a property tax allocation plan, which will remain in effect until amended in IEUA's discretion. The IEUA Board of Directors may elect to add, consolidate, or rename funds as necessary to best manage the IEUA funds.

At the time of review of fund budgets, IEUA shall develop a plan that includes the basis for the tax allocation. IEUA shall inform the Regional Technical Committee and Regional Policy Committee of any proposed allocations of the property tax revenues intended for the Regional Wastewater Capital Improvement Fund and will consider input and recommendations from the committees prior to making a final determination.

## C. Capital Capacity Reimbursement Account and Capital Capacity Reimbursement Payments

### 1. General

As a condition to sewage treatment service and for the purpose of providing Supplemental Capital Outlay Funds to IEUA, each Contracting Agency shall establish and maintain a Capital Capacity Reimbursement Account to which the Contracting Agency shall deposit or credit its Capital Capacity Reimbursement Payments. The amounts so deposited or credited by a Contracting Agency to its said account shall be used by the Contracting Agency only for the purpose of providing Supplemental Capital Outlay Funds to IEUA; provided that interest earned on such amounts shall not be so restricted and may be used by the Contracting Agency for any lawful purpose. The source of Capital Capacity Reimbursement Payments shall be at the discretion of each Contracting Agency.

### 2. Capital Capacity Reimbursement Payments

Each Contracting Agency shall have deposited or credited to its Capital Capacity Reimbursement Account a Capital Capacity Reimbursement Payment for each connection which has been or will

be made to its Community Sewer System or for each change in use of an existing commercial or industrial connection in an amount determined as follows:

- a. The amount of the Capital Capacity Reimbursement Payment for each new connection to a Contracting Agency's Community Sewer System and for each change in use of any existing Commercial Unit or Industrial Unit which results in an increase in volume or strength of Sewage therefrom shall be determined by computing the number of Equivalent Dwelling Units therefor as provided in that document approved by Resolution of the Board of Directors and identified as "Exhibit J" and made a part hereof and applying the then current Capital Capacity Reimbursement Payment amount as established by the IEUA Board to each such EDU.
- b. Notwithstanding the preceding provisions, the amount which a Contracting Agency is required to have deposited in or credited to its Capital Capacity Reimbursement account for any such new connection or change of use shall be reduced by payments, if any, made by the Contracting Agency to IEUA for the new connection or change of use to support Supplemental Capital Outlay Payments, made at IEUA's request.
- c. A Capital Capacity Reimbursement Payment shall be deposited or credited to a Contracting Agency's Capital Capacity Reimbursement Account for such a new connection or change of use at the time of the issuance of a building permit or a sewer connection permit, or for changes in the use of existing Commercial Units and Industrial Units, or the permits required therefor. Upon request by a Contracting Agency, IEUA will review, with support and consultation as needed from the Building Activity Report (BAR) Subcommittee, fee calculations and collections by any Contracting Agency for any errors, within 30 days from the receipt of the monthly building activity report, as further described herein, unless a more expedited review is requested by Contracting Agency. In the event a Contracting Agency fails to deposit Capital Capacity Reimbursement Payments into the Contracting

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Agency's Capital Capacity Reimbursement Account by the applicable deadlines, the Contracting Agency shall be required to make late payments in amounts which correspond to the adopted EDU rate in place at the time that said payments first became due and owing.

3. Capital Capacity Reimbursement Reports

- a. Each Contracting Agency shall report monthly to IEUA, at such time as IEUA shall designate, the balance of the funds in its Capital Capacity Reimbursement Account as of the last day of the preceding month. Such monthly reports shall be in writing and shall include the calculation sheets and also contain the number of building permits and sewer permits which were issued in the Contracting Agency's Service Area during the preceding month and estimated volume of Sewage flows for all residential, commercial, and industrial connections within the Contracting Agency's Service Area for the current month and the cumulative total thereof. Commercial and industrial sewer connection permits shall be listed by individual permit with the number of fixture units and expected volume and strength of sewage for each permit. IEUA shall have 30 days from receipt of said reports to contact the applicable Contracting Agency with any questions or requests for clarification regarding the connection fee calculations reflected in said report.
- b. IEUA shall maintain a summary accounting of the Capital Capacity Reimbursement Account reserves of all Contracting Agencies and shall make written semiannual reports to the Contracting Agencies on or before 1) July 15 (with actuals up to March 31) and January 15, (with actuals up to September 30) of each fiscal year. The reports shall include: (i) the amounts of the Capital Capacity Reimbursement Account reserves of all Contracting Agencies as of the last day of March and September respectively, (ii) the amount of the Regional Wastewater Capital Improvement Fund reserves as of the last day of March and September respectively, (iii) a summary of all expenditures from said fund incurred up to March and September respectively

for each Regional Sewerage System capital improvement project then in progress, (iv) an estimate of the amounts to be expended from said fund for each such project during the quarter then commencing or in progress (the “current quarter”), (v) the estimated amount of Supplemental Capital Outlay Funds, if any, which will be necessary for the Contracting Agencies to contribute to IEUA during the current quarter in order to provide a working capital balance in said fund which shall not exceed \$5,000,000 on the last day of the quarter next succeeding the current quarter, and (vi) the amount, if any, of the contribution of Supplemental Capital Outlay Funds for each Contracting Agency for the current quarter, determined as provided in subparts E and F of this Section.

**D. Determination of Demand Deficits**

At the time of the preparation of each Ten-Year Sewer Capital Forecast, pursuant to Section 10 hereof, IEUA shall determine each Contracting Agency's Demand Deficit, if any. The determination of Demand Deficits pursuant to this subpart is for the sole purpose of allocating shortages in Supplemental Capital Outlay Fund payments as provided in subpart F of this Section. Except as provided in said subpart F, such determinations shall not result in the creation of an obligation or indebtedness on the part of any Contracting Agency to IEUA or other Contracting Agencies.

**E. Supplemental Capital Outlay Fund Payments**

On July 15, and January 15, of any fiscal year IEUA may require payment by each Contracting Agency from its Capital Capacity Reimbursement Account of Supplemental Capital Outlay Funds for the planning, design and construction of Regional Sewerage System capital improvement projects in the amount, if any, set forth for the Contracting Agency in the semiannual report due from IEUA on such date. Upon receiving such a demand from IEUA, each Contracting Agency shall pay the amount demanded to IEUA within 45 days of receipt of such demand. The amount of each Contracting Agency's proportionate share of the total amount of Supplemental Capital Outlay Funds demanded by IEUA from all Contracting Agencies shall be determined based on the

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percentage which the amount of Supplemental Capital Outlay Funds demanded by IEUA from all Contracting Agencies is to the total amount of the current Capital Capacity Reimbursement Account reserves of all Contracting Agencies set forth in the semiannual report upon which the demand is based. The amount demanded by IEUA from each Contracting Agency on any such date shall be an amount determined by applying the percentage thus obtained to the balance of the reserves, not including interest, in the Contracting Agency's Capital Capacity Reimbursement Account set forth in the semiannual report upon which the demand is based. All amounts received by IEUA from the Contracting Agencies as Supplemental Capital Outlay Funds shall be deposited in or credited to the Regional Wastewater Capital Improvement Fund. All such amounts together with all interest earned thereon shall be available and utilized by IEUA solely for the purpose of financing the acquisition, improvement and expansion of the Regional Sewerage System.

F. Allocation of Supplemental Capital Outlay Fund Shortages

If at the time of any demand by for Supplemental Capital Outlay Funds, pursuant to subpart E of this Section, there are not sufficient funds deposited or credited to the Capital Capacity Reimbursement Accounts of all Contracting Agencies to pay the full amount of the demand, each Contracting Agency which has a Demand Deficit shall pay the full balance then deposited or credited to its Capital Capacity Reimbursement Account plus an amount determined based on the percentage which the amount of its Demand Deficit is of the total Demand Deficit for all Contracting Agencies. The amount to be paid by each such Contracting Agency shall be determined by multiplying the difference between, the Supplemental Capital Outlay Fund demand and the total amount of the Capital Capacity Reimbursement Account balances of all Contracting Agencies by the percentage thus determined.

G. Audit Process

The audit process for collection of connection fees by Contracting Agencies is intended to verify accuracy and uniformity in practices regionwide and to improve future performance. The audit and BAR review processes may result in IEUA and the Contracting Agencies working collaboratively to reconcile any discrepancies in connection fees from the Residential, or

Commercial or Industrial Unit. Contracting Agencies may be audited by IEUA on an annual basis, as well as periodically through the Building Activity Reports Subcommittee as described below.

#### H. Building Activity Reports and Building Activity Reports Subcommittee

There shall be created a Building Activity Reports (“BAR”) Subcommittee comprised of a staff/employee representative from IEUA and also from of each Contracting Agency who elects to participate. The Contracting Agency representative may be changed by the applicable Contracting Agency at any time. IEUA will convene the BAR Subcommittee quarterly to complete a more extensive review of a percentage of applications for which connection fees have been calculated and collected. The percentage of applications to be reviewed will be determined by the BAR Subcommittee. The review by the BAR Subcommittee may include such reviews as, but not limited to, an in-depth look at the collection fee calculation methodology, approach for calculating connection fees for similar facilities (e.g. - facilities that have an embedded restaurant and other services), monthly sewer fee collections, for region wide consistency.

### **SECTION 10 - FORECASTING AND PLANNING**

#### A. Contracting Agency Reports

##### 1. Monthly Reports

On such date as IEUA may designate, each Contracting Agency shall submit to IEUA monthly reports of sewer building activity. Each such report shall contain the following information in a format which will allow tracking through the development process:

- a. The number of building permits issued during the month for structures which will contribute sewage to the Regional Sewerage System;
- b. Estimate volume of sewage and EDUs for such building permits;
- c. The tract number and number of lots for each tentative tract map approved during the month;
- d. The tract number and number of lots or dwelling units for each final tract map

recorded during the month;

- e. The number of final inspections or certificates of occupancy issued during the month for structures which will contribute sewage to the Regional Sewerage System;
- f. The estimate volume of sewage and EDUs for all such structures.

## B. IEUA Reports

### 1. Annual Forecast

IEUA shall work collaboratively with the individual Contracting Agencies to ensure they are using the most recent planning and other documents and incorporating agency knowledge about their service area into the Annual Forecast. On a biennial basis, prior to the first regularly scheduled Regional Technical Committee meeting of that calendar year, IEUA shall provide to the Regional Technical Committee and the Regional Policy Committee the Regional Annual Forecast from the Regional Wastewater Demand Forecast Model or other mutually agreed upon forecasting methodology.

### 2. Ten-Year Sewer Capital Forecast

On a biennial basis, by no later than the end of June, IEUA shall prepare and deliver to the Regional Technical Committee and the Regional Policy Committee a Ten-Year Sewer Capital Forecast which includes dates of commencement and completion of capital improvement projects necessary to enable the Regional Sewerage System to meet the forecasted Capacity Demands of all Contracting Agencies. Such forecasts, hereinafter referred to as the “Ten-Year Sewer Capital Forecast,” shall include:

- a. Projected dates for the commencement and completion of design and construction of capital improvement projects necessary to meet forecasted Capacity Demands;
- b. Estimates for each Regional Treatment Plant of the Capacity Demand of each Contracting Agency which received sewerage service the previous Fiscal



Year;

- c. An estimate of the amount of available treatment capacity at the IEUA Regional Treatment Plants;
- d. An estimate of the amount of treatment capacity to be added, if any;
- e. Projected annual expenditures for the design and construction of such projects;
- f. The Demand Deficit, if any, of each Contracting Agency;

C. Review by Regional Committees

1. Annual Forecast

To ensure accurate forecasting, upon receipt of the Regional Annual Forecast, the Regional Committees shall review the proposed Capacity Demands and provide input to IEUA within 30 days regarding anticipated development.

2. Ten-Year Sewer Capital Forecast

Upon receipt of the Ten-Year Sewer Capital Forecast, the Regional Committees will have 30 days to review and provide input and the Forecast will be placed on the agenda of both committees to provide recommendations to IEUA. Prior to adoption, IEUA shall consider the recommendations of the Regional Policy Committee.

D. Reclaimable Industrial Waste

Proposed new industrial connections to Community Sewer Systems which are expected to discharge more than 25,000 gallons per day of reclaimable industrial waste shall be approved based on the conditions set forth in the Ordinance No. 109 and any successors thereof. The determination of permit requirements and discharge limitations of the reclaimable industrial waste to be discharged into the Regional Sewerage System through an appropriate connection point in a Contracting Agency's Community Sewer System shall be made by IEUA through the regional pretreatment program, resolution of the Board of Directors of IEUA, and Ordinance No. 109 and

any successors thereof.

E. Major Construction Contracts

IEUA shall not proceed with the award of a construction contract for a budgeted Regional Sewerage System capital improvement project previously approved through the Ten-Year Sewer Capital Forecast, which will involve an expenditure in excess of \$10,000,000 (adjusted every 5 years or as needed based on the Consumer Price Index beginning in the year 2025), without informing and considering recommendations from the Regional Policy Committee unless IEUA determines the project is necessary for the safe and efficient operation of the Regional Sewerage System. The latest Ten-Year Sewer Capital Forecast and any requested project details including funding information shall be made available to assist in the Regional Policy Committee's review.

**SECTION 11 - AVAILABILITY OF REGIONAL SYSTEM; IEUA's  
PEFORMANCE**

A. Contracting Agencies

The services and facilities of the Regional Sewerage System shall be available to any property within the IEUA Service Area, subject to such terms and conditions as may be prescribed by a Contracting Agency for connection to its Community Sewer System.

B. Other Sewage Collection Agencies

IEUA shall not make the services and facilities of the Regional Sewerage System available, other than on a temporary, emergency basis, to any sewage collection agency which is not a party to a Service Contract until such agency has entered into a Service Contract per Section 30. Prior to entering into any such Service Contract, IEUA shall present the proposed terms thereof to the Regional Technical Committee and Regional Policy Committee for review and comment. Any Contracting Agency may challenge services offered under this part B by invoking the procedures set forth in Section 26 of this Service Contract.

C. IEUA's Performance

IEUA shall exercise its best effort to implement capital improvement projects necessary to enable the Regional Sewerage System to meet the Forecasted Demands of all Contracting Agencies are planned, designed and constructed in a timely manner and so that the Regional Sewerage System will at all times be able to provide for the Capacity Demands of all Contracting Agencies. The Contracting Agencies recognize that the timing of the planning, design and construction of such capital improvement projects is largely dependent upon the Contracting Agencies making reasonable accurate projections of increased connections to and usage of their Community Sewer Systems.

**SECTION 12 - EXTRA-TERRITORIAL SEWER SERVICE**

**12.1 SERVICE OUTSIDE THE BOUNDARIES OF IEUA SERVICE AREA**

A. Upon the Effective Date of this Contract

Any Contracting Agency which, upon the effective date of this contract was furnishing sewer service to any territory outside the boundaries of the IEUA Service Area, may continue to furnish such service and shall be entitled to the services and facilities of the Regional Sewerage System for that purpose. Each Contracting Agency providing sewer service to any such outside territory shall file a map or maps with the secretary of IEUA showing the boundaries of all such territory.

B. After the Effective Date of this Contract

Any Contracting Agency, after the effective date of this contract, may furnish sewer service to additional territory outside the boundaries of the IEUA Service Area. Prior to furnishing such sewer service, the Contracting Agency shall file a written request with IEUA. IEUA may consider the question of authorizing sewer service to the additional territory, subject to the authorization of the Local Agency Formation Commission for San Bernardino County, and the IEUA Board of Directors shall by resolution authorize sewer service to all or any part of the additional territory by the applicant or applicants unless it determines that such service is not in the public interest.

C. Annual Capital Outlay Charge for Territory Outside IEUA and the Service Area

In addition to the payment of service charges, each Contracting Agency providing the services and facilities of the Regional Sewerage System to territory outside the IEUA Service Area shall be obligated to pay IEUA special capital outlay charges for such territory, as provided in subpart C or D of this Section or both such subparts, if both are applicable. Monies received by IEUA in payment of special capital outlay charges shall be deposited or credited to the Regional Wastewater Capital Improvement Fund and utilized, together with all interest earned thereon, solely for the purpose of financing the acquisition, improvement, and expansion of the Regional Sewerage System.

D. Annual Capital Outlay Charge

The Contracting Agency shall annually pay IEUA a special capital outlay charge in an amount equivalent to the amount of the property tax and other revenue which IEUA would have received during the fiscal year if such property were within the IEUA Service Area. Such charge shall be payable by the Contracting Agency during each fiscal year in the amounts and at the times specified by IEUA.

**SECTION 13 - DELIVERY POINTS: CONNECTION COSTS**

Each Contracting Agency shall deliver sewage from its Community Sewer System into the Regional Sewerage System at such Delivery Points as may, from time to time, be requested by the Contracting Agency and approved by IEUA. The Delivery Point request may be made by the Contracting Agency or on behalf of a third party. In all Delivery Point requests, the Contracting Agency or third party shall pay applicable plan review and hydraulic/load modeling costs for the evaluation of the impact of the Delivery Point to the Regional Sewage System. The Contracting Agency or third party may also be required to submit a resolution confirming the authorization of annexation from the Local Agency Formation Commission for San Bernardino County or a resolution confirming an irrevocable annexation agreement to the Contracting Agency.

Upon consideration of the information submitted, IEUA may authorize the new Delivery Point. IEUA shall provide written notice of its recommendation regarding the new Delivery Point at a regularly scheduled Regional Technical Committee meeting. Upon receipt of a favorable report and recommendation from the committee or upon failure of the committee to respond within a 30-day period, IEUA may authorize the new Delivery Point.

If the Regional Technical Committee recommends against a new Delivery Point for any Contracting Agency, they shall do so in writing including the technical basis for their decision. The Contracting Agency may file a written request for a hearing with the secretary of the Board of Directors of IEUA. Upon receipt of such a request, said Board of Directors shall schedule and conduct a hearing in accordance with the provisions of Section 26 hereof. All costs and expenses of making the connection between the Regional Sewerage System and the Community Sewer System of any Contracting Agency shall be borne by the Contracting Agency and/or third party.

#### **SECTION 14 - DETERMINATION OF SEWAGE DELIVERIES: COSTS OF MEASURING EQUIPMENT**

IEUA shall determine the amount of sewage delivered to the Regional Sewerage System by all Contracting Agencies and shall maintain accurate and complete records thereof. The amount of sewage delivered to the Regional Sewerage System by each Contracting Agency shall be determined by IEUA based on a standard daily measurement or contribution per Equivalent Dwelling Unit methodology established by IEUA and the Regional Technical Committee from time to time.

If required by IEUA, a Contracting Agency shall install and maintain and operate at its expense, measuring devices and equipment for measuring the flow of sewage from the Contracting Agency's Community Sewer System into the Regional Sewerage System. Prior to installation, IEUA shall approve the design of such measuring devices and equipment and shall inspect and approve their installation. Such measuring devices and equipment shall be examined, tested and serviced regularly, but not less than once a year, by IEUA to ensure their accuracy. At any time IEUA or any Contracting Agency may inspect any such measuring device and equipment and all records and measurements taken therefrom.

The determination of sewage flow or contribution methodology per Equivalent Dwelling Unit contributed by each Contracting Agency shall be reviewed and updated if needed, or as requested by IEUA, but not less than every ten (10) years.

Once the EDU methodology is updated and adopted, EDU and equivalent EDU determinations will be made with the updated methodology. Adjustments in cost allocations among Contracting Agencies and users among customer classes (i.e.- residential, commercial, and industrial) resulting from the updated methodology and determination shall be implemented in consultation with the BAR Subcommittee.

## **SECTION 15 - CONTROL, PRODUCTION, AND DISPOSITION OF RECYCLED WATER**

### **A. General**

IEUA shall have ownership and control of all sewage delivered into the Regional Sewerage System for the purposes of Transmission, Treatment, and Disposal, and shall retain the exclusive right over the Recycled Water generated from the sewage delivered to IEUA from the Contracting Agencies, having sole discretion over its use, subject only to those contractual rights of the Contracting Agencies described in this Section 15. It is the intent of IEUA that Recycled Water be put to local beneficial use within the IEUA service area and the Chino Basin to the greatest extent practicable and allowed. The contractual right to purchase Recycled Water is established pursuant to this Section 15 while the terms and conditions regulating the sale, delivery, and use of Recycled Water shall be governed by Ordinance No. 112, or any successors thereof.

### **B. Contractual Right to Purchase Recycled Water**

#### **1. Right of First Purchase**

Each Contracting Agency shall have the right of first purchase of Recycled Water as provided herein. The purchase of Recycled Water shall be voluntary and determined at the option of the Contracting Agency from year to year. The right of first purchase shall take

priority over any other Recycled Water purchase agreements between IEUA and customers that are not Contracting Agencies.

Each Contracting Agency shall have the right of first purchase from IEUA of Recycled Water in a total quantity not exceeding the base entitlement of the Contracting Agency.

The total base supply of Recycled Water which is subject to the right of first purchase from IEUA by the Contracting Agencies receiving sewerage service at any Regional Treatment Plant shall be the total quantity of sewage delivered into the Regional Sewerage System by all such Contracting Agencies, measured at the intake point of the Regional Treatment Plants, less normal processing losses resulting from the treatment of sewage, and less Recycled Water exported from the Chino Basin by IEUA to satisfy the SAR Base Flow Obligation if and to the extent deemed necessary by IEUA.

Each Contracting Agency shall have a monthly base entitlement to a portion of the total base supply of Recycled Water, said portion being in the proportion that the quantity of sewage delivered into the Regional Sewerage System by the Contracting Agency bears to the total quantity of sewage delivered into the Regional Sewerage System by all Contracting Agencies.

The Contracting Agencies have expressed a desire to achieve equitable distribution of Recycled Water deliveries, especially during periods of high demand. Each Contracting Agency shall manage its Recycled Water usage responsibly during periods of high demand so as not to impede other Contracting Agencies from utilizing all their base entitlement, and to prevent Contracting Agencies from using Recycled Water in excess of their base entitlement as calculated on a monthly basis. Recycled Water demands in excess of a Contracting Agency's monthly base entitlement shall not be allowed if it inhibits another Contracting Agency from developing a new Recycled Water use project that would be within their monthly base entitlement. Following the execution of this contract by all Parties, the Regional Technical and Policy Committees will develop an Exhibit "A", Peak Flow Monitoring and Enforcement Criteria, to be incorporated into this contract, that will

detail the requirements for meeting base entitlement as calculated on a monthly basis. Authorization of this Exhibit “A” will not require re-authorization of this contract through the Parties. Exhibit “A” shall become an authorized Exhibit of this contract by a two-thirds majority vote of the Regional Policy Committee and approval by the IEUA Board of Directors.

2. SAR Base Flow Obligation.

The Parties have differing views regarding the SAR Base Flow Obligation including, but not limited to the allocation of the obligation and the method and way the obligation is fulfilled. Historically there have been sufficient flows from IEUA Regional Treatment Plant discharges to satisfy base entitlement claims and satisfy the SAR Base Flow Obligation with Recycled Water and it is believed that such condition will continue for the next several years at a minimum. Although alternative sources of water for meeting the SAR Base Flow Obligation are not precluded, IEUA will continue its current practice of fulfilling the SAR Base Flow Obligation using Recycled Water from IEUA Regional Treatment Plants in conformity with established practice since inception of the Orange County Judgment, until an alternative acceptable to IEUA is determined. This topic will be reconsidered at the ten-year review provided for in Section 28 of this contract, or earlier upon unanimous consent of the Parties.

IEUA, within its discretion, may prioritize the usage of Recycled Water for meeting the SAR Base Flow Obligation when it is necessary to do so regardless of the effect on base supply for purchase. If the SAR Base Flow Obligation is not met in a given year, IEUA will determine the best course of action to satisfy the SAR Base Flow Obligation the following year, which may include reducing the available base supply. IEUA will satisfy the SAR Base Flow Obligation with the most cost-effective or practical source of water available and seek alternative means of satisfying the SAR Base Flow Obligation in order to maximize available local supplies.

3. Surplus Base Supply.



Surplus base supply is that portion of base supply remaining after each Contracting Agency has exercised its right of first purchase to purchase its base entitlement, or portion thereof.

During and following the end of each year IEUA shall determine the amount of surplus base supply available, if any, for purchase by Contracting Agencies, and shall notify all Contracting Agencies of that amount, in writing. Each Contracting Agency shall have the option to purchase surplus base supply in an amount calculated utilizing the same ratio used to calculate base entitlement. However, if after offering surplus base supply to all Contracting Agencies there remains surplus base supply, then a Contracting Agency may purchase from the remaining surplus base supply in an unrestricted amount subject to mutual agreement with IEUA. Nothing herein shall prevent Contracting Agencies from establishing agreements to purchase Recycled Water from other Contracting Agencies. The purchase of Recycled Water in excess of a Contracting Agency's base entitlement in any given year shall not result in an increase in base entitlement for subsequent years.

4. Disposition by IEUA of Unclaimed Recycled Water.

To the extent that any of the Contracting Agencies fail to exercise their respective rights of first purchase of Recycled Water, IEUA may make any lawful use of such Recycled Water, including beneficial use, sale, or other disposition inside or outside the Chino Basin; provided, that, any funds generated by the sale of Recycled Water shall be deposited into the IEUA Recycled Water Fund. IEUA will inform the Contracting Agencies of the use or sale of any unclaimed Recycled Water within 30 days of the transaction.

**SECTION 16 - RESERVED**

**SECTION 17 - SERVICE CHARGES FOR MAINTENANCE AND OPERATION  
OF THE REGIONAL SEWERAGE SYSTEM**

All Contracting Agencies shall pay service charges for all sewage delivered to the Regional Sewerage System. Each Contracting Agency shall pay its pro rata share of all net audited costs incurred by IEUA in the maintenance and operations of the system. Net audited costs consist of:

A. Maintenance and Operation

Costs of maintenance and operation of all transmission and treatment facilities comprising the Regional Sewerage System; and

B. Other Costs

Any other costs reasonably related to the maintenance and operation of the system; and

C. Replacement and Unforeseen Costs

Based upon generally accepted engineering and accounting principles, reasonable reserves for the estimated costs and expenses of:

1. Replacement of any facilities where the costs and expenses of replacement are customarily considered a part of the costs and expenses of extraordinary maintenance which adds to the normal service life of facilities; and
2. Unforeseen contingencies; and
3. Actual costs and expenses incurred by IEUA for the Transmission, Treatment and Disposal of any byproduct resulting from the treatment of the Sewage delivered by a Contracting Agency.

D. Cost Of Service Study (“COSS”)

IEUA may, from time to time, conduct a COSS which shall be conducted in accordance with procedures normally utilized in the public rate setting process and in accordance with applicable law.

E. Proposed Service Charge Rate Adjustment (“Adjustment”)

Prior to the imposition of a rate adjustment, IEUA shall conduct a rate workshop wherein Contracting Agencies may express comments and feedback on the matter for consideration by IEUA. Rate adjustments for each fiscal year shall be within the discretion of the IEUA Board of Directors and shall conform to the COSS and applicable law.

## **SECTION 18 - RESERVED**

## **SECTION 19 - REGIONAL SEWERAGE SYSTEM BUDGETS**

### **A. Fiscal Year Budgets**

For each fiscal year, or on a biennial basis if utilized by IEUA, the IEUA Board of Directors shall cause to be prepared and shall adopt a budget, which includes the Regional Sewerage System budget.

### **B. Form and Content of Budgets**

The budget shall contain a plan of financial operations for the Regional Sewerage System and shall contain an estimate of the requirements for expenditures, including provisions for any reserves, and the means of financing such requirements. The budget shall be itemized and shall show in reasonable detail the nature and purpose of each item of revenue and expense and the actual or estimated amount thereof. The budget shall include a plan of financial operations for the capital costs of the acquisition and construction of the Regional Sewerage System, and a plan of financial operation for the maintenance and operation of the system, prepared as follows:

1. Capital Improvement Fund Budget. The costs of the acquisition and construction of the Regional Sewerage System shall show:
  - a. The various items and amounts of capital costs and the total thereof;
  - b. The total amount in the Regional Wastewater Capital Improvement Fund and the available and unencumbered balance of such fund as of the commencement of the fiscal year and an estimate of the amount therein and the unencumbered balance thereof as of the end of the fiscal year;
  - c. The amounts, if any, of IEUA revenues from sources other than property taxes which are or will be available for payment of capital costs and the total thereof;
  - d. The estimated amount of property taxes to be received during the fiscal year;
  - e. The projected amount of Supplemental Capital Outlay Fund contributions

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required from each Contracting Agency during the fiscal year and the total thereof.

2. Maintenance and Operations Fund Budget. The part covering the maintenance and operation of the Regional Sewerage System shall show:
  - a. The various items and amounts of maintenance and operation expenses, including replacement and rehabilitation, and the total thereof;
  - b. The total amount in any reserves theretofore established, and the available and unencumbered balance in such reserves as of the commencement and end of the fiscal year;
  - c. The amount of service charges payable by each Contracting Agency and the total paid or payable by all Contracting Agencies;
  - d. The amounts, if any, of revenue from sources other than services charges which will be available for payment of maintenance and operation expenses and the total thereof;
  - e. The total amount required to be raised from service charges for payment of maintenance and operations expenses;
  - f. The rate of the service charge for the fiscal year(s);
  - g. The amount of any surplus of service charges received by IEUA during the fiscal year preceding the fiscal year in progress in excess of the cost of maintenance and operation of the Regional Sewerage System for that year which was transferred to the Regional Sewerage System Operation and Maintenance Fund reserve for replacement of Regional Sewerage System facilities for such preceding fiscal year, or the amount, if any, of any shortage in the amount of service charges received by IEUA during such preceding fiscal year less than the cost of maintenance and operation of the Regional Sewerage System for that year which was transferred from said reserve during the year then in progress for such preceding fiscal year;

### C. Preparation and Approval of Proposed Budgets

Not later than April 1 of each budgeting year, the IEUA Board of Directors shall direct its General Manager, or such other person or persons as the Board may designate, to prepare and submit to the Board a proposed Regional Sewerage System budget for the next fiscal year(s). IEUA will conduct informational sessions with the Regional Technical and Policy Committees to inform the Committees of the proposed Regional Sewerage System budget and provide the Committees with opportunities for input. Said budget and the rate of service charge for the next fiscal year will be considered and adopted by IEUA no later than June 30 of each fiscal year. If the Board of Directors fails to adopt a budget by June 30 then, until such time as the Board shall adopt such budget, the budget last adopted shall constitute the budget for such fiscal year.

### D. Adoption of Separate Budgets

Notwithstanding the preceding provisions of this section, the Board of Directors of IEUA may elect for any fiscal year to separately prepare and adopt a Capital Improvement Fund Budget and a Maintenance and Operation Fund Budget. If said Board elects to so proceed, each such separate budget shall be prepared in accordance with the provisions of this section which are applicable thereto. Both said budgets shall be processed and adopted in accordance with the procedures and pursuant to the time schedule set forth in this section.

## **SECTION 20 - BILLING AND PAYMENT OF SERVICE CHARGES**

### A. Monthly Billing Statements of Service Charges

Not later than 20 days after the end of each month, each Contracting Agency shall provide to IEUA a report with the number of billable Equivalent Dwelling Units billable to each Contracting Agency. IEUA shall provide a billing statement of service charges to each Contracting Agency, setting forth the number of billable Equivalent Dwelling Units during such month for the service charge rate applicable thereto and the total service charge due and payable to IEUA for said month. Monthly service charges shall be based on the service charge rate adopted by the IEUA Board.

#### B. Payment of Statements; Interest on Overdue Payments

Each Contracting Agency shall pay the amount of the service charge set forth in any statement on or prior to its due date, namely, the thirtieth day following the date of the delivery of such statement. In the event that a Contracting Agency is delinquent in payment of bills for service charges, a penalty of ten (10) percent of the original unpaid invoice amount shall be added to any fee or charge that becomes delinquent. Interest at the maximum rate provided by California Government Code Section 926.10 as may be amended from time to time, shall accrue on the total of all delinquent fees or charges.

Additional charges provided herein for delinquent payments may be waived by the Board of Directors upon written request by the IEUA Customer upon a finding that the delinquency was caused by excusable neglect or circumstances beyond the control of the Contracting Agency, provided that the delinquent Contracting Agency reimburses IEUA for all costs and penalties actually incurred by IEUA as a result of the delinquent payment.

Interest paid upon any delinquent amount shall be credited to the Regional Sewerage System Maintenance and Operation Fund unless, by reason of such delinquency, IEUA shall have advanced the amount of the delinquency from other sources, in which case, the interest shall be credited to such fund as the IEUA Board of Directors may designate. A Contracting Agency shall not be entitled to withhold payment, in whole or in part, of the amount of any statement for service charges pending action pursuant to part C of this Section 20.

#### C. Adjustment for Overpayment or Underpayment

Upon disagreement between any Contracting Agency and IEUA over the amount of service charges or the discovery of an error in computation of service charges for a Contracting Agency, which is not resolved within 30 days of communication, IEUA shall request a recommendation from the Regional Technical committee. The IEUA Board of Directors shall consider the recommendation by the Regional Technical Committee and make its determination on service

charge adjustments, due dates and any interest due, and shall provide for the appropriate credit to or debit of any affected Contracting Agency's service charge account.

**D. Deposit of Payments in Maintenance and Operation Fund**

All monies received by IEUA in payment of service charges shall be deposited in and credited to a separate fund or account in the treasury of IEUA, to be known as the "Regional Sewerage System Maintenance and Operation Fund." All monies in said fund and interest earned thereon shall be used and expended only for payment of maintenance and operation expenses paid or incurred by IEUA under the provisions, of this contract.

**SECTION 21 - RESERVED**

**SECTION 22 - RESERVED**

**SECTION 23 - GRANTS AND FINANCIAL ASSISTANCE**

IEUA and the Contracting Agencies shall exercise their best efforts to obtain the maximum amounts of grants and other financial assistance which may be available from any federal, state, local, or other source for defraying all or any part of the capital costs and the maintenance and operation expenses of the Regional Sewerage System. The General Manager of IEUA, the Regional Policy Committee, and the Regional Technical Committee shall keep each other fully informed of any available grant or other financial assistance programs known to any of them.

In addition, IEUA shall on a semi-annual basis, submit a report to the Regional Technical Committee and the Regional Policy Committee, as an information item, on any proposed or pending applications (which may include updates on negotiation status) for grants or other financial assistance.

IEUA's costs for the acquisition, construction, maintenance, or operation of the Regional Sewerage System shall be reduced by amounts of any grants or other non-repayable financial assistance received therefor by IEUA from the federal or state government.

## **SECTION 24 - REGIONAL POLICY COMMITTEE**

The parties desire to provide for a Regional Policy Committee to advise IEUA of the needs and views of the Contracting Agencies concerning IEUA's policies and activities in the financing, acquisition, construction, maintenance and operation of the Regional Sewerage System, to make reports and recommendations with respect thereto, and to inform the Contracting Agencies concerning such policies and activities. Committee membership shall be voluntary.

Each participating Contracting Agency shall appoint one regular member and one alternate member to the Regional Policy Committee. Such members shall be members of the Contracting Agency's governing body. The regular and alternate members so appointed shall serve at the pleasure of the appointing agency. Each participating Contracting Agency shall give the secretary of IEUA immediate notice of all appointments and removals made by it, and of the name and contact information of each appointee. IEUA shall appoint one regular member and one or more alternates to the Regional Policy Committee. The members so appointed shall be members of the IEUA Board of Directors of IEUA and shall serve at the pleasure of IEUA. The IEUA member shall be entitled to participate at all regular and special meetings of the committee.

The Regional Policy Committee shall be chaired by a regular member of the Regional Policy Committee and shall rotate among its regular members on a biennial basis through all the Contracting Agencies. A Vice Chair shall also be designated to act in the Chair's absence. The Vice Chair shall be selected by a majority vote of the regular members. A quorum made up of a majority of members shall be required to conduct business.

Each regular member of the Regional Policy Committee or the Contracting Agency's alternates, shall have one vote. A majority of members voting shall be required to carry any matter before the committee.

The Regional Policy Committee shall hold a regular meeting quarterly or as needed in the determination of IEUA. The Regional Policy Committee may adopt such procedures and rules as it deems advisable concerning its officers, meetings and the manner and method of making its



reviews, reports and recommendations on any matter affecting the acquisition, construction, maintenance and operation of the Regional Sewerage System.

IEUA shall, if requested by the Regional Policy Committee, provide the Regional Policy Committee with a meeting place and with the services, advice, and assistance of members of its staff. All records, reports, and other information of IEUA pertaining to the financing, acquisition, construction, maintenance and operation of the Regional Sewerage System shall be available for inspection by members of the Regional Policy Committee. IEUA agrees to maintain and make available to the Regional Policy Committee accurate records of all of its costs, disbursements, and receipts with respect to activities under this contract.

## **SECTION 25 - REGIONAL TECHNICAL COMMITTEE**

The parties desire to provide for a Regional Technical Committee to advise the Regional Policy Committee on technical matters related to the Regional Sewerage System. Participation shall be voluntary. The members and alternate members of the Regional Technical Committee shall be appointed by their respective Contracting Agencies and IEUA shall be entitled to appoint one member and alternate members with the same right of participation as other members. The committee shall hold regular meetings quarterly or as needed in the determination of IEUA. Appointments and the number of alternates shall be determined in the sole discretion of each Contracting Agency and IEUA as applicable.

The committee may, and upon request by the Regional Policy Committee or IEUA shall, review and make recommendations concerning any of the following technical matters: the acquisition, design, construction, maintenance, operation, or financing of sewer facilities, sewage treatment, reclamation, or disposal facilities, sewage and effluent measuring devices and equipment, Community Sewer Systems and the Regional Sewerage System; sewer user charges; service charges; quality standards for sewage and any effluent; and any other technical matter related to any of the foregoing.

## **SECTION 26 - DISPUTE RESOLUTION**

Members of the Regional Policy Committee are encouraged to raise pertinent issues concerning the Regional Sewerage Contract with the IEUA Board of Directors during the public comment period of a regularly scheduled meeting of the Board. To the extent that any provision of this contract authorizes a hearing under this Section 26, the following procedures will apply:

### **A. Notice of Dispute.**

The Regional Policy Committee, through a majority vote of its members, may request a hearing before the IEUA Board of Directors on any dispute related to the IEUA's performance of this Contract or where the Contract authorizes a hearing by submitting a request in writing to the General Manager of IEUA, with the date of delivery of such request deemed the submission date. The request shall state the issue in dispute and a brief explanation of the Regional Policy Committee position on the matter.

### **B. Notice of Hearing.**

Within 30 days of the submission date IEUA shall schedule a hearing to consider the matter. IEUA shall send written notice to all Contracting Agencies by First Class Mail and shall be deemed to have been given when so deposited in the United States Mail, postage prepaid. The notice shall set forth the date, time and location for the hearing. The hearing shall be conducted in conjunction with a special or regularly scheduled meeting of the IEUA Board of Directors and shall be published in conformity with Brown Act requirements. The hearing shall be scheduled on a date not more than 60 days from the submission date.

### **C. Hearing.**

Any person may address the IEUA Board of Directors at the hearing. Any documentary evidence to be introduced by a party must be submitted to the Secretary of the IEUA Board of Directors no later than 10 days prior to the hearing date to ensure the documents are included in the agenda package and available for posting to the IEUA website.

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D. Continuance.

The IEUA Board of Directors may, within its discretion, continue the hearing at the request of any person or the Board of Directors upon a showing of good cause, but in no event shall such continuance extend beyond 30 days.

E. Decision.

At the close of the hearing, the IEUA Board of Directors may confer and render a decision through a majority vote of its members, which shall be recorded upon the minutes of the meeting. The decision by the IEUA Board of Directors shall be deemed a final administrative action. The IEUA Board of Directors may continue the matter for up to 60 days for further discussion and consideration of the evidence.

## **SECTION 27 - EFFECTIVE DATE OF CONTRACT**

This contract between IEUA and the undersigned Contracting Agency shall become effective (“Effective Date”) after the occurrence of both of the following events:

1. The authorization and execution of this contract by IEUA and the undersigned Contracting Agencies.
2. IEUA shall give written notice thereof to the undersigned Contracting Agency. The notice shall specify a date, as determined by IEUA in accordance with this section, which shall be the Effective Date of this contract.

## **SECTION 28 - TERM OF CONTRACT**

The term of this contract and any other Service Contract entered into between IEUA and any sewage collection agency, shall be 50 years from the Effective Date. It is the intent of the parties that all Service Contracts providing for the services and facilities of the Regional Sewerage System

shall have the same termination, date, without regard to the effective dates of the individual, contracts.

In order to provide for a periodic review and update, as necessary, of the provisions of this contract, IEUA and the Contracting Agencies agree to enter good faith discussions at intervals not exceeding ten years or at the request of the majority of the Contracting Agencies.

## **SECTION 29 - RENEWAL**

No later than two years prior to the end of the term of this contract or any earlier termination or extension of this contract, the parties shall negotiate for the extension or renewal of this contract upon comparable terms and conditions. If the parties have been unable to agree thereon, then any Contracting Agency, by written notice given to IEUA at least 12 months prior to the expiration of said term, may elect to receive continued sewage treatment service after the expiration of said term, on a temporary basis, through separate agreement, upon the following conditions:

### **A. Expansion.**

If, by reason of continued service, no expansion is required in any facilities of the Regional Sewerage System in existence upon the expiration of the term of this contract, the Contracting Agency may deliver sewage into the system in any quantity and at any flow rates. If, by reason of continued service, such expansion shall be required, the annual quantity and flow rates of sewage to be delivered into the Regional Sewerage System by the Contracting Agency shall not exceed the quantity and flow rates delivered by the agency during the last full fiscal year preceding the expiration of said term.

### **B. Service Charge.**

The service charge rate shall be determined as provided in Section 17 hereof.

C. Quality.

The sewage quality standards shall be in accordance with those in effect during the last full fiscal year preceding the expiration of said term or any higher standards prescribed by any federal, state or regional agency authorized by law to prescribe quality standards for effluent discharges.

D. Physical Conditions.

IEUA shall maintain and operate the Regional Sewerage System under substantially the same physical conditions of service as prevailed during the last fiscal year preceding the expiration of said term.

Other terms and conditions of continued service shall be reasonable and equitable and shall be mutually agreed upon and, if they provide for continued service for a specified number of years, a Contracting Agency shall have the option to receive further continued sewage treatment service upon the expiration of that and each succeeding period of continued service. Nothing herein shall extend the term established in Section 28 of this contract.

## **SECTION 30 - AUTHORIZATION AND EXECUTION OF SEWAGE SERVICE CONTRACT**

A. Authorization of Any Sewage Collection Agency.

All proposed contracts between IEUA and any sewage collection agency for the purpose of, (i) providing the agency with the services and facilities of the Regional Sewerage System under a Service Contract, (ii) the acquisition by IEUA of any existing sewage treatment and disposal plant or interceptor sewer, or (iii), both (i) and (ii), shall be authorized for execution by IEUA. The agency shall furnish IEUA with a certified copy of the resolution authorizing execution by the agency, together with a certified Copy of the proposed contract referred to therein. The resolution shall contain all restrictions, limitations, and conditions, if any, which may have been imposed on the execution of the contract.

B. Amendment of Any Existing Contract; New Contracts with Subsequent Contracting Agencies.

If IEUA proposes (i) to amend or rescind any existing Service Contract with a Contracting Agency or (ii) to enter a new Service Contract or a contract for the transfer of any existing sewage facilities to IEUA, as part of the Regional Sewerage System, the IEUA Board of Directors shall adopt a resolution declaring its intention to do so and shall specify a time, not sooner than 60 days after the adoption of the resolution, and a place at which the Board will hold a hearing on the question of the proposed amendment, rescission or new contract, as the case may be. Immediately thereafter the secretary of IEUA shall deliver a copy of the resolution, together with a copy of the proposed amendment, rescission or new contract to the clerk or secretary of each Contracting Agency and to each member of the Regional Policy Committee. The Regional Policy Committee shall review the proposal and, not later than 10 days preceding the date of the hearing, shall submit its written report and recommendation thereon to the general manager of IEUA and to each Contracting Agency.

At the hearing on the proposal, the IEUA Board shall consider the report and recommendation of the Regional Policy Committee and shall hear representatives of any Contracting Agency, members of the committee, and any other interested persons. The IEUA Board may modify the proposal and, upon the conclusion of the hearing, order the authorization for execution by IEUA of the proposed amendment, rescission, or new contract, as the case may be.

## **SECTION 31 - NOTICE**

Notices authorized or required to be given by any provision of this contract shall be deemed to have been given upon delivery, if delivered personally, or upon deposit in the mail, if enclosed in a properly addressed envelope and deposited in the United States mail for delivery by registered or certified mail, or delivered via electronic mail.

Notice shall be given to the parties by delivery or mailing to the following officers of the parties at the following addresses:

IEUA

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Undersigned Contracting Agency:

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At any time, a party may give written notice to the other party of a change in the designated officer or address.

Notice to members of the Regional Policy Committee or the Regional Technical Committee shall be given to the persons and at the addresses designated in the notices of appointment filed with the Secretary of IEUA.

### **SECTION 32 - PARTIAL INVALIDITY**

The invalidity of any provision of this contract shall not affect the validity of the remainder thereof which can be given effect without such invalid provision.

### **SECTION 33 - INCORPORATION OF RECITALS**

The Recitals set forth above are incorporated herein and made an operative part of this Service Contract.

### **SECTION 34 - COUNTERPARTS**

This Service Contract shall be executed by all parties in duplicate originals, each of which shall be considered an original Service Contract.

**Date of Execution**

\_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
**Secretary of the Board of Directors**

**Inland Empire Utilities Agency**

\_\_\_\_\_  
**President of the Board of Directors**

**Date of Execution**

\_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
**City Clerk**

**City of Chino**

\_\_\_\_\_  
Mayor

**Date of Execution**

\_\_\_\_\_

**ATTEST:**

\_\_\_\_\_  
**City Clerk**

**City of Chino Hills**

\_\_\_\_\_  
Mayor



**Date of Execution**

**Cucamonga Valley Water District**

\_\_\_\_\_

\_\_\_\_\_  
Board President

**ATTEST:**

\_\_\_\_\_  
**Secretary of the Board of Directors**

**Date of Execution**

**City of Fontana**

\_\_\_\_\_

\_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
**City Clerk**

**Date of Execution**

**City of Montclair**

\_\_\_\_\_

\_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
**City Clerk**

**Date of Execution**

**City of Ontario**

\_\_\_\_\_

\_\_\_\_\_

Mayor

**ATTEST:**

\_\_\_\_\_

**City Clerk**

**Date of Execution**

**City of Upland**

\_\_\_\_\_

\_\_\_\_\_

Mayor

**ATTEST:**

\_\_\_\_\_

**City Clerk**



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

**File #:** 21-2476

**Agenda #:** A.

**Agenda Date:** 9/26/2023

**Category:** Public Hearing

#### **FROM:**

Finance

#### **SUBJECT:**

Quarterly Lien Action for Delinquent Sewer, Rubbish and Weed Abatement Accounts

#### **RECOMMENDATION:**

1. Authorize staff to complete and record lien notices against real property for those sewer accounts sixty days or more delinquent as described in Certified Lien List and direct staff to forward recorded liens to the County for collection.
2. Authorize staff to complete and record liens against real property for those rubbish accounts more than ninety days delinquent as described in the Certified Lien List and direct staff to forward recorded liens to the County for collection.
3. Adopt **Resolution No. 2023- 099**, of the City Council of the City of Fontana adopting the statement of unpaid expenses for weed abatement and imposing a lien against real property for payment thereof.

#### **COUNCIL GOALS:**

- To operate in a businesslike manner by becoming more service oriented.
- To practice sound fiscal management by developing long-term funding and debt management plans.
- To improve public safety by increasing operational efficiency, visibility, and availability.

#### **DISCUSSION:**

Public Hearings on proposed liens are scheduled quarterly to allow for timely collections and recording of indebtedness. The lien process protects revenues due to the City which would have otherwise been subject to loss through skipped accounts or property transfers.

The proposed lists (one each for sewer, rubbish and weed abatement) are on file with the City Clerk. Each account has had notification by mail regarding the public hearing and intent to record the lien amount, as well as regular billing notification and legal advertisement as required by City Code. Further, with respect to Weed Abatement, all property owners had the opportunity to protest weed abatement citations through an administrative hearing process.

The lists recommended for adoption contain the following:

Type of Account	Number of Properties	Current Lien Amount	Receivables Protected to Date
Sewer	167	\$41,858.99	\$4,057,901.22
Rubbish*	657	\$98,488.02	\$9,100,017.94
Weed Abatement	0	\$0.00	\$3,995,352.35

\*Collections are payable to Fontana Rubbish

An administrative fee will be included to offset the City's costs to record the lien, as well as the County fee associated with release of the lien to ensure that property titles are cleared once payment has been made. All properties with unpaid liens as of July 1st will be automatically placed on the property tax rolls for collection.

**FISCAL IMPACT:**

The approval of this item will result in liens in the approximate total amount of \$140,347.01 to be recorded and placed on the County property tax roll for collection. This action will prevent increases in customer charges due to uncollectible accounts. The Sewer lien list receivable amount was included as revenue to the Sewer Operations Maintenance Fund in current and prior budget periods. The recording of Rubbish liens will strengthen Fontana Rubbish's ability to collect, thereby increasing the amount generated by the 12% franchise fee they remit to the City.

**MOTION:**

Approve staff recommendation.

CITY OF FONTANA, CALIFORNIA

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT THE CITY COUNCIL OF THE CITY OF FONTANA WILL HOLD A PUBLIC HEARING CONCERNING THE RECORDING OF REAL PROPERTY LIENS AGAINST PROPERTIES SERVED BY THE CITY OF FONTANA RUBBISH COLLECTION CONTRACTOR (BURRTEC WASTE) FOR THOSE ACCOUNTS MORE THAN NINETY DAYS DELINQUENT, AND FURTHER, THE FORWARDING OF SAID LIENS TO THE COUNTY ASSESSOR'S OFFICE FOR ADDITION TO THE EXTENDED PROPERTY TAX ROLLS FOR COLLECTION. COPIES OF THE CERTIFIED LIEN LIST ARE AVAILABLE AT THE UTILITY BILLING DIVISION PUBLIC SERVICE COUNTER, 8353 SIERRA AVENUE, FONTANA, CALIFORNIA.

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.

DATE OF HEARING: SEPTEMBER 26, 2023

TIME OF HEARING: 7:00 P.M.

PLACE OF HEARING: CITY HALL COUNCIL CHAMBERS  
8353 SIERRA AVENUE  
FONTANA, CA 92335

ANY INTERESTED PARTY MAY APPEAR AT THE HEARING AND PRESENT ANY INFORMATION WHICH MAY BE OF ASSISTANCE TO THE CITY COUNCIL. IF YOU HAVE ANY QUESTIONS CONCERNING THIS MATTER, PLEASE CONTACT THE UTILITY BILLING CUSTOMER SERVICE STAFF AT (909) 350-7670.

PUBLISH: SEPTEMBER 8, 2023  
SEPTEMBER 15, 2023

PROOF OF PUBLICATION REQUESTED

CITY OF FONTANA, CALIFORNIA

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT THE CITY COUNCIL OF THE CITY OF FONTANA WILL HOLD A PUBLIC HEARING CONCERNING THE RECORDING OF REAL PROPERTY LIENS AGAINST PROPERTIES SERVED BY THE CITY OF FONTANA SANITARY SEWER SYSTEM FOR THOSE ACCOUNTS SIXTY DAYS OR MORE DELINQUENT, AND FURTHER, THE FORWARDING OF SAID LIENS TO THE COUNTY ASSESSOR'S OFFICE FOR ADDITION TO THE EXTENDED PROPERTY TAX ROLLS FOR COLLECTION. COPIES OF THE CERTIFIED LIEN LIST ARE AVAILABLE AT THE UTILITY BILLING DIVISION PUBLIC SERVICE COUNTER, 8353 SIERRA AVENUE, FONTANA, CALIFORNIA.

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DATE OF HEARING: SEPTEMBER 26, 2023

TIME OF HEARING: 7:00 P.M.

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8353 SIERRA AVENUE  
FONTANA, CA 92335

ANY INTERESTED PARTY MAY APPEAR AT THE HEARING AND PRESENT ANY INFORMATION WHICH MAY BE OF ASSISTANCE TO THE CITY COUNCIL. IF YOU HAVE ANY QUESTIONS CONCERNING THIS MATTER, PLEASE CONTACT THE UTILITY BILLING CUSTOMER SERVICE STAFF AT (909) 350-7670.

PUBLISH: SEPTEMBER 8, 2023  
SEPTEMBER 15, 2023

PROOF OF PUBLICATION REQUESTED

CITY OF FONTANA, CALIFORNIA

NOTICE OF PUBLIC HEARING

NOTICE IS HEREBY GIVEN THAT THE CITY COUNCIL OF THE CITY OF FONTANA WILL HOLD A PUBLIC HEARING CONCERNING THE RECORDING OF REAL PROPERTY LIENS AGAINST PROPERTIES PROVIDED WEED ABATEMENT SERVICES THROUGH THE CITY'S WEED ABATEMENT PROGRAM FOR THOSE ACCOUNTS THIRTY DAYS OR MORE DELINQUENT AND FURTHER, THE FORWARDING OF SAID LIENS TO THE COUNTY ASSESSOR'S OFFICE FOR ADDITION TO THE EXTENDED PROPERTY TAX ROLLS FOR COLLECTION. COPIES OF THE CERTIFIED LIEN LIST ARE AVAILABLE AT THE CUSTOMER SERVICE DIVISION PUBLIC SERVICE COUNTER, 8353 SIERRA AVENUE, FONTANA, CALIFORNIA.

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.

DATE OF HEARING: SEPTEMBER 26, 2023

TIME OF HEARING: 7:00 P.M.

PLACE OF HEARING: CITY HALL COUNCIL CHAMBERS  
8353 SIERRA AVENUE  
FONTANA, CA 92335

ANY INTERESTED PARTY MAY APPEAR AT THE HEARING AND PRESENT ANY INFORMATION WHICH MAY BE OF ASSISTANCE TO THE CITY COUNCIL. IF YOU HAVE ANY QUESTIONS CONCERNING THIS MATTER, PLEASE CONTACT THE BUSINESS SERVICES CUSTOMER SERVICE STAFF AT (909) 350-7683.

PUBLISH: SEPTEMBER 8, 2023  
SEPTEMBER 15, 2023

PROOF OF PUBLICATION REQUESTED

## **RESOLUTION NO. 2023-**

### **A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA ADOPTING STATEMENT OF UNPAID EXPENSES FOR WEED ABATEMENT AND IMPOSING A LIEN AGAINST PROPERTY FOR PAYMENT THEREOF**

**WHEREAS**, the City of Fontana ("City") has conducted its weed abatement program pursuant to the Fontana City Code, Section 27-1 *et. seq.*;

**WHEREAS**, at its meeting on September 26, 2023, the City Council discussed and considered all expenses and other costs of abatement which have remained unpaid to date, as specified in the Statement of Unpaid Expenses for Weed Abatement, on file with the City Clerk for public review and incorporated herein by reference ("Statement");

**WHEREAS**, the City Council has read or heard and considered all evidence and testimony presented to it with respect thereto;

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

**Section 1.** Based on all evidence and testimony presented to the Council, the Statement is confirmed and adopted.

**Section 2.** All expenses and other costs noted on the Statement which remain unpaid to the City as of September 26, 2023, shall constitute a lien upon the real property against which the nuisance was abated, and shall be collected in any lawful means available to the City.

**Section 3.** The City Clerk is directed to file for recording a "Notice of Lien for Weed Abatement" with the Office of the Recorder for San Bernardino County after September 26, 2023 against those real properties listed on the Statement for any expenses and other costs noted on the Statement which remain unpaid to the City.

**Section 4.** The Auditor/Controller shall include the amount of the expenses on the bills for taxes levied against the real property against which the expenses have been imposed, and the same shall be collected in the same manner and together with the general taxes for the County of San Bernardino, and shall be subject to the same penalties, interest and collection.

**APPROVED AND ADOPTED** this 26<sup>th</sup> day of September, 2023.

**READ AND APPROVED AS TO LEGAL FORM:**



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City Attorney

I, Germaine McClellan Key, City Clerk of the City of Fontana, do hereby certify that the foregoing resolution is the actual resolution duly and regularly adopted by the City Council at a regular meeting on the 26<sup>th</sup> day of September, 2023 by the following vote to-wit:

**AYES:**

**NOES:**

**ABSENT:**

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City Clerk of the City of Fontana

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Mayor of the City of Fontana

**ATTEST:**

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City Clerk



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-2407

**Agenda #:** B.

**Agenda Date:** 9/26/2023

**Category:** Public Hearing

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**FROM:**

Planning Department

**SUBJECT:**

Master Case No. 23-062 and Appeal No. 23-016: Appeal of the Planning Commission's decision to uphold the Director of Planning's approval of Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007, for the request to install a new wireless telecommunications facility consisting of a 75' mono-palm with 14 antennas, supporting equipment, and an equipment enclosure of 347 square feet total, pursuant to CEQA determinations.

**RECOMMENDATION:**

Based on the information in the staff report and subject to the attached Findings, staff recommends that the City Council:

1. Deny Appeal No. 23-016, thereby upholding the decision of the Planning Commission and Director of Planning approving Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007, for the request to install a new wireless telecommunications facility consisting of a 75' mono-palm with 14 antennas, supporting equipment, and an equipment enclosure of 347 square feet total.
2. Direct staff to prepare, execute, and file a CEQA Notice of Exemption with the County Clerk, as appropriate, within five (5) working days of the Council's final action on Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007.

**APPELLANT/ APPLICANT FOR APPEAL:**

Robert Constant  
28871 Blythewood Drive  
Rancho Palos Verdes, CA 90275

**LOCATION:**

17010 Sierra Lakes Parkway (APN: 0119-221-69)

**PROJECT DESCRIPTION:**

Land Use Designation:

	<u>General Plan</u>	<u>Zoning /Overlay</u>	<u>Existing Land Use</u>
Site:	Regional Mixed-Use (RMU)	Regional Mixed-Use (RMU)	Under Construction
North:	Regional Mixed-Use (RMU)	Regional Mixed-Use (RMU)	Vacant
South:	Regional Mixed-Use (RMU)	Regional Mixed-Use (RMU)	Commercial Center
West:	Regional Mixed-Use (RMU)	Regional Mixed-Use (RMU)	Commercial Center
East:	Regional Mixed-Use (RMU)	Regional Mixed-Use (RMU)	Gas Station

## **ANALYSIS:**

### **Background**

Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007 consist of a request to install a new wireless telecommunications facility consisting of a 75' mono-pole with 14 antennas, supporting equipment, and an equipment enclosure of approximately 347 square feet that was approved by the Director of Planning at a scheduled public hearing on May 11, 2023. Mr. Nikos Constant, representing the abutting property owner, communicated concerns verbally during the hearing that follow the concerns provided in the Appellant's appeal justification letter as well as unrelated matters about various contractors trespassing on the abutting owner's property.

Subsequent to the Director's approval, staff received one (1) appeal application in opposition of the project. The appellant, Robert Constant, is the adjoining property owner located at APN: 1119 -221-54, just north of the project site. The grounds for the appeal included concerns relating to: setbacks, high winds and liability insurance, security, privacy, and safety, unlimited future use, and view impairment.

On July 18, 2023, the Planning Commission held a noticed public hearing on the above-referenced appeal application. After the information was presented and considered, the Planning Commission denied Appeal (APL) No. 23-015 and upheld the Director of Planning's decision approval of Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007. Subsequent to the Planning Commission's decision, staff received one (1) appeal application. The appeal letter request, dated July 31, 2023, is attached for the City's Council's consideration (Attachment No. 1).

### **Minor Use Permit (MUP) No. 22-007**

Brett Smirl, on behalf of AT&T submitted the application for a Minor Use Permit No. 22-007 on September 26, 2022, for the operation of an unmanned wireless telecommunications facility within the Regional Mixed-Use zone, which was approved by the Director of Planning on May 11, 2023. This use is considered a public utility facility and is allowed within the Regional Mixed Use zoning district with the approval of a Minor Use Permit. The General Plan Land Use designation and the zoning designation is Regional Mixed Use (RMU). The Regional Mixed-Use zoning is intended for a wide range of retail commercial, office, medium density residential, civic, open space and job-rich

light manufacturing uses. The wireless facility will support the intended uses for the areas within the Regional Mixed Use land use designation.

### **Administrative Site Plan (ASP) No. 22-028**

Brett Smirl, on behalf of AT&T submitted the application of an Administrative Site Plan (ASP) No. 22-028 on September 26, 2022, for the site and architectural review for the unmanned wireless telecommunications facility that was approved by the Director of Planning on May 11, 2023. According to the information submitted in the ASP No. 22-028 application, AT&T will be the only carrier on the mono-palm tower at this time. The equipment enclosure is approximately eight (8) feet high and is 347 square feet in size and secured with a decorative stucco finish with a gate. The equipment enclosure will be accessed via a 12' non-exclusive access path on Mango Avenue for maintenance and service for the mono-palm tower.

Both the Director of Planning and the Planning Commission determined that the proposed facility meets the City's requirements for telecommunication facilities as well as the required findings. The findings for approval are discussed at the end of this staff report.

### **Appeal Concerns:**

The following is a summary of the items raised in the previously referenced appeal letter attached in the Planning Commission Packet (Attachment No. 4); and Appellants' second appeal letter, dated July 31, 2023, attached hereto as Attachment No. 1, which follows the same issues raised in the Appellant's first letter and expands upon some of the concerns originally raised.

#### **1. Setback:**

*Response:* The Appellant does not claim that the proposed facility violates the Fontana Municipal Code's requirement for setbacks and admits that the proposed facility will not encroach on his property once constructed. The Appellant is speculating about a scenario in which the proposed wireless facility would fall or collapse on his property. If the Appellant is attempting to claim that his property rights would be impaired by the City's approval of the proposed wireless facility, those concerns are not germane to the required findings for approval or would not serve as a basis for denial because the proposed facility will not actually encroach onto the Appellant's property as constructed. Further, Chapter 32 Wireless Telecommunications Towers and antennas provides development standards for new towers and antennas. The project complies with the development standards outlined in Chapter 32, with a setback distance proposed at 85 percent (approximately 64-foot setback) to the northern property line. Therefore, the project meets this development standard. The proposed AT&T tower and equipment has been reviewed and approved by the City of Fontana Building and Safety and Fire Departments and structural plans would be reviewed once again prior to issuance of building permits.

#### **2. Setback issue to fully negotiated private easements:**

*Response:* Appellant's concerns raised here are similar to those raised in Issue 1 and concern a speculative scenario where the proposed wireless facility may fall or collapse onto the Appellant's property. The Appellant's claims that the proposed facility may in such a speculative circumstance impair certain unspecified property rights, would not serve as a basis for denial because the proposed facility will not actually encroach onto the Appellant's property

as proposed. The AT&T wireless telecommunications facility will be installed at 17010 Sierra Lakes Parkway (APN:1119-221-69). As mentioned above, the project complies with the setback requirements as outlined in Chapter 32. The proposed AT&T tower and equipment has been reviewed by the City of Fontana Building and Safety and Fire Departments and structural plans would be reviewed prior to issuance of building permits. The project will be built pursuant to all applicable building, zoning, fire codes and standards and complies with all applicable FCC and FAA regulations.

**3. High winds and liability insurance:**

*Response:* The Appellant has raised potential remedies that are not requirements of the Fontana Municipal Code and are not a condition of approval the City requires. The Appellant has no basis for his requests to be named a party on all liability insurance (it is unspecified whose policy this request would attach), to be indemnified, to receive treble damages, or to secure a lien on the proposed wireless facility. The proposed AT&T tower and equipment has been reviewed by the City of Fontana Building and Safety and Fire Departments and structural plans would be reviewed prior to issuance of building permits. The project will be built pursuant to all applicable building, zoning, fire codes and standards and complies with all applicable FCC and FAA regulations.

**4. Security, Privacy, and Safety:**

*Response:* The City's review of the application and the Director's approval of Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007 followed the procedures and process required by the Fontana Municipal Code. The Appellant has also raised concerns regarding the perceived health and medical risks posed by the proposed wireless facility. The City may not deny a wireless facility application based on concern about RF emissions exposure if the facility complies with FCC guidelines.<sup>1</sup>

<sup>1</sup> In *AT&T Wireless Servs. v. City of Carlsbad*, 308 F. Supp. 2d 1148, 1161 (S.D. Cal. 2003), the city made a finding that the wireless facility would "negatively affect property values of nearby homes based upon the perceived fear of the health effects cause by the RF emissions." The court held against Carlsbad, ruling that cities may not regulate based on the "direct or indirect concerns over the health effects of RF." The court explained that a denial could not be based on substantial evidence (as required by law) "...if the fear of property value depreciation is based on concerns over the health effects caused by RF emissions."

The health risks associated with the public's exposure to radio frequency (RF) energy has been an area of public concern particularly in light of the public's increasing reliance on mobile devices and the proliferation of mobile technology and its supporting infrastructure. Setting the safety standards for RF emissions is exclusively the responsibility of the federal government, and the responsible agency which is the Federal Communications Commission. Thus, Section 332(c)(7)(B)(iv) prohibits the City from denying a wireless facility application based on concerns about RF emissions so long as the applicant has demonstrated that its facilities will comply with FCC standards. The Applicant has provided a certification that the proposed facility will comply with FCC standards for RF emissions. Further, the applicant's facility must comply with state and federal law and as such, the Applicant may only use equipment that is FCC approved.

The Appellant has also raised speculative concerns about potential unspecified cybersecurity risks due to the presence of a new telecommunications facility. In regard to cybersecurity

concerns, hacking most often occurs because of phishing attacks through email spamming, downloading or installing illicit apps for individuals who visit and access unsafe pages on the internet that carry viruses, malware and spyware. Hacking can also potentially occur from using free wi-fi, leaving phones and devices unattended in public, using public charging stations, and having weak passwords. Security technology continues to improve. There are now stronger methods of authentication, identity theft protection, and defense against cyber attacks being developed daily. In many cases, cell tower information increases personal safety. These towers with wireless equipment are built and located at safe and federally regulated distances.

**5. Unlimited future use:**

*Response:* The Director's approval of Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007 will not result in open ended or unlimited use. Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007 authorize the construction and operation of a wireless facility to be used for personal wireless services in communications that radiate or capture electromagnetic waves, digital signals, analog signals, radio frequencies (excluding radar signals), wireless telecommunications signals or other communication signals. The permittee is required to follow all City requirements and processes for any changes to the wireless facility improvements or to any changes in use. Future uses will be analyzed by the City in light of requirements existing at the time of such proposals. Such proposals may or may not include discretionary approvals and/or conditions. In Appellant's second appeal letter, the Appellant has also raised speculative concerns about potential unspecified cybersecurity risks due to the presence of a new telecommunications facility. These concerns are not germane to the required findings for approval or would not serve as a basis for denial.

**6. View:**

*Response:* The Appellant has requested a monetary settlement of view impairment. Without an easement in place encumbering the property subject to new development that has resulted in view impairment, property owners have no inherent right to prevent other property owners from obstructing their view. See *Mira Mar Mobile Community v City of Oceanside*, 119 Cal.App.4th 477 (2004). Further, the City does not have a view protection ordinance in place which could provide alternative relief. As stated previously, the tower as approved complies with the maximum height requirement outlined in Chapter 32, with a maximum height of 75 feet for a single user. The wireless tower is proposed to be disguised as a mono-palm with faux fronds and a faux growth pod, which will complement the surrounding neighborhood, which is characterized by existing commercial and industrial uses, and blend with the existing area. The proposed equipment enclosure will have a stucco finish with a desert color to match the drive-thru restaurant buildings. The enclosure will be surrounded by mature landscaping to compliment the landscaping of the surrounding properties which will match the surrounding neighborhood.

**Findings for Approval for Minor Use Permit No. 22-007**

Minor Use Permit No. 22-007, as approved on May 11, 2023, meets the mandatory MUP findings required pursuant to Section 30-178 Findings for approval. The original findings below were prepared by staff for Director of Planning's consideration:

- 1. That the proposed use is allowed within the applicable zoning district and complies with all other applicable provisions of the Zoning and Development Code, General Plan, any applicable Specific Plan or area plan, and City regulations/standards.*

The project site is located on the north side of Sierra Lakes Parkway and west side of Mango Avenue. The proposed project is for the installation a new 75-foot wireless facility disguised as a mono-palm. The new mono-palm will include fourteen (14) panel antennas, supporting equipment, and an equipment enclosure. The General Plan Land Use designation is Regional Mixed-Use (R-MU) and the zoning designation is Regional Mixed Use (RMU). The Regional Mixed-Use zoning is intended for a wide range of retail commercial, office, medium density residential, civic, open space and job-rich light manufacturing uses. This use is considered a public utility facility and is allowed within the Regional Mixed Use zoning district with the approval of a Minor Use Permit. The wireless facility will support the intended uses for the areas within the Regional Mixed Use land use designation.

- 2. The site is physically suited for the type, density, and intensity of the proposed use including access, utilities, and the absence of physical constraints and can be conditioned to meet all related performance criteria and development standards.*

The physical characteristics of the site are sufficient to accommodate the requested wireless mono-palm, supporting equipment, and equipment enclosure. The project site is approximately 1.8 acres in size and developed with two drive-thru restaurants pads and associated parking, landscaping, and drive aisles. The proposed mono-palm and equipment enclosure meets all applicable development standards including access, setbacks, parking, and drive aisles. There are no changes to the existing site circulation and access for the proposed project. The new wireless tower has been reviewed by Planning, Building and Safety, Engineering, and Fire Prevention and will meet or exceed all requirements.

- 3. Granting the permit would not be detrimental to the public interest, health, safety, convenience, welfare, or materially injurious to persons, property, or improvements in the vicinity in which the project is located.*

The proposed project has been reviewed by Planning, Engineering, Building and Safety, and County Fire Prevention for site circulation, access, and safety. In addition, the site meets all the development standards of the Zoning and Development Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance and will provide a safe, well-designed facility.

### **Findings for Approval for Administrative Site Plan No. 22-028**

Administrative Site Plan No. 22-028, as approved on May 11, 2023, meets the mandatory ASP findings required pursuant to Section 32-7.2 Findings for approval. The original findings below were prepared by staff for Director of Planning's consideration:

- 1. The proposal meets or exceeds contained in this Chapter and is consistent with the General Plan and the applicable land use designation.*

The project site is located on the north side of Sierra Lakes Parkway and west side of Mango Avenue. The proposed project is for the installation a new 75-foot wireless facility disguised as a mono-palm. The new mono-palm will include fourteen (14) panel antennas, supporting equipment, and an equipment enclosure. The General Plan Land Use designation is Regional Mixed-Use (R-MU) and the zoning designation is Regional Mixed Use (RMU). The Regional Mixed-Use zoning is intended for a wide range of retail commercial, office, medium density residential, civic, open space and job-rich light manufacturing uses. This use is considered a public utility facility and is allowed within the Regional Mixed Use zoning district with the approval of a Minor Use Permit and an Administrative Site Plan for site and architectural review of the proposed wireless facility. The proposed project is consistent with the General Plan, the Zoning and Development Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance.

2. *That the site for the intended use is adequate in size, shape, topography, accessibility, and other physical characteristics to accommodate the use and all the required provisions of this chapter.*

The project site is an irregular shaped property consisting of one (1) parcel of approximately 1.8 acres, located at 17010 Sierra Lakes Parkway. The new wireless tower has been reviewed by Planning, Building and Safety, Engineering, and Fire Prevention and will meet or exceed all requirements. The proposed project will be built/installed pursuant to all applicable building, zoning, fire codes, and standards which will result in an appropriate, safe, and desirable development, as well as conditions of approval referenced herein. The site is adequate in parking, circulation, and access to the property including the addition of the proposed wireless facility.

3. *The proposal of the tower and/or antenna is in its design and appearance consistent with the development and design of the surrounding structures and neighborhood.*

The project proposal in its design and appearance as a result from this review will be compatible with the site and other similarly approved wireless facilities. The wireless tower is proposed to be disguised as a mono-palm with faux fronds and a faux growth pod, which will complement the surrounding neighborhood and blend with the existing area. The proposed equipment enclosure will have a stucco finish with a desert color to match the drive-thru restaurant buildings. The enclosure will be surrounded by mature landscaping to compliment the landscaping of the surrounding properties and will match the surrounding neighborhood. The proposed project provides a safe and well-designed site that is both aesthetically and architecturally pleasing.

4. *That the proposed use will be organized, designed, constructed, operated and maintained so as to be compatible with the character of the area as intended by the general plan.*

The General Plan Land Use designation is Regional Mixed-Use (R-MU) and the zoning designation is Regional Mixed Use (RMU). The operation and maintenance of the facility will be regulated by specific requirements set forth in the Minor Use Permit and attached in the Conditions of Approval. In addition, the project will conform to the requirements of the Zoning and Developments Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance.



The proposed project has been reviewed by Planning, Engineering, Building and Safety, and County Fire Prevention for site circulation, access, and safety. The proposed project identified in Findings No. 1-3, meet or exceeds the standards of the Zoning and Development Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance and will provide a safe design.

5. *That adequate streets and highways exist to carry the type and quantity of traffic anticipated to accommodate access for maintenance and/or service vehicles.*

The proposed project has been designed to accommodate access for maintenance and/or service vehicles and will not conflict with existing easements or access on-site. The project site is accessed from Mango Avenue and Sierra Lakes Parkway, which are publicly maintained streets. The proposed project will have one designated parking stall adjacent to the equipment enclosure for maintenance and/or service vehicles and will not conflict with the existing center.

6. *The Director of the Planning Department shall make those findings enumerated in this section as amended from time to time, prior to approving any ASP pursuant to this chapter.*

As a part of the approval of this Minor Use Permit and Administrative Site Plan, the Director of Planning made the required findings.

Staff prepared the above-listed findings for the Director of Planning's consideration pursuant to Section 32-7.2 and Section 30-178, Findings for Approval. On May 11, 2023, the Director of Planning determined that the findings were consistent with the Fontana Municipal Code and FCC statutes and regulations and approved the project. The proposed project has met all requirements of the Fontana Municipal Code and the General Plan. As such, staff recommends the City Council deny the request for the appeal and uphold the Planning Commission and Director of Planning's approval of ASP No. 22-028 and MUP No. 22-007.

### **Environmental:**

The installation of a new wireless telecommunications facility and ancillary equipment as described above associated with Master Case No. (MCN) 22-107 and Administrative Site Plan (ASP) No. 22-028 and Minor Use Permit (MUP) No. 22-007 is exempt pursuant to Section No. 15311 Class No. 11 (Accessory Structures) and Section No. 15332 Class No. 32 (In-Fill Development Project) of the California Environmental Quality Act (CEQA), and Section No. 3.22 of the 2019 City of Fontana Local Guidelines for Implementing the California Environmental Quality Act.

### **FISCAL IMPACT:**

None

### **MOTION:**

1. Deny Appeal No. 23-016, thereby upholding the decisions of the Planning Commission and Director of Planning approving Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007, for the request to install a new wireless telecommunications facility consisting of a 75' mono-palm with 14 antennas, supporting equipment, and an equipment enclosure of

347 square feet total.

2. Direct staff to prepare, execute, and file a CEQA a Notice of Exemption with the County Clerk, as appropriate, within five (5) working days of the Commission's final action on Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007.

**ATTACHMENTS:**

1. Uniform Appeal Letter from Appellant
2. Vicinity Map
3. Director's Action Packet
4. Planning Commission Packet
5. Notice of Public Hearing
6. Responses from AT&T

**Attachments Under Separate Cover:**

1. Project Plans

# Attachment No. 1



City of Fontana  
Planning Department  
8353 Sierra Avenue, Fontana, CA 92335 ~ (909) 350-6718  
[www.fontanaca.gov](http://www.fontanaca.gov) ~ Email: [planning@fontanaca.gov](mailto:planning@fontanaca.gov)

## APPEAL APPLICATION FORM

### APPEAL APPLICATION FORM

Any action taken by the Planning Commission, or the Director of Planning may be appealed as indicated in Section 30-25 of the Development Code by the applicant or any interested party. An application for appeal shall be filed within fifteen (15) calendar days after the hearing from which the decision is made.

APPELLANT INFORMATION	
Name(s): ROBERT CONSTANT, THE CONSTANT FAMILY TRUST	City Staff Only Project No.:
Mailing Address: 28871 BLYTHEWOOD DR.	
City: RANCHO PALOS VERDES State: CA Zip: 90275	Received By: Date:
Phone Number: 310-541-1297	
Email Address: bobcon56@cox.net	

#### SUBJECT OF APPEAL

This application is hereby filed pursuant to the Fontana Development Code Section 30-25 (Appeals), appealing a decision or action of the following authority:

☐ Directors Action

☒ Planning Commission

#### PROJECT INFORMATION

Project Number: MCN NO. 22-107; MVP NO. 22-007, ASP 22-028	Date of Action / Decision: JULY 18, 2023
Project Name: UNMANNED WIRELESS FACILITY	
Address / Intersection: 17010 SIERRA LAKES PARKWAY (APN 1119-221-69)	
City: FONTANA	State: CA Zip: 92335
APN(s): 1119-221-69	
Applicant/Appellant: COASTAL BUSINESS GROUP	

#### APPLICANT CERTIFICATION

I acknowledge the filing of this application and certify that all the above information is true and correct.

Signature: Robert Constant	Date: 7-31-23
Full Name: Robert Constant	Title: Owner

Robert Constant, The Constant Family Trust  
28871 Blythewood Dr.  
Rancho Palos Verdes, CA 90275  
Bobcon56@cox.net  
310-541-1297

July 31, 2023

To Whom It May Concern:

Robert Constant, next door neighbor directly to the North of proposed cell phone tower (located at 17010 Sierra Lakes Pkwy APN 1119-221-69 Project MCN no. 22-10-7; MUP No. 22-007; ASP 22-028) appeals the July 18, 2023, decision by the Fontana Planning Commission to deny Appeal No. 23-015, thereby upholding the decision of the Director of Planning on May 11, 2023. Until the following cybersecurity, safety, land use, and liability issues and demands are addressed, The Constant Family Trust opposes the tower development.

In response to The Constant Family's first appeal, Fontana staff addressed our concerns with a typical boilerplate template that can be summed up with a simple phrase: "complies with the development standards".

However, in their response, staff both admits and omits which proves that the standards have shortcomings. It is those standards shortcomings that this appeal addresses.

1. Setback: If "standards state that the setback requirement is a distance equal to at least 75 percent of the height of the tower from any adjoining lot line, which equates to a minimum of 56 feet setback from adjoining lot line", then Fontana admits that standards facilitate trespass if the tower falls. This facilitation puts Fontana at risk of trespass in addition to developer. Constant asks, minimally, that Fontana protects both Constant property and Fontana's own potential future trespass and negligence by relocating the tower so that in no way can fall on Constant property.

2. Fully negotiated private easements: Nowhere in Fontana's appeal response is the easement issue analyzed. Again, Constant asks that Fontana protects both Constant property and Fontana's own future liability on the easement issue. If not, then a foreseeable future fall of the tower makes all parties to the tower, Fontana, developer, and AT&T liable for negligence and trespass.

3. High winds and liability insurance: Again, nowhere in Fontana's appeal response is there any analysis of liability insurance to protect the Constant property, when Fontana's reply admits that the tower, if it falls, will encroach on Constant property by at minimum, 6 feet. As high winds are always a factor in Fontana, and the bulk of the tower's weight is at the top, then simple math and engineering proves that a tower falling from that height could do major damage on Constant property to both structures and people. Again, foreseeability is the cornerstone of negligence. Negligence that is facilitated by City of Fontana standards.

4. Security, Privacy, and Safety: It is staff's reply to Constant's security concern, that contains the most egregious omission in their reply. Constant's security concern is not limited to RF emissions. By focusing on that aspect only, Fontana has glossed over the major security concern of our times: cybersecurity. What is Fontana doing to protect itself from cybersecurity issues that the development of this tower is directly related? Constant requests that cybersecurity be immediately addressed by City Council in the form of a study and delay of this project.

5. Unlimited Future Usage: The concern over Unlimited Future Usage is directly related to cybersecurity. AT&T or a bad actor, under the guise of Fontana "standards" could add additional spyware, or worse, to the tower not only as it relates to a hostile foreign actor, but even at Fontana's own direction. Spying on citizens is not just something that concerns international security, but the local community as well. Constant asks that Fontana analyze and protect the community from all foreign, domestic, and local cybersecurity threats by immediately ceasing this project and organizing a study of the cybersecurity threats Fontana faces both now and in the future in accordance to city's police power. Threats that are foreseeable considering Fontana's own investment in the international logistics industry, as well as the property's location next to the sensitive energy producing Mid-Valley Landfill further demand immediate action.

6. View impairment: Compliance with a height requirement does not defend view impairment. This is a taking and should be compensated as such. Just because you can do it, doesn't mean it costs nothing to do.

Ten years ago, The Constant Family presented to both the planning department and City Council, its concerns about the health issues surrounding warehouse development. The family's focus was on addressing the shortcomings of the standards and accompanying boilerplate template response. Last week, Fontana finally denied a warehouse application, after a combination of intense community pressure, pressure from the California Attorney General, health studies, and the City Council's own political self-

preservation instincts, as the warehouse health and safety issue has become international news over the last several years.

Constant looks forward to another ten year battle over cybersecurity concerns in Fontana that are directly related to the warehouse issue that Fontana has perpetuated and only now, attempts to mitigate. The Constant Family sees that these battles make the community safer, stronger, and connected to the future health and growth of the Inland Empire.

Do the (reasonable and foreseeable) right thing, and analyze the cybersecurity, trespass, and liability issues that this tower portends so that in another ten years, Fontana is not known as a weak link threat to United States cybersecurity, just as it is now considered a weak link threat to the Inland Empire's health and safety due to city's warehouse support and proliferation.

Considering all issues and demands listed above, and in a neighborly attempt to minimize future litigation, Constant requests that the above reasonable demands be met. This appeal in no way limits any future causes of action that may arise from this project or any other project.

Fees to be waived as Constant is an adjoining property owner.

Sincerely,  
Robert Constant  
Nicholas Constant, Esq.





## VICINITY MAP

**DATE:** September 26, 2023

**CASE:** Master Case No. 23-062  
Appeal No. 23-016

**City Council**

**Acquanetta Warren**  
Mayor

**Peter A. Garcia**  
Mayor Pro Tem

**John B. Roberts**  
Council Member

**Jesus "Jesse" Sandoval**  
Council Member

**Phillip W. Cothran**  
Council Member

**PLANNING DEPARTMENT**

May 11, 2023

Coastal Business Group  
AT&T Mobility  
Brett Smirl  
24310 Moulton Parkway  
Laguna Hills CA 92637

**RE: Master Case No. (MCN) 22-107; Administrative Site Plan No. (ASP) 22-028; Minor Use Permit No. (MUP) 22-007: A request for site and architectural review of a new wireless facility disguised as a mono-palm located at 17010 Sierra Lakes Parkway (APN: 1119-221-69).**

Dear Mr. Smirl:

The above-referenced project was **approved** by the Director of Planning at the Planning Director's Hearing meeting held on May 11, 2023.

Please note that this action is subject to a fifteen (15) calendar day appeal period following the approval to allow for the filing of appeals with the Planning Commission of the City of Fontana. An appeal automatically stays at the Director's decision until the Planning Commission conducts a public hearing and renders a decision on the appeal. After the fifteen (15) day appeal period, the applicant shall remove the Notice of Filing sign from the project site. The applicant may request a refund of the \$600.00 sign deposit; the request shall be in writing and submitted to the Planning Department.

Enclosed are the Findings and Conditions of Approval on this project per the Fontana Municipal Code. Should you have any questions regarding this approval, please contact the project planner, Mai Thao, at (909) 350-6650, or by email at [mthao@fontana.org](mailto:mthao@fontana.org). Additionally, if you have any questions concerning next steps in the development process, please call the City's Development Services Supervisor, Carla Pursel, at (909) 350-6712.

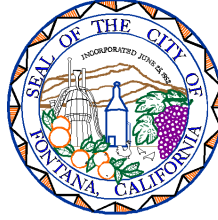
Sincerely,

Patty Nevins  
Director of Planning

**Attachments:**

1. Findings and Conditions of Approval
2. Approved Plan





## CITY OF FONTANA

<b>MASTER CASE NUMBER:</b>	Master Case No. 22-107
<b>PROJECT CASE NUMBER:</b>	Minor Use Permit No. 22-007 Administrative Site Plan No. 22-028
<b>APPLICANT:</b>	Coastal Business Group AT&T Mobility 24310 Moulton Parkway Ste. O #1009 Laguna Hills CA 92637
<b>PROJECT DESCRIPTION:</b>	An Administrative Site Plan request for site and architectural review for the installation of a new 75' wireless mono-palm including 14 antennas, supporting equipment, and an equipment enclosure.  A Minor Use Permit to operate an unmanned wireless facility within Regional Mixed-Use zone
<b>LOCATION:</b>	17010 Sierra Lakes Parkway
<b>GENERAL PLAN:</b>	RMU
<b>ZONING:</b>	R-MU
<b>OVERLAY</b>	None
<b>EXPIRATION DATE:</b>	May 11, 2025

### ATTACHMENT NO. 1

COPYRIGHT: BECHTEL INFRASTRUCTURE AND POWER CORPORATION 2022–2023. THIS ITEM CONTAINS CONFIDENTIAL INFORMATION PROPRIETARY TO BECHTEL INFRASTRUCTURE AND POWER CORPORATION THAT IS NOT TO BE USED, DISCLOSED, OR REPRODUCED IN ANY FORMAT BY ANY NON-BECHTEL PARTY WITHOUT BECHTEL'S PRIOR WRITTEN PERMISSION. NOTWITHSTANDING THE ABOVE, "AT&T MOBILITY" HAS THE RIGHT TO USE THE INFORMATION CONTAINED IN THIS DOCUMENT PURSUANT TO CONTRACT 26377 BETWEEN BECHTEL INFRASTRUCTURE AND POWER CORPORATION AND "AT&T MOBILITY". ALL RIGHTS RESERVED.

CITY OF FONTANA  
PLANNING DEPARTMENT

APPROVED

Mai Thao

MAY 11, 2023

MCN22-107  
ASP22-028  
MUP22-007

Project Planner

Date

Case #'s



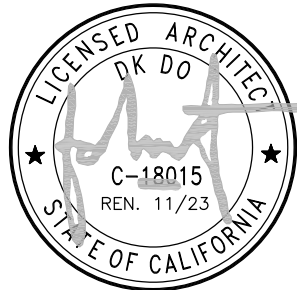
SITE NUMBER: CSL02952

SITE NAME: SIERRA LAKES

FA#: 12889584 | PACE#: MRLOS078888 | USID#: 315978

A/E DOCUMENT REVIEW STATUS					
Status Code					
1		Accepted – With minor or no comments, construction may proceed			
2		Not Accepted – Please resolve comments and resubmit			
4		Review not required. Construction may proceed.			
Acceptance does not constitute approval of design details, calculations, analysis, test methods or materials developed or selected by the subcontractor and does not relieve subcontractor from full compliance obligations.					
	ENG	CONST			
Reviewed					
Status By				Date	

DRAWING INDEX (ZONING)			REV.	DIRECTIONS	PROJECT INFORMATION																																												
AA–CSL02952–T01	TITLE SHEET	8	<div>DRIVING DIRECTIONS FROM AT&amp;T WIRELESS, TUSTIN</div> <div>1. TURN LEFT ONTO EDINGER AVE 2. TURN LEFT ONTO DEL AMO AVE 3. TAKE THE RAMP AND MERGE ONTO CA–55 N 4. MERGE ONTO CA–91 E 5. MERGE ONTO I–15 N 6. TAKE EXIT 115A FOR ROUTE 210 TOWARD 115A 7. MERGE ONTO CA–210 E 8. TAKE EXIT 68 FOR ALDER AVE 9. TURN LEFT ONTO N ALDER AVE 10. TURN LEFT ONTO SIERRA LAKES PKWY 11. ARRIVE AT 17010 SIERRA LAKES PKWY ON THE RIGHT</div> <div>VICINITY MAP</div> <div></div> <div>CODE COMPLIANCE<div>** NOTE: ALL WORK AND MATERIALS SHALL BE PERFORMED AND INSTALLED IN ACCORDANCE WITH THE CURRENT EDITIONS OF THESE CODES. NOTHING IN THESE PLANS IS TO BE CONSTRUED TO PERMIT WORK NOT CONFORMING TO THESE CODES.</div><div>1. 2022 CALIFORNIA ADMINISTRATIVE CODE (CAC) 2. 2022 CALIFORNIA BUILDING CODE (CBC), VOLUMES 1, AND 2 3. 2022 CALIFORNIA ELECTRICAL CODE 4. 2022 CALIFORNIA MECHANICAL CODE (CMC) 5. 2022 CALIFORNIA ENERGY CODE 6. 2022 CALIFORNIA FIRE CODE (CFC) 7. 2022 CALIFORNIA GREEN CODE 8. 2022 CALIFORNIA REFERENCES STANDARDS CODE</div></div>	SCOPE OF WORK: AN UNMANNED TELECOMMUNICATIONS FACILITY INCLUDING THE INSTALLATION OF: <div>1. 8’–0”H CMU ENCLOSURE WITH WROUGHT IRON LID AND EVERGREEN HEDGE AROUND ENCLOSURE</div> <div>2. 75’–0” HIGH MONOPALM</div> <div>3. (14) PANEL ANTENNAS ON MONOPALM</div> <div>4. (36) RRUS AND (6) DC SURGE SUPPRESSORS (DC9) AT ANTENNA LEVEL</div> <div>5. (1) 2’–0” DIAMETER MICROWAVE DISH ANTENNA</div> <div>6. (1) 3–BAY WUC CABINET WITH OVERHEAD FRP CANOPY</div> <div>7. (1) 20KW AC COMPACT GENERAC GENERATOR WITH 105 GAL. DIESEL TANK WITHIN CMU ENCLOSURE</div> <div>8. (1) GPS ANTENNA</div> <div>9. POWER, TELCO, FIBER AND COAX PANELS AND RUNS</div>																																													
AA–CSL02952–A01	SITE PLAN	8		SITE ADDRESS: 17010 SIERRA LAKES PARKWAY FONTANA, CA 92336	POWER COMPANY: SCE																																												
AA–CSL02952–A02	ENLARGED SITE PLAN	8		PROPERTY OWNER: 1836 SIERRA LAKES PARTNERS, LLC. 606 S. OLIVE ST., STE. 2450 LOS ANGELES, CA 90014	CONTACT PERSON: YOLANDA HUNTER																																												
AA–CSL02952–A03	EQUIPMENT LAYOUT PLAN	8		CONTACT: ERIC SILVERMAN	CONTACT PERSON: (626) 238–4792																																												
AA–CSL02952–A04	ANTENNA LAYOUT PLAN AND SCHEDULE	8		PHONE: (213) 709–3729	TEL COMPANY: TBD																																												
AA–CSL02952–A05	ELEVATION	8		EMAIL: ESILVERMAN@SBH–REG.COM	CONTACT PERSON: TBD																																												
AA–CSL02952–A06	ELEVATION	8		APPLICANT: AT&T WIRELESS 1452 EDINGER AVE., 3RD FLOOR TUSTIN, CA 92780																																													
AA–CSL02952–GN01	POWER COORDINATION REPORT	8		JURISDICTION: CITY OF FONTANA																																													
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AA–CSL02952–B02	TOPOGRAPHIC SURVEY (FOR REFERENCE ONLY)	1		CURRENT ZONING: REGIONAL MIXED USE (RMU)																																													
			CURRENT LAND USE: COMMERCIAL																																														
			PROPOSED OCCUPANCY/USE: TYPE U (UNMANNED TELECOMMUNICATIONS FACILITY)																																														
			LEASE AREA: 347 SQ.FT.																																														
			COORDINATES (NAD 83)																																														
			LATITUDE: N 34°08’21.69” (34.139358°)																																														
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			ELEVATION (NAVD88) 1,561.7 FT.																																														
SITE QUALIFICATION PARTICIPANTS																																																	
			NAME/CONTACT	COMPANY	NUMBER																																												
			A/E	D.K. DO/BOK YU	DCI PACIFIC (949) 475–1000																																												
			SAC	BRETT SMIRL	COASTAL BUSINESS GROUP (909) 202–1596																																												
			ZONING	BRETT SMIRL	COASTAL BUSINESS GROUP (909) 202–1596																																												
			RF	TARIK QUAZZANI	AT&T (505) 730–4726																																												
			CONST	RON VANDERWAL	BECHTEL COMMUNICATIONS (714) 343–0931																																												
			LL/OWNER	ERIC SILVERMAN	– (213) 709–3729																																												
DCI PACIFIC A E C WORKS  ARCHITECTURE   ENGINEERING   CONSULTING 26 EXECUTIVE PARK   SUITE 170 IRVINE   CA 92614		CSL02952 SIERRA LAKES FA#: 12889584   PACE#: MRLOS078888   USID#: 315978		<div></div> <div>1452 EDINGER AVENUE, 3RD FLOOR TUSTIN, CA 92780</div>																																													
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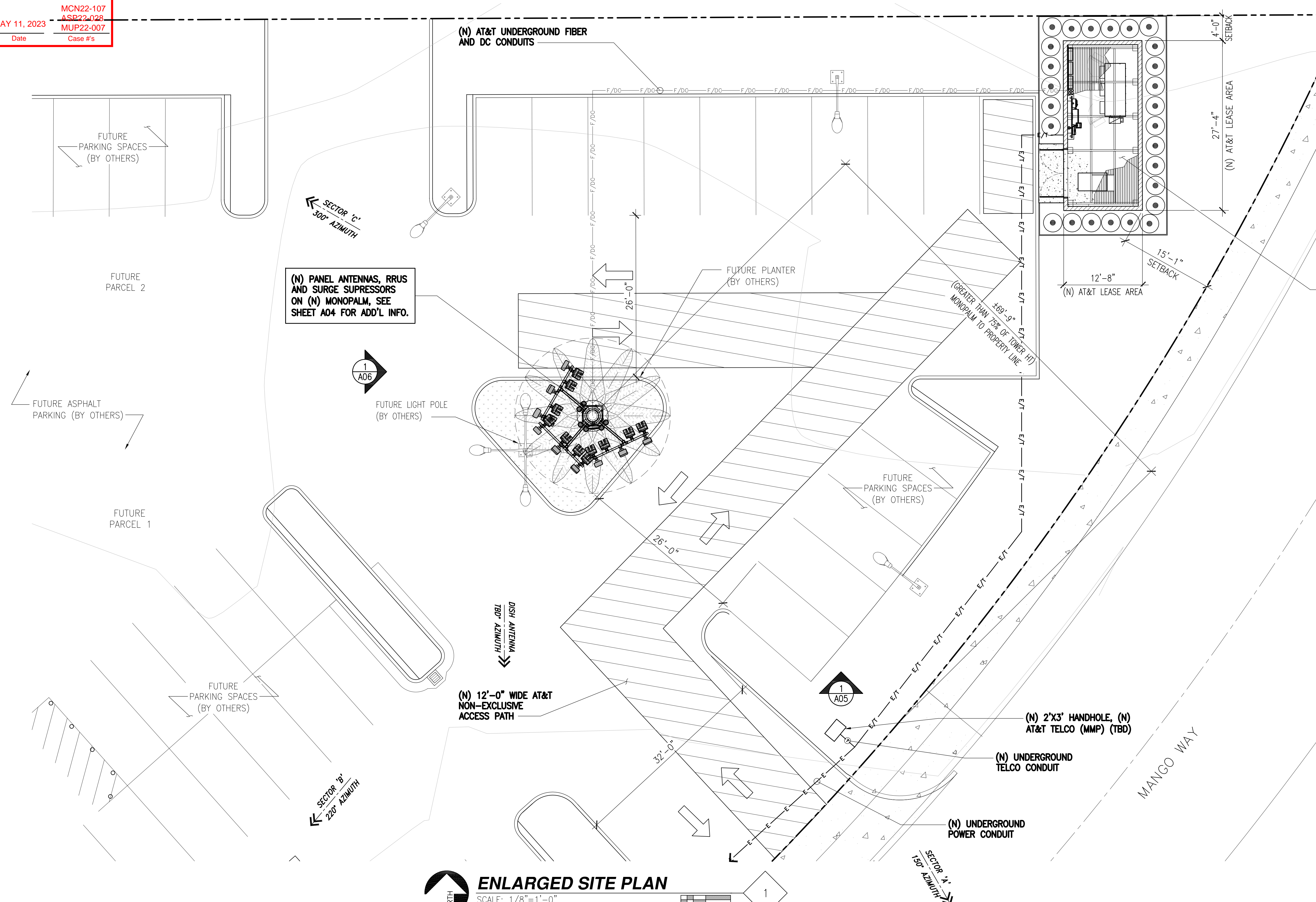
APPROVED

Mai Thao      MAY 11, 2023      MCN22-107  
Project Planner      Date      ~~ASP22-028~~  
Case #s      MUP22-007

NOTE:

- PROPOSED LANDSCAPING NOT SHOWN, TO BE ADDRESSED (UNDER SEPARATE PERMIT

(N) AT&T TELECOM FACILITY  
(347 SQ. FT.) TO OCCUPY  
FUTURE PLANTER, SEE SHEET  
A03 FOR ADDITIONAL INFO.



**ENLARGED SITE PLAN**  
SCALE: 1/8" = 1'-0"

**DCI PACIFIC**  
**A|E|C WORKS**

ARCHITECTURE | ENGINEERING | CONSULTING  
26 EXECUTIVE PARK | SUITE 170  
IRVINE | CA 92614

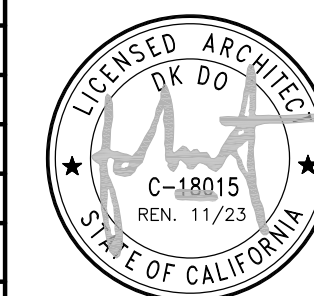
CSL02952  
SIERRA LAKES  
FA#: 12889584 | PACE#: MRLOS078888 | USID#: 315978

17010 SIERRA LAKES PARKWAY  
FONTANA, CA 92336



1452 EDINGER AVENUE, 3RD FLOOR  
TUSTIN, CA 92780

8	02/27/23	INCORP. PLANNING COMMENTS	RF	BOK	DR
7	01/04/23	INCORP. POWER REPORT	HL	BOK	DR
6	07/18/22	INCORP. PLANNING COMMENTS	HL	BOK	DR
5	09/01/22	INCORP. PLANNING COMMENTS	HL	BOK	DR
4	08/02/22	INCORP. PLANNING COMMENTS	RF	BOK	DR
NO.	DATE	REVISIONS	BY	CHK	APP
SCALE		AS SHOWN	DESIGNED		DRAWN



AT&T MOBILITY  
TUSTIN, CA

ENLARGED SITE PLAN

JOB NO		DRAWING NUMBER	RE
		AA-CSL02952-A02	8

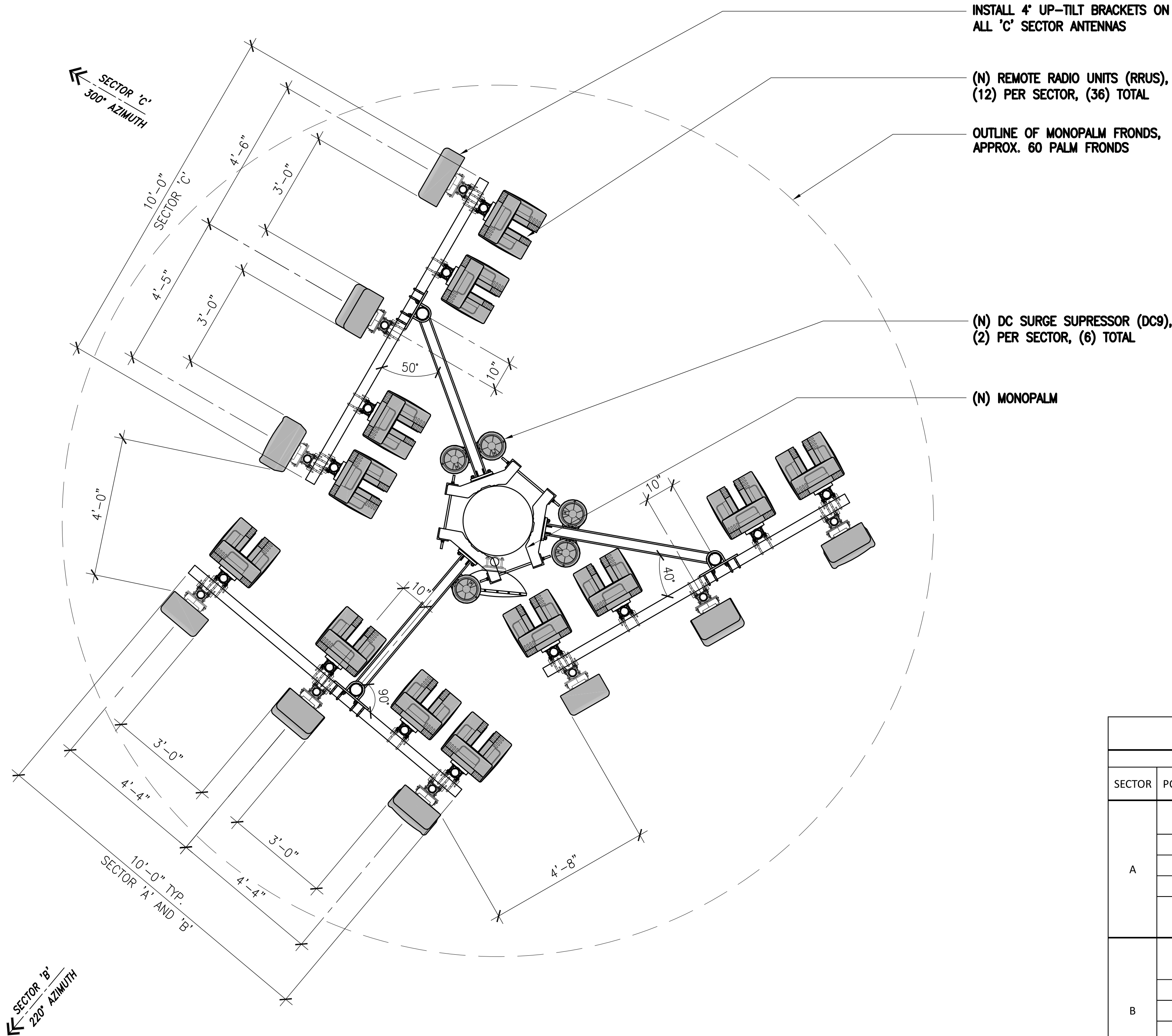
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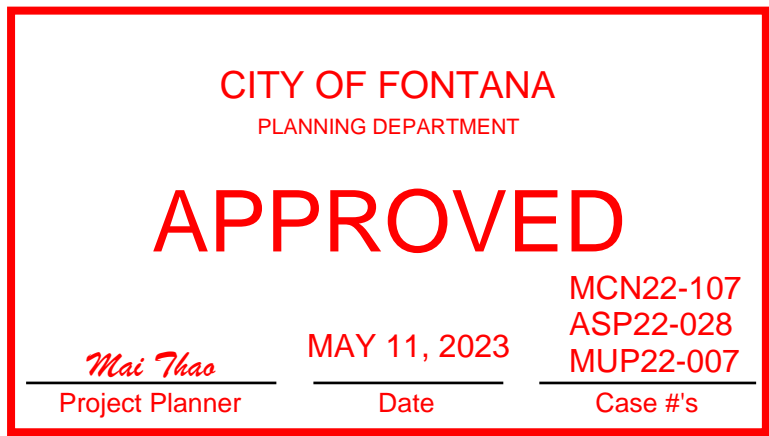




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NOTES:  
1. PAINT ALL NEW ANTENNAS, SURGE SUPPRESSORS, RRUS AND MOUNTING BRACKETS TO MATCH MONOPALM.



CSL02952 ANTENNA & RRU SCHEDULE																				
ANTENNAS AND MW DISHES						REMOTE RADIO UNITS (RRU'S)			FIBER TRUNKS			DC TRUNKS			JUMPERS		MW CABLES			
SECTOR	POSITION	MFR	MODEL NO.	AZIMUTH	RAD CENTER	TYPE	QTY	UP OR DOWN	QTY	LENGTH	DIA	QTY	LENGTH	DIA	LENGTH	DIA	QTY	LENGTH	DIA	
A	A1	CCI	TPA-45R-KU8AA-K	150	67°-0"	RRUS 4449 B5/B12 RRUS 8843 B2/B66A	12	UP	2	90'	2"	6	90'	2"	<12'	1/2"	NA	NA	NA	
	A2	ERICSSON	AIR 6449 B77D	150	69°-9"	NONE		UP							<12'	1/2"				
	A3	CCI	TPA-45R-KU6AA-K	150	65°-0"	RRUS 4478 B14		UP							<12'	1/2"				
	A4	ERICSSON	AIR 6419 B77G	150	69°-9"	NONE		NA							<12'	1/2"				
	A5	QUINTEL	QS6458-5	150	65°-0"	RRUS 2012 B29		UP							<12'	1/2"				
						RRUS 4415 B30		UP												
B	B1	CCI	TPA-45R-KU8AA-K	220	67°-0"	RRUS 4449 B5/B12 RRUS 8843 B2/B66A	12	UP	2	90'	2"	6	90'	2"	<12'	1/2"	NA	NA	NA	
	B2	ERICSSON	AIR 6449 B77D	220	69°-9"	NONE		UP							<12'	1/2"				
	B3	CCI	TPA-45R-KU6AA-K	220	65°-0"	RRUS 4478 B14		UP							<12'	1/2"				
	B4	ERICSSON	AIR 6419 B77G	220	69°-9"	NONE		NA							<12'	1/2"				
	B5	QUINTEL	QS6458-5	220	65°-0"	RRUS 2012 B29		UP							<12'	1/2"				
						RRUS 4415 B30		UP												
C	C1	COMMSCOPE	NNH4-65C-R6-V3	300	67°-0"	RRUS 4449 B5/B12 RRUS 8843 B2/B66A	12	UP	2	90'	2"	6	90'	2"	<12'	1/2"				
	C2	ERICSSON	AIR 6419 B77G	300	69°-9"	NONE		UP							<12'	1/2"				
	C3	ERICSSON	AIR 6449 B77D	300	66°-3"	NONE		NA							<12'	1/2"				
	C4	QUINTEL	QD8612-7	300	67°-0"	RRUS 4478 B14		UP							<12'	1/2"				
						RRUS 2012 B29		UP												
						RRUS 4415 B30		UP												
DISH	#1	MW	2'-0" MW DISH	TBD	58°-0"	NA											2	80'	TBD	



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26 EXECUTIVE PARK | SUITE 170  
IRVINE | CA 92614

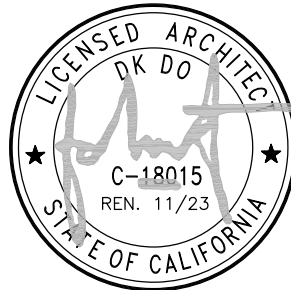
CSL02952  
SIERRA LAKES  
FA#: 12889584 | PACE#: MRLOS078888 | USID#: 315978

17010 SIERRA LAKES PARKWAY  
FONTANA, CA 92336



1452 EDINGER AVENUE, 3RD FLOOR  
TUSTIN, CA 92780

8	02/27/23	INCORP. PLANNING COMMENTS	RF	BOK	DKD
7	01/04/23	INCORP. POWER REPORT	HL	BOK	DKD
6	07/18/22	INCORP. PLANNING COMMENTS	HL	BOK	DKD
5	09/01/22	INCORP. PLANNING COMMENTS	HL	BOK	DKD
4	08/02/22	INCORP. PLANNING COMMENTS	RF	BOK	DKD
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		



AT&T MOBILITY  
TUSTIN, CA

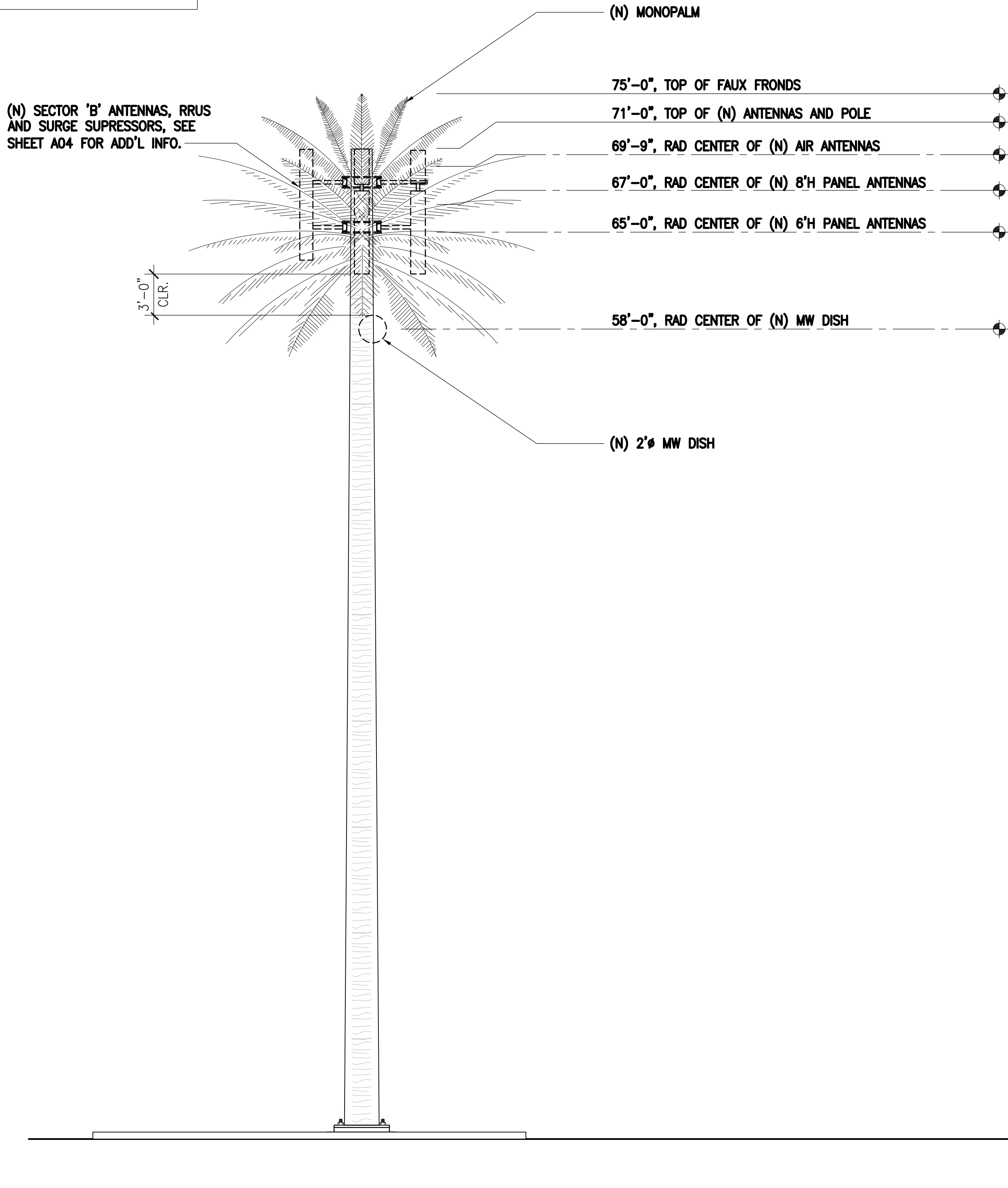
**ANTENNA LAYOUT PLAN  
AND SCHEDULE**

JOB NO.	DRAWING NUMBER	REV.
	AA-CSL02952-A04	8



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NOTES:  
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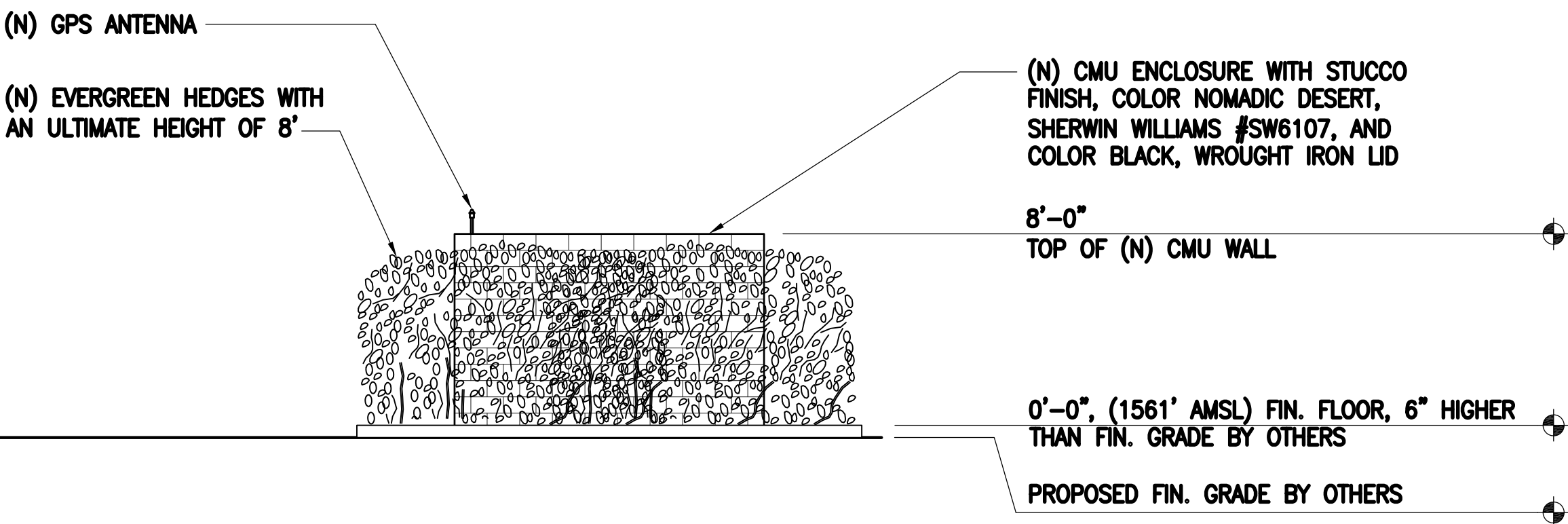
CITY OF FONTANA  
PLANNING DEPARTMENT

APPROVED

Mai Thao  
Project Planner

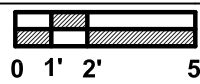
MAY 11, 2023  
Date

MCN22-107  
ASP22-028  
MUP22-007  
Case #'s



**SOUTH ELEVATION**

SCALE: 3/16"=1'-0"



1

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**A|E|C WORKS**

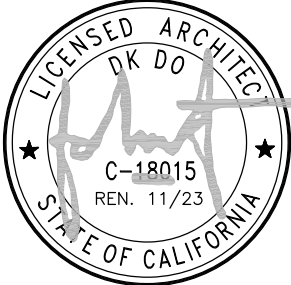
ARCHITECTURE | ENGINEERING | CONSULTING  
26 EXECUTIVE PARK | SUITE 170  
IRVINE | CA 92614

CSL02952  
SIERRA LAKES  
FA#: 12889584 | PACE#: MRL0S078888 | USID#: 315978  
  
17010 SIERRA LAKES PARKWAY  
FONTANA, CA 92336



1452 EDINGER AVENUE, 3RD FLOOR  
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4	08/02/22	INCORP. PLANNING COMMENTS	RF	BOK	DKD
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		



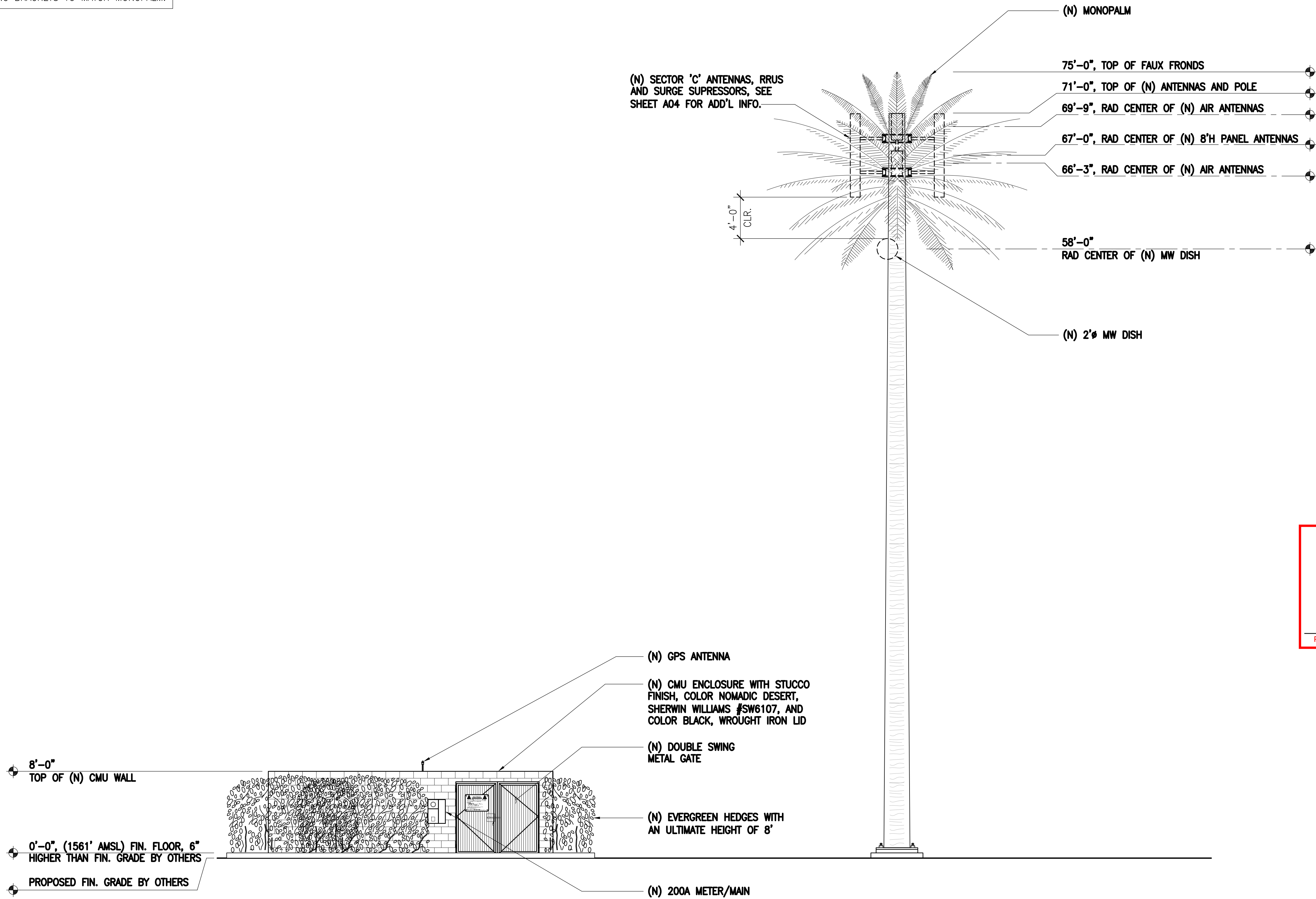
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TUSTIN, CA

**ELEVATIONS**

JOB NO.	DRAWING NUMBER	REV.
	AA-CSL02952-A05	8

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NOTES:  
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CITY OF FONTANA  
PLANNING DEPARTMENT

APPROVED

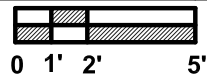
Mai Thao  
Project Planner

MAY 11, 2023  
Date

MCN22-107  
ASP22-028  
MUP22-007  
Case #'s

WEST ELEVATION

SCALE: 3/16"=1'-0"



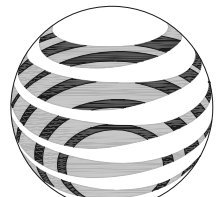
1

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ARCHITECTURE | ENGINEERING | CONSULTING  
26 EXECUTIVE PARK | SUITE 170  
IRVINE | CA 92614

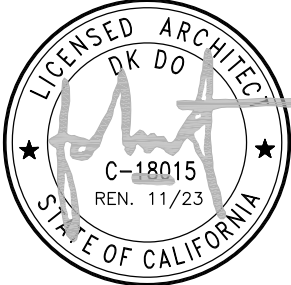
CSL02952  
SIERRA LAKES  
FA#: 12889584 | PACE#: MRL0S078888 | USID#: 315978

17010 SIERRA LAKES PARKWAY  
FONTANA, CA 92336



1452 EDINGER AVENUE, 3RD FLOOR  
TUSTIN, CA 92780

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NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		

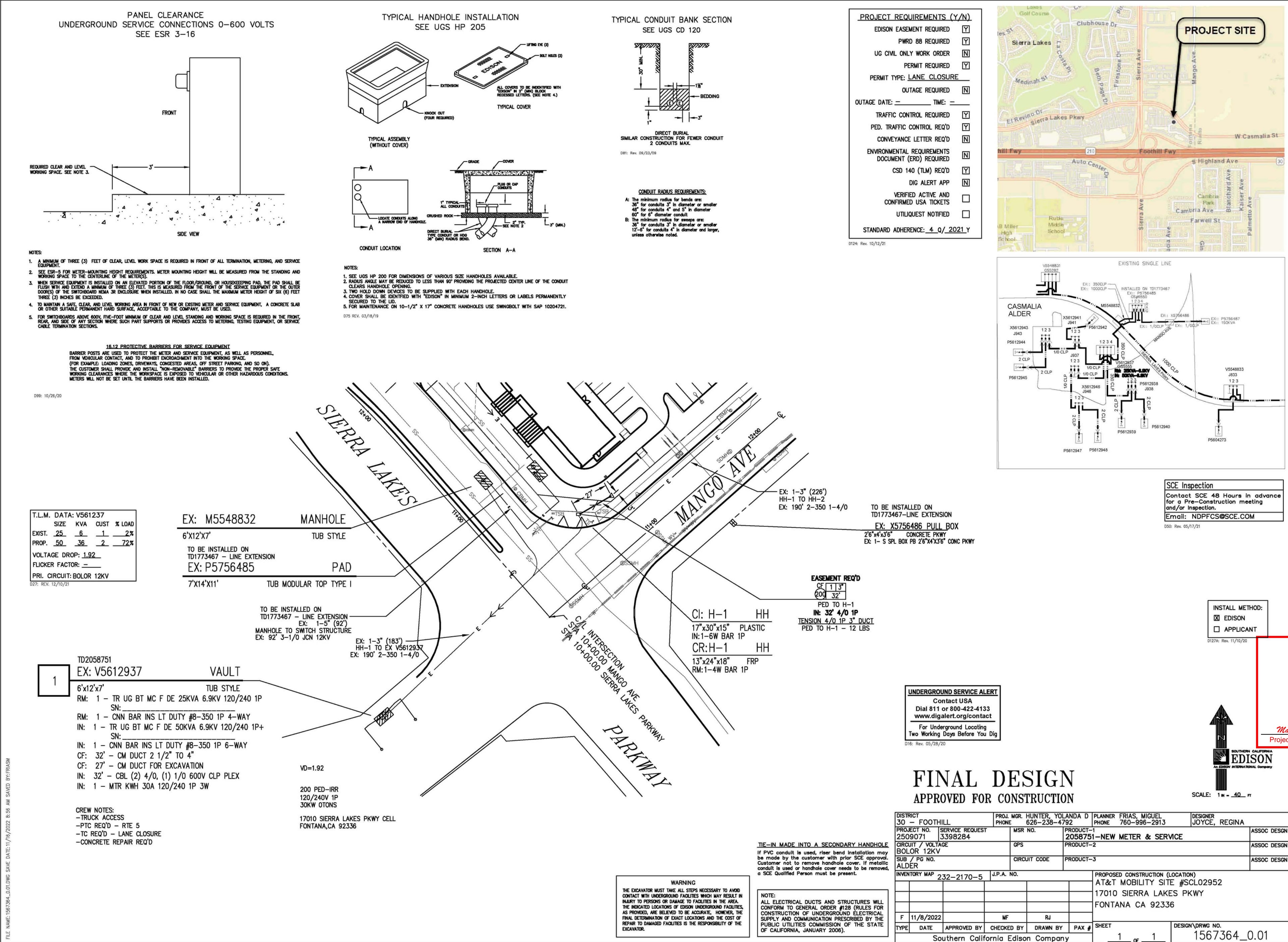


AT&T MOBILITY  
TUSTIN, CA

ELEVATIONS

JOB NO.	DRAWING NUMBER	REV.
	AA-CSL02952-A06	8





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A/E/C WORKS

ARCHITECTURE | ENGINEERING | CONSULTING  
26 EXECUTIVE PARK | SUITE 170  
IRVINE | CA 92614

CSL02952  
SIERRA LAKES  
FA#: 12889584 | PACE#: MRLOS078888 | USID#: 315978

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TUSTIN, CA 92780

8	02/27/23	INCORP. PLANNING COMMENTS	RF	BOK	DKD
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4	08/02/22	INCORP. PLANNING COMMENTS	RF	BOK	DKD
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		



AT&T MOBILITY  
TUSTIN, CA

POWER COORDINATION REPORT

JOB NO.	DRAWING NUMBER	REV.
	AA-CSL02952-GN01	8



OWNER'S NAME: 1836 SIERRA LAKES PARTNERS LLC

ASSESSOR'S PARCEL NUMBER(S) 1119-221-69-0000

BASIS OF BEARINGS: (NAD83; EPOCH 2010)

THE BEARINGS SHOWN HEREON ARE BASED CALIFORNIA STATE PLANE COORDINATE SYSTEM - ZONE 5. AS DETERMINED BY G.P.S. OBSERVATIONS, USING TRIMBLE 5700/5800 RECEIVERS AND TRIMBLE GEODETIC OFFICE 1.60 SOFTWARE.

BASIS OF ELEVATIONS: NAVD 1988

ELEVATIONS ARE BASED ON GPS OBSERVATIONS FROM TWO NATIONAL GEODETIC SURVEY C.O.R.S. REFERENCE STATIONS: 1) JPLM, ELEVATION = 1503.49' AND 2) TORP, ELEVATION = 103.77' WITH GEOID 2012 CORRECTIONS APPLIED.

SITE BENCHMARK IS THE TOP OF STORMDRAIN MANHOLE, LOCATED SE OF SITE, AS SHOWN HEREON. ELEVATION = 1559.42'

FEMA FLOOD ZONE DESIGNATION: National Flood Insurance Program:

County: SAN BERNARDINO

Map/Panel: 06071C7920H

Effective Date: 8/28/2008

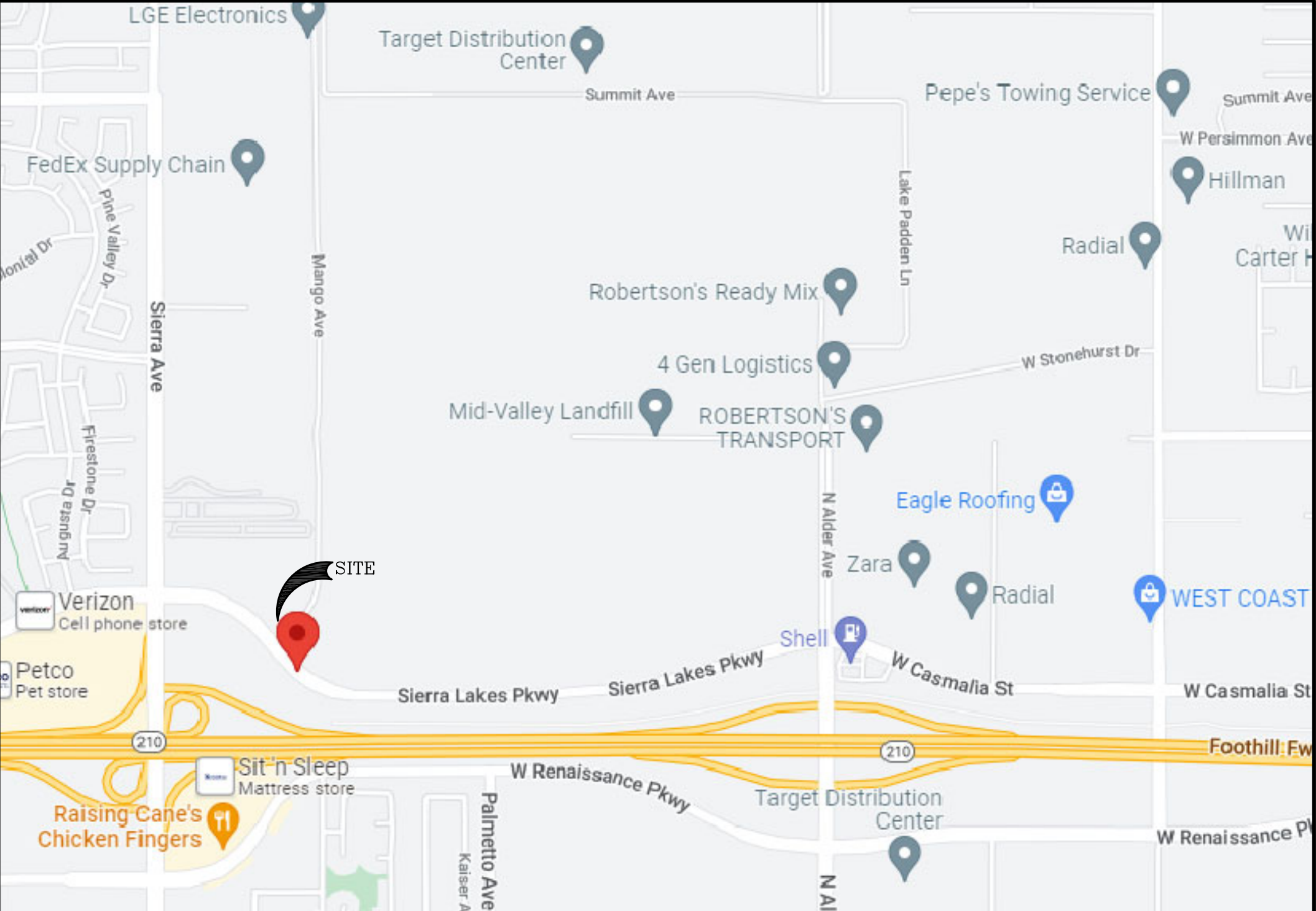
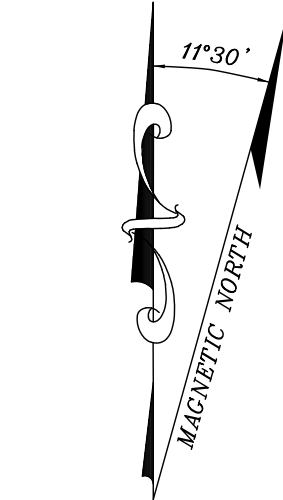
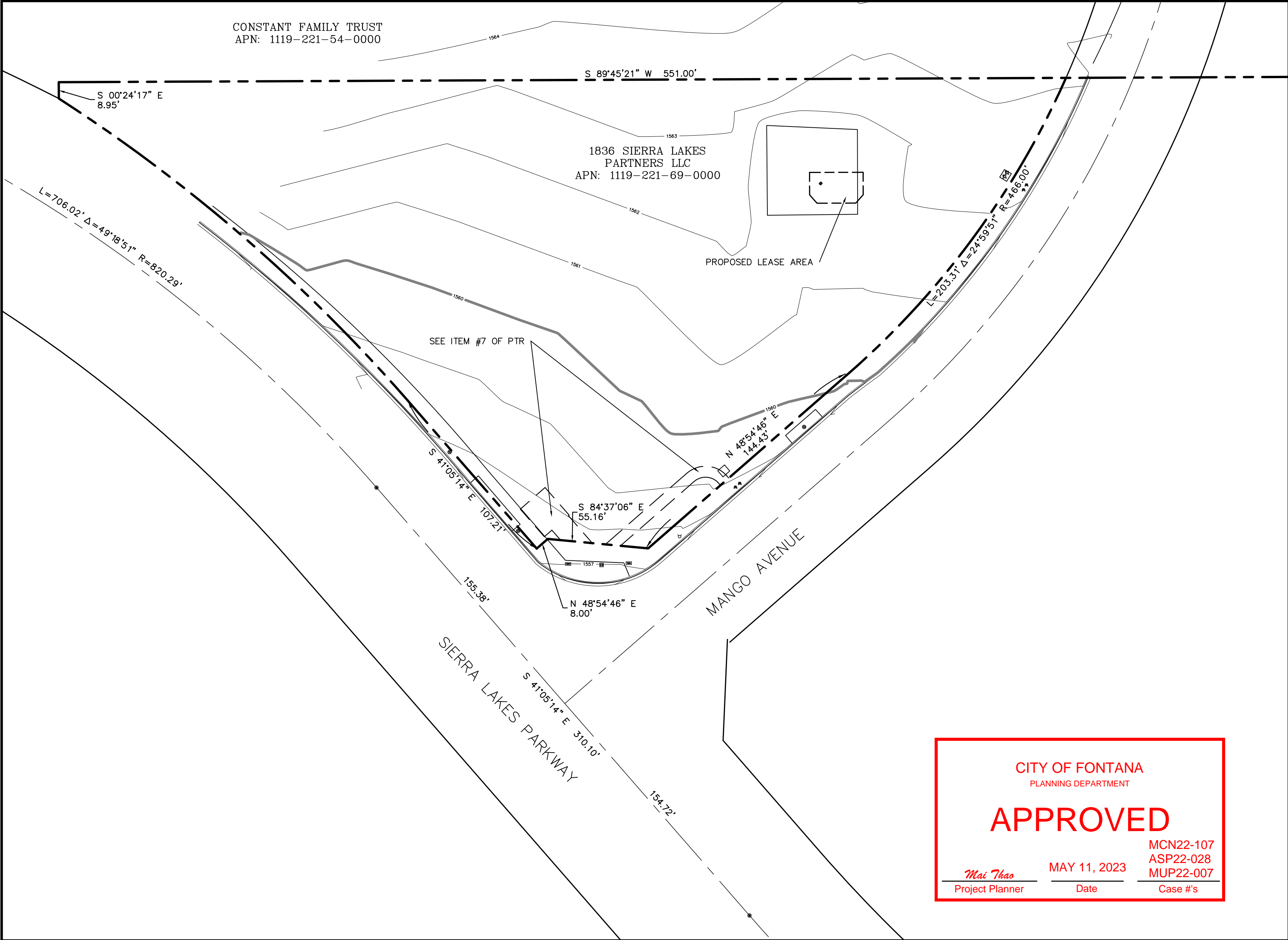
The Flood Zone Designation for this site is: ZONE: X

PROPERTY LEGAL DESCRIPTION

THAT PORTION OF THE EAST ONE HALF OF LOT 6 OF BAIRD PARK ACRES, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS RECORDED IN BOOK 19, PAGE 92 OF MAPS, RECORDS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTERLINE INTERSECTION OF SIERRA LAKES PARKWAY AND MANGO AVENUE AS SHOWN ON PARCEL MAP NO. 18189, AS FILED IN BOOK 229, PAGES 98 THROUGH 101 OF PARCEL MAPS, RECORDS OF SAID COUNTY; THENCE NORTH 48° 52' 47" EAST, A DISTANCE OF 44.00 FEET TO THE NORTHEASTERLY LINE OF SAID SIERRA LAKES PARKWAY; THENCE NORTH 41° 07' 13" WEST, ALONG SAID NORTHEASTERLY LINE, A DISTANCE OF 73.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 48° 52' 47" EAST, A DISTANCE OF 8.00 FEET; THENCE SOUTH 84° 39' 05" EAST, A DISTANCE OF 55.17 FEET TO THE NORTHWESTERLY LINE OF SAID MANGO AVENUE; THENCE NORTH 48° 52' 47" EAST, ALONG SAID NORTHWESTERLY LINE, A DISTANCE OF 144.42 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 466.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 203.31 FEET, THROUGH A CENTRAL ANGLE OF 24° 59' 49" TO THE NORTH LINE OF SAID LOT 6; THENCE SOUTH 89° 43' 22" WEST, ALONG SAID NORTH LINE, A DISTANCE OF 551.00 FEET TO THE NORTHWEST CORNER OF SAID EAST ONE HALF OF LOT 6; THENCE SOUTH 00° 26' 16" EAST, ALONG SAID WEST LINE, A DISTANCE OF 8.95 FEET TO A POINT ON THE NORTHEASTERLY LINE OF SAID SIERRA LAKES PARKWAY, SAID POINT ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 902.23 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 32° 47' 32" WEST; THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 253.33 FEET, THROUGH A CENTRAL ANGLE OF 16° 05' 15"; THENCE SOUTH 41° 07' 13" EAST, CONTINUING ALONG SAID NORTHEASTERLY LINE OF SAID SIERRA LAKES PARKWAY, A DISTANCE OF 107.21 FEET TO THE TRUE POINT OF BEGINNING.

SAID DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE, RECORDED SEPTEMBER 24, 2019 AS INSTRUMENT NO. 2019-342563 OF OFFICIAL RECORDS.



TITLE REPORT NOTES

TITLE REPORT NOTES:

THE FOLLOWING EASEMENTS EFFECT SAID PARCEL ACCORDING TO PRELIMINARY TITLE REPORT:

PREPARED BY - COMMONWEALTH LAND TITLE INSURANCE COMPANY  
TITLE NO. - 92017644-920-CMM-CM8  
DATED - APRIL 6, 2022

SEE SAID TITLE REPORT FOR OTHER DOCUMENTS (NON-EASEMENTS) EFFECTING SAID PROPERTY. NO RESEARCH WAS PERFORMED BY FLOYD SURVEYING BUT RELIED UPON SAID TITLE REPORT FOR THE EASEMENTS REVIEWED BELOW:

ITEM #2 - Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Southern California Edison Company, a corporation  
Purpose: Public utilities  
Recording No: Book 9718, Page 3216 of Official Records  
(DOES NOT CROSS PROJECT AREA)

ITEM #4 - Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Southern California Edison Company  
Purpose: Public utilities  
Recording Date: January 14, 2009  
Recording No: 2009-15762 of Official Records  
LESS The effect of a document entitled "Partial Quitclaim Easement".  
Recorded November 7, 2019 as Instrument No. 2019-403381 of Official Records  
(DOES NOT CROSS PROJECT AREA)

ITEM #5 - Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Fontana, a municipal corporation  
Purpose: Street, highway and public utility  
Recording Date: July 18, 2014  
Recording No: 2014-260802 of Official Records  
(AS SHOWN HEREON - AS MANGO RIGHT-OF-WAY)

ITEM #7 - Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Southern California Edison Company, a corporation  
Purpose: To construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems (hereinafter referred to as "systems"), consisting of wires, underground conduits, cables, vaults, manholes, handholes, and including above-ground enclosures, markers and concrete pads and other appurtenant fixtures and equipment necessary or useful for distributing electrical energy and for transmitting intelligence, data and/or communications  
Recording Date: November 2, 2021  
Recording No: 2021-496135 of Official Records  
(AS SHOWN HEREON - DOES NOT CROSS PROJECT AREA)

END OF EASEMENTS

VICINITY MAP

LEGEND

- ELECTRIC BOX
- FIRE HYDRANT
- MONUMENT FOUND
- STORM DRAIN MANHOLE
- TRAFFIC SIGNAL BOX
- WATER METER
- WATER VALVE
- EDGE OF CONCRETE
- EDGE OF PAVEMENT
- FLOWLINE, CURB & GUTTER
- LIP OF GUTTER
- GROUND SPOT ELEVATION
- STORMDRAIN MANHOLE
- SIDEWALK
- TOP OF CURB
- BOUNDARY LINE
- CENTER LINE
- MISC. PROPERTY LINE
- MISC. TIE LINE
- RIGHT-OF-WAY LINE
- EASEMENT LINE
- FENCE LINE
- BUILDING EDGE
- OVERHEAD WIRES

1) This is not a boundary survey. This is a specialized topographic map. The property lines and easements shown hereon are from record information as noted hereon. Floyd Surveying translated the topographic survey to record information using the two found monuments shown hereon. No title research was performed by Floyd Surveying.

2) Any changes made to the information on this plan, without the written consent of Floyd Surveying relieves Floyd Surveying of any and all liability.

3) These drawings & specifications are the property & copyright of Floyd Surveying & shall not be used on any other work except by agreement with the Surveyor. Written dimensions shall take preference over scaled & shall be verified on the job site. Any discrepancy shall be brought to the notice of the Surveyor prior to commencement of any work.

4) Field survey completed on April 5, 2022

FLOYD SURVEYING  
34006 GALLERON STREET  
TEMECULA, CA 92592  
OFFICE: (949) 200-0626  
EMAIL: fsi@floydsurveying.com

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T 949 475.1000 | 949 475.1001 F

CSL02952  
SIERRA LAKES  
17090 SIERRA LAKES PARKWAY  
FONTANA, CA 92336

1452 EDINGER AVENUE, 3RD FLOOR  
TUSTIN, CA 92780

1	4/22/22	TITLE REVIEW	DAF	DAF	DAF
0	4/07/22	ISSUED FOR ZONING SUBMITTAL	DAF	DAF	DAF
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE		AS SHOWN	DESIGNED	DRAWN	

SHEET TITLE  
**TOPOGRAPHIC SURVEY**

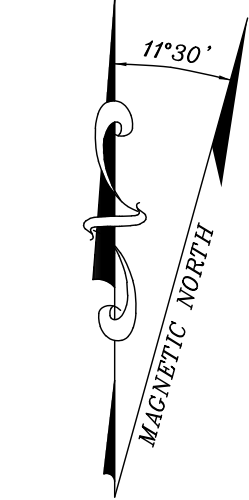
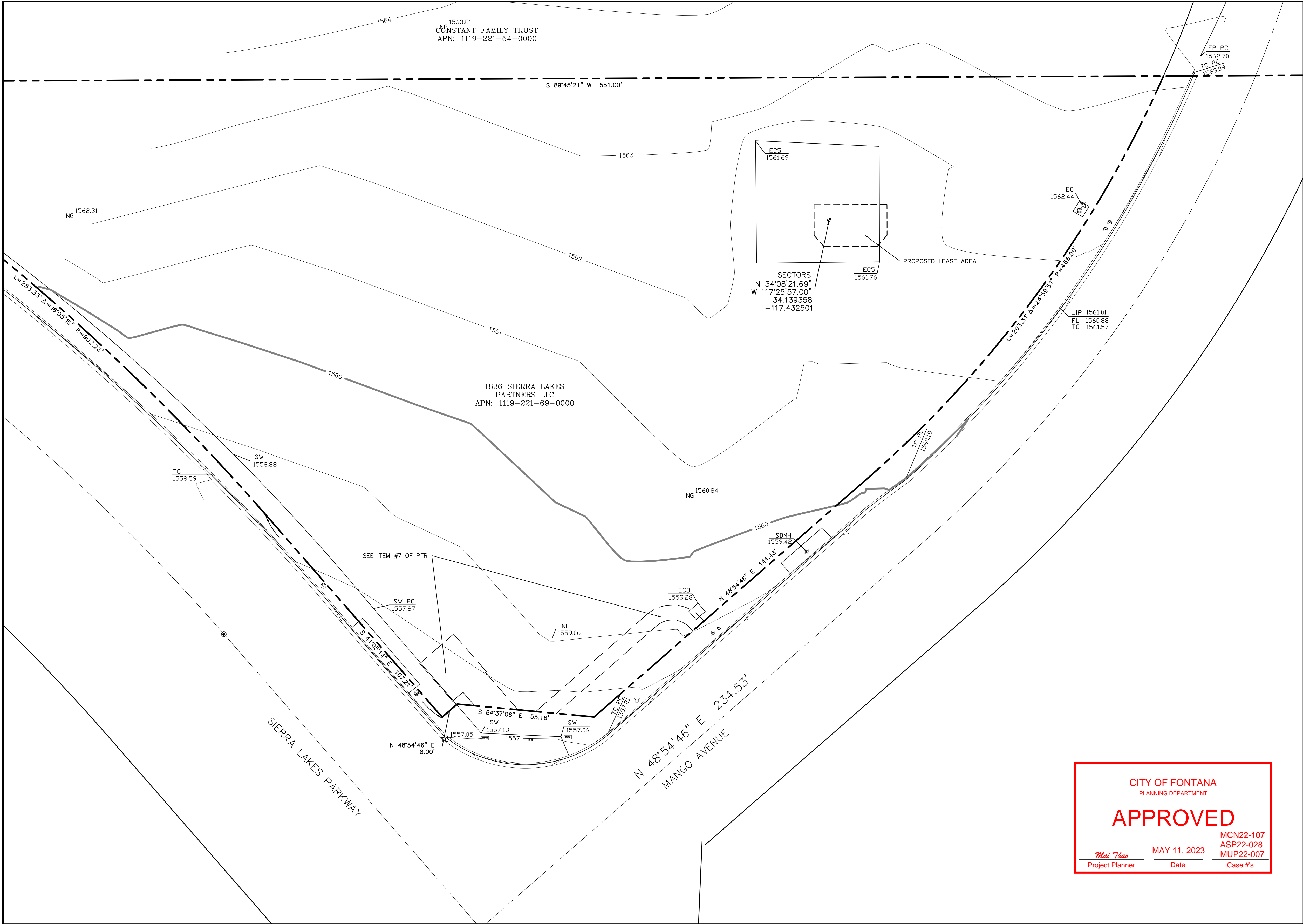
SHEET NUMBER  
**B01**

OVERALL SITE PLAN

SCALE: 1"=40'

40 20 0 40





### LEGEND

- ELECTRIC BOX
- FIRE HYDRANT
- MONUMENT FOUND
- STORM DRAIN MANHOLE
- TRAFFIC SIGNAL BOX
- WATER METER
- WATER VALVE
- EDGE OF CONCRETE
- EDGE OF PAVEMENT
- FLOWLINE, CURB & GUTTER
- LIP OF GUTTER
- GROUND SPOT ELEVATION
- STORMDRAIN MANHOLE
- SIDEWALK
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- MISC. TIE LINE
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- EASEMENT LINE
- FENCE LINE
- BUILDING EDGE
- OVERHEAD WIRES

CITY OF FONTANA  
PLANNING DEPARTMENT

APPROVED

Mai Thao  
Project Planner

MAY 11, 2023  
Date

MCN22-107  
ASP22-028  
MUP22-007  
Case #s

- 1) This is not a boundary survey. This is a specialized topographic map. The property lines and easements shown hereon are from record information as noted hereon. Floyd Surveying translated the topographic survey to record information using the two found monuments shown hereon. No title research was performed by Floyd Surveying.
- 2) Any changes made to the information on this plan, without the written consent of Floyd Surveying relieves Floyd Surveying of any and all liability.
- 3) These drawings & specifications are the property & copyright of Floyd Surveying & shall not be used on any other work except by agreement with the Surveyor. Written dimensions shall take preference over scaled & shall be verified on the job site. Any discrepancy shall be brought to the notice of the Surveyor prior to commencement of any work.
- 4) Field survey completed on April 5, 2022

FLOYD SURVEYING  
34006 GALLERON STREET  
TEMECULA, CA 92592  
OFFICE: (949) 200-0626  
EMAIL: fsi@floydsurveying.com

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17090 SIERRA LAKES PARKWAY  
FONTANA, CA 92336

at&t  
Mobility  
1452 EDINGER AVENUE, 3RD FLOOR  
TUSTIN, CA 92780

1	4/22/22	TITLE REVIEW	DAF	DAF	DAF
0	4/07/22	ISSUED FOR ZONING SUBMITTAL	DAF	DAF	DAF
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		

TOPOGRAPHIC SURVEY

DETAIL SITE PLAN

SCALE: 1"=20'  
20 10 0 20

SHEET TITLE

SHEET NUMBER

B02



## FINDINGS FOR MINOR USE PERMIT

**CASE:** Minor Use Permit No. 22-007  
Master Case No. 22-107

**DATE:** May 11, 2023

- 1. That the proposed use is allowed within the applicable zoning district and complies with all other applicable provisions of the Zoning and Development Code, General Plan, any applicable Specific Plan or area plan, and City regulations/standards.**

The project site is located on the north side of Sierra Lakes Parkway and west side of Mango Avenue. The proposed project is for the installation a new 75-foot wireless facility disguised as a mono-palm. The new mono-palm will include fourteen (14) panel antennas, supporting equipment, and an equipment enclosure. The General Plan Land Use designation is Regional Mixed-Use (R-MU) and the zoning designation is Regional Mixed Use (RMU). The Regional Mixed-Use zoning is intended for a wide range of retail commercial, office, medium density residential, civic, open space and job-rich light manufacturing uses. This use is considered a public facility and is allowed within the Regional Mixed Use zoning district with the approval of a Minor Use Permit. The wireless facility will support the intended uses for the areas within the Regional Mixed Use land use designation.

- 2. The site is physically suited for the type, density, and intensity of the proposed use including access, utilities, and the absence of physical constraints and can be conditioned to meet all related performance criteria and development standards.**

The physical characteristics of the site are sufficient to accommodate the requested wireless mono-palm, supporting equipment, and equipment enclosure. The project site is approximately 1.8 acres in size and developed with two drive-thru restaurants pads and associated parking, landscaping, and drive aisles. The proposed mono-palm and equipment enclosure meets all applicable development standards including access, setbacks, parking, and drive aisles. There are no changes to the existing site circulation and access for the proposed project. The new wireless tower has been reviewed by Planning, Building and Safety, Engineering, and Fire Prevention and will meet or exceed all requirements.

- 3. Granting the permit would not be detrimental to the public interest, health, safety, convenience, welfare, or materially injurious to persons, property, or improvements in the vicinity in which the project is located.**

The proposed project has been reviewed by Planning, Engineering, Building and Safety, and County Fire Prevention for site circulation, access, and safety. In addition, the site meets all the development standards of the Zoning and Development Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance and will provide a safe, well-designed facility.





## **FINDINGS FOR ADMINISTRATIVE SITE PLAN**

**CASE:** Administrative Site Plan 22-028  
Master Case No. 22-107

**DATE:** May 11, 2023

**1. The proposal meets or exceeds contained in this Chapter and is consistent with the General Plan and the applicable land use designation.**

The project site is located on the north side of Sierra Lakes Parkway and west side of Mango Avenue. The proposed project is for the installation a new 75-foot wireless facility disguised as a mono-palm. The new mono-palm will include fourteen (14) panel antennas, supporting equipment, and an equipment enclosure. The General Plan Land Use designation is Regional Mixed-Use (R-MU) and the zoning designation is Regional Mixed Use (RMU). The Regional Mixed-Use zoning is intended for a wide range of retail commercial, office, medium density residential, civic, open space and job-rich light manufacturing uses. This use is considered a public facility and is allowed within the Regional Mixed Use zoning district with the approval of a Minor Use Permit and an Administrative Site Plan for site and architectural review of the proposed wireless facility. The proposed project is consistent with the General Plan, the Zoning and Development Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance.

**2. That the site for the intended use is adequate in size, shape, topography, accessibility, and other physical characteristics to accommodate the use and all the required provisions of this chapter.**

The project site is an irregular shaped property consisting of one (1) parcel of approximately 1.8 acres, located at 17010 Sierra Lakes Parkway. The new wireless tower has been reviewed by Planning, Building and Safety, Engineering, and Fire Prevention and will meet or exceed all requirements. The proposed project will be built/installed pursuant to all applicable building, zoning, fire codes, and standards which will result in an appropriate, safe, and desirable development, as well as conditions of approval referenced herein. The site is adequate in parking, circulation, and access to the property including the addition of the proposed wireless facility.

**3. The proposal of the tower and/or antenna is in its design and appearance consistent with the development and design of the surrounding structures and neighborhood.**

The project proposal in its design and appearance as a result from this review will be compatible with the site and other similarly approved wireless facilities. The wireless tower is proposed to be disguised as a mono-palm with faux fronds and a faux growth pod, which will complement the surrounding neighborhood and blend with the existing area.

The proposed equipment enclosure will have a stucco finish with a desert color to match the drive-thru restaurant buildings. The enclosure will be surrounded by mature landscaping to compliment the landscaping of the surrounding properties and will match the surrounding neighborhood. The proposed project provides a safe and well-designed site that is both aesthetically and architecturally pleasing.

4. **That the proposed use will be organized, designed, constructed, operated and maintained so as to be compatible with the character of the area as intended by the general plan.**

The General Plan Land Use designation is Regional Mixed-Use (R-MU) and the zoning designation is Regional Mixed Use (RMU). The operation and maintenance of the facility will be regulated by specific requirements set forth in the Minor Use Permit and attached in the Conditions of Approval. In addition, the project will conform to the requirements of the Zoning and Developments Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance.

The proposed project has been reviewed by Planning, Engineering, Building and Safety, and County Fire Prevention for site circulation, access, and safety. The proposed project identified in Findings No. 1-3, meets or exceeds the standards of the Zoning and Development Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance and will provide a safe design.

5. **That adequate streets and highways exist to carry the type and quantity of traffic anticipated to accommodate access for maintenance and/or service vehicles.**

The proposed project has been designed to accommodate access for maintenance and/or service vehicles and will not conflict with existing easements or access on-site. The project site is accessed from Mango Avenue and Sierra Lakes Parkway, which are publicly maintained streets. The proposed project will have one designated parking stall adjacent to the equipment enclosure for maintenance and/or service vehicles and will not conflict with the existing center.

6. **The Director of the Planning Department shall make those findings enumerated in this section as amended from time to time, prior to approving any ASP pursuant to this chapter.**

Upon approval of this Minor Use Permit and Administrative Site Plan, the Director of Planning has made the required findings in the affirmation.



CITY OF FONTANA

## CONDITIONS OF APPROVAL

**CASE:** Administrative Site Plan No. 22-028  
Master Case No. 22-107

**DATE:** May 11, 2023

**LOCATION:** 17010 Sierra Lakes Parkway

### **PLANNING DEPARTMENT:**

1. All Conditions of Approval contained herein shall be incorporated into all applicable final construction plans and a copy of these conditions, signed by the property owner or legal representative, shall be placed on the first sheet of the final building plans prior to issuance of any building permits.
2. The rights and privileges granted by this project shall not become effective, nor shall the Applicant commence the use for which this project is granted, until both of the following have occurred:
  - A. All of the improvements, construction, alteration and other work set forth in this project have been completed and have been accepted by the City, as evidenced by the City's issuance of a Certificate of Occupancy or other document evidencing the City's final inspection and acceptance of the work; and
  - B. All other Conditions of Approval imposed by this project have been fulfilled.
3. Administrative Site Plan shall become null and void two (2) years from the date of approval, unless the appropriate permits have been obtained and construction, defined as permit obtainment, commencement of construction of the primary building on site, and successful completion of the first Building and Safety Department inspection, has commenced within this period.
4. Prior to the construction of any modifications, all structural and aesthetic changes to the project design must be requested and approved in writing by the Director of Planning or his/her designee.
5. This project will comply with all applicable provisions, regulations, and development standards of the City of Fontana Municipal Code.
6. In the event that one or more of the Conditions of Approval for this project needs to be amended and/or deleted due to health, safety or welfare concerns, the City Manager is authorized to approve or conditionally approve such amendment/deletion, provided that City Manager shall bring such proposed amendment/deletion to the City Council at the next available meeting for City Council ratification, but in no event later than sixty (60)



days following the City Manager's decision. The noticing of such City Council meeting for possible ratification shall be pursuant to Sections 30-30 and 30-31 of the Municipal Code.

7. The applicant/property owner shall defend, indemnify, protect and hold harmless the City of Fontana or its agents, officers, attorneys and employees from any and all actual or alleged claims, actions or proceedings against the City of Fontana or its agents, officers, attorneys or employees to attack, set aside, void, annul or seek monetary damages arising out of any challenge to the proposed project or to any approvals of the Planning Commission and/or City Council concerning this project, including but not limited to actions challenging CEQA actions, permits, variances, plot plans, design plans, maps, licenses, and amendments. The City of Fontana shall promptly notify the applicant of any claim, action, or proceeding and the City of Fontana shall cooperate in the defense.

In the event of any such third-party action or proceeding, the City shall have the right to retain its own separate legal counsel to defend the interests of the City. The applicant shall be responsible for reimbursing the City for such legal fees and costs, in their entirety, including actual attorneys' fees, which may be incurred by the City in defense of such action or proceeding. This indemnification shall also include, but not be limited to, damages, fees and/or costs awarded against the City, if any, and cost of suit, attorneys' fees, and other costs, liabilities and expenses incurred in connection with such claim, action, or proceeding whether incurred by applicant, the City and/or any parties bringing such forth.

The City of Fontana and the applicant acknowledge that the City would not have approved this project if the City were to be liable to applicant in damages under or with respect to all or any part of this application or this condition of approval. Accordingly, applicant shall not sue the City for damages or monetary relief for any matter arising from or related to this condition of approval. Applicant's sole and exclusive remedy shall be limited to declaratory/injunctive relief, mandate, and/or specific performance.

8. The applicant shall post a publicly visible sign on the project site with the telephone number and 24-hour point of contact for dust, noise, and construction complaints. The 24-hour point of contact shall be available 24 hours a day, 7 days a week and have authority to commit additional assets to control dust, or respond to construction complaints after hours, on weekends and on holidays. Construction shall be limited to 7:00 am to 6:00 pm on weekdays, 8:00 am to 5:00 pm on Saturdays, and no construction on Sundays and Holidays.
9. The construction contractor will use the following source controls at all times:
  - A. Use of noise-producing equipment will be limited to the interval from 8:00 a.m. to 5:00 p.m., Monday through Friday. Construction shall be limited to 7:00 am to 6:00 pm on weekdays, 8:00 am to 5:00 pm on Saturdays, and no construction on Sundays and Holidays unless it is approved by the building inspector for cases that are considered urgently necessary as defined in Section 18-63(7) of the Municipal Code.
  - B. For all noise-producing equipment, use types and models that have the lowest horsepower and the lowest noise generating potential practical for their intended use.



- C. The construction contractor will ensure that all construction equipment, fixed or mobile, is properly operating (tuned-up) and lubricated, and that mufflers are working adequately.
- D. Have only necessary equipment onsite.
- E. Use manually adjustable or ambient-sensitive backup alarms. When working adjacent to residential use(s), the construction contractor will also use the following path controls, except where not physically feasible, when necessary:
  - 1. Install portable noise barriers, including solid structures and noise blankets, between the active noise sources and the nearest noise receivers.
  - 2. Temporarily enclose localized and stationary noise sources.
  - 3. Store and maintain equipment, building materials, and waste materials as far as practical from as many sensitive receivers as practical.

10. Historic Archaeological Resources

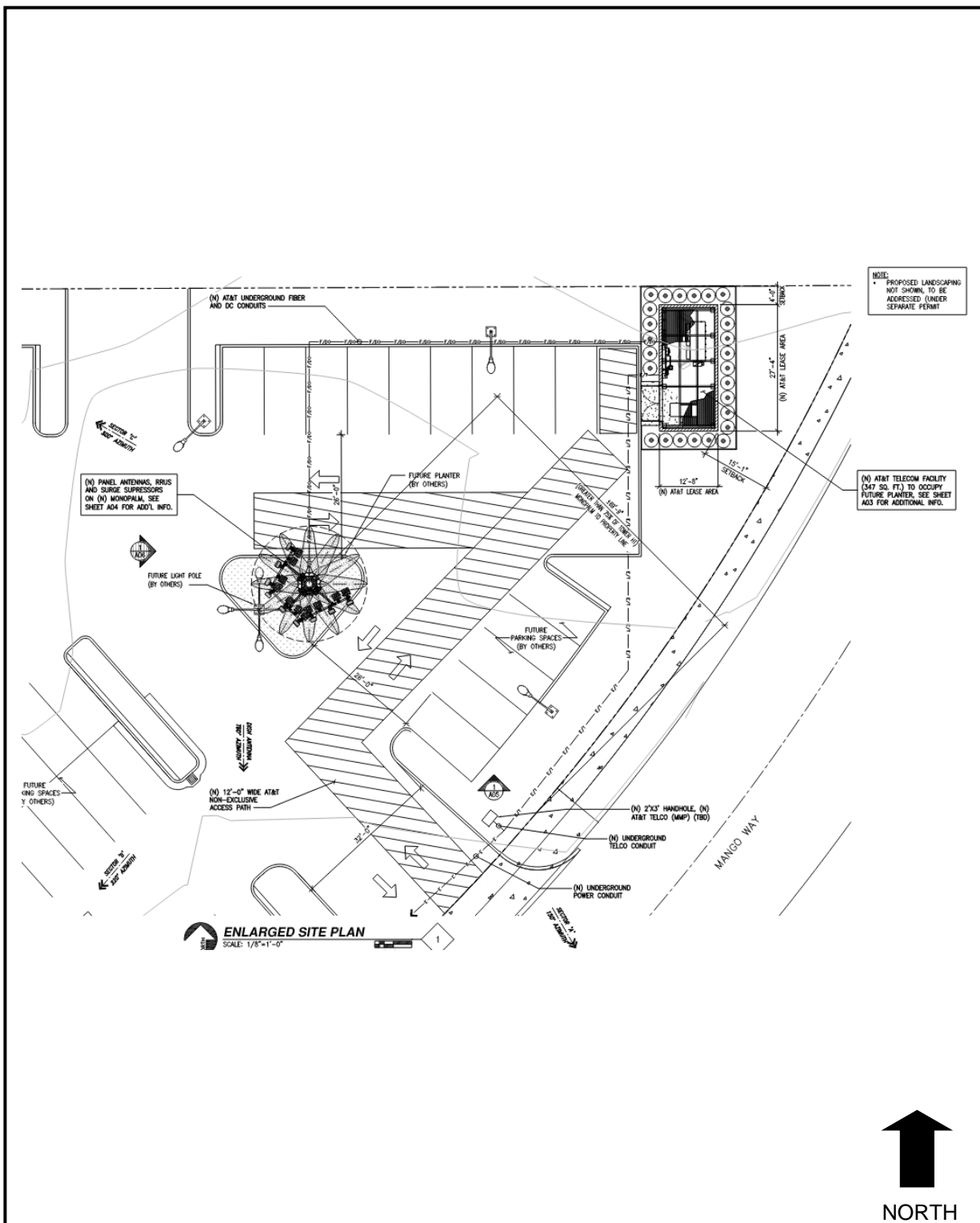
- B. Upon discovery of any tribal cultural or archaeological resources, cease construction activities in the immediate vicinity of the find until the find can be assessed. All tribal cultural and archaeological resources unearthed by project construction activities shall be evaluated by the qualified archaeologist and tribal monitor/consultant. If the resources are Native American in origin, interested Tribes (as a result of correspondence with area Tribes) shall coordinate with the landowner regarding treatment and curation of these resources. Typically, the Tribe will request preservation in place or recovery for educational purposes. Work may continue on other parts of the project while evaluation takes place.
  - C. Preservation in place shall be the preferred manner of treatment. If preservation in place is not feasible, treatment may include implementation of archaeological data recovery excavation to remove the resource along the subsequent laboratory processing and analysis. All Tribal Cultural Resources shall be returned to the Tribe. Any historic archaeological material that is not Native American in origin shall be curated at a public, non-profit institution with a research interest in the materials, if such an institution agrees to accept the material. If no institution accepts the archaeological material, they shall be offered to the Tribe or a local school or historical society in the area for educational purposes.
  - D. Archaeological and Native American monitoring and excavation during construction projects shall be consistent with current professional standards. All feasible care to avoid any unnecessary disturbance, physical modification, or separation of human remains and associated funerary objects shall be taken. Principal personnel shall meet the Secretary of the Interior standards for archaeology and have a minimum of 10 years' experience as a principal investigator working with Native American archaeological sites in southern California. The Qualified Archaeologist shall ensure that all other personnel are appropriately trained and qualified.
11. To discourage graffiti, the applicant shall include anti-graffiti coating on the exterior of the enclosure.
12. Graffiti and unauthorized markings on any wall, sign, or structure must be removed within twenty-four (24) hours.

13. All site improvements shall be completed prior to the issuance of a Building Permit final, to the satisfaction of the Director of Planning. (Added by the Director of Planning on May 11, 2023)
14. Ingress and egress to and from the site shall only occur via the driveways on South Highland Avenue and Mango Avenue. (Added by the Director of Planning on May 11, 2023)

PRIOR TO ISSUANCE OF CERTIFICATE OF OCCUPANCY:

15. A Planning Department final inspection fee shall be paid prior to issuance of the Certificate of Occupancy for Industrial and Commercial Developments.
16. Applicant shall pay all applicable service fees pursuant to the City of Fontana Municipal Code.

**END OF CONDITIONS OF APPROVAL**



## SITE PLAN

**DATE:** May 11, 2023

**CASE:** Master Case No. 22-107  
Minor Use Permit No. 22-007  
Administrative Site Plan No. 22-028



## NOTICE OF PUBLIC HEARING

***SI DESEA INFORMACION EN ESPAÑOL REFERENTE A ESTA NOTIFICACION O PROYECTO, FAVOR DE COMUNICARSE AL (909) 350-6728.***

In compliance with Section No. 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Section No. 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 Planning Department by calling (909) 350-6718. 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 DIRECTOR OF PLANNING OF THE CITY OF FONTANA FOR THE FOLLOWING:

**Master Case No. 22-107, Minor Use Permit No. 22-007, and Administrative Site Plan No. 22-028.**

The applicant, Coastal Business Group, is requesting a Minor Use Permit to operate an unmanned wireless facility and an Administrative Site Plan for site and architectural review for a new 75' wireless monopalm including 14 antennas, supporting equipment, and an equipment enclosure.

**Environmental  
Determination:**

This project qualifies for a Categorical Exemption pursuant to Section No. 15332, (Class No. 32, In-Fill Development Project) and Section No. 15311 (Class No. 11, Accessory Structures) of the California Environmental Quality Act (CEQA), as well as Section No. 3.22 (Categorical Exemption) of the 2019 Local Guidelines for Implementing the California Environmental Quality Act.

**Location of  
Property:**

17010 Sierra Lakes  
Parkway  
(APN: 1119-221-69)

**Date of Hearing:**

May 11, 2023

**Place of Hearing:**

DSO DAB Conference  
Room  
#125 (1<sup>st</sup> Floor)  
City Hall  
8353 Sierra Avenue,  
Fontana

**Time of Hearing:**

8:30 AM





Should you have any questions concerning this project, please contact **Mai Thao, Assistant Planner**, at 909-350-6650 or by e-mail at [mthao@fontana.org](mailto:mthao@fontana.org).

ANY INTERESTED PARTY MAY PROVIDE INFORMATION BY LETTER OR EMAIL WHICH MAY BE OF ASSISTANCE TO THE DIRECTOR. A COPY OF THE APPLICATION AND ENVIRONMENTAL DOCUMENTATION IS AVAILABLE FOR INSPECTION, PLEASE CONTACT THE PLANNER LISTED ABOVE.

IF YOU WISH TO BE PART OF THE AUDIENCE VIA TELEPHONE FOR THE DAB MEETING, PLEASE CALL THE CASE PLANNER REFERENCED ABOVE OR THE PLANNING LINE AT (909) 350-6718 PRIOR TO THE MEETING SO THAT ARRANGEMENTS CAN BE MADE.



## City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

### Action Report

### Planning Commission

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**File #:** 21-2293  
**Agenda #:** PH-C

**Agenda Date:** 7/18/2023  
**Category:** Public Hearing

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**FROM:**

Planning Department

**TITLE:**

Master Case No. 23-062 and Appeal No. 23-015 - Appeal of the Director of Planning's decision approving Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007, a request to install a new wireless telecommunications facility consisting of a 75' mono-palm with 14 antennas, supporting equipment, and an equipment enclosure of 347 square feet total pursuant to CEQA determinations.

**RECOMMENDATION:**

Based on the information in the staff report and subject to the attached Findings, staff recommends that the Planning Commission:

1. Deny Appeal No. 23-015, thereby upholding the decision of the Director of Planning, for Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007, for the request to install a new wireless telecommunications facility consisting of a 75' mono-palm with 14 antennas, supporting equipment, and an equipment enclosure of 347 square feet total.
2. Direct staff to prepare, execute, and file a CEQA Notice of Determination and a Notice of Exemption with the County Clerk, as appropriate, within five (5) working days of the Commission's final action on Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007

**APPLICANT:**

Robert Constant  
28871 Blythewood Drive  
Rancho Palos Verdes, CA 90275

**LOCATION:**

17010 Sierra Lakes Parkway (APN: 119-221-69)

**REQUEST:**

Master Case No. 23-062 and Appeal (APL) No. 23-015 - Appeal of the Director of Planning's decision approving Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007 for a request to install a new wireless facility consisting of a 75' mono-palm with 14 antennas, 36 RRU's, supporting equipment, and an equipment enclosure of 347 square feet total.

**PROJECT PLANNER:**

Mai Thao, Assistant Planner

**PROJECT DESCRIPTION:**

Land Use Designation:

	<u>General Plan</u>	<u>Zoning /Overlay</u>	<u>Existing Land Use</u>
Site:	Regional Mixed-Use (RMU)	Regional Mixed-Use (RMU)	Under Construction
North:	Regional Mixed-Use (RMU)	Regional Mixed-Use (RMU)	Vacant
South:	Regional Mixed-Use (RMU)	Regional Mixed-Use (RMU)	Commercial Center
West:	Regional Mixed-Use (RMU)	Regional Mixed-Use (RMU)	Commercial Center
East:	Regional Mixed-Use (RMU)	Regional Mixed-Use (RMU)	Gas Station

**ANALYSIS:**

**Background**

Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007 consist of a request to install a new wireless telecommunications facility consisting of a 75' mono-pole with 14 antennas, supporting equipment, and an equipment enclosure of approximately 347 square feet that was approved by the Director of Planning at a scheduled public hearing on May 11, 2023. Mr. Nikos Constant, representing the abutting property owner, communicated concerns verbally during the hearing that follow the concerns provided in the Appellant's appeal justification letter as well as unrelated matters about various contractors trespassing on the abutting property owner's property. Subsequent to the Director's approval, Mr. Constant submitted written communications describing certain concerns raised.

The appeal period for the project was fifteen (15) calendar days after a decision had been made on May 11, 2023, therefore the appeal period closed on May 26, 2023. Since the City is closed on Fridays this extended the closing period until Monday, May 29, 2023. Staff received one (1) appeal application in opposition of the project. The appellant, Robert Constant, is the adjoining property owner located at APN: 1119-221-54, just north of the project site. The appellant has provided one (1) appeal justification letter citing six concerns which is attached hereto as Attachment No. 1. The grounds for the appeal stated in the appeal justification letter included concerns relating to: setback issue to fee simple relating to potential fall concerns, setback issue to private easements, high winds and liability insurance, security, privacy, and safety, unlimited future use, and view impairment.

**Minor Use Permit (MUP) No. 22-007**

Brett Smirl, on behalf of AT&T submitted the application for a Minor Use Permit No. 22-007 on September 26, 2022, for the operation of an unmanned wireless telecommunications facility within

the Regional Mixed-Use zone, which was approved by the Director of Planning on May 11, 2023. This use is considered a public utility structure and facility and is allowed within the Regional Mixed Use zoning district with the approval of a Minor Use Permit. The General Plan Land Use designation is Regional Mixed-Use (R-MU) and the zoning designation is Regional Mixed Use (RMU). The Regional Mixed-Use zoning is intended for a wide range of retail commercial, office, medium density residential, civic, open space and job-rich light manufacturing uses. The wireless facility will support the intended uses for the areas within the Regional Mixed Use land use designation.

### **Administrative Site Plan (ASP) No. 22-028**

Brett Smirl, on behalf of AT&T submitted the application of an Administrative Site Plan (ASP) No. 22-028 on September 26, 2022, for the site and architectural review for the unmanned wireless telecommunications facility that was approved by the Director of Planning on May 11, 2023. According to the information submitted in the ASP22-028 application, AT&T will be the only carrier on the mono-palm tower at this time. The equipment enclosure is approximately eight (8) feet high and is 347 square feet in size and secured with a decorative stucco finish with a gate. The equipment enclosure will be accessed via a 12' non-exclusive access path on Mango Avenue for maintenance and service for the mono-palm tower.

### **Appeal Concerns:**

The following is a summary of the items raised in the previously reference appeal; Attachment No. 1 is a copy of the appeal letter.

- 1. Setback issue to fee simple: The height of the tower at 75 feet, with a 65-foot setback would encroach on Constant's fee simple by, at the minimum, ten feet if it falls. Constant demands that air and land rights be secured for this encroachment.**

*Response:* The Appellant does not claim that the proposed facility violates the Fontana Municipal Code's requirement for setbacks and admits that the proposed facility will not encroach on his property once constructed. The Appellant is speculating about a scenario in which the proposed wireless facility would fall or collapse on his property. If the Appellant is attempting to claim that his property rights would be impaired by the City's approval of the proposed wireless facility, those concerns are not germane to the required findings for approval or would not serve as a basis for denial because the proposed facility will not actually encroach onto the Appellant's property as constructed. Further, Chapter 32 Wireless Telecommunications Towers and antennas provides development standards for new towers and antennas. The maximum height allowed for a single user is 75 feet in height with the tower set back required to be a distance equal to at least 75 percent of the height of the tower from any adjoining lot line. The project complies with the development standards outlined in Chapter 32, with a setback distance proposed at 85 percent (approximately 64-foot setback) to the northern property line. Therefore, the project meets this development standard. The proposed AT&T tower and equipment has been reviewed and approved by the City of Fontana Building and Safety and Fire Departments and structural plans would be reviewed once again prior to issuance of building permits.

- 2. Setback issue to fully negotiated private easements: The height of the tower, if it falls, also encroaches on several private easements secured by the Constant with both subservient neighbor as well as third parties. Constant demands further rights be**



**secured for this encroachment.**

*Response:* Appellant's concerns raised here are similar to those raised in Issue 1 and concern a speculative scenario where the proposed wireless facility may fall or collapse onto the Appellant's property. The Appellant's claims that the proposed facility may in such a speculative circumstance impair certain unspecified property rights, would not serve as a basis for denial because the proposed facility will not actually encroach onto the Appellant's property as proposed. The AT&T wireless telecommunications facility will be installed at 17010 Sierra Lakes Parkway (APN:1119-221-69). As mentioned above, the project complies with the setback requirements as outlined in Chapter 32. The proposed AT&T tower and equipment has been reviewed by the City of Fontana Building and Safety and Fire Departments and structural plans would be reviewed prior to issuance of building permits. The project will be built pursuant to all applicable building, zoning, fire codes and standards and complies with all applicable FCC and FAA regulations.

**3. High winds and liability insurance: Due to year-round high winds in the area, Constant demands to be a named party on all liability insurance and be completely indemnified with any damages to Constant property paid out at treble damages rate, secured by a lien against tower.**

*Response:* The Appellant has raised potential remedies that are not requirements of the Fontana Municipal Code and are not a condition of approval the City requires. The Appellant has no basis for his requests to be named a party on all liability insurance (it is unspecified whose policy this request would attach), to be indemnified, to receive treble damages, or to secure a lien on the proposed wireless facility. The proposed AT&T tower and equipment has been reviewed by the City of Fontana Building and Safety and Fire Departments and structural plans would be reviewed prior to issuance of building permits. The project will be built pursuant to all applicable building, zoning, fire codes and standards and complies with all applicable FCC and FAA regulations.

**4. Security, Privacy, and Safety: Due to the sensitive nature of telecommunications infrastructure locally, nationally, and internationally, as well as future unknowns to health and safety from EMF, Constant demands a more thorough public vetting of this project by City Council in an open forum.**

*Response:* The City's review of the application and the Director's approval of Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007 followed the procedures and process required by the Fontana Municipal Code. The Appellant has also raised concerns regarding the perceived health and medical risks posed by the proposed wireless facility. The City may not deny a wireless facility application based on concern about RF emissions exposure if the facility complies with FCC guidelines.<sup>1</sup>

<sup>1</sup> In *AT&T Wireless Servs. v. City of Carlsbad*, 308 F. Supp. 2d 1148, 1161 (S.D. Cal. 2003), the city made a finding that the wireless facility would "negatively affect property values of nearby homes based upon the perceived fear of the health effects cause by the RF emissions." The court held against Carlsbad, ruling that cities may not regulate based on the "direct or indirect concerns over the health effects of RF." The court explained that a denial could not be based on substantial evidence (as required by law) "...if the fear of property value depreciation is based on concerns over the health effects caused by RF emissions."

The health risks associated with the public's exposure to radio frequency (RF) energy has been an area of public concern particularly in light of the public's increasing reliance on mobile devices and the proliferation of mobile technology and its supporting infrastructure. Setting the safety standards for RF emissions is exclusively the responsibility of the federal government, and the responsible agency is the Federal Communications Commission. Thus, Section 332 (c)(7)(B)(iv) prohibits the City from denying a wireless facility application based on concerns about RF emissions so long as the applicant has demonstrated that its facilities will comply with FCC standards. The Applicant has provided a certification that the proposed facility will comply with FCC standards for RF emissions. Further, the applicant's facility must comply with state and federal law and as such, the Applicant may only use equipment that is FCC approved.

**5. Unlimited future use: Due to the open ended and unlimited nature of future usage of the project, Constant demands a renegotiation of all terms at any and every change of future use.**

*Response:* The Director's approval of Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007 will not result in open ended or unlimited use. Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007 authorize the construction and operation of a wireless facility to be used for personal wireless services in communications that radiate or capture electromagnetic waves, digital signals, analog signals, radio frequencies (excluding radar signals), wireless telecommunications signals or other communication signals. The City is authorized by Government Code Section 65964 to place a ten year limit on the term of the requested wireless permits, which would require the permittee to reapply for new permits at that time and the permittee would be required to comply with all City requirements in effect at that time. The permittee is required to follow all City requirements and processes for any changes to the wireless facility improvements or to any changes in use. Future uses will be analyzed by the City in light of requirements existing at the time of such proposals. Such proposals may or may not include discretionary approvals and/or conditions.

**6. View: as a 75-foot tower with a large "monopalm" ball of technology and "camouflage" at the apex, Constant demands monetary settlement of view impairment to be negotiated in good faith before start of project with a complete sightline analysis provided by developer to fully assess impact on Constant's property value.**

*Response:* The Appellant has requested a monetary settlement of view impairment but has not specified the party that would enter into such a settlement. Without an easement in place encumbering the property subject to new development that has resulted in view impairment, property owners have no inherent right to prevent other property owners from obstructing their view. See *Mira Mar Mobile Community v City of Oceanside*, 119 Cal.App.4th 477 (2004). Further, the City does not have a view protection ordinance in place which could provide alternative relief. As stated previously, the tower as approved complies with the maximum height requirement outlined in Chapter 32, with a maximum

height of 75 feet for a single user. The wireless tower is proposed to be disguised as a mono-palm with faux fronds and a faux growth pod, which will complement the surrounding neighborhood, which is characterized by existing commercial and industrial uses, and blend with the existing area. The proposed equipment enclosure will have a stucco finish with a desert color to match the drive-thru restaurant buildings. The enclosure will be surrounded by mature landscaping to compliment the landscaping of the surrounding properties which will match the surrounding neighborhood.

### **Findings for Approval for Minor Use Permit No. 22-007**

Minor Use Permit No. 22-007, as approved on May 11, 2023, meets the mandatory MUP findings required pursuant to Section 30-178 Findings for approval. The original findings below were prepared by staff for Director of Planning's consideration:

- 1. That the proposed use is allowed within the applicable zoning district and complies with all other applicable provisions of the Zoning and Development Code, General Plan, any applicable Specific Plan or area plan, and City regulations/standards.*

The project site is located on the north side of Sierra Lakes Parkway and west side of Mango Avenue. The proposed project is for the installation a new 75-foot wireless facility disguised as a mono-palm. The new mono-palm will include fourteen (14) panel antennas, supporting equipment, and an equipment enclosure. The General Plan Land Use designation is Regional Mixed-Use (R-MU) and the zoning designation is Regional Mixed Use (RMU). The Regional Mixed-Use zoning is intended for a wide range of retail commercial, office, medium density residential, civic, open space and job-rich light manufacturing uses. This use is considered a public facility and is allowed within the Regional Mixed Use zoning district with the approval of a Minor Use Permit. The wireless facility will support the intended uses for the areas within the Regional Mixed Use land use designation.

- 2. The site is physically suited for the type, density, and intensity of the proposed use including access, utilities, and the absence of physical constraints and can be conditioned to meet all related performance criteria and development standards.*

The physical characteristics of the site are sufficient to accommodate the requested wireless mono-palm, supporting equipment, and equipment enclosure. The project site is approximately 1.8 acres in size and developed with two drive-thru restaurants pads and associated parking, landscaping, and drive aisles. The proposed mono-palm and equipment enclosure meets all applicable development standards including access, setbacks, parking, and drive aisles. There are no changes to the existing site circulation and access for the proposed project. The new wireless tower has been reviewed by Planning, Building and Safety, Engineering, and Fire Prevention and will meet or exceed all requirements.

- 3. Granting the permit would not be detrimental to the public interest, health, safety, convenience, welfare, or materially injurious to persons, property, or improvements in the vicinity in which the project is located.*

The proposed project has been reviewed by Planning, Engineering, Building and Safety, and

County Fire Prevention for site circulation, access, and safety. In addition, the site meets all the development standards of the Zoning and Development Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance and will provide a safe, well-designed facility.

### **Findings for Approval for Administrative Site Plan No. 22-028**

Administrative Site Plan No. 22-028, as approved on May 11, 2023, meets the mandatory ASP findings required pursuant to Section 32-7.2 Findings for approval. The original findings below were prepared by staff for Director of Planning's consideration:

1. *The proposal meets or exceeds contained in this Chapter and is consistent with the General Plan and the applicable land use designation.*

The project site is located on the north side of Sierra Lakes Parkway and west side of Mango Avenue. The proposed project is for the installation a new 75-foot wireless facility disguised as a mono-palm. The new mono-palm will include fourteen (14) panel antennas, supporting equipment, and an equipment enclosure. The General Plan Land Use designation is Regional Mixed-Use (R-MU) and the zoning designation is Regional Mixed Use (RMU). The Regional Mixed-Use zoning is intended for a wide range of retail commercial, office, medium density residential, civic, open space and job-rich light manufacturing uses. This use is considered a public facility and is allowed within the Regional Mixed Use zoning district with the approval of a Minor Use Permit and an Administrative Site Plan for site and architectural review of the proposed wireless facility. The proposed project is consistent with the General Plan, the Zoning and Development Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance.

2. *That the site for the intended use is adequate in size, shape, topography, accessibility, and other physical characteristics to accommodate the use and all the required provisions of this chapter.*

The project site is an irregular shaped property consisting of one (1) parcel of approximately 1.8 acres, located at 17010 Sierra Lakes Parkway. The new wireless tower has been reviewed by Planning, Building and Safety, Engineering, and Fire Prevention and will meet or exceed all requirements. The proposed project will be built/installed pursuant to all applicable building, zoning, fire codes, and standards which will result in an appropriate, safe, and desirable development, as well as conditions of approval referenced herein. The site is adequate in parking, circulation, and access to the property including the addition of the proposed wireless facility.

3. *The proposal of the tower and/or antenna is in its design and appearance consistent with the development and design of the surrounding structures and neighborhood.*

The project proposal in its design and appearance as a result from this review will be compatible with the site and other similarly approved wireless facilities. The wireless tower is proposed to be disguised as a mono-palm with faux fronds and a faux growth pod, which will complement

the surrounding neighborhood and blend with the existing area. The proposed equipment enclosure will have a stucco finish with a desert color to match the drive-thru restaurant buildings. The enclosure will be surrounded by mature landscaping to compliment the landscaping of the surrounding properties and will match the surrounding neighborhood. The proposed project provides a safe and well-designed site that is both aesthetically and architecturally pleasing.

4. *That the proposed use will be organized, designed, constructed, operated and maintained so as to be compatible with the character of the area as intended by the general plan.*

The General Plan Land Use designation is Regional Mixed-Use (R-MU) and the zoning designation is Regional Mixed Use (RMU). The operation and maintenance of the facility will be regulated by specific requirements set forth in the Minor Use Permit and attached in the Conditions of Approval. In addition, the project will conform to the requirements of the Zoning and Developments Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance.

The proposed project has been reviewed by Planning, Engineering, Building and Safety, and County Fire Prevention for site circulation, access, and safety. The proposed project identified in Findings No. 1-3, meet or exceeds the standards of the Zoning and Development Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance and will provide a safe design.

5. *That adequate streets and highways exist to carry the type and quantity of traffic anticipated to accommodate access for maintenance and/or service vehicles.*

The proposed project has been designed to accommodate access for maintenance and/or service vehicles and will not conflict with existing easements or access on-site. The project site is accessed from Mango Avenue and Sierra Lakes Parkway, which are publicly maintained streets. The proposed project will have one designated parking stall adjacent to the equipment enclosure for maintenance and/or service vehicles and will not conflict with the existing center.

6. *The Director of the Planning Department shall make those findings enumerated in this section as amended from time to time, prior to approving any ASP pursuant to this chapter.*

As a part of the approval of this Minor Use Permit and Administrative Site Plan, the Director of Planning made the required findings.

Staff prepared the above-listed findings for the Director of Planning's consideration pursuant to Section 32-7.2 and Section 30-178, Findings for Approval. On May 11, 2023, the Director of Planning determined that the findings were consistent with the Fontana Municipal Code and FCC statues and regulations and approved the project. The proposed project has met all the requirements of the Fontana Municipal Code and the General Plan. As such, staff recommends the Planning Commission deny the request for appeal and uphold the approval of ASP No. 22-028 and MUP No. 22-007.

### **Environmental:**

The installation of a new wireless telecommunications facility and ancillary equipment as described above associated with Master Case No. (MCN) 22-107 and Administrative Site Plan (ASP) No. 22-

028 and Minor Use Permit (MUP) No. 22-007 is exempt pursuant to Section No. 15311 Class No. 11 (Accessory Structures) and Section No. 15332 Class No. 32 (In-Fill Development Project) of the California Environmental Quality Act (CEQA), and Section No. 3.22 of the 2019 City of Fontana Local Guidelines for Implementing the California Environmental Quality Act.

**MOTION:**

1. Deny Appeal No. 23-015, thereby upholding the decision of the Director of Planning, for Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007, for the request to install a new wireless telecommunications facility consisting of a 75' mono-palm with 14 antennas, supporting equipment, and an equipment enclosure of 347 square feet total.
2. Direct staff to prepare, execute, and file a CEQA Notice of Determination and a Notice of Exemption with the County Clerk, as appropriate, within five (5) working days of the Commission's final action on Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-07.

**ATTACHMENTS:**

1. Uniform Appeal Letter from Appellant
2. Vicinity Map
3. Project Plans
4. Project Packet
5. Notice of Public Hearing
6. Responses from AT&T
7. Letter in Support of Original Project



# Attachment No. 1



City of Fontana  
Planning Department  
8353 Sierra Avenue, Fontana, CA 92335 ~ (909) 350-6718  
Website: [www.fontana.org/834/Planning](http://www.fontana.org/834/Planning) ~ E-Mail: [planning@fontana.org](mailto:planning@fontana.org)

## APPEAL APPLICATION FORM

### APPEAL APPLICATION FORM

Any action taken by the Planning Commission, or the Director of Planning may be appealed as indicated in Section 30-25 of the Development Code by the applicant or any interested party. An application for appeal shall be filed within fifteen (15) calendar days after the hearing from which the decision is made.

#### APPELLANT INFORMATION

Name(s): ROBERT CONSTANT, THE CONSTANT FAMILY TRUST		City Staff Only Project No.:	
Mailing Address: 28871 BLYTHEWOOD DR.		Received By: _____ Date: _____	
City: RANCHO PALOS VERDES	State: CA	Zip: 90275	
Phone Number: 310-541-1297			
Email Address: bobcon56@cox.net			

#### SUBJECT OF APPEAL

This application is hereby filed pursuant to the Fontana Development Code Section 30-25 (Appeals), appealing a decision or action of the following authority:

☒ Directors Action

☐ Planning Commission

#### PROJECT INFORMATION

Project Number: MCN No. 22-107; MUP No. 22-007	ASP 22-028 Date of Action / Decision: MAY 11, 2023
Project Name: UNMANNED WIRELESS FACILITY	
Address / Intersection: 17010 SIERRA LAKES PARKWAY (APN 1119-221-69)	
City: FONTANA	State: CA Zip: 92335
APN(s): 1119-221-69	
Applicant/Appellant: COASTAL BUSINESS GROUP	

#### APPLICANT/APPELLANT CERTIFICATION

I acknowledge the filing of this application and certify that all the above information is true and correct.

Signature: Robert Constant	Date: 5/24/23
Full Name: Robert Constant	Title: Owner

04/04/2023



City of Fontana  
Planning Department  
8353 Sierra Avenue, Fontana, CA 92335 ~ (909) 350-6718  
Website: [www.fontana.org/834/Planning](http://www.fontana.org/834/Planning) ~ E-Mail: [planning@fontana.org](mailto:planning@fontana.org)

## APPEAL APPLICATION FORM

### APPEAL CHECKLIST

#### SECTION 1: Application Procedure and Filing Requirement

- A. **Right of appeal:** Any action taken by the Planning Commission, or the Director of Planning may be appealed as indicated in Section 30-25 of the Development Code by the applicant or any interested party. An application for appeal shall be filed within fifteen (15) calendar days after the hearing from which the decision is made. No fee shall be charged for such appeal by an adjoining property owner.
- B. **First Submittal (at Filing Deadline):** This first submittal will be reviewed internally by city staff and responsible agencies only. Submittal of application by delivery service or by mail such as FedEx, U.S. Postal, U.P.S., will not be accepted.

The following items are required with the application and can be uploaded online at <https://www.fontana.org/834/Planning> under Apply for a Project:

- ☒ 1. **Application Form:** Appeal application shall be completed.
- ☒ 2. **Filing Fee:** The appropriate fees will need to be submitted at the time of application. See below

Project Applicant Appeal	65% of original application
Aggrieved Person Appeal	\$299 +\$31 Archive Fee
Aggrieved Adjoining Property	No Charge

- ☒ 3. **Appeal Information:** Provide a letter stating the specific reasons for the appeal and include the Master Case Number (MCN) of the project being appealed.



Robert Constant, The Constant Family Trust  
28871 Blythewood Dr.  
Rancho Palos Verdes, CA 90275  
[Bobcon56@cox.net](mailto:Bobcon56@cox.net)  
310-541-1297

May 23, 2023

To Whom It May Concern:

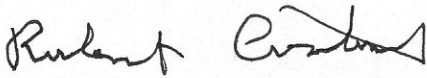
Robert Constant, next door neighbor directly to the north of proposed cell phone tower (located at 17010 Sierra Lakes Pkwy APN 1119-221-69 Project MCN no. 22-10-7; MUP No. 22-007; ASP 22-028) appeals the May 11, 2023 decision by the Fontana Planning Department Director's Action to approve tower. Until the following safety, land use, and liability issues and demands are addressed, the Constant Family Trust opposes the tower development.

1. Setback issue to fee simple: The height of the tower at 75 feet, with a 65-foot setback would encroach on Constant's fee simple by, at the minimum, ten feet if it falls. Constant demands that air and land rights be secured for this encroachment.
2. Setback issue to fully negotiated private easements: The height of the tower, if it falls, also encroaches on several private easements secured by Constant with both subservient neighbor as well as third parties. Constant demands further rights be secured for this encroachment.
3. High winds and liability insurance: Due to year-round high winds in the area, Constant demands to be a named party on all liability insurance as completely indemnified with any damages to Constant property paid out at treble damages rate, secured by a lien against tower.
4. Security, Privacy, and Safety: Due to the sensitive nature of telecommunications infrastructure locally, nationally, and internationally (see May 9, 2023 New York Times article "Rip and Replace: The Tech Cold War is Upending Wireless Carriers"), as well as future unknowns to health and safety from EMF, Constant demands a more thorough public vetting of this project by City Council in an open forum.
5. Unlimited future use: Due to the open ended and unlimited nature of future usage of the project, Constant demands a renegotiation of all terms at any and every change of future use.
6. View: As a 75-foot tower with a large "monopalm" ball of technology and "camouflage" at the apex, Constant demands monetary settlement of view impairment to be negotiated in good faith before start of project with a complete sightline analysis provided by developer to fully assess impact on Constant's property value.

Considering all issues and demands listed above, and in a neighborly attempt to minimize future litigation, Constant requests that the above demands be met, or tower is moved from any-and-all encroachments. This appeal in no way limits any future causes of action that may arise from project.

Constant asks for reason in this appeal, so that both proportion and neighbor impacts be considered so that all parties are satisfied with current planning. Fees to be waived as Constant is an adjoining property owner.

Sincerely,

A handwritten signature in black ink, appearing to read "Robert Constant". The signature is written in a cursive, somewhat stylized script.

Robert Constant  
Nicholas Constant, Esq.




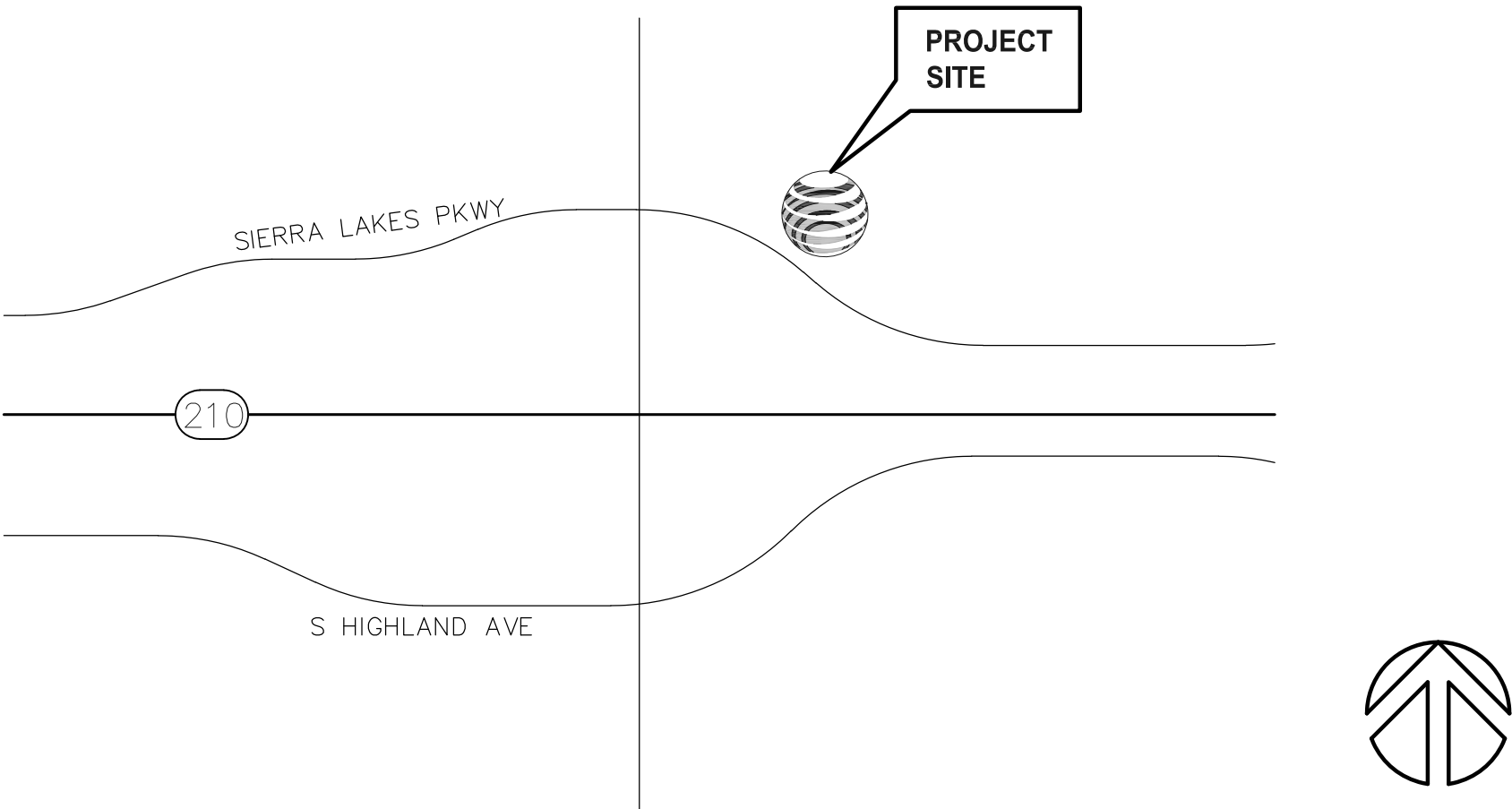

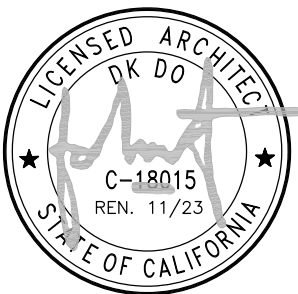
## VICINITY MAP

**DATE:** July 18, 2023

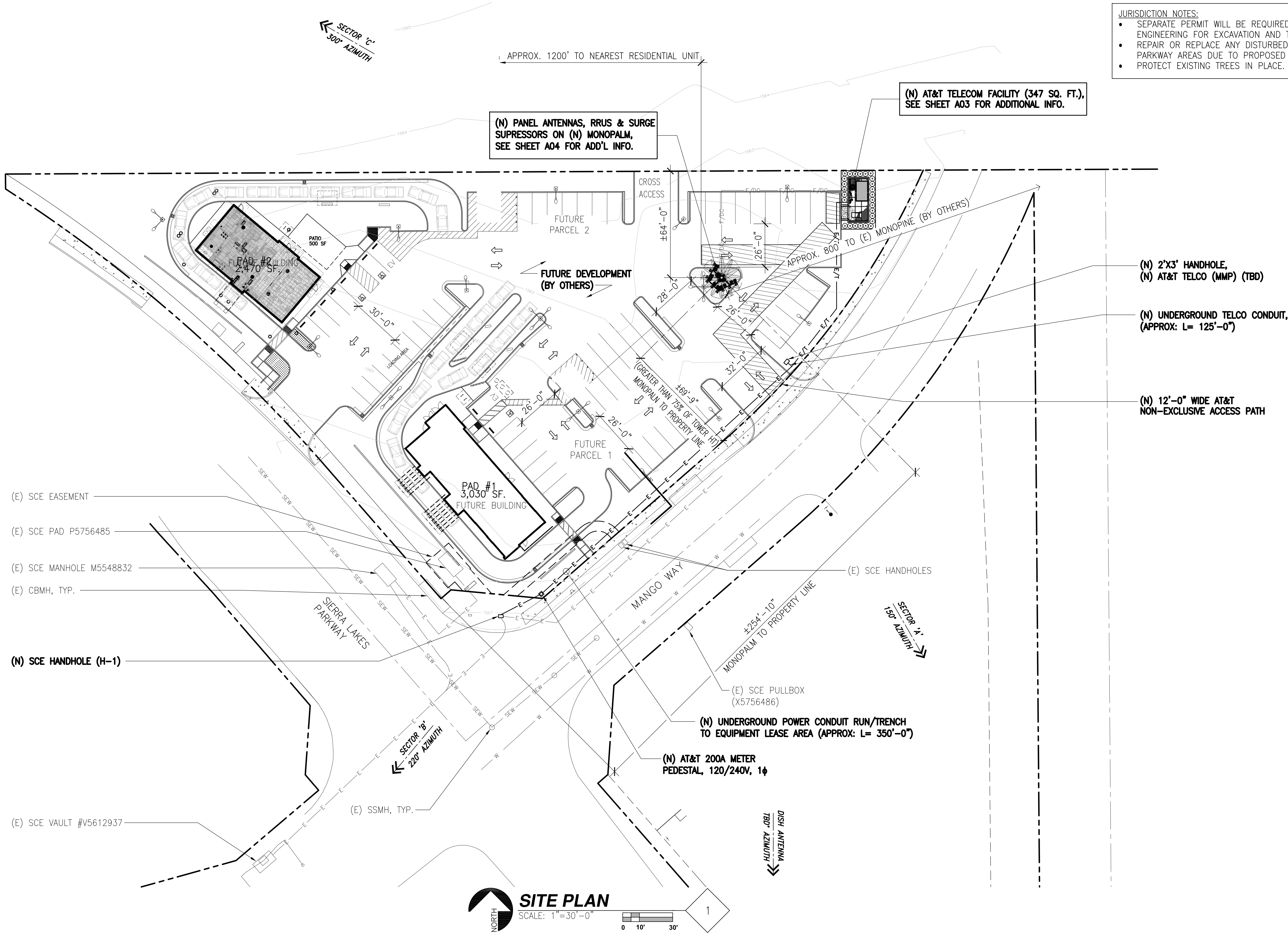
**CASE:** Master Case No. 23-062  
Appeal No. 23-015



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<div><div><p>AT&amp;T MOBILITY</p><p><b>SITE NUMBER: CSL02952</b></p><p><b>SITE NAME: SIERRA LAKES</b></p><p><b>FA#: 12889584   PACE#: MRLOS078888   USID#: 315978</b></p></div><div><table><tr><th colspan="6">A/E DOCUMENT REVIEW STATUS</th></tr><tr><th colspan="6">Status Code</th></tr><tr><td>1</td><td></td><td colspan="4">Accepted – With minor or no comments, construction may proceed</td></tr><tr><td>2</td><td></td><td colspan="4">Not Accepted – Please resolve comments and resubmit</td></tr><tr><td>4</td><td></td><td colspan="4">Review not required. Construction may proceed.</td></tr><tr><td colspan="6">Acceptance does not constitute approval of design details, calculations, analysis, test methods or materials developed or selected by the subcontractor and does not relieve subcontractor from full compliance obligations.</td></tr><tr><td></td><td></td><td>ENG</td><td>CONST</td><td></td><td></td></tr><tr><td>Reviewed</td><td></td><td></td><td></td><td></td><td></td></tr><tr><td colspan="5">Status By</td><td>Date</td></tr></table></div></div>										A/E DOCUMENT REVIEW STATUS						Status Code						1		Accepted – With minor or no comments, construction may proceed				2		Not Accepted – Please resolve comments and resubmit				4		Review not required. Construction may proceed.				Acceptance does not constitute approval of design details, calculations, analysis, test methods or materials developed or selected by the subcontractor and does not relieve subcontractor from full compliance obligations.								ENG	CONST			Reviewed						Status By					Date
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AA–CSL02952–A05			ELEVATION		8		<div><b>CODE COMPLIANCE</b></div> <p>** NOTE: ALL WORK AND MATERIALS SHALL BE PERFORMED AND INSTALLED IN ACCORDANCE WITH THE CURRENT EDITIONS OF THESE CODES. NOTHING IN THESE PLANS IS TO BE CONSTRUED TO PERMIT WORK NOT CONFORMING TO THESE CODES.</p> <div>1. 2022 CALIFORNIA ADMINISTRATIVE CODE (CAC) 2. 2022 CALIFORNIA BUILDING CODE (CBC), VOLUMES 1, AND 2 3. 2022 CALIFORNIA ELECTRICAL CODE 4. 2022 CALIFORNIA MECHANICAL CODE (CMC) 5. 2022 CALIFORNIA ENERGY CODE 6. 2022 CALIFORNIA FIRE CODE (CFC) 7. 2022 CALIFORNIA GREEN CODE 8. 2022 CALIFORNIA REFERENCES STANDARDS CODE</div>			CONTACT: ERIC SILVERMAN PHONE: (213) 709–3729 EMAIL: ESILVERMAN@SBH–REG.COM																																																					
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AA–CSL02952–B02			TOPOGRAPHIC SURVEY (FOR REFERENCE ONLY)		1		<div><b>SITE QUALIFICATION PARTICIPANTS</b></div> <table><thead><tr><th></th><th>NAME/CONTACT</th><th>COMPANY</th><th>NUMBER</th></tr></thead><tbody><tr><td>A/E</td><td>D.K. DO/BOK YU</td><td>DCI PACIFIC</td><td>(949) 475–1000</td></tr><tr><td>SAC</td><td>BRETT SMIRL</td><td>COASTAL BUSINESS GROUP</td><td>(909) 202–1596</td></tr><tr><td>ZONING</td><td>BRETT SMIRL</td><td>COASTAL BUSINESS GROUP</td><td>(909) 202–1596</td></tr><tr><td>RF</td><td>TARIK QUAZZANI</td><td>AT&amp;T</td><td>(505) 730–4726</td></tr><tr><td>CONST</td><td>RON VANDERWAL</td><td>BECHTEL COMMUNICATIONS</td><td>(714) 343–0931</td></tr><tr><td>LL/OWNER</td><td>ERIC SILVERMAN</td><td>–</td><td>(213) 709–3729</td></tr></tbody></table>				NAME/CONTACT	COMPANY	NUMBER	A/E	D.K. DO/BOK YU	DCI PACIFIC	(949) 475–1000	SAC	BRETT SMIRL	COASTAL BUSINESS GROUP	(909) 202–1596	ZONING	BRETT SMIRL	COASTAL BUSINESS GROUP	(909) 202–1596	RF	TARIK QUAZZANI	AT&T	(505) 730–4726	CONST	RON VANDERWAL	BECHTEL COMMUNICATIONS	(714) 343–0931	LL/OWNER	ERIC SILVERMAN	–	(213) 709–3729	JURISDICTION: CITY OF FONTANA APN: 1119–22–169–0000 CURRENT ZONING: REGIONAL MIXED USE (RMU) CURRENT LAND USE: COMMERCIAL PROPOSED OCCUPANCY/USE: TYPE U (UNMANNED TELECOMMUNICATIONS FACILITY) LEASE AREA: 347 SQ.FT. COORDINATES (NAD 83) LATITUDE: N 34°08’21.69” (34.139358°) LONGITUDE: W 117°25’57.00” (–117.432501°) ELEVATION (NAVD88) 1,561.7 FT.																									
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<b>DCI PACIFIC</b> <b>A E C WORKS</b>  ARCHITECTURE   ENGINEERING   CONSULTING 26 EXECUTIVE PARK   SUITE 170 IRVINE   CA 92614			CSL02952 SIERRA LAKES FA#: 12889584   PACE#: MRLOS078888   USID#: 315978  17010 SIERRA LAKES PARKWAY FONTANA, CA 92336			 <p>1452 EDINGER AVENUE, 3RD FLOOR TUSTIN, CA 92780</p>			<table><tr><td>8</td><td>02/27/23</td><td>INCORP. PLANNING COMMENTS</td><td>RF</td><td>BOK</td><td>DKD</td></tr><tr><td>7</td><td>01/04/23</td><td>INCORP. POWER REPORT</td><td>HL</td><td>BOK</td><td>DKD</td></tr><tr><td>6</td><td>07/18/22</td><td>INCORP. PLANNING COMMENTS</td><td>HL</td><td>BOK</td><td>DKD</td></tr><tr><td>5</td><td>09/01/22</td><td>INCORP. PLANNING COMMENTS</td><td>HL</td><td>BOK</td><td>DKD</td></tr><tr><td>4</td><td>08/02/22</td><td>INCORP. PLANNING COMMENTS</td><td>RF</td><td>BOK</td><td>DKD</td></tr><tr><td>NO.</td><td>DATE</td><td>REVISIONS</td><td>BY</td><td>CHK</td><td>APP'D</td></tr><tr><td>SCALE</td><td>AS SHOWN</td><td>DESIGNED</td><td colspan="3">DRAWN</td></tr></table> 		8	02/27/23	INCORP. PLANNING COMMENTS	RF	BOK	DKD	7	01/04/23	INCORP. POWER REPORT	HL	BOK	DKD	6	07/18/22	INCORP. PLANNING COMMENTS	HL	BOK	DKD	5	09/01/22	INCORP. PLANNING COMMENTS	HL	BOK	DKD	4	08/02/22	INCORP. PLANNING COMMENTS	RF	BOK	DKD	NO.	DATE	REVISIONS	BY	CHK	APP'D	SCALE	AS SHOWN	DESIGNED	DRAWN			<div>AT&amp;T MOBILITY TUSTIN, CA</div> <div>TITLE SHEET</div> <table><tr><td>JOB NO.</td><td>DRAWING NUMBER</td><td>REV.</td></tr><tr><td></td><td>AA–CSL02952–T01</td><td>8</td></tr></table>		JOB NO.	DRAWING NUMBER	REV.		AA–CSL02952–T01	8			
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**JURISDICTION NOTES:**

- SEPARATE PERMIT WILL BE REQUIRED FROM DEPARTMENT OF ENGINEERING FOR EXCAVATION AND TRAFFIC CONTROL.
- REPAIR OR REPLACE ANY DISTURBED OR DAMAGE LANDSCAPE IN PARKWAY AREAS DUE TO PROPOSED WORK.
- PROTECT EXISTING TREES IN PLACE.

**SITE PLAN**  
SCALE: 1"=30'-0"  
0 10' 30'

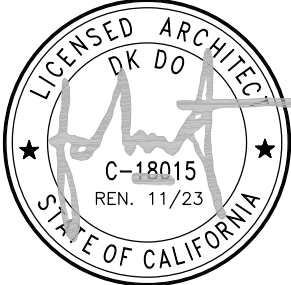
**DCI PACIFIC**  
**A|E|C WORKS**

ARCHITECTURE | ENGINEERING | CONSULTING  
26 EXECUTIVE PARK | SUITE 170  
IRVINE | CA 92614

CSL02952  
SIERRA LAKES  
FA#: 12889584 | PACE#: MRLOS078888 | USID#: 315978  
17010 SIERRA LAKES PARKWAY  
FONTANA, CA 92336



8	02/27/23	INCORP. PLANNING COMMENTS	RF	BOK	DKD
7	01/04/23	INCORP. POWER REPORT	HL	BOK	DKD
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4	08/02/22	INCORP. PLANNING COMMENTS	RF	BOK	DKD
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		



AT&T MOBILITY TUSTIN, CA		
SITE PLAN		
JOB NO.	DRAWING NUMBER	REV.
	AA-CSL02952-A01	8





ARCHITECTURE | ENGINEERING | CONSULTING  
26 EXECUTIVE PARK | SUITE 170  
IRVINE | CA 92614

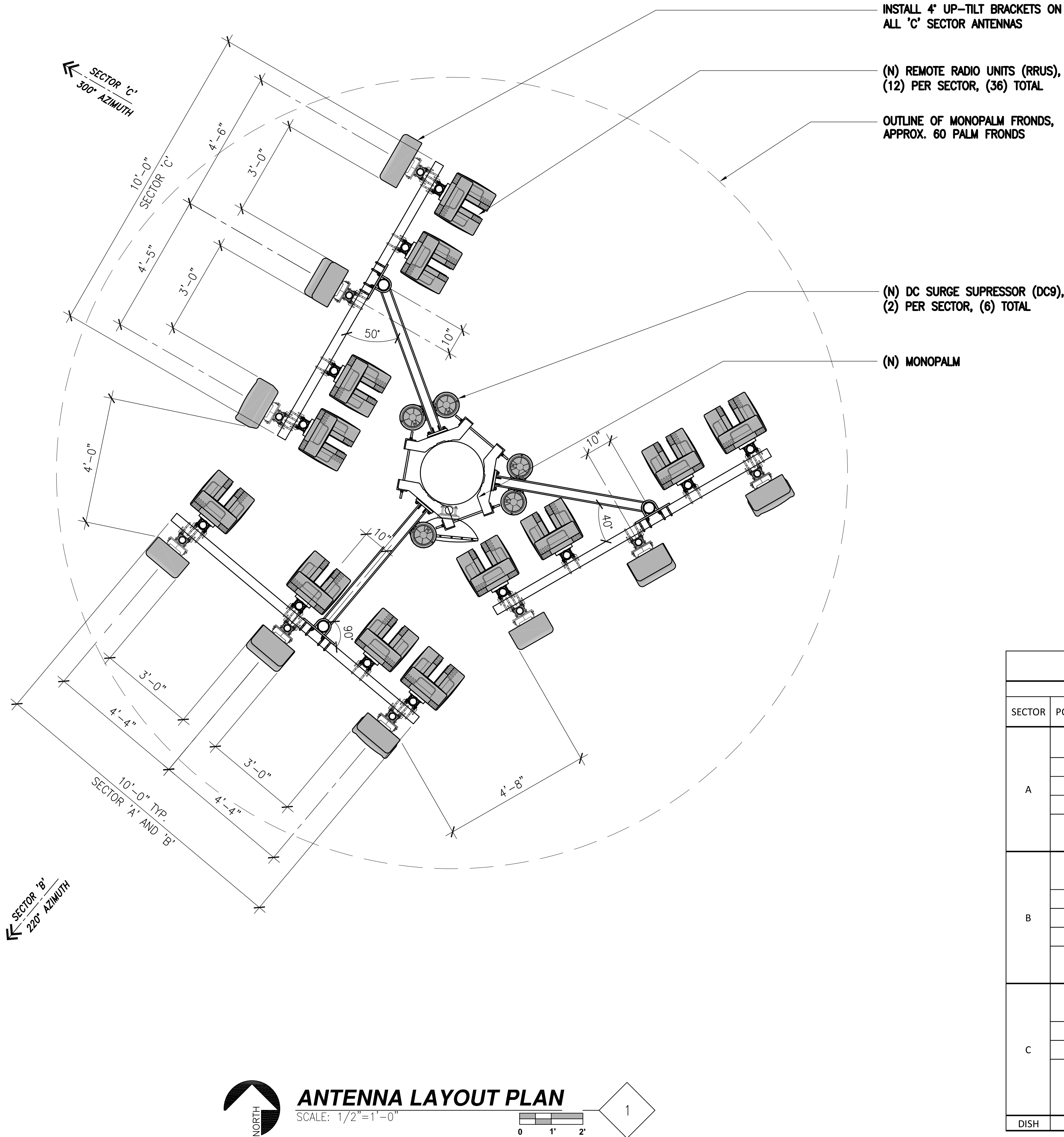


1452 EDINGER AVENUE, 3RD FLOOR  
TUSTIN, CA 92780

JOB NO		DRAWING NUMBER	REV.
		AA-CSL02952-A02	8



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NOTES:  
1. PAINT ALL NEW ANTENNAS, SURGE SUPPRESSORS, RRUS AND MOUNTING BRACKETS TO MATCH MONOPALM.

CSL02952 ANTENNA & RRU SCHEDULE																				
ANTENNAS AND MW DISHES						REMOTE RADIO UNITS (RRU'S)			FIBER TRUNKS			DC TRUNKS			JUMPERS		MW CABLES			
SECTOR	POSITION	MFR	MODEL NO.	AZIMUTH	RAD CENTER	TYPE	QTY	UP OR DOWN	QTY	LENGTH	DIA	QTY	LENGTH	DIA	LENGTH	DIA	QTY	LENGTH	DIA	
A	A1	CCI	TPA-45R-KU8AA-K	150	67°-0"	RRUS 4449 B5/B12 RRUS 8843 B2/B66A	12	UP	2	90'	2"	6	90'	2"	<12'	1/2"	NA	NA	NA	
	A2	ERICSSON	AIR 6449 B77D	150	69°-9"	NONE		UP							<12'	1/2"				
	A3	CCI	TPA-45R-KU6AA-K	150	65°-0"	RRUS 4478 B14		UP							<12'	1/2"				
	A4	ERICSSON	AIR 6419 B77G	150	69°-9"	NONE		NA							<12'	1/2"				
	A5	QUINTEL	QS6458-5	150	65°-0"	RRUS 2012 B29		UP							<12'	1/2"				
						RRUS 4415 B30		UP												
B	B1	CCI	TPA-45R-KU8AA-K	220	67°-0"	RRUS 4449 B5/B12 RRUS 8843 B2/B66A	12	UP	2	90'	2"	6	90'	2"	<12'	1/2"				
	B2	ERICSSON	AIR 6449 B77D	220	69°-9"	NONE		UP							<12'	1/2"				
	B3	CCI	TPA-45R-KU6AA-K	220	65°-0"	RRUS 4478 B14		UP							<12'	1/2"				
	B4	ERICSSON	AIR 6419 B77G	220	69°-9"	NONE		NA							<12'	1/2"				
	B5	QUINTEL	QS6458-5	220	65°-0"	RRUS 2012 B29		UP							<12'	1/2"				
						RRUS 4415 B30		UP												
C	C1	COMMSCOPE	NNH4-65C-R6-V3	300	67°-0"	RRUS 4449 B5/B12 RRUS 8843 B2/B66A	12	UP	2	90'	2"	6	90'	2"	<12'	1/2"				
	C2	ERICSSON	AIR 6419 B77G	300	69°-9"	NONE		UP							<12'	1/2"				
	C3	ERICSSON	AIR 6449 B77D	300	66°-3"	NONE		NA							<12'	1/2"				
	C4	QUINTEL	QD8612-7	300	67°-0"	RRUS 4478 B14		UP							<12'	1/2"				
						RRUS 2012 B29		UP												
						RRUS 4415 B30		UP												
DISH	#1	MW	2'-0" MW DISH	TBD	58°-0"	NA												2	80'	TBD

DCI PACIFIC  
A|E|C WORKS

ARCHITECTURE | ENGINEERING | CONSULTING  
26 EXECUTIVE PARK | SUITE 170  
IRVINE | CA 92614

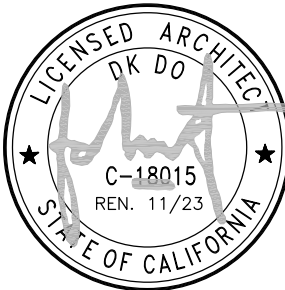
CSL02952  
SIERRA LAKES  
FA#: 12889584 | PACE#: MRLOS078888 | USID#: 315978

17010 SIERRA LAKES PARKWAY  
FONTANA, CA 92336



1452 EDINGER AVENUE, 3RD FLOOR  
TUSTIN, CA 92780

8	02/27/23	INCORP. PLANNING COMMENTS	RF	BOK	DKD
7	01/04/23	INCORP. POWER REPORT	HL	BOK	DKD
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NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		



AT&T MOBILITY  
TUSTIN, CA

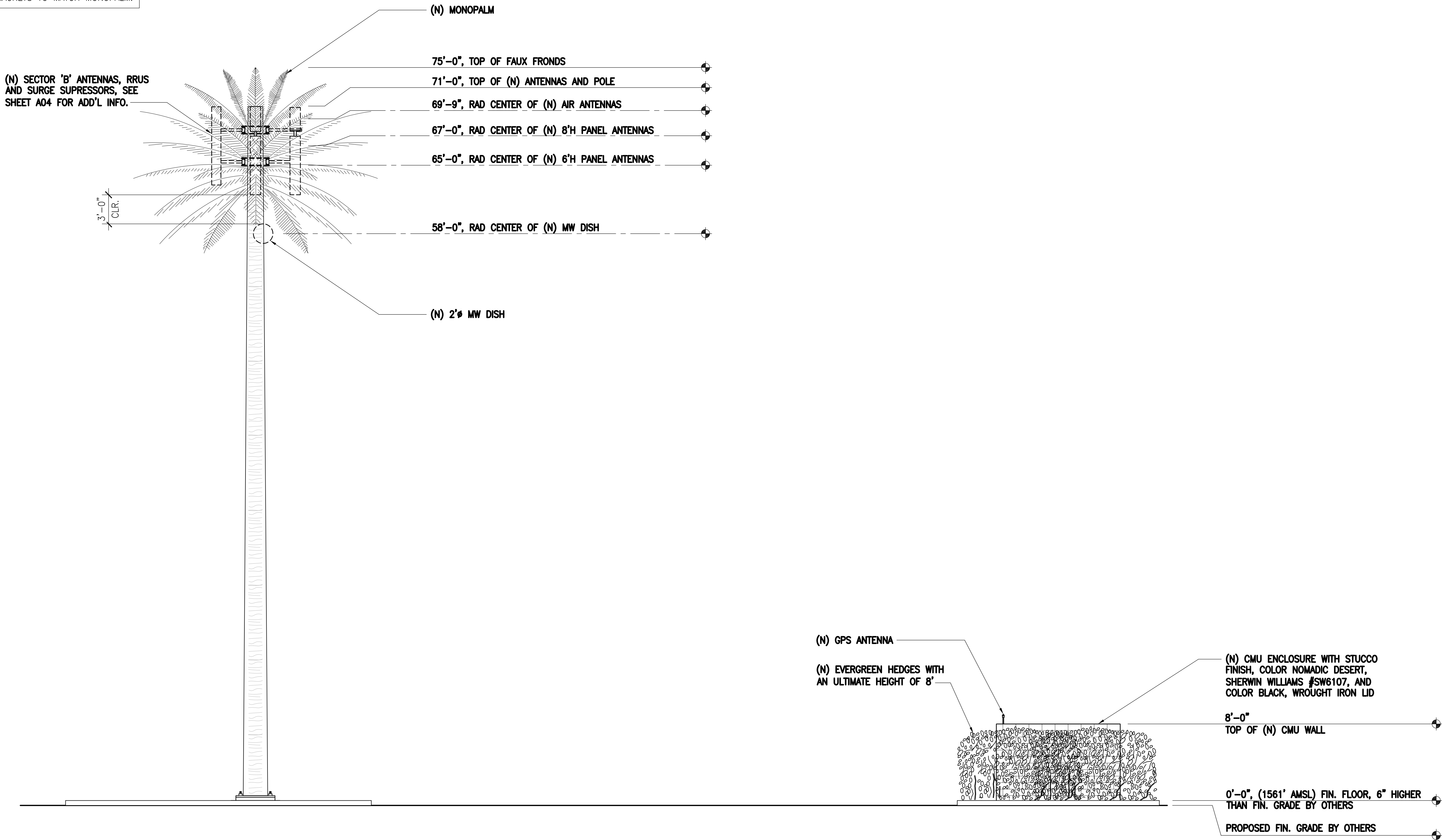
ANTENNA LAYOUT PLAN  
AND SCHEDULE

JOB NO.	DRAWING NUMBER	REV.
	AA-CSL02952-A04	8



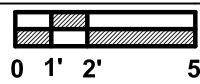
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**SOUTH ELEVATION**

SCALE: 3/16"=1'-0"



1

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ARCHITECTURE | ENGINEERING | CONSULTING  
26 EXECUTIVE PARK | SUITE 170  
IRVINE | CA 92614

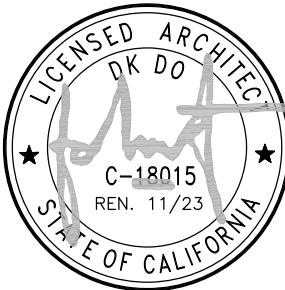
CSL02952  
SIERRA LAKES  
FA#: 12889584 | PACE#: MRL0S078888 | USID#: 315978

17010 SIERRA LAKES PARKWAY  
FONTANA, CA 92336



1452 EDINGER AVENUE, 3RD FLOOR  
TUSTIN, CA 92780

8	02/27/23	INCORP. PLANNING COMMENTS	RF	BOK	DKD
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4	08/02/22	INCORP. PLANNING COMMENTS	RF	BOK	DKD
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		



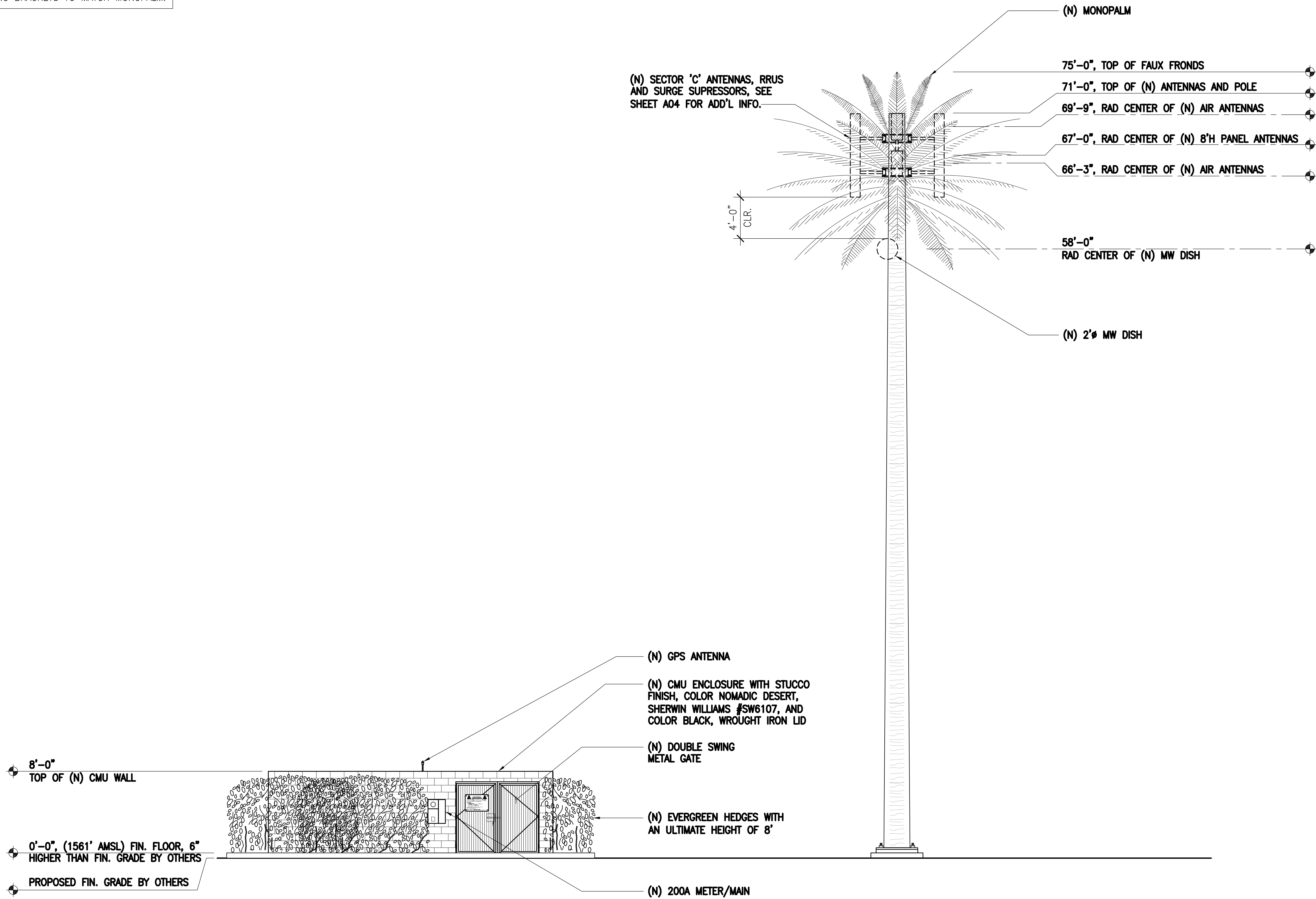
AT&T MOBILITY  
TUSTIN, CA

**ELEVATIONS**

JOB NO.	DRAWING NUMBER	REV.
	AA-CSL02952-A05	8

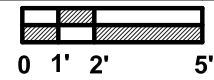
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### WEST ELEVATION

SCALE: 3/16"=1'-0"



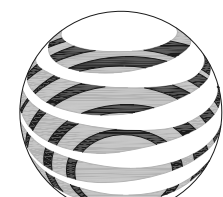
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A|E|C WORKS

ARCHITECTURE | ENGINEERING | CONSULTING  
26 EXECUTIVE PARK | SUITE 170  
IRVINE | CA 92614

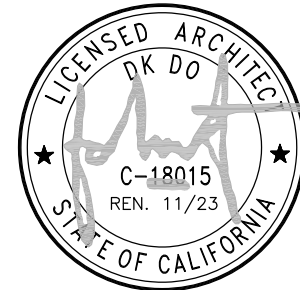
CSL02952  
SIERRA LAKES  
FA#: 12889584 | PACE#: MRL0S078888 | USID#: 315978

17010 SIERRA LAKES PARKWAY  
FONTANA, CA 92336



1452 EDINGER AVENUE, 3RD FLOOR  
TUSTIN, CA 92780

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4	08/02/22	INCORP. PLANNING COMMENTS	RF	BOK	DKD
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		

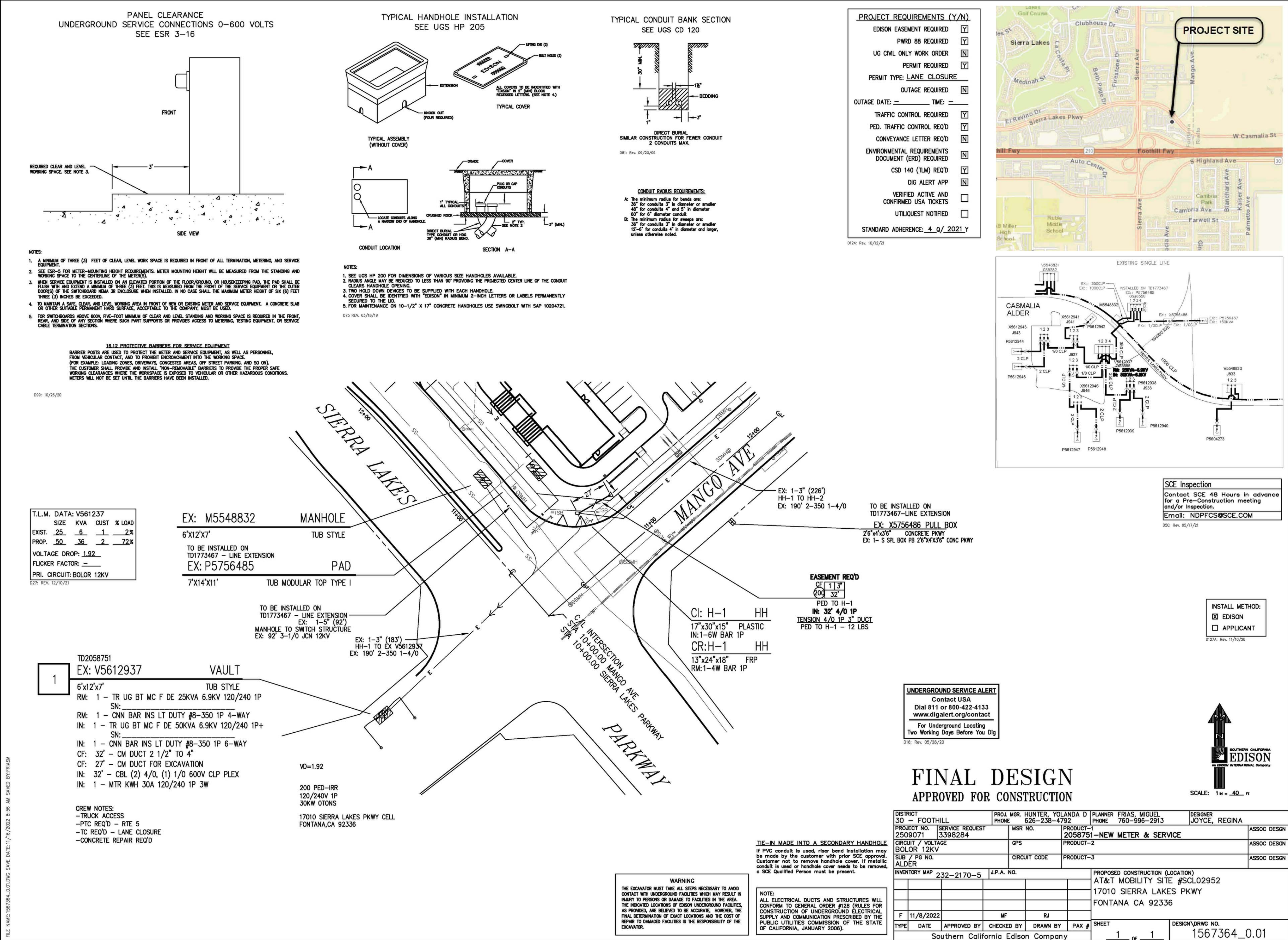


AT&T MOBILITY  
TUSTIN, CA

### ELEVATIONS

JOB NO.	DRAWING NUMBER	REV.
	AA-CSL02952-A06	8





**DCI PACIFIC**  
**A|E|C WORKS**

ARCHITECTURE | ENGINEERING | CONSULTING  
26 EXECUTIVE PARK | SUITE 170  
IRVINE | CA 92614

CSL02952  
SIERRA LAKES  
FA#: 12889584 | PACE#: MRLOS078888 | USID#: 315978

17010 SIERRA LAKES PARKWAY  
FONTANA, CA 92336



1452 EDINGER AVENUE, 3RD FLOOR  
TUSTIN, CA 92780

8	02/27/23	INCRP. PLANNING COMMENTS	RF	BOK	DKD
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6	07/18/22	INCRP. PLANNING COMMENTS	HL	BOK	DKD
5	09/01/22	INCRP. PLANNING COMMENTS	HL	BOK	DKD
4	08/02/22	INCRP. PLANNING COMMENTS	RF	BOK	DKD
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		



AT&T MOBILITY  
TUSTIN, CA

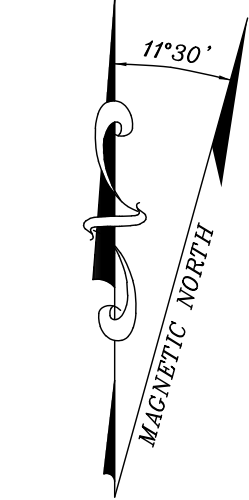
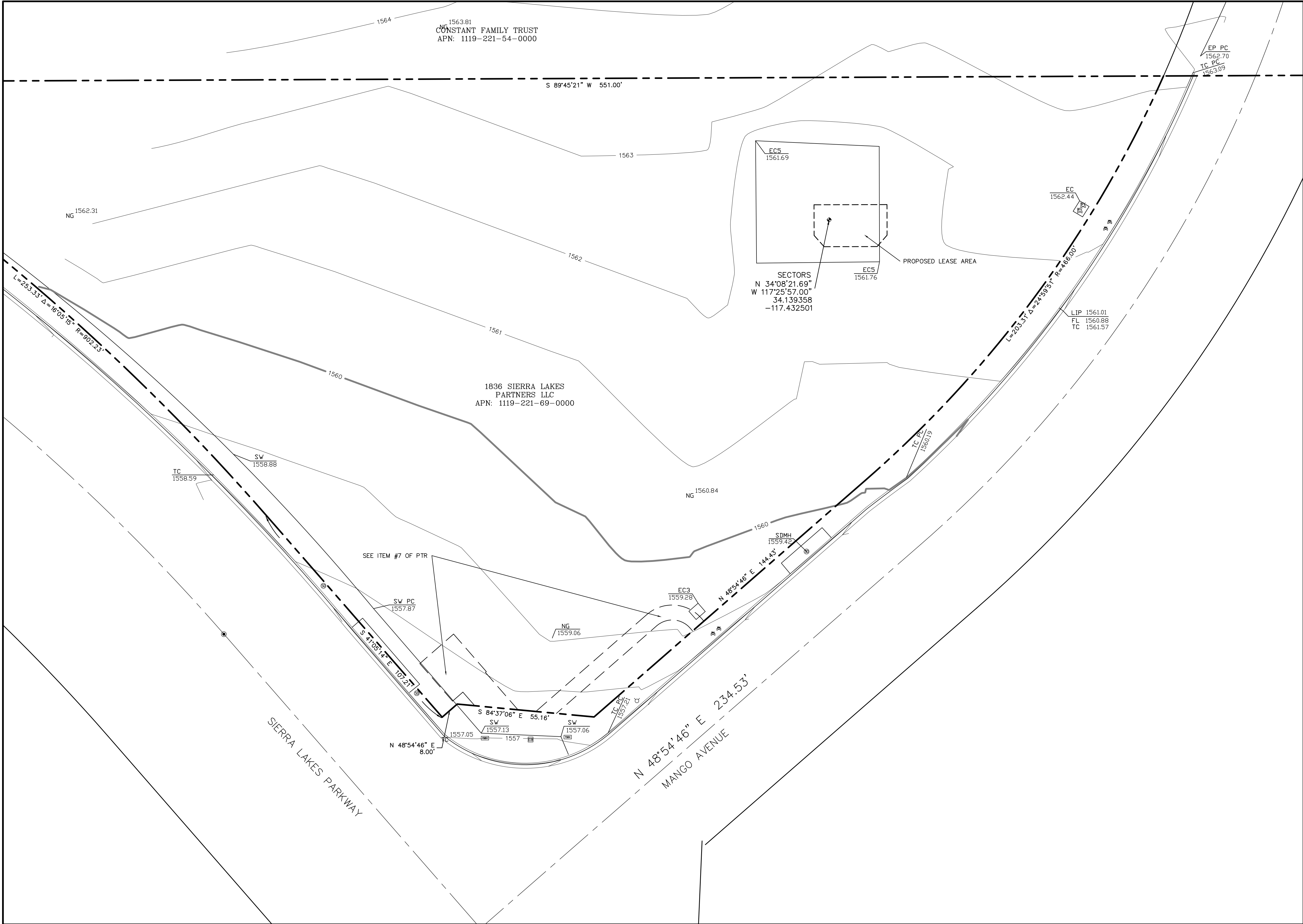
**POWER COORDINATION REPORT**

JOB NO	DRAWING NUMBER	REV.
	AA-CSL02952-GN01	8







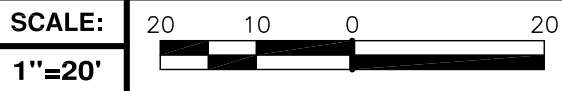


### LEGEND

- ELECTRIC BOX
- FIRE HYDRANT
- MONUMENT FOUND
- STORM DRAIN MANHOLE
- TRAFFIC SIGNAL BOX
- WATER METER
- WATER VALVE
- EDGE OF CONCRETE
- EDGE OF PAVEMENT
- FLOWLINE, CURB & GUTTER
- LIP OF GUTTER
- GROUND SPOT ELEVATION
- STORMDRAIN MANHOLE
- SIDEWALK
- TOP OF CURB
- BOUNDARY LINE
- CENTER LINE
- MISC. PROPERTY LINE
- MISC. TIE LINE
- RIGHT-OF-WAY LINE
- EASEMENT LINE
- FENCE LINE
- BUILDING EDGE
- OVERHEAD WIRES

- 1) This is not a boundary survey. This is a specialized topographic map. The property lines and easements shown hereon are from record information as noted hereon. Floyd Surveying translated the topographic survey to record information using the two found monuments shown hereon. No title research was performed by Floyd Surveying.
- 2) Any changes made to the information on this plan, without the written consent of Floyd Surveying relieves Floyd Surveying of any and all liability.
- 3) These drawings & specifications are the property & copyright of Floyd Surveying & shall not be used on any other work except by agreement with the Surveyor. Written dimensions shall take preference over scaled & shall be verified on the job site. Any discrepancy shall be brought to the notice of the Surveyor prior to commencement of any work.
- 4) Field survey completed on April 5, 2022

### DETAIL SITE PLAN



**FLOYD SURVEYING**  
34006 GALLERON STREET  
TEMECULA, CA 92592  
OFFICE: (949) 200-0626  
EMAIL: fsi@floydsurveying.com

### DCI PACIFIC A|E|C WORKS

ARCHITECTURE | ENGINEERING | CONSULTING  
26 EXECUTIVE PARK | SUITE 170 | IRVINE | CA 92614  
T 949.475.1000 | 949.475.1001 F

### CSL02952 SIERRA LAKES

17090 SIERRA LAKES PARKWAY  
FONTANA, CA 92336



1452 EDINGER AVENUE, 3RD FLOOR  
TUSTIN, CA 92780

1	4/22/22	TITLE REVIEW	DAF	DAF	DAF
0	4/07/22	ISSUED FOR ZONING SUBMITTAL	DAF	DAF	DAF
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE AS SHOWN		DESIGNED	DRAWN		



### TOPOGRAPHIC SURVEY

**B02**



## City Council

**Acquanetta Warren**  
Mayor

**Peter A. Garcia**  
Mayor Pro Tem

**John B. Roberts**  
Council Member

**Jesus "Jesse" Sandoval**  
Council Member

**Phillip W. Cothran**  
Council Member

## PLANNING DEPARTMENT

May 11, 2023

Coastal Business Group  
AT&T Mobility  
Brett Smirl  
24310 Moulton Parkway  
Laguna Hills CA 92637

**RE: Master Case No. (MCN) 22-107; Administrative Site Plan No. (ASP) 22-028; Minor Use Permit No. (MUP) 22-007: A request for site and architectural review of a new wireless facility disguised as a mono-palm located at 17010 Sierra Lakes Parkway (APN: 1119-221-69).**

Dear Mr. Smirl:

The above-referenced project was **approved** by the Director of Planning at the Planning Director's Hearing meeting held on May 11, 2023.

Please note that this action is subject to a fifteen (15) calendar day appeal period following the approval to allow for the filing of appeals with the Planning Commission of the City of Fontana. An appeal automatically stays at the Director's decision until the Planning Commission conducts a public hearing and renders a decision on the appeal. After the fifteen (15) day appeal period, the applicant shall remove the Notice of Filing sign from the project site. The applicant may request a refund of the \$600.00 sign deposit; the request shall be in writing and submitted to the Planning Department.

Enclosed are the Findings and Conditions of Approval on this project per the Fontana Municipal Code. Should you have any questions regarding this approval, please contact the project planner, Mai Thao, at (909) 350-6650, or by email at [mthao@fontana.org](mailto:mthao@fontana.org). Additionally, if you have any questions concerning next steps in the development process, please call the City's Development Services Supervisor, Carla Pursel, at (909) 350-6712.

Sincerely,

Patty Nevins  
Director of Planning

### Attachments:

1. Findings and Conditions of Approval
2. Approved Plan





## **FINDINGS FOR MINOR USE PERMIT**

**CASE:** Minor Use Permit No. 22-007  
Master Case No. 22-107

**DATE:** May 11, 2023

- 1. That the proposed use is allowed within the applicable zoning district and complies with all other applicable provisions of the Zoning and Development Code, General Plan, any applicable Specific Plan or area plan, and City regulations/standards.**

The project site is located on the north side of Sierra Lakes Parkway and west side of Mango Avenue. The proposed project is for the installation a new 75-foot wireless facility disguised as a mono-palm. The new mono-palm will include fourteen (14) panel antennas, supporting equipment, and an equipment enclosure. The General Plan Land Use designation is Regional Mixed-Use (R-MU) and the zoning designation is Regional Mixed Use (RMU). The Regional Mixed-Use zoning is intended for a wide range of retail commercial, office, medium density residential, civic, open space and job-rich light manufacturing uses. This use is considered a public facility and is allowed within the Regional Mixed Use zoning district with the approval of a Minor Use Permit. The wireless facility will support the intended uses for the areas within the Regional Mixed Use land use designation.

- 2. The site is physically suited for the type, density, and intensity of the proposed use including access, utilities, and the absence of physical constraints and can be conditioned to meet all related performance criteria and development standards.**

The physical characteristics of the site are sufficient to accommodate the requested wireless mono-palm, supporting equipment, and equipment enclosure. The project site is approximately 1.8 acres in size and developed with two drive-thru restaurants pads and associated parking, landscaping, and drive aisles. The proposed mono-palm and equipment enclosure meets all applicable development standards including access, setbacks, parking, and drive aisles. There are no changes to the existing site circulation and access for the proposed project. The new wireless tower has been reviewed by Planning, Building and Safety, Engineering, and Fire Prevention and will meet or exceed all requirements.

- 3. Granting the permit would not be detrimental to the public interest, health, safety, convenience, welfare, or materially injurious to persons, property, or improvements in the vicinity in which the project is located.**

The proposed project has been reviewed by Planning, Engineering, Building and Safety, and County Fire Prevention for site circulation, access, and safety. In addition, the site meets all the development standards of the Zoning and Development Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance and will provide a safe, well-designed facility.



## **FINDINGS FOR ADMINISTRATIVE SITE PLAN**

**CASE:** Administrative Site Plan 22-028  
Master Case No. 22-107

**DATE:** May 11, 2023

**1. The proposal meets or exceeds contained in this Chapter and is consistent with the General Plan and the applicable land use designation.**

The project site is located on the north side of Sierra Lakes Parkway and west side of Mango Avenue. The proposed project is for the installation a new 75-foot wireless facility disguised as a mono-palm. The new mono-palm will include fourteen (14) panel antennas, supporting equipment, and an equipment enclosure. The General Plan Land Use designation is Regional Mixed-Use (R-MU) and the zoning designation is Regional Mixed Use (RMU). The Regional Mixed-Use zoning is intended for a wide range of retail commercial, office, medium density residential, civic, open space and job-rich light manufacturing uses. This use is considered a public facility and is allowed within the Regional Mixed Use zoning district with the approval of a Minor Use Permit and an Administrative Site Plan for site and architectural review of the proposed wireless facility. The proposed project is consistent with the General Plan, the Zoning and Development Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance.

**2. That the site for the intended use is adequate in size, shape, topography, accessibility, and other physical characteristics to accommodate the use and all the required provisions of this chapter.**

The project site is an irregular shaped property consisting of one (1) parcel of approximately 1.8 acres, located at 17010 Sierra Lakes Parkway. The new wireless tower has been reviewed by Planning, Building and Safety, Engineering, and Fire Prevention and will meet or exceed all requirements. The proposed project will be built/installed pursuant to all applicable building, zoning, fire codes, and standards which will result in an appropriate, safe, and desirable development, as well as conditions of approval referenced herein. The site is adequate in parking, circulation, and access to the property including the addition of the proposed wireless facility.

**3. The proposal of the tower and/or antenna is in its design and appearance consistent with the development and design of the surrounding structures and neighborhood.**

The project proposal in its design and appearance as a result from this review will be compatible with the site and other similarly approved wireless facilities. The wireless tower is proposed to be disguised as a mono-palm with faux fronds and a faux growth pod, which will complement the surrounding neighborhood and blend with the existing area.



The proposed equipment enclosure will have a stucco finish with a desert color to match the drive-thru restaurant buildings. The enclosure will be surrounded by mature landscaping to compliment the landscaping of the surrounding properties and will match the surrounding neighborhood. The proposed project provides a safe and well-designed site that is both aesthetically and architecturally pleasing.

4. **That the proposed use will be organized, designed, constructed, operated and maintained so as to be compatible with the character of the area as intended by the general plan.**

The General Plan Land Use designation is Regional Mixed-Use (R-MU) and the zoning designation is Regional Mixed Use (RMU). The operation and maintenance of the facility will be regulated by specific requirements set forth in the Minor Use Permit and attached in the Conditions of Approval. In addition, the project will conform to the requirements of the Zoning and Developments Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance.

The proposed project has been reviewed by Planning, Engineering, Building and Safety, and County Fire Prevention for site circulation, access, and safety. The proposed project identified in Findings No. 1-3, meets or exceeds the standards of the Zoning and Development Code and Chapter 32 of the Fontana Municipal Code (FMC) as outlined in the Wireless Telecommunications Towers and Antennas ordinance and will provide a safe design.

5. **That adequate streets and highways exist to carry the type and quantity of traffic anticipated to accommodate access for maintenance and/or service vehicles.**

The proposed project has been designed to accommodate access for maintenance and/or service vehicles and will not conflict with existing easements or access on-site. The project site is accessed from Mango Avenue and Sierra Lakes Parkway, which are publicly maintained streets. The proposed project will have one designated parking stall adjacent to the equipment enclosure for maintenance and/or service vehicles and will not conflict with the existing center.

6. **The Director of the Planning Department shall make those findings enumerated in this section as amended from time to time, prior to approving any ASP pursuant to this chapter.**

Upon approval of this Minor Use Permit and Administrative Site Plan, the Director of Planning has made the required findings in the affirmation.



CITY OF FONTANA

## CONDITIONS OF APPROVAL

**CASE:** Administrative Site Plan No. 22-028  
Master Case No. 22-107

**DATE:** May 11, 2023

**LOCATION:** 17010 Sierra Lakes Parkway

### PLANNING DEPARTMENT:

1. All Conditions of Approval contained herein shall be incorporated into all applicable final construction plans and a copy of these conditions, signed by the property owner or legal representative, shall be placed on the first sheet of the final building plans prior to issuance of any building permits.
2. The rights and privileges granted by this project shall not become effective, nor shall the Applicant commence the use for which this project is granted, until both of the following have occurred:
  - A. All of the improvements, construction, alteration and other work set forth in this project have been completed and have been accepted by the City, as evidenced by the City's issuance of a Certificate of Occupancy or other document evidencing the City's final inspection and acceptance of the work; and
  - B. All other Conditions of Approval imposed by this project have been fulfilled.
3. Administrative Site Plan shall become null and void two (2) years from the date of approval, unless the appropriate permits have been obtained and construction, defined as permit obtainment, commencement of construction of the primary building on site, and successful completion of the first Building and Safety Department inspection, has commenced within this period.
4. Prior to the construction of any modifications, all structural and aesthetic changes to the project design must be requested and approved in writing by the Director of Planning or his/her designee.
5. This project will comply with all applicable provisions, regulations, and development standards of the City of Fontana Municipal Code.
6. In the event that one or more of the Conditions of Approval for this project needs to be amended and/or deleted due to health, safety or welfare concerns, the City Manager is authorized to approve or conditionally approve such amendment/deletion, provided that City Manager shall bring such proposed amendment/deletion to the City Council at the next available meeting for City Council ratification, but in no event later than sixty (60)

days following the City Manager's decision. The noticing of such City Council meeting for possible ratification shall be pursuant to Sections 30-30 and 30-31 of the Municipal Code.

7. The applicant/property owner shall defend, indemnify, protect and hold harmless the City of Fontana or its agents, officers, attorneys and employees from any and all actual or alleged claims, actions or proceedings against the City of Fontana or its agents, officers, attorneys or employees to attack, set aside, void, annul or seek monetary damages arising out of any challenge to the proposed project or to any approvals of the Planning Commission and/or City Council concerning this project, including but not limited to actions challenging CEQA actions, permits, variances, plot plans, design plans, maps, licenses, and amendments. The City of Fontana shall promptly notify the applicant of any claim, action, or proceeding and the City of Fontana shall cooperate in the defense.

In the event of any such third-party action or proceeding, the City shall have the right to retain its own separate legal counsel to defend the interests of the City. The applicant shall be responsible for reimbursing the City for such legal fees and costs, in their entirety, including actual attorneys' fees, which may be incurred by the City in defense of such action or proceeding. This indemnification shall also include, but not be limited to, damages, fees and/or costs awarded against the City, if any, and cost of suit, attorneys' fees, and other costs, liabilities and expenses incurred in connection with such claim, action, or proceeding whether incurred by applicant, the City and/or any parties bringing such forth.

The City of Fontana and the applicant acknowledge that the City would not have approved this project if the City were to be liable to applicant in damages under or with respect to all or any part of this application or this condition of approval. Accordingly, applicant shall not sue the City for damages or monetary relief for any matter arising from or related to this condition of approval. Applicant's sole and exclusive remedy shall be limited to declaratory/injunctive relief, mandate, and/or specific performance.

8. The applicant shall post a publicly visible sign on the project site with the telephone number and 24-hour point of contact for dust, noise, and construction complaints. The 24-hour point of contact shall be available 24 hours a day, 7 days a week and have authority to commit additional assets to control dust, or respond to construction complaints after hours, on weekends and on holidays. Construction shall be limited to 7:00 am to 6:00 pm on weekdays, 8:00 am to 5:00 pm on Saturdays, and no construction on Sundays and Holidays.
9. The construction contractor will use the following source controls at all times:
  - A. Use of noise-producing equipment will be limited to the interval from 8:00 a.m. to 5:00 p.m., Monday through Friday. Construction shall be limited to 7:00 am to 6:00 pm on weekdays, 8:00 am to 5:00 pm on Saturdays, and no construction on Sundays and Holidays unless it is approved by the building inspector for cases that are considered urgently necessary as defined in Section 18-63(7) of the Municipal Code.
  - B. For all noise-producing equipment, use types and models that have the lowest horsepower and the lowest noise generating potential practical for their intended use.

- C. The construction contractor will ensure that all construction equipment, fixed or mobile, is properly operating (tuned-up) and lubricated, and that mufflers are working adequately.
- D. Have only necessary equipment onsite.
- E. Use manually adjustable or ambient-sensitive backup alarms. When working adjacent to residential use(s), the construction contractor will also use the following path controls, except where not physically feasible, when necessary:
  - 1. Install portable noise barriers, including solid structures and noise blankets, between the active noise sources and the nearest noise receivers.
  - 2. Temporarily enclose localized and stationary noise sources.
  - 3. Store and maintain equipment, building materials, and waste materials as far as practical from as many sensitive receivers as practical.

10. Historic Archaeological Resources

- B. Upon discovery of any tribal cultural or archaeological resources, cease construction activities in the immediate vicinity of the find until the find can be assessed. All tribal cultural and archaeological resources unearthed by project construction activities shall be evaluated by the qualified archaeologist and tribal monitor/consultant. If the resources are Native American in origin, interested Tribes (as a result of correspondence with area Tribes) shall coordinate with the landowner regarding treatment and curation of these resources. Typically, the Tribe will request preservation in place or recovery for educational purposes. Work may continue on other parts of the project while evaluation takes place.
  - C. Preservation in place shall be the preferred manner of treatment. If preservation in place is not feasible, treatment may include implementation of archaeological data recovery excavation to remove the resource along the subsequent laboratory processing and analysis. All Tribal Cultural Resources shall be returned to the Tribe. Any historic archaeological material that is not Native American in origin shall be curated at a public, non-profit institution with a research interest in the materials, if such an institution agrees to accept the material. If no institution accepts the archaeological material, they shall be offered to the Tribe or a local school or historical society in the area for educational purposes.
  - D. Archaeological and Native American monitoring and excavation during construction projects shall be consistent with current professional standards. All feasible care to avoid any unnecessary disturbance, physical modification, or separation of human remains and associated funerary objects shall be taken. Principal personnel shall meet the Secretary of the Interior standards for archaeology and have a minimum of 10 years' experience as a principal investigator working with Native American archaeological sites in southern California. The Qualified Archaeologist shall ensure that all other personnel are appropriately trained and qualified.
11. To discourage graffiti, the applicant shall include anti-graffiti coating on the exterior of the enclosure.
12. Graffiti and unauthorized markings on any wall, sign, or structure must be removed within twenty-four (24) hours.

13. All site improvements shall be completed prior to the issuance of a Building Permit final, to the satisfaction of the Director of Planning. (Added by the Director of Planning on May 11, 2023)
14. Ingress and egress to and from the site shall only occur via the driveways on South Highland Avenue and Mango Avenue. (Added by the Director of Planning on May 11, 2023)

PRIOR TO ISSUANCE OF CERTIFICATE OF OCCUPANCY:

15. A Planning Department final inspection fee shall be paid prior to issuance of the Certificate of Occupancy for Industrial and Commercial Developments.
16. Applicant shall pay all applicable service fees pursuant to the City of Fontana Municipal Code.

**END OF CONDITIONS OF APPROVAL**



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CITY OF FONTANA  
PLANNING DEPARTMENT

APPROVED

Mai Thao

MAY 11, 2023

MCN22-107  
ASP22-028  
MUP22-007

Project Planner

Date

Case #'s



SITE NUMBER: CSL02952

SITE NAME: SIERRA LAKES

FA#: 12889584 | PACE#: MRLOS078888 | USID#: 315978

A/E DOCUMENT REVIEW STATUS					
Status Code					
1		Accepted – With minor or no comments, construction may proceed			
2		Not Accepted – Please resolve comments and resubmit			
4		Review not required. Construction may proceed.			
Acceptance does not constitute approval of design details, calculations, analysis, test methods or materials developed or selected by the subcontractor and does not relieve subcontractor from full compliance obligations.					
	ENG	CONST			
Reviewed					
Status By				Date	

DRAWING INDEX (ZONING)			REV.	DIRECTIONS	PROJECT INFORMATION																																																				
AA–CSL02952–T01	TITLE SHEET	8	<div>DRIVING DIRECTIONS FROM AT&amp;T WIRELESS, TUSTIN</div> <div>1. TURN LEFT ONTO EDINGER AVE</div> <div>2. TURN LEFT ONTO DEL AMO AVE</div> <div>3. TAKE THE RAMP AND MERGE ONTO CA–55 N</div> <div>4. MERGE ONTO CA–91 E</div> <div>5. MERGE ONTO I–15 N</div> <div>6. TAKE EXIT 115A FOR ROUTE 210 TOWARD 115A</div> <div>7. MERGE ONTO CA–210 E</div> <div>8. TAKE EXIT 68 FOR ALDER AVE</div> <div>9. TURN LEFT ONTO N ALDER AVE</div> <div>10. TURN LEFT ONTO SIERRA LAKES PKWY</div> <div>11. ARRIVE AT 17010 SIERRA LAKES PKWY ON THE RIGHT</div>	<div>SCOPE OF WORK: AN UNMANNED TELECOMMUNICATIONS FACILITY INCLUDING THE INSTALLATION OF:</div> <div>1. 8’–0”H CMU ENCLOSURE WITH WROUGHT IRON LID AND EVERGREEN HEDGE AROUND ENCLOSURE</div> <div>2. 75’–0” HIGH MONOPALM</div> <div>3. (14) PANEL ANTENNAS ON MONOPALM</div> <div>4. (36) RRUS AND (6) DC SURGE SUPPRESSORS (DC9) AT ANTENNA LEVEL</div> <div>5. (1) 2’–0” DIAMETER MICROWAVE DISH ANTENNA</div> <div>6. (1) 3–BAY WUC CABINET WITH OVERHEAD FRP CANOPY</div> <div>7. (1) 20KW AC COMPACT GENERAC GENERATOR WITH 105 GAL. DIESEL TANK WITHIN CMU ENCLOSURE</div> <div>8. (1) GPS ANTENNA</div> <div>9. POWER, TELCO, FIBER AND COAX PANELS AND RUNS</div>																																																					
AA–CSL02952–A01	SITE PLAN	8																																																							
AA–CSL02952–A02	ENLARGED SITE PLAN	8																																																							
AA–CSL02952–A03	EQUIPMENT LAYOUT PLAN	8																																																							
AA–CSL02952–A04	ANTENNA LAYOUT PLAN AND SCHEDULE	8																																																							
AA–CSL02952–A05	ELEVATION	8																																																							
AA–CSL02952–A06	ELEVATION	8																																																							
AA–CSL02952–GN01	POWER COORDINATION REPORT	8																																																							
AA–CSL02952–B01	TOPOGRAPHIC SURVEY (FOR REFERENCE ONLY)	1																																																							
AA–CSL02952–B02	TOPOGRAPHIC SURVEY (FOR REFERENCE ONLY)	1																																																							
				VICINITY MAP	<div>SITE ADDRESS: 17010 SIERRA LAKES PARKWAY FONTANA, CA 92336</div> <div>POWER COMPANY: SCE</div> <div>PROPERTY OWNER: 1836 SIERRA LAKES PARTNERS, LLC. 606 S. OLIVE ST., STE. 2450 LOS ANGELES, CA 90014 CONTACT: ERIC SILVERMAN PHONE: (213) 709–3729 EMAIL: ESILVERMAN@SBH–REG.COM</div> <div>CONTACT PERSON: YOLANDA HUNTER (626) 238–4792</div> <div>APPLICANT: AT&amp;T WIRELESS 1452 EDINGER AVE., 3RD FLOOR TUSTIN, CA 92780</div> <div>TEL COMPANY: TBD</div> <div>JURISDICTION: CITY OF FONTANA</div> <div>CONTACT PERSON: TBD</div> <div>APN: 1119–22–169–0000</div> <div>CURRENT ZONING: REGIONAL MIXED USE (RMU)</div> <div>CURRENT LAND USE: COMMERCIAL</div> <div>PROPOSED OCCUPANCY/USE: TYPE U (UNMANNED TELECOMMUNICATIONS FACILITY)</div> <div>LEASE AREA: 347 SQ.FT.</div> <div>COORDINATES (NAD 83) LATITUDE: N 34°08’21.69” (34.139358°) LONGITUDE: W 117°25’57.00” (–117.432501°) ELEVATION (NAVD88) 1,561.7 FT.</div>																																																				
				CODE COMPLIANCE		<div>** NOTE: ALL WORK AND MATERIALS SHALL BE PERFORMED AND INSTALLED IN ACCORDANCE WITH THE CURRENT EDITIONS OF THESE CODES. NOTHING IN THESE PLANS IS TO BE CONSTRUED TO PERMIT WORK NOT CONFORMING TO THESE CODES.</div> <div>1. 2022 CALIFORNIA ADMINISTRATIVE CODE (CAC)</div> <div>2. 2022 CALIFORNIA BUILDING CODE (CBC), VOLUMES 1, AND 2</div> <div>3. 2022 CALIFORNIA ELECTRICAL CODE</div> <div>4. 2022 CALIFORNIA MECHANICAL CODE (CMC)</div> <div>5. 2022 CALIFORNIA ENERGY CODE</div> <div>6. 2022 CALIFORNIA FIRE CODE (CFC)</div> <div>7. 2022 CALIFORNIA GREEN CODE</div> <div>8. 2022 CALIFORNIA REFERENCES STANDARDS CODE</div>																																																			
DCI PACIFIC A E C WORKS  ARCHITECTURE   ENGINEERING   CONSULTING 26 EXECUTIVE PARK   SUITE 170 IRVINE   CA 92614		CSL02952 SIERRA LAKES FA#: 12889584   PACE#: MRLOS078888   USID#: 315978  17010 SIERRA LAKES PARKWAY FONTANA, CA 92336		<div></div> <div>1452 EDINGER AVENUE, 3RD FLOOR TUSTIN, CA 92780</div>		<table><tr><td>8</td><td>02/27/23</td><td>INCORP. PLANNING COMMENTS</td><td>RF</td><td>BOK</td><td>DKD</td></tr><tr><td>7</td><td>01/04/23</td><td>INCORP. POWER REPORT</td><td>HL</td><td>BOK</td><td>DKD</td></tr><tr><td>6</td><td>07/18/22</td><td>INCORP. PLANNING COMMENTS</td><td>HL</td><td>BOK</td><td>DKD</td></tr><tr><td>5</td><td>09/01/22</td><td>INCORP. PLANNING COMMENTS</td><td>HL</td><td>BOK</td><td>DKD</td></tr><tr><td>4</td><td>08/02/22</td><td>INCORP. PLANNING COMMENTS</td><td>RF</td><td>BOK</td><td>DKD</td></tr><tr><td>NO.</td><td>DATE</td><td>REVISIONS</td><td>BY</td><td>CHK</td><td>APP'D</td></tr><tr><td>SCALE</td><td>AS SHOWN</td><td>DESIGNED</td><td colspan="3">DRAWN</td></tr></table>	8	02/27/23	INCORP. PLANNING COMMENTS	RF	BOK	DKD	7	01/04/23	INCORP. POWER REPORT	HL	BOK	DKD	6	07/18/22	INCORP. PLANNING COMMENTS	HL	BOK	DKD	5	09/01/22	INCORP. PLANNING COMMENTS	HL	BOK	DKD	4	08/02/22	INCORP. PLANNING COMMENTS	RF	BOK	DKD	NO.	DATE	REVISIONS	BY	CHK	APP'D	SCALE	AS SHOWN	DESIGNED	DRAWN			<div></div>	<div>AT&amp;T MOBILITY TUSTIN, CA</div> <div>TITLE SHEET</div> <table><tr><td>JOB NO</td><td></td><td>DRAWING NUMBER</td><td>REV.</td></tr><tr><td></td><td></td><td>AA–CSL02952–T01</td><td>8</td></tr></table>	JOB NO		DRAWING NUMBER	REV.			AA–CSL02952–T01
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- (N) 2'X3' HANDHOLE,  
(N) AT&T TELCO (MMP) (TBD)
- (N) UNDERGROUND TELCO CONDUIT,  
(APPROX: L= 125'-0")
- (N) 12'-0" WIDE AT&T  
NON-EXCLUSIVE ACCESS PATH

JOB NO		DRAWING NUMBER	REV.
		AA-CSL02952-A01	8



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CITY OF FONTANA  
PLANNING DEPARTMENT

APPROVED

Project Planner	Date	Case #'s
Mai Thao	MAY 11, 2023	MCN22-107 ASP22-028 MUP22-007

NOTE:  
• PROPOSED LANDSCAPING NOT SHOWN, TO BE ADDRESSED (UNDER SEPARATE PERMIT

(N) AT&T TELECOM FACILITY (347 SQ. FT.) TO OCCUPY FUTURE PLANTER, SEE SHEET A03 FOR ADDITIONAL INFO.

(N) PANEL ANTENNAS, RRUS AND SURGE SUPPRESSORS ON (N) MONOPALM, SEE SHEET A04 FOR ADD'L INFO.



**ENLARGED SITE PLAN**  
SCALE: 1/8"=1'-0"



0 2' 4' 8'



1

**DCI PACIFIC**  
A|E|C WORKS

ARCHITECTURE | ENGINEERING | CONSULTING  
26 EXECUTIVE PARK | SUITE 170  
IRVINE | CA 92614

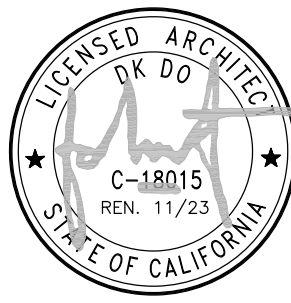
CSL02952  
SIERRA LAKES  
FA#: 12889584 | PACE#: MRLOS078888 | USID#: 315978  
  
17010 SIERRA LAKES PARKWAY  
FONTANA, CA 92336



**at&t**  
Mobility

1452 EDINGER AVENUE, 3RD FLOOR  
TUSTIN, CA 92780

8	02/27/23	INCRP. PLANNING COMMENTS	RF	BOK	DKD
7	01/04/23	INCRP. POWER REPORT	HL	BOK	DKD
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4	08/02/22	INCRP. PLANNING COMMENTS	RF	BOK	DKD
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		



AT&T MOBILITY  
TUSTIN, CA

ENLARGED SITE PLAN

JOB NO.	DRAWING NUMBER	REV.
	AA-CSL02952-A02	8



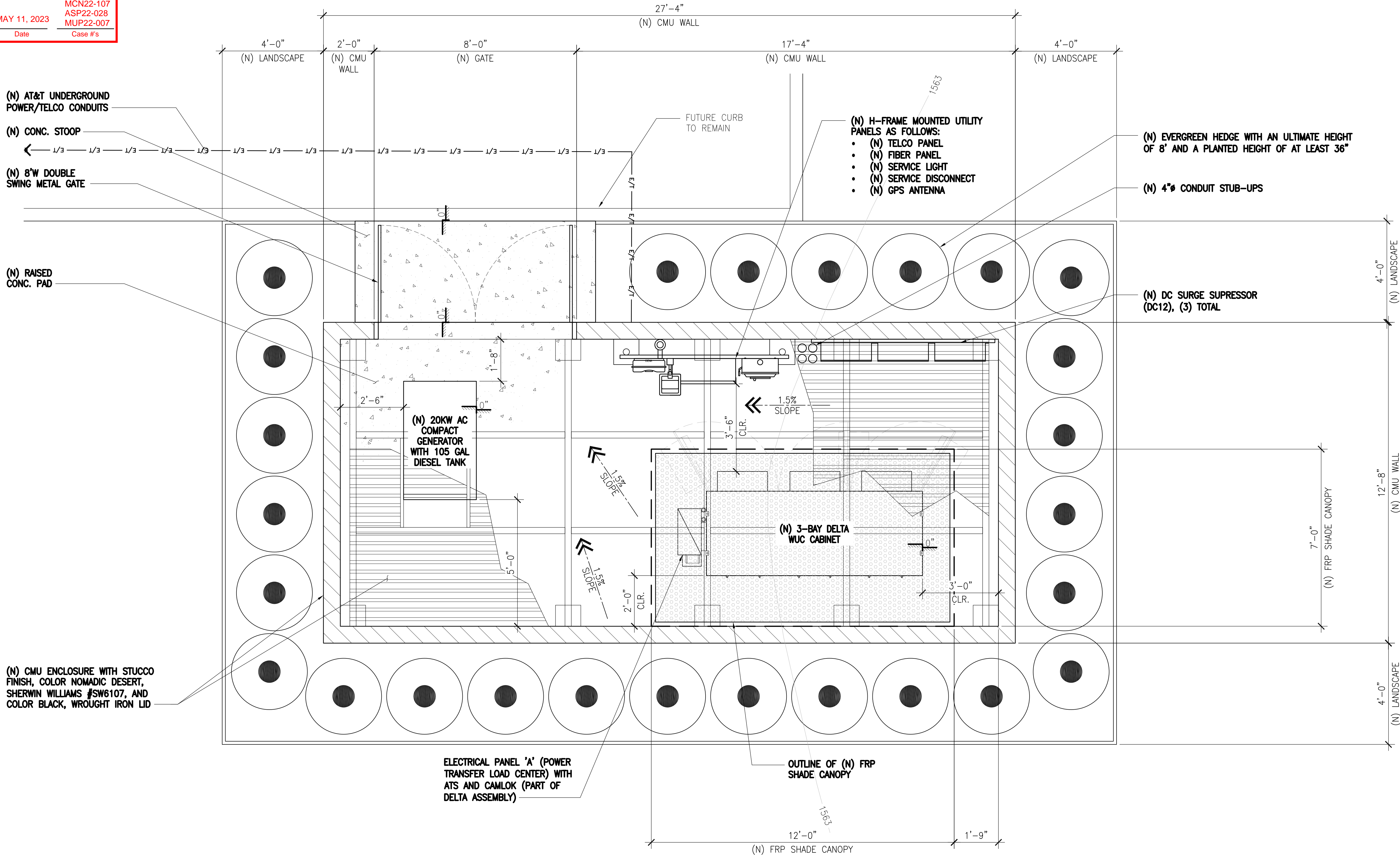
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CITY OF FONTANA  
PLANNING DEPARTMENT

APPROVED

*Mai Thao* MAY 11, 2023  
Project Planner Date Case #s

MCN22-107  
ASP22-028  
MUP22-007



**EQUIPMENT LAYOUT PLAN**  
SCALE: 1/2"=1'-0"

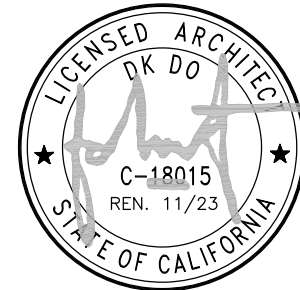
**DCI PACIFIC**  
A|E|C WORKS

ARCHITECTURE | ENGINEERING | CONSULTING  
26 EXECUTIVE PARK | SUITE 170  
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CSL02952  
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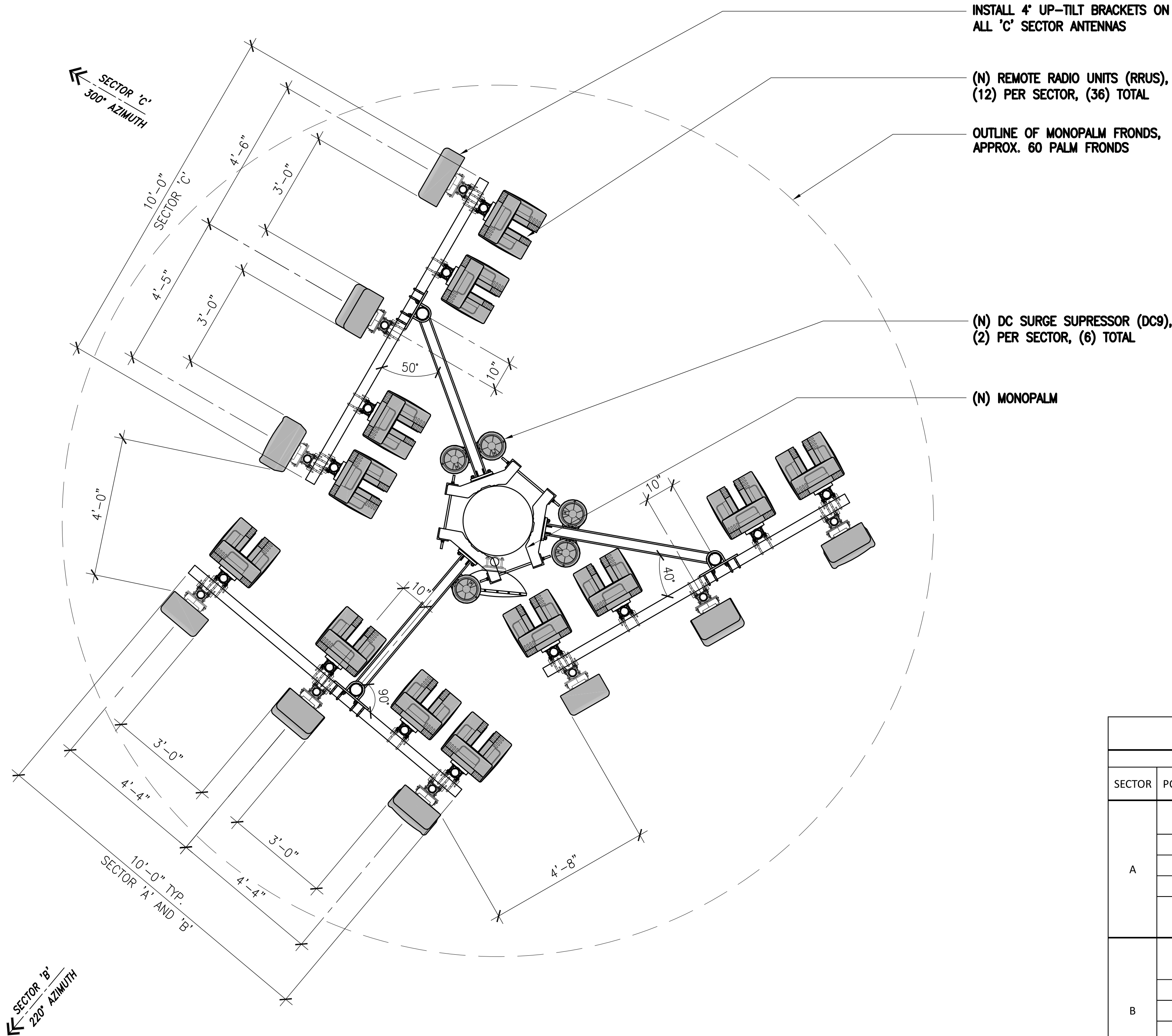
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NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		



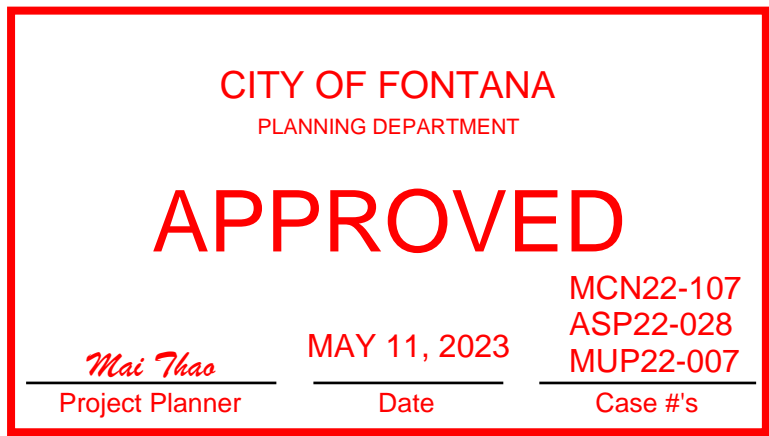
AT&T MOBILITY TUSTIN, CA		
EQUIPMENT LAYOUT PLAN		
JOB NO.	DRAWING NUMBER	REV.
	AA-CSL02952-A03	8



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NOTES:  
1. PAINT ALL NEW ANTENNAS, SURGE SUPPRESSORS, RRUS AND MOUNTING BRACKETS TO MATCH MONOPALM.



CSL02952 ANTENNA & RRU SCHEDULE																				
ANTENNAS AND MW DISHES						REMOTE RADIO UNITS (RRU'S)			FIBER TRUNKS			DC TRUNKS			JUMPERS		MW CABLES			
SECTOR	POSITION	MFR	MODEL NO.	AZIMUTH	RAD CENTER	TYPE	QTY	UP OR DOWN	QTY	LENGTH	DIA	QTY	LENGTH	DIA	LENGTH	DIA	QTY	LENGTH	DIA	
A	A1	CCI	TPA-45R-KU8AA-K	150	67°-0"	RRUS 4449 B5/B12 RRUS 8843 B2/B66A	12	UP	2	90'	2"	6	90'	2"	<12'	1/2"	NA	NA	NA	
	A2	ERICSSON	AIR 6449 B77D	150	69°-9"	NONE		UP							<12'	1/2"				
	A3	CCI	TPA-45R-KU6AA-K	150	65°-0"	RRUS 4478 B14		UP							<12'	1/2"				
	A4	ERICSSON	AIR 6419 B77G	150	69°-9"	NONE		NA							<12'	1/2"				
	A5	QUINTEL	QS6458-5	150	65°-0"	RRUS 2012 B29		UP							<12'	1/2"				
						RRUS 4415 B30		UP												
B	B1	CCI	TPA-45R-KU8AA-K	220	67°-0"	RRUS 4449 B5/B12 RRUS 8843 B2/B66A	12	UP	2	90'	2"	6	90'	2"	<12'	1/2"				
	B2	ERICSSON	AIR 6449 B77D	220	69°-9"	NONE		UP							<12'	1/2"				
	B3	CCI	TPA-45R-KU6AA-K	220	65°-0"	RRUS 4478 B14		UP							<12'	1/2"				
	B4	ERICSSON	AIR 6419 B77G	220	69°-9"	NONE		NA							<12'	1/2"				
	B5	QUINTEL	QS6458-5	220	65°-0"	RRUS 2012 B29		UP							<12'	1/2"				
						RRUS 4415 B30		UP												
C	C1	COMMSCOPE	NNH4-65C-R6-V3	300	67°-0"	RRUS 4449 B5/B12 RRUS 8843 B2/B66A	12	UP	2	90'	2"	6	90'	2"	<12'	1/2"				
	C2	ERICSSON	AIR 6419 B77G	300	69°-9"	NONE		UP							<12'	1/2"				
	C3	ERICSSON	AIR 6449 B77D	300	66°-3"	NONE		NA							<12'	1/2"				
	C4	QUINTEL	QD8612-7	300	67°-0"	RRUS 4478 B14		UP							<12'	1/2"				
						RRUS 2012 B29		UP												
						RRUS 4415 B30		UP												
DISH	#1	MW	2'-0" MW DISH	TBD	58°-0"	NA												2	80'	TBD



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ARCHITECTURE | ENGINEERING | CONSULTING  
26 EXECUTIVE PARK | SUITE 170  
IRVINE | CA 92614

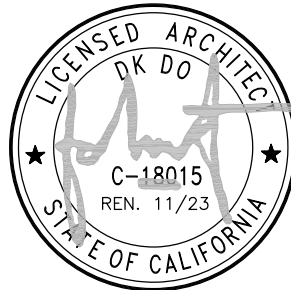
CSL02952  
SIERRA LAKES  
FA#: 12889584 | PACE#: MRLOS078888 | USID#: 315978

17010 SIERRA LAKES PARKWAY  
FONTANA, CA 92336



1452 EDINGER AVENUE, 3RD FLOOR  
TUSTIN, CA 92780

8	02/27/23	INCORP. PLANNING COMMENTS	RF	BOK	DKD
7	01/04/23	INCORP. POWER REPORT	HL	BOK	DKD
6	07/18/22	INCORP. PLANNING COMMENTS	HL	BOK	DKD
5	09/01/22	INCORP. PLANNING COMMENTS	HL	BOK	DKD
4	08/02/22	INCORP. PLANNING COMMENTS	RF	BOK	DKD
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		



AT&T MOBILITY  
TUSTIN, CA

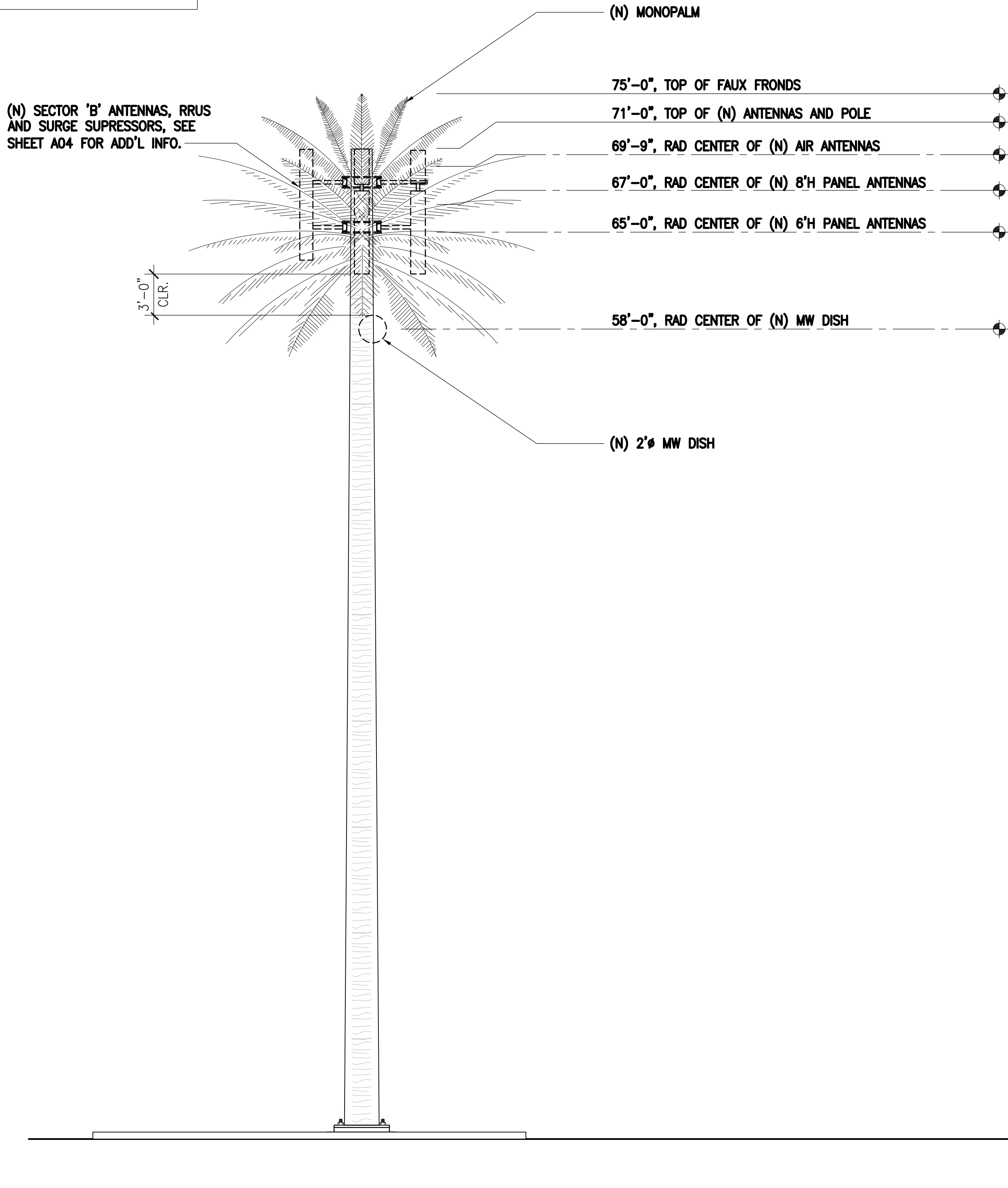
**ANTENNA LAYOUT PLAN  
AND SCHEDULE**

JOB NO.	DRAWING NUMBER	REV.
	AA-CSL02952-A04	8



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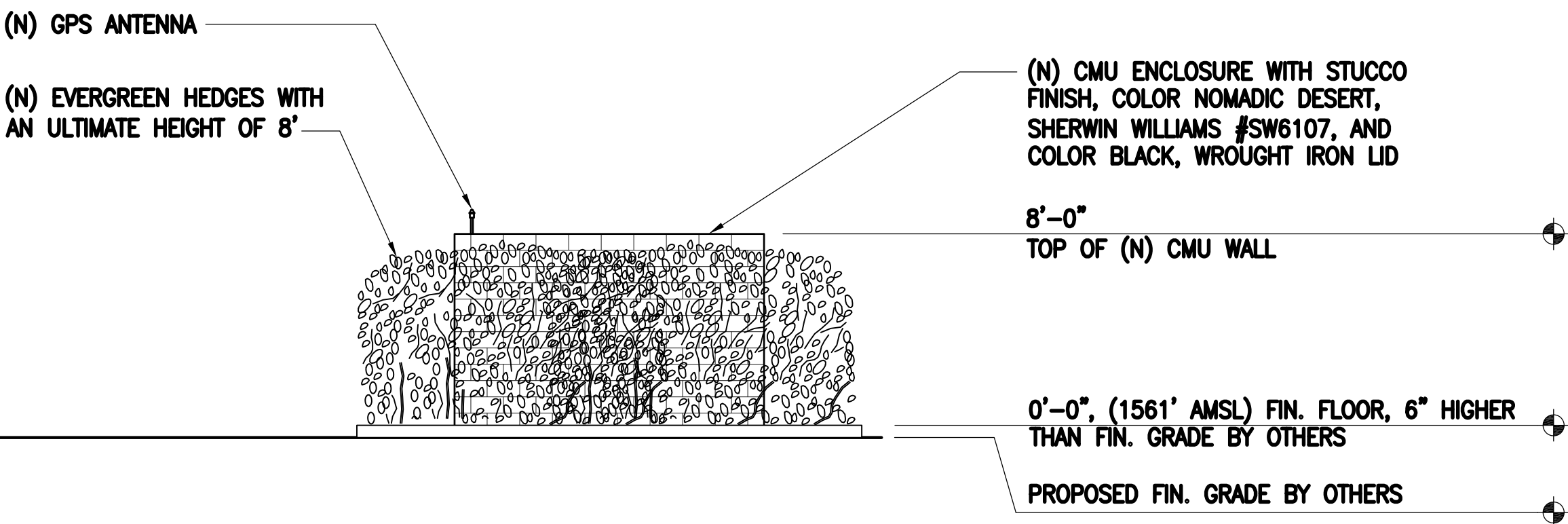
CITY OF FONTANA  
PLANNING DEPARTMENT

APPROVED

Mai Thao  
Project Planner

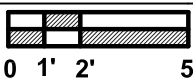
MAY 11, 2023  
Date

MCN22-107  
ASP22-028  
MUP22-007  
Case #'s



**SOUTH ELEVATION**

SCALE: 3/16"=1'-0"



1

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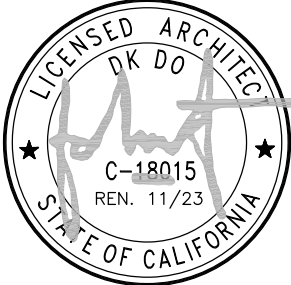
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26 EXECUTIVE PARK | SUITE 170  
IRVINE | CA 92614

CSL02952  
SIERRA LAKES  
FA#: 12889584 | PACE#: MRL0S078888 | USID#: 315978  
  
17010 SIERRA LAKES PARKWAY  
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4	08/02/22	INCORP. PLANNING COMMENTS	RF	BOK	DKD
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		



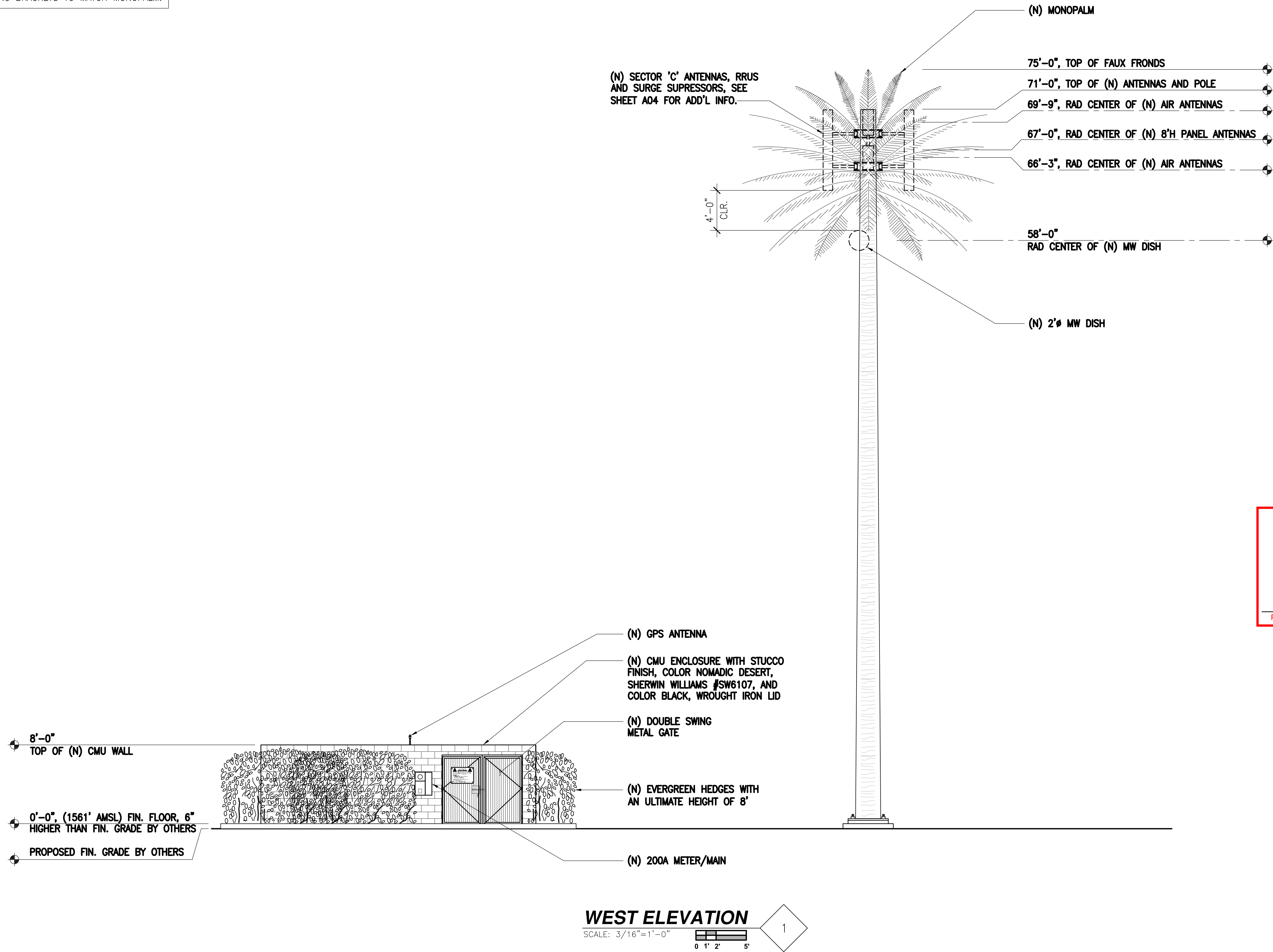
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**ELEVATIONS**

JOB NO.	DRAWING NUMBER	REV.
	AA-CSL02952-A05	8

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CITY OF FONTANA  
PLANNING DEPARTMENT

APPROVED

Mai Thao  
Project Planner

MAY 11, 2023  
Date

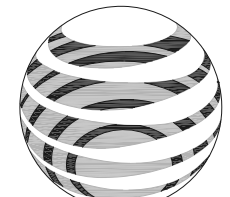
MCN22-107  
ASP22-028  
MUP22-007  
Case #'s

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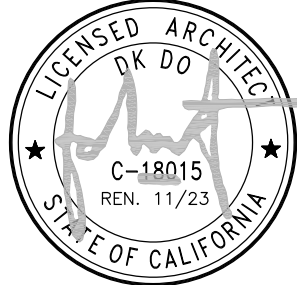
CSL02952  
SIERRA LAKES  
FA#: 12889584 | PACE#: MRL0S078888 | USID#: 315978

17010 SIERRA LAKES PARKWAY  
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NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		



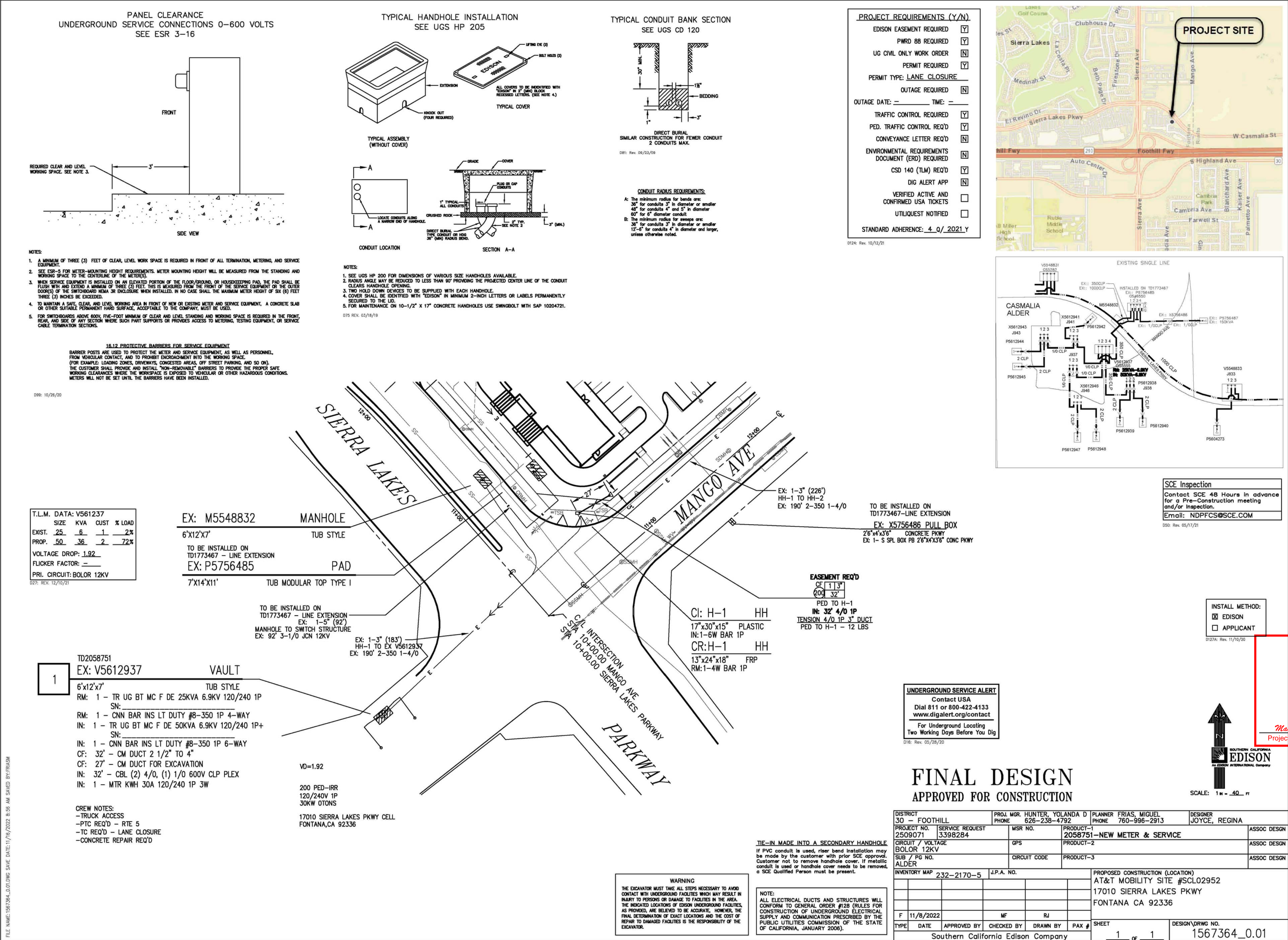
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TUSTIN, CA

ELEVATIONS

JOB NO.	DRAWING NUMBER	REV.
	AA-CSL02952-A06	8



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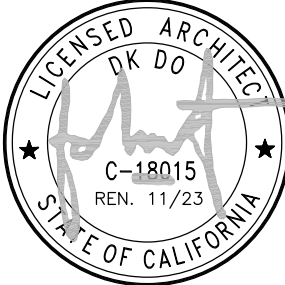
CSL02952  
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FA#: 12889584 | PACE#: MRLOS078888 | USID#: 315978

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4	08/02/22	INCORP. PLANNING COMMENTS	RF	BOK	DKD
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		



AT&T MOBILITY  
TUSTIN, CA

POWER COORDINATION REPORT

JOB NO	DRAWING NUMBER	REV.
	AA-CSL02952-GN01	8



OWNER'S NAME: 1836 SIERRA LAKES PARTNERS LLC

ASSESSOR'S PARCEL NUMBER(S) 1119-221-69-0000

BASIS OF BEARINGS: (NAD83; EPOCH 2010)

THE BEARINGS SHOWN HEREON ARE BASED CALIFORNIA STATE PLANE COORDINATE SYSTEM - ZONE 5. AS DETERMINED BY G.P.S. OBSERVATIONS, USING TRIMBLE 5700/5800 RECEIVERS AND TRIMBLE GEODETIC OFFICE 1.60 SOFTWARE.

BASIS OF ELEVATIONS: NAVD 1988

ELEVATIONS ARE BASED ON GPS OBSERVATIONS FROM TWO NATIONAL GEODETIC SURVEY C.O.R.S. REFERENCE STATIONS: 1) JPLM, ELEVATION = 1503.49' AND 2) TORP, ELEVATION = 103.77' WITH GEOID 2012 CORRECTIONS APPLIED.

SITE BENCHMARK IS THE TOP OF STORMDRAIN MANHOLE, LOCATED SE OF SITE, AS SHOWN HEREON. ELEVATION = 1559.42'

FEMA FLOOD ZONE DESIGNATION: National Flood Insurance Program:

County: SAN BERNARDINO

Map/Panel: 06071C7920H

Effective Date: 8/28/2008

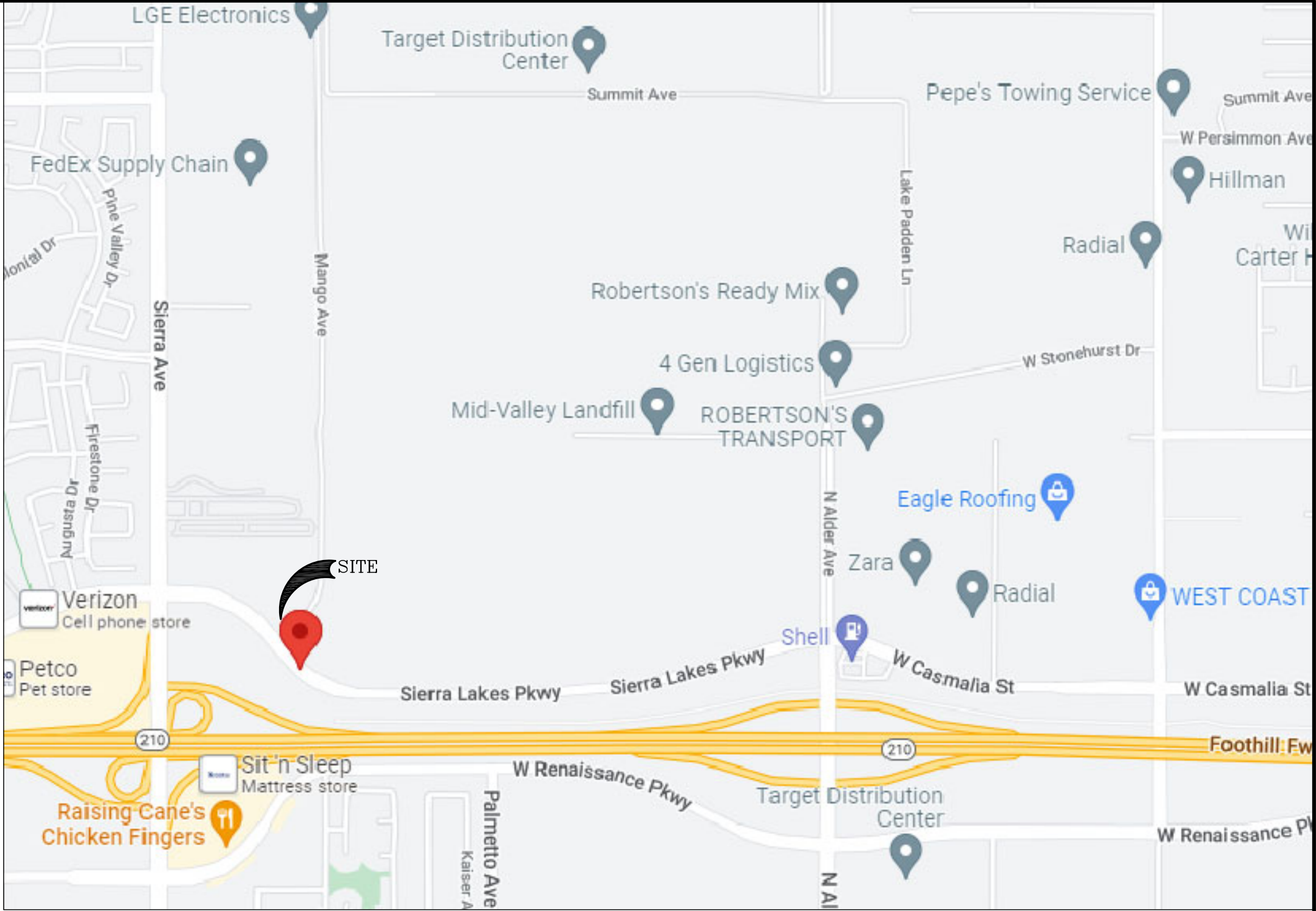
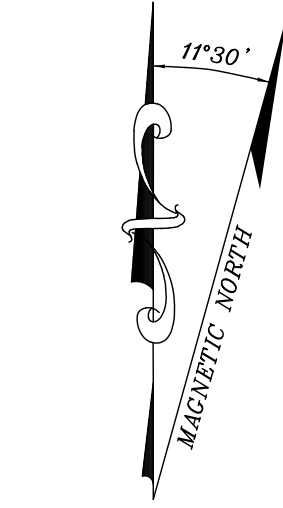
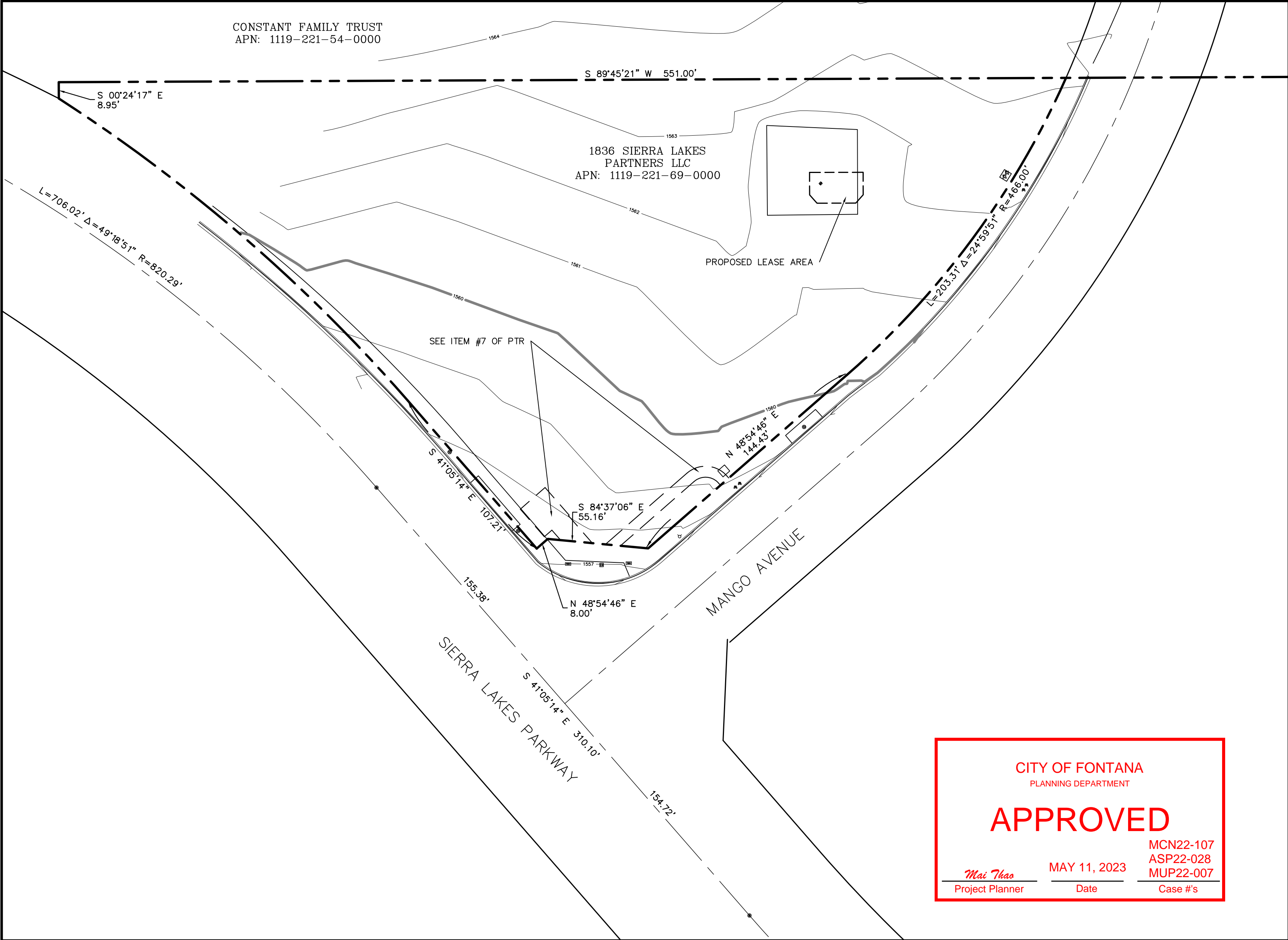
The Flood Zone Designation for this site is: ZONE: X

PROPERTY LEGAL DESCRIPTION

THAT PORTION OF THE EAST ONE HALF OF LOT 6 OF BAIRD PARK ACRES, IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, AS RECORDED IN BOOK 19, PAGE 92 OF MAPS, RECORDS OF THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, SAID PORTION BEING MORE PARTICULARLY DESCRIBED AS FOLLOWS:

BEGINNING AT THE CENTERLINE INTERSECTION OF SIERRA LAKES PARKWAY AND MANGO AVENUE AS SHOWN ON PARCEL MAP NO. 18189, AS FILED IN BOOK 229, PAGES 98 THROUGH 101 OF PARCEL MAPS, RECORDS OF SAID COUNTY; THENCE NORTH 48° 52' 47" EAST, A DISTANCE OF 44.00 FEET TO THE NORTHEASTERLY LINE OF SAID SIERRA LAKES PARKWAY; THENCE NORTH 41° 07' 13" WEST, ALONG SAID NORTHEASTERLY LINE, A DISTANCE OF 73.00 FEET TO THE TRUE POINT OF BEGINNING; THENCE NORTH 48° 52' 47" EAST, A DISTANCE OF 8.00 FEET; THENCE SOUTH 84° 39' 05" EAST, A DISTANCE OF 55.17 FEET TO THE NORTHWESTERLY LINE OF SAID MANGO AVENUE; THENCE NORTH 48° 52' 47" EAST, ALONG SAID NORTHWESTERLY LINE, A DISTANCE OF 144.42 FEET TO THE BEGINNING OF A TANGENT CURVE CONCAVE TO THE NORTHWEST AND HAVING A RADIUS OF 466.00 FEET; THENCE NORTHEASTERLY ALONG SAID CURVE, AN ARC DISTANCE OF 203.31 FEET, THROUGH A CENTRAL ANGLE OF 24° 59' 49" TO THE NORTH LINE OF SAID LOT 6; THENCE SOUTH 89° 43' 22" WEST, ALONG SAID NORTH LINE, A DISTANCE OF 551.00 FEET TO THE NORTHWEST CORNER OF SAID EAST ONE HALF OF LOT 6; THENCE SOUTH 00° 26' 16" EAST, ALONG SAID WEST LINE, A DISTANCE OF 8.95 FEET TO A POINT ON THE NORTHEASTERLY LINE OF SAID SIERRA LAKES PARKWAY, SAID POINT ALSO BEING THE BEGINNING OF A NON-TANGENT CURVE CONCAVE TO THE SOUTHWEST AND HAVING A RADIUS OF 902.23 FEET, A RADIAL LINE FROM SAID POINT BEARS SOUTH 32° 47' 32" WEST; THENCE SOUTHEASTERLY ALONG SAID CURVE AN ARC DISTANCE OF 253.33 FEET, THROUGH A CENTRAL ANGLE OF 16° 05' 15"; THENCE SOUTH 41° 07' 13" EAST, CONTINUING ALONG SAID NORTHEASTERLY LINE OF SAID SIERRA LAKES PARKWAY, A DISTANCE OF 107.21 FEET TO THE TRUE POINT OF BEGINNING.

SAID DESCRIPTION IS MADE PURSUANT TO THAT CERTAIN CERTIFICATE OF COMPLIANCE, RECORDED SEPTEMBER 24, 2019 AS INSTRUMENT NO. 2019-342563 OF OFFICIAL RECORDS.



TITLE REPORT NOTES

TITLE REPORT NOTES:

THE FOLLOWING EASEMENTS EFFECT SAID PARCEL ACCORDING TO PRELIMINARY TITLE REPORT:

PREPARED BY - COMMONWEALTH LAND TITLE INSURANCE COMPANY  
TITLE NO. - 92017644-920-CMM-CM8  
DATED - APRIL 6, 2022

SEE SAID TITLE REPORT FOR OTHER DOCUMENTS (NON-EASEMENTS) EFFECTING SAID PROPERTY. NO RESEARCH WAS PERFORMED BY FLOYD SURVEYING BUT RELIED UPON SAID TITLE REPORT FOR THE EASEMENTS REVIEWED BELOW:

ITEM #2 - Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Southern California Edison Company, a corporation  
Purpose: Public utilities  
Recording No: Book 9718, Page 3216 of Official Records  
(DOES NOT CROSS PROJECT AREA)

ITEM #4 - Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Southern California Edison Company  
Purpose: Public utilities  
Recording Date: January 14, 2009  
Recording No: 2009-15762 of Official Records  
LESS The effect of a document entitled "Partial Quitclaim Easement".  
Recorded November 7, 2019 as Instrument No. 2019-403381 of Official Records  
(DOES NOT CROSS PROJECT AREA)

ITEM #5 - Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: City of Fontana, a municipal corporation  
Purpose: Street, highway and public utility  
Recording Date: July 18, 2014  
Recording No: 2014-260802 of Official Records  
(AS SHOWN HEREON - AS MANGO RIGHT-OF-WAY)

ITEM #7 - Easement(s) for the purpose(s) shown below and rights incidental thereto, as granted in a document:

Granted to: Southern California Edison Company, a corporation  
Purpose: To construct, use, maintain, operate, alter, add to, repair, replace, reconstruct, inspect and remove at any time and from time to time underground electrical supply systems and communication systems (hereinafter referred to as "systems"), consisting of wires, underground conduits, cables, vaults, manholes, handholes, and including above-ground enclosures, markers and concrete pads and other appurtenant fixtures and equipment necessary or useful for distributing electrical energy and for transmitting intelligence, data and/or communications  
Recording Date: November 2, 2021  
Recording No: 2021-496135 of Official Records  
(AS SHOWN HEREON - DOES NOT CROSS PROJECT AREA)

END OF EASEMENTS

VICINITY MAP

LEGEND

- ELECTRIC BOX
- FIRE HYDRANT
- MONUMENT FOUND
- STORM DRAIN MANHOLE
- TRAFFIC SIGNAL BOX
- WATER METER
- WATER VALVE
- EDGE OF CONCRETE
- EDGE OF PAVEMENT
- FLOWLINE, CURB & GUTTER
- LIP OF GUTTER
- GROUND SPOT ELEVATION
- STORMDRAIN MANHOLE
- SIDEWALK
- TOP OF CURB
- BOUNDARY LINE
- CENTER LINE
- MISC. PROPERTY LINE
- MISC. TIE LINE
- RIGHT-OF-WAY LINE
- EASEMENT LINE
- FENCE LINE
- BUILDING EDGE
- OVERHEAD WIRES

1) This is not a boundary survey. This is a specialized topographic map. The property lines and easements shown hereon are from record information as noted hereon. Floyd Surveying translated the topographic survey to record information using the two found monuments shown hereon. No title research was performed by Floyd Surveying.

2) Any changes made to the information on this plan, without the written consent of Floyd Surveying relieves Floyd Surveying of any and all liability.

3) These drawings & specifications are the property & copyright of Floyd Surveying & shall not be used on any other work except by agreement with the Surveyor. Written dimensions shall take preference over scaled & shall be verified on the job site. Any discrepancy shall be brought to the notice of the Surveyor prior to commencement of any work.

4) Field survey completed on April 5, 2022

FLOYD SURVEYING

34006 GALLERON STREET  
TEMECULA, CA 92592  
OFFICE: (949) 200-0626  
EMAIL: fsi@floydsurveying.com

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SIERRA LAKES

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Mobility

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TUSTIN, CA 92780

1	4/22/22	TITLE REVIEW	DAF	DAF	DAF
0	4/07/22	ISSUED FOR ZONING SUBMITTAL	DAF	DAF	DAF
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE		AS SHOWN	DESIGNED	DRAWN	

SHEET TITLE

TOPOGRAPHIC SURVEY

SHEET NUMBER

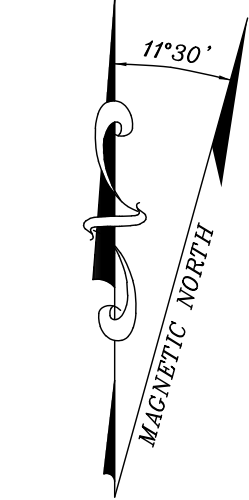
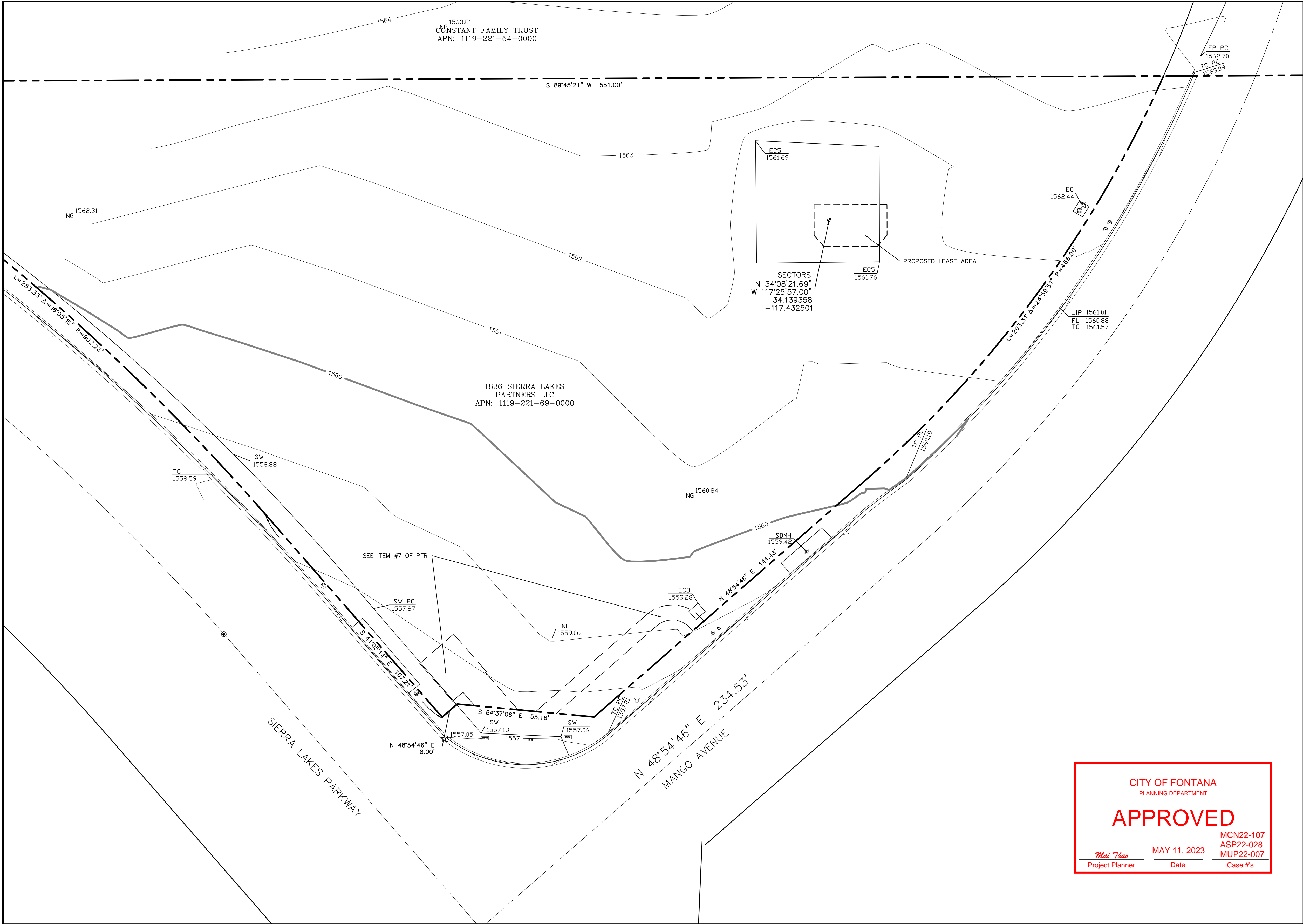
B01

OVERALL SITE PLAN

SCALE: 1"=40'

40 20 0 40





### LEGEND

- ELECTRIC BOX
- FIRE HYDRANT
- MONUMENT FOUND
- STORM DRAIN MANHOLE
- TRAFFIC SIGNAL BOX
- WATER METER
- WATER VALVE
- EDGE OF CONCRETE
- EDGE OF PAVEMENT
- FLOWLINE, CURB & GUTTER
- LIP OF GUTTER
- GROUND SPOT ELEVATION
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- FENCE LINE
- BUILDING EDGE
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CITY OF FONTANA  
PLANNING DEPARTMENT

APPROVED

Mai Thao  
Project Planner

MAY 11, 2023  
Date

MCN22-107  
ASP22-028  
MUP22-007  
Case #s

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- 4) Field survey completed on April 5, 2022

FLOYD SURVEYING  
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TEMECULA, CA 92592  
OFFICE: (949) 200-0626  
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0	4/07/22	ISSUED FOR ZONING SUBMITTAL	DAF	DAF	DAF
NO.	DATE	REVISIONS	BY	CHK	APP'D
SCALE	AS SHOWN	DESIGNED	DRAWN		

TOPOGRAPHIC SURVEY

DETAIL SITE PLAN

SCALE: 1"=20'  
20 10 0 20

SHEET TITLE

SHEET NUMBER

B02



## NOTICE OF PUBLIC HEARING

***SI DESEA INFORMACION EN ESPAÑOL REFERENTE A ESTA NOTIFICACION O PROYECTO, FAVOR DE COMUNICARSE AL (909) 350-6728.***

In compliance with Section No. 202 of the Americans with Disabilities Act of 1990 (42 U.S.C. Section No. 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 Planning Department by calling (909) 350-6718. 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 No. 23-062 and Appeal No. 23-015**

Review of an appeal to overturn the Director of Planning's decision on May 11, 2023, approving Master Case No. 22-107, Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007 for a new wireless telecommunications facility consisting of a 75' mono-palm with 14 antennas, supporting equipment, and an equipment enclosure totaling approximately 347 square feet.

#### **Environmental Determination:**

The installation of a new wireless telecommunications facility and ancillary equipment as described above associated with Master Case No. 22-107, Administrative Site Plan No. 22-028, and Minor Use Permit No. 22-007 is exempted pursuant to Section No. 15311 Class No. 11 (Accessory Structures) and Section No. 15332 Class No. 32 (In-Fill Development Project) of the California Environmental Quality Act (CEQA), and Section No. 3.22 of the 2019 City of Fontana Local Guidelines for Implementing the California Environmental Quality Act.

#### **Location of Property:**

17010 Sierra Lakes Parkway (APN:1119-221-69)

#### **Date of Hearing:**

July 18, 2023

#### **Place of Hearing:**

City Hall Council Chambers, 8353 Sierra Avenue  
Fontana, CA 92335





**Time of Hearing:** 6:00 P.M.

Should you have any questions concerning this project, please contact **Mai Thao, Assistant Planner**, at (909) 350-6650 or by e-mail at [mthao@fontanaca.gov](mailto:mthao@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. PLEASE CONTACT THE PLANNER LISTED ABOVE.

IF YOU CHALLENGE ANY ACTION TAKEN CONCERNING THIS ITEM IN COURT, 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 PROVIDED TO THE CITY AT, OR PRIOR TO, THE PUBLIC HEARING.

Publish: July 7, 2023

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June 30, 2023

City of Fontana Planning Commission  
([Planning@fontana.org](mailto:Planning@fontana.org))  
8353 Sierra Avenue  
Fontana, CA 92335

RE: AT&T's Response to Appeal from Approval of  
Administrative Site Plan (ASP) No. 22-028; Minor Use  
Permit (MUP) No. 22-007  
17010 Sierra Lakes Parkway, Fontana, CA 92335  
AT&T Site ID CSL02952

Dear Chair Fort, Vice Chair Sanchez, Secretary Thrasher, and  
Commissioners Sangha and Quintana:

I write on behalf of New Cingular Wireless PCS, LLC d/b/a AT&T Mobility (AT&T), to respectfully request the Planning Commission uphold the Planning Director's approval of AT&T's application to construct a stealth wireless telecommunications facility, disguised to appear as a palm tree ("Proposed Facility") located at 17010 Sierra Lakes Parkway in the City of Fontana. The Proposed Facility is needed for AT&T to provide more robust and competitive wireless services in this portion of the city.

This carefully sited and well-designed facility will minimize visual impacts and it is the best available and least intrusive means to close AT&T's significant service coverage gap in this area. The appeal raises a few general concerns that have been fully addressed by AT&T's careful adherence with the city's design and development regulations. Thus, AT&T requests the Commission deny the appeal and affirm approval of AT&T's application for the Proposed Facility.

### *AT&T's Proposed Facility*

Consistent with Chapter 32 of the Fontana Municipal Code, AT&T seeks to construct the Proposed Facility as an alternative tower structure, which will be a stealth facility disguised as a palm tree. This "mono-palm" structure will be 75 feet tall, will be aesthetically and architecturally blended with the surrounding area, and will be subject to all applicable health and safety regulations as the city requires.

### ***Response to Appellant's Criticisms***

The appeal raises six (6) issues, none of which support upending the Planning Department Director's approval. AT&T responds to each of these six issues as follows:

1. Setback issue to fee simple. Appellant complains that the tower is taller than the distance from his property line. As the Planning Department found, however, AT&T's Proposed Facility meets or exceeds all applicable City Code provisions, including in particular Chapter 32, Wireless Telecommunications Towers and Antennas. The Planning Director specifically found that "The proposed project will be built/installed pursuant to all applicable building, zoning, fire codes, and standards which will result in an appropriate, safe, and desirable development, as well as conditions of approval referenced herein." In addition, the structural report for the tower, which will be submitted in connection with the city's building permit process, will demonstrate the tower's safety. Moreover, the appellant explains the tower will be located 65 feet from his property, which is even greater than the 75% of height setback applied in the more stringent conditional use process (see Fontana Code Section 32-7(b)(5)). There is, therefore, no basis to deny AT&T's application with respect to the setback.

2. Setback issue to fully negotiated private easements. Appellant also raises a concern that the height of the tower "encroaches on several private easements." Again, however, the Proposed Facility meets all applicable building and safety requirements, as well as design and development standards. Further, as the Planning Director found, the Proposed Facility will be compatible with the "size, shape, topography, accessibility, and other physical characteristics" of the site. This concern does not support denial.

3. High winds and liability insurance. Appellant raises a concern about the high winds in the area. Again, "The proposed project will be built/installed pursuant to all applicable building, zoning, fire codes, and standards which will result in an appropriate, safe, and desirable development, as well as conditions of approval referenced herein." The structural report for the tower, which will be submitted in connection with the city's building permit process, will include the effects from wind and will demonstrate the tower's safety. Further, operating the facility will be conditioned on the City's inspection. The appellant's demands to be a named insured with specific benefits is not based on any city requirement and is not appropriate. These issues do not support denial.

4. Security, privacy, and safety. Appellant raises various vague concerns about wireless facilities generally, including the effects from RF emissions. AT&T submitted a Radio Frequency Theoretical Modeling Jurisdictional Report that demonstrates the Proposed Facility will comply with the Federal Communications Commission's RF emissions regulations. As a result, the city is preempted from considering appellant's concerns about effects of RF emissions by the federal Telecommunications Act, 47 U.S.C. § 332(c)(7)(B)(iv).

5. Unlimited future use. Appellant asks the city to give him a right to "renegotiation of all terms at any and every change of future use." While unclear exactly what is appellant's concern here, AT&T notes that future requests to modify the Proposed Facility or the site will be



subject to the relevant city processes at that time. There is, therefore, no need to condition approval of the Proposed Facility on potential future changes to the facility or the site.

6. Views. Finally, appellant asks to be compensated based on his unsupported statement that the Proposed Facility might cause him damages due to its appearance. But the Proposed Facility fully complies with the city's design requirements, including its specific design as an "alternative tower structure" as explicitly contemplated and preferred by the City Code. Indeed, the Planning Director found that the design and appearance of the proposed faux palm tree is appropriate:

The project proposal in its design and appearance as a result from this review will be compatible with the site and other similarly approved wireless facilities. The wireless tower is proposed to be disguised as a mono-palm with faux fronds and a faux growth pod, which will complement the surrounding neighborhood and blend with the existing area.

The Planning Director went further to find that "The proposed project provides a safe and well-designed site that is both aesthetically and architecturally pleasing." Whereas the Proposed Facility design is fully in line with the city's requirements, the appellant's request for compensation is neither supported in fact nor based on the city's regulations.

## **Conclusion**

AT&T is working diligently to upgrade its network to provide and improve wireless services in this area. There has been no substantial evidence proffered on which the city could deny AT&T's application. AT&T urges the Planning Commission to deny the appeal and affirm approval of AT&T's application.

Sincerely,



Aaron M. Shank

cc: Mai Thao, Assistant Planner ([mthao@fontana.org](mailto:mthao@fontana.org))  
Patty Nevins, Planning Director ([pnevins@fontana.org](mailto:pnevins@fontana.org))

## RP Taft 711 LLC

1187 Coast Village Road  
Ste 1, #561  
Santa Barbara, CA 93108

July 5, 2023

Mai Thao  
Assistant Planner - Planning  
City of Fontana  
8353 Sierra Ave.  
Fontana, CA 92335  
E-mail: mthao@fontanaca.gov

Re: Master Case No. (MCN) 22-107; Administrative Site Plan No. (ASP)-028; Minor Use Permit No. (MUP) 22-007; New Wireless facility disguised as a mono-palm located at 17010 Sierra Lakes Parkway (APN:1119-221-69) **ON APPEAL.**

Dear Ms. Thao,

By way of introduction, I am the Manager and General Counsel of RP Taft 711 LLC who owns the property located at 17064 Sierra Lakes Parkway, Fontana, CA 92336. Our tenant is 7-Eleven who is anticipating opening in August. We are a neighboring landowner of the proposed project.

We enthusiastically support this project. I have reviewed the recommendation of the Planning Department Findings and Conditions of Approval and Approved Plan dated May 11, 2023.


The Planning Department has given careful and thoughtful consideration to this necessary project. These towers serve critical needs for surrounding businesses as well as residential users.

Aesthetic considerations have been well addressed consistent with other approved projects of this nature and with the surrounding neighborhood. The site is well suited for this project. Safety considerations have been fully evaluated and engineered.

**We ask that this project be FULLY APPROVED.**

Should have any questions please feel free to contact me.

Best Regards



Michael P. Mallery  
Manager and General Counsel  
RP Taft 711 LLC  
Michael.mallery@eightn.com  
(559) 341 4217  
Delivered via e mail: mthao@fontanaca.gov



## NOTICE OF PUBLIC HEARING

***SI DESEA INFORMACION EN ESPAÑOL REFERENTE A ESTA NOTIFICACION O PROYECTO, FAVOR DE COMUNICARSE AL (909) 350-6728.***

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A PUBLIC HEARING HAS BEEN SCHEDULED BEFORE THE PLANNING COMMISSION OF THE CITY OF FONTANA FOR THE FOLLOWING:

### **Master Case No. 23-062 and Appeal No. 23-016**

Review of an appeal to overturn the Planning Commission's decision on July 18, 2023, to uphold the Director of Planning decision approving Master Case No. 22-107, Administrative Site Plan No. 22-028 and Minor Use Permit No. 22-007 for a new wireless telecommunications facility consisting of a 75' mono-palm with 14 antennas, supporting equipment, and an equipment enclosure totaling approximately 347 square feet.

#### **Environmental Determination:**

The installation of a new wireless telecommunications facility and ancillary equipment as described above associated with Master Case No. 22-107, Administrative Site Plan No. 22-028, and Minor Use Permit No. 22-007 is exempted pursuant to Section No. 15311 Class No. 11 (Accessory Structures) and Section No. 15332 Class No. 32 (In-Fill Development Project) of the California Environmental Quality Act (CEQA), and Section No. 3.22 of the 2019 City of Fontana Local Guidelines for Implementing the California Environmental Quality Act.

#### **Location of Property:**

17010 Sierra Lakes Parkway (APN:1119-221-69)

#### **Date of Hearing:**

September 26, 2023

#### **Place of Hearing:**

City Hall Council Chambers, 8353 Sierra Avenue  
Fontana, CA 92335





**Time of Hearing:** 7:00 P.M.

Should you have any questions concerning this project, please contact **Mai Thao, Assistant Planner**, at (909) 350-6650 or by e-mail at [mthao@fontanaca.gov](mailto:mthao@fontanaca.gov).

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August 21, 2023

Mayor Warren and City Council  
City of Fontana  
8353 Sierra Avenue  
Fontana, CA 92335

RE: AT&T's Response to Appeal from Approval of  
Administrative Site Plan (ASP) No. 22-028; Minor Use  
Permit (MUP) No. 22-007  
17010 Sierra Lakes Parkway, Fontana, CA 92335  
AT&T Site ID CSL02952

Dear Mayor Warren, Mayor Pro Tem Garcia, and Councilmembers  
Cothran, Roberts, and Sandoval:

I write on behalf of New Cingular Wireless PCS, LLC d/b/a AT&T Mobility (AT&T), to respectfully request the City Council uphold the Planning Director's and Planning Commission's approvals of AT&T's application to construct a stealth wireless communications facility, disguised to appear as a palm tree ("Proposed Facility") located at 17010 Sierra Lakes Parkway in the City of Fontana. The Proposed Facility is needed for AT&T to provide more robust and competitive wireless services in this portion of the city.

This carefully sited and well-designed facility will minimize visual impacts, and the city's approval comports with federal law as it is the best available and least intrusive means to close AT&T's significant service coverage gap in this area. The appeal raises a few general concerns that have been fully addressed by AT&T's careful adherence with the city's design and development regulations. Thus, AT&T requests that the Council deny the appeal and affirm approval of AT&T's application for the Proposed Facility.

### ***AT&T's Proposed Facility***

Consistent with Chapter 32 of the Fontana Municipal Code, AT&T seeks to construct the Proposed Facility as an alternative tower structure, which will be a stealth facility disguised as a palm tree. This "mono-palm" structure will be 75 feet tall, will be aesthetically and architecturally blended with the surrounding area, and will be subject to all applicable health and safety regulations as the city requires.

The Planning Department Staff Report explained how the Proposed Facility complies with the city's General Plan and Fontana

Municipal Code. The Staff Report also explained that the monopalm design will “blend with the existing area” and that the equipment enclosure finish and new mature landscaping will “compliment the landscaping of the surrounding properties which will match the surrounding neighborhood.” Addressing the appeal issues, the Staff Report explained, “the project complies with the setback requirements as outlined in Chapter 32. The proposed AT&T tower and equipment has been reviewed by the City of Fontana Building and Safety and Fire Departments and structural plans would be reviewed prior to issuance of building permits. The project will be built pursuant to all applicable building, zoning, fire codes and standards and complies with all applicable FCC and FAA regulations.”

***AT&T Needs the Proposed Facility to Provide and Improve Wireless Services***

AT&T’s radio frequency engineers have identified a significant gap in service coverage in this large area that is roughly bordered by Escalon Drive to the north, Long Cove Drive to the west, Lurelane Street to the south, and North Alder Avenue to the east. (See Attachment A – AT&T Radio Frequency Statement.) This portion of Fontana includes hundreds of homes in several neighborhoods; parks; a golf course; commercial districts along and near Foothill Freeway, Sierra Lakes Parkway, and South Highland Avenue; busy roads, including a mile stretch of Foothill Freeway; and other points of interest in the vicinity

The Proposed Facility will improve critical wireless services to the area, which are desperately needed especially as customers increasingly use their mobile phones as their primary communication devices. In fact, the Center for Disease Control and Prevention studies the extent of mobile phone use, and recently found that more than 81% of California adults, and more than 98% of Californians under age 18, rely exclusively or primarily on wireless communications in their homes.<sup>1</sup> In fact, the Federal Communications Commission conservatively estimates that 74% of 911 calls are placed by people using wireless phones.<sup>2</sup> In addition, the Proposed Facility is a part of AT&T’s commitment to supporting public safety through its partnership with FirstNet, the first-ever nationwide first-responder wireless network.

***Approval of AT&T’s Proposal Comports with Federal Law***

The federal Telecommunications Act of 1996, 47 U.S.C. § 332 (“Act”) provides rights to wireless service providers and establishes limitations upon state and local zoning authorities with respect to applications for permits to construct personal wireless service facilities. The United States Supreme Court has explained that the Act was enacted in part to prioritize and streamline deployment of wireless technologies on a national basis.<sup>3</sup>

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<sup>1</sup> See *Wireless Substitution: State-level Estimates from the National Health Interview Survey, 2019*, available at [https://www.cdc.gov/nchs/data/nhis/earlyrelease/Wireless\\_state\\_202108-508.pdf](https://www.cdc.gov/nchs/data/nhis/earlyrelease/Wireless_state_202108-508.pdf).

<sup>2</sup> See, e.g., *Thirteenth Annual Report to Congress on State Collection and Distribution of 911 and Enhanced 911 Fees and Charges* (Dec. 31, 2021), at 12, available at <https://www.fcc.gov/sites/default/files/13th-annual-911-fee-report-2021.pdf>.

<sup>3</sup> *City of Rancho Palos Verdes v. Abrams*, 544 U.S. 113, 115-16 (2005) (“Congress enacted the Telecommunications Act of 1996 (TCA), 110 Stat. 56, to promote competition and higher quality in American telecommunications



The Act defines the scope and parameters of the city’s review of AT&T’s Application. Under the Act, the city’s review of AT&T’s applications must be based on substantial evidence.<sup>4</sup> The “substantial evidence” requirement means that a local government’s decision must be “authorized by applicable local regulations and supported by a reasonable amount of evidence.”<sup>5</sup> In other words, a local government must have specific reasons that are both consistent with the local regulations and supported by substantial evidence in the record to deny a permit.

The Act also prohibits a local government from denying an application for a wireless telecommunications facility where doing so would “prohibit or have the effect of prohibiting the provision of personal wireless services.”<sup>6</sup> Courts have found an “effective prohibition” exists where a wireless provider demonstrates (1) a significant gap in wireless service coverage, and (2) that the proposed facility would provide the “least intrusive means,” in relation to the land use values embodied in local regulations, to provide the service coverage necessary to fill that gap.<sup>7</sup> Under this test, when a wireless carrier satisfies both of these requirements, state and local standards that would otherwise be sufficient to permit denial of the facility are preempted and the municipality must approve the wireless facility.<sup>8</sup> When a wireless provider presents evidence of a significant gap and the absence of a less intrusive alternative, the burden shifts to the local government to prove that a less intrusive alternative exists, is available, and is feasible.<sup>9</sup>

More recently, the FCC has confirmed its rulings that an effective prohibition occurs whenever the decision of a local government materially inhibits wireless services,<sup>10</sup> and this material inhibition standard was again upheld by the Ninth Circuit.<sup>11</sup> The FCC explained that a local government “could materially inhibit service in numerous ways – not only by rendering a service provider unable to provide existing service in a new geographic area or by restricting the entry of a new provider in providing service in a particular area, but also by materially inhibiting the introduction of new services or the improvement of existing services.”<sup>12</sup>

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services and to ‘encourage the rapid deployment of new telecommunications technologies.’ Ibid. One of the means by which it sought to accomplish these goals was reduction of the impediments imposed by local governments upon the installation of facilities for wireless communications, such as antenna towers.”).

<sup>4</sup> 47 U.S.C. § 332(c)(7)(B)(iii).

<sup>5</sup> *Metro PCS, Inc. v. City and County of San Francisco*, 400 F.3d 715, 725 (9th Cir. 2005), abrogated on other grounds, *T-Mobile South, LLC v. City of Roswell*, 135 S.Ct. 808 (2015).

<sup>6</sup> 47 U.S.C. § 332(c)(7)(B)(i)(II).

<sup>7</sup> See e.g., *Metro PCS, Inc.*, 400 F.3d at 734-35; *Sprint PCS Assets, LLC v. City of Palos Verdes Estates*, 583 F.3d 716, 726 (9th Cir. 2009).

<sup>8</sup> See *T-Mobile USA, Inc. v. City of Anacortes*, 572 F.3d 987, 999 (9th Cir. 2009).

<sup>9</sup> *Id.*, 572 F.3d at 998-999.

<sup>10</sup> See *Accelerating Wireless Broadband Deployment by Removing Barriers to Infrastructure Investment*, Declaratory Ruling and Third Report and Order, FCC 18-133 (September 27, 2018) (“Infrastructure Order”) at ¶ 35; see also, *In the Matter of California Payphone Association Petition for Preemption, Etc.*, Opinion and Order, FCC 97-251, 12 FCC Rcd 14191 (July 17, 1997).

<sup>11</sup> *City of Portland v. United States*, 969 F.3d 1020, 1034-35 (9th Cir. 2020).

<sup>12</sup> Infrastructure Order at ¶ 37.

Here, AT&T has demonstrated its significant service coverage gap in the vicinity of the Proposed Facility. AT&T's radio frequency propagation maps submitted in connection with its application, which are also exhibits to the Radio Frequency Statement (Attachment A), depict the service coverage gap that AT&T is experiencing here. These maps show that AT&T lacks adequate wireless service in this significant area. The proposed service coverage from the Proposed Facility is depicted in the coverage maps. As you can see, placing the Proposed Facility in this location will close AT&T's significant service coverage gap in this area. AT&T has also shown that the Proposed Facility is the least intrusive means to close the gap (see Attachment B – Alternative Sites Analysis). The Planning Commission's approval thus comports with federal law, and the Council should likewise approve AT&T's application and deny the appeal.

### ***Response to Appellant's Criticisms***

The appeal acknowledges the Proposed Facility complies with the city's standards, thereby conceding the city lacks substantial evidence to deny AT&T's application. The appeal raises six (6) issues, none of which support upending the Planning Commission's approval. AT&T responds to each of these six issues as follows:

1. Setback. Appellant complains that the tower is taller than the distance from his property line. Specifically, as he stated in his appeal from the Planning Director's approval, the Proposed Facility will be located 65 feet from his property. As the Planning Director found, however, AT&T's Proposed Facility meets or exceeds all applicable City Code provisions, including in particular Chapter 32, Wireless Telecommunications Towers and Antennas. The Planning Director specifically found that "The proposed project will be built/installed pursuant to all applicable building, zoning, fire codes, and standards which will result in an appropriate, safe, and desirable development, as well as conditions of approval referenced herein." In addition, the structural report for the tower, which will be submitted in connection with the city's building permit process, will demonstrate the tower's safety.

Moreover, the appellant explains the tower will be located 65 feet from his property, which is even greater than the 75% of height setback applied in the more stringent conditional use process (see Fontana Code Section 32-7(b)(5)). As the appeal specifies that requirement – if it applied – would require the Proposed Facility to be located at least 56 feet from his property. And the appeal admits it is proposed to be sited nine feet farther away than that. There is, therefore, no basis to deny AT&T's application with respect to the setback.

2. Fully negotiated private easements. Appellant also raises a concern that the height of the tower might encroach on private easements if it were to fail and fall. Again, however, the Proposed Facility meets all applicable building and safety requirements, as well as all design and development standards. The structural soundness and safety of this facility will be ensured via the building permit process. Further, as the Planning Director found, the Proposed Facility will be compatible with the "size, shape, topography, accessibility, and other physical characteristics" of the site. This concern does not support denial.

3. High winds and liability insurance. Appellant raises a concern about the high winds in the area. Again, “The proposed project will be built/installed pursuant to all applicable building, zoning, fire codes, and standards which will result in an appropriate, safe, and desirable development, as well as conditions of approval referenced herein.” The structural report for the tower, which will be submitted in connection with the city’s building permit process, will include the effects from wind and will demonstrate the tower’s safety. Further, operating the facility will be conditioned on the City’s inspection. This issue does not support denial.

4. Security, privacy, and safety. Appellant raises various vague concerns about wireless facilities generally, seeking to stoke fears about supposed health impacts and cybersecurity threats. But the appeal fails to offer any evidence – let alone substantial evidence – to support these far-fetched notions. As to health concerns, the Proposed Facility will comply with the FCC’s RF emissions regulations, and, as a result, the city is preempted from considering appellant’s health effects concerns. *See* 47 U.S.C. § 332(c)(7)(B)(iv). Moreover, the city is preempted from regulating the means and facilities for wireless network expansion.<sup>13</sup> On this vague and improper premise, the appeal suggests the city to delay or deny AT&T’s application (and seemingly all other wireless facility applications). But this simply invites the city to violate the Act’s timing, evidentiary, and substantive requirements.

5. Unlimited future use. Appellant reiterates his fears that AT&T and others might use the Proposed Facility as a platform to commit cyber-crimes and espionage. Again, however, the appeal fails to offer any evidence to support these fantastic notions. The appeal specifically views wireless infrastructure as a threat to the city and its logistics industry. But the city’s residents and businesses need reliable wireless services. As the Planning Department Staff Report explained, AT&T will be required to follow the city’s requirements and processes for any future changes to the Proposed Facility.

6. View impairment. Finally, appellant asks to be compensated based on his unsupported statement that the Proposed Facility might cause him damages due to its appearance. But the Proposed Facility fully complies with the city’s design requirements, including its specific design as an “alternative tower structure” as explicitly contemplated and preferred by the City Code. Indeed, the Planning Director found that the design and appearance of the proposed faux palm tree is appropriate:

The project proposal in its design and appearance as a result from this review will be compatible with the site and other similarly approved wireless facilities. The wireless tower is proposed to be disguised as a mono-palm with faux fronds and a faux growth pod, which will complement the surrounding neighborhood and blend with the existing area.

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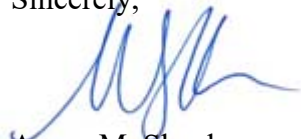
<sup>13</sup> *Public Utility Comm’n of Texas Petition for Declaratory ruling and/or Preemption of Certain Provisions of the Texas Public Utility Regulatory Act of 1995*, Opinion and Order, 13 FCC Rcd 3460, ¶¶ 13, 74 (FCC rel. Oct. 1, 1997) (FCC ruled it is unlawful for a state or locality to specify the “means and facilities” through which a service provider must offer services); *Bennett v. T-Mobile U.S. Inc.*, 597 F.Supp. 2d 1050, 1053 (C.D. Cal. 2008) (FCC has regulated “every technical aspect of radio communication”).

The Planning Director went further to find that “The proposed project provides a safe and well-designed site that is both aesthetically and architecturally pleasing.” Whereas the Proposed Facility design is fully in line with the city’s requirements, the appellant’s request for compensation is neither supported in fact nor based on the city’s regulations.

## **Conclusion**

AT&T is working diligently to upgrade its network to provide and improve wireless services in this area. There has been no substantial evidence proffered on which the city could deny AT&T’s application. AT&T urges the City Council to deny the appeal and affirm approval of AT&T’s application.

Sincerely,

A handwritten signature in blue ink, appearing to read 'A. Shank', is written over the word 'Sincerely,'.

Aaron M. Shank

cc: Mai Thao, Assistant Planner ([mthao@fontana.org](mailto:mthao@fontana.org))

# **ATTACHMENT A**



AT&T Mobility Radio Frequency Statement  
17010 Sierra Lakes Parkway, Fontana, CA 92335

AT&T has experienced an unprecedented increase in mobile data use on its network since the release of the iPhone in 2007. AT&T estimates that since introduction of the iPhone in 2007, mobile data usage has increased 470,000% on its network. AT&T forecasts its customers' growing demand for mobile data services to continue. The increased volume of data travels to and from customers' wireless devices and AT&T's wireless infrastructure over limited airwaves — radio frequency spectrum that AT&T licenses from the Federal Communications Commission.

Spectrum is a finite resource and there are a limited number of airwaves capable and available for commercial use. Wireless carriers license those airwaves from the FCC. To ensure that service quality, AT&T must knit together its spectrum assets to address customers' existing usage and forecasted demand for wireless services, and it must use its limited spectrum in an efficient manner.

AT&T uses high-band (i.e., 6 GHz and higher), mid-band (i.e., C-band, 2300 MHz, 2100 MHz, and 1900 MHz) and low-band (i.e., 850 MHz and 700 MHz) spectrum to provide wireless service. Each spectrum band has different propagation characteristics and signal quality may vary due to noise or interference based on network characteristics at a given location. To address this dynamic environment, AT&T deploys multiple layers of its licensed spectrum and strives to bring its facilities closer to the customer. The proposed wireless communications facility at 17010 Sierra Lakes Parkway, Fontana (the "Property") is needed to close coverage gap in 4G LTE service in an area roughly bordered Escalon Drive to the north, Long Cove Drive to the west, Lurelane Street to the south, and North Alder Avenue to the east. This gap area includes hundreds of homes in several neighborhoods; parks; a golf course; commercial districts along and near Foothill Freeway, Sierra Lakes Parkway, and South Highland Avenue; busy roads, including a mile stretch of Foothill Freeway; and other points of interest in the vicinity.

The service coverage gap is caused by inadequate infrastructure in the area. AT&T currently has existing sites in the broader geographical area surrounding the Property but, as Exhibit 1 illustrates, these existing sites do not provide sufficient 4G LTE service in the gap area. To meet its coverage objectives, AT&T needs to construct a new wireless communications

facility. Wireless telecommunications is a line-of-sight technology, and AT&T's antennas need to be high enough to propagate an effective signal throughout the gap area. To meet its coverage objectives for this gap area, AT&T proposes a new wireless telecommunications facility disguised as a palm tree ("monopalm"). Denial of this proposed facility would materially inhibit AT&T's ability to provide and improve wireless services in this portion of the city.

The facility at the Property will help close the gap in coverage and help address rapidly increasing data usage driven by smart phone and tablet usage. This site is part of an effort to fully deploy 4G LTE technology in the area. Specifically, the proposed facility will close this service coverage gap and provide reliable 4G LTE service for AT&T customers in the affected area. LTE technology also offers lower latency, or the processing time it takes to move data through a network, such as how long it takes to start downloading a webpage or file once you've sent the request. Lower latency helps to improve the quality of personal wireless services. What's more, LTE uses spectrum more efficiently than other technologies, creating more space to carry data traffic and services and to deliver a better overall network experience.

It is important to understand that service problems can and do occur for customers even in locations where the coverage maps on AT&T's "Coverage Viewer" website appear to indicate that coverage is available. As the legend to the Coverage Viewer maps indicates, these maps display approximate coverage. Actual coverage in an area may differ from the website map graphics, and it may be affected by such things as terrain, weather, network changes, foliage, buildings, construction, high-usage periods, customer equipment, and other factors.

It is also important to note that the signal losses, slow data rates, and other service problems can and do occur for customers even at times when certain other customers in the same vicinity may not experience any problems on AT&T's network. These problems can and do occur even when certain customers' wireless phones indicate coverage bars of signal strength on the handset. The bars of signal strength that individual customers can see on their wireless phones are an imprecise and slow-to-update estimate of service quality. In other words, a customer's wireless phone can show coverage bars of signal strength, but that customer will still, at times, be unable to initiate voice calls, complete calls, or download data reliably and without service interruptions due to service quality issues.

To determine where equipment needs to be located for the provisioning of reliable service in any area, AT&T's radio frequency engineers rely on far more complex tools and data sources than just signal strength from individual phones. AT&T uses industry standard propagation tools to identify the areas in its network where signal strength is too weak to provide reliable service quality. This information is developed from many sources including terrain and clutter databases, which simulate the environment, and propagation models that simulate signal propagation in the presence of terrain and clutter variation. AT&T designs and builds its wireless network to ensure customers receive reliable in-building service quality. This level of service is critical as customers increasingly use their mobile phones as their primary communication devices. According to the Center for Disease Control and Prevention (CDC), more than 81% of California adults, and more than 98% of Californians under age 18, rely exclusively or primarily on wireless communications in their homes. And California households rely on their mobile phones to do more (E911, video streaming, GPS, web access, text, etc.). In fact, the FCC conservatively estimates that 74% of 911 calls are placed by people using wireless phones.

The proposed facility at the Property is also a part of AT&T's commitment to supporting public safety through its partnership with FirstNet, the federal First Responder Network Authority. Conceived by the *9/11 Commission Report* as necessary for first responder communications, Congress created the federal First Responder Network Authority, which selected AT&T to build and manage FirstNet, the first-ever nationwide first-responder wireless network. The proposed facility will provide new service on Band 14, which is the nationwide high-quality spectrum set aside by the U.S. government for public safety. Deployment of FirstNet in the subject area will improve public safety by putting advanced wireless technologies into the hands of public safety agencies and first responders.

Exhibit 1 to this Statement is a map of the existing 4G LTE service coverage (without the proposed installation at the Property) in the area at issue. It includes 4G LTE service coverage provided by other existing AT&T sites. The green shaded areas of the map depict acceptable in-building coverage. In-building coverage means customers are able to place or receive a call on the ground floor of a building. The yellow shaded areas depict areas within a signal strength range that provide acceptable in-vehicle service coverage. In these areas, an AT&T customer should be able to successfully place or receive a call within a vehicle. The pink and white shading depicts areas within a signal strength range in which a customer might have difficulty

receiving a consistently acceptable level of service. The quality of service experienced by any individual customer can differ greatly depending on whether that customer is indoors, outdoors, stationary, or in transit. Any area in the yellow, pink, or white category is considered inadequate service coverage and constitutes a service coverage gap.

Exhibit 2 is a map that predicts 4G LTE service coverage based on signal strength in the vicinity of the Property if the proposed facility is constructed as proposed in the application. As shown by this map, constructing the proposed facility at the Property closes this significant service coverage gap.

My conclusions are based on my knowledge of the Property and with AT&T's wireless network, as well as my review of AT&T's records with respect to the Property and its wireless telecommunications facilities in the surrounding area. I have a Bachelor's Degree in Electronics and Communication Engineering from the Dr. B.R. Ambedkar Regional Engineering College, Jalandhar, Punjab, India, and have worked as an engineering expert in the wireless communications industry for over 25 years.



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Sandeep Mangat  
AT&T Mobility Services LLC  
Network, Planning & Engineering  
RAN Design & RF Engineering  
August 2023



CSL04

101 West Avenue

ites

277







# **ATTACHMENT B**



# Alternative Sites Analysis



## AT&T Mobility



Wireless Telecommunications Facility  
at  
Sierra Lakes  
17010 Sierra Lakes Parkway  
Fontana, CA

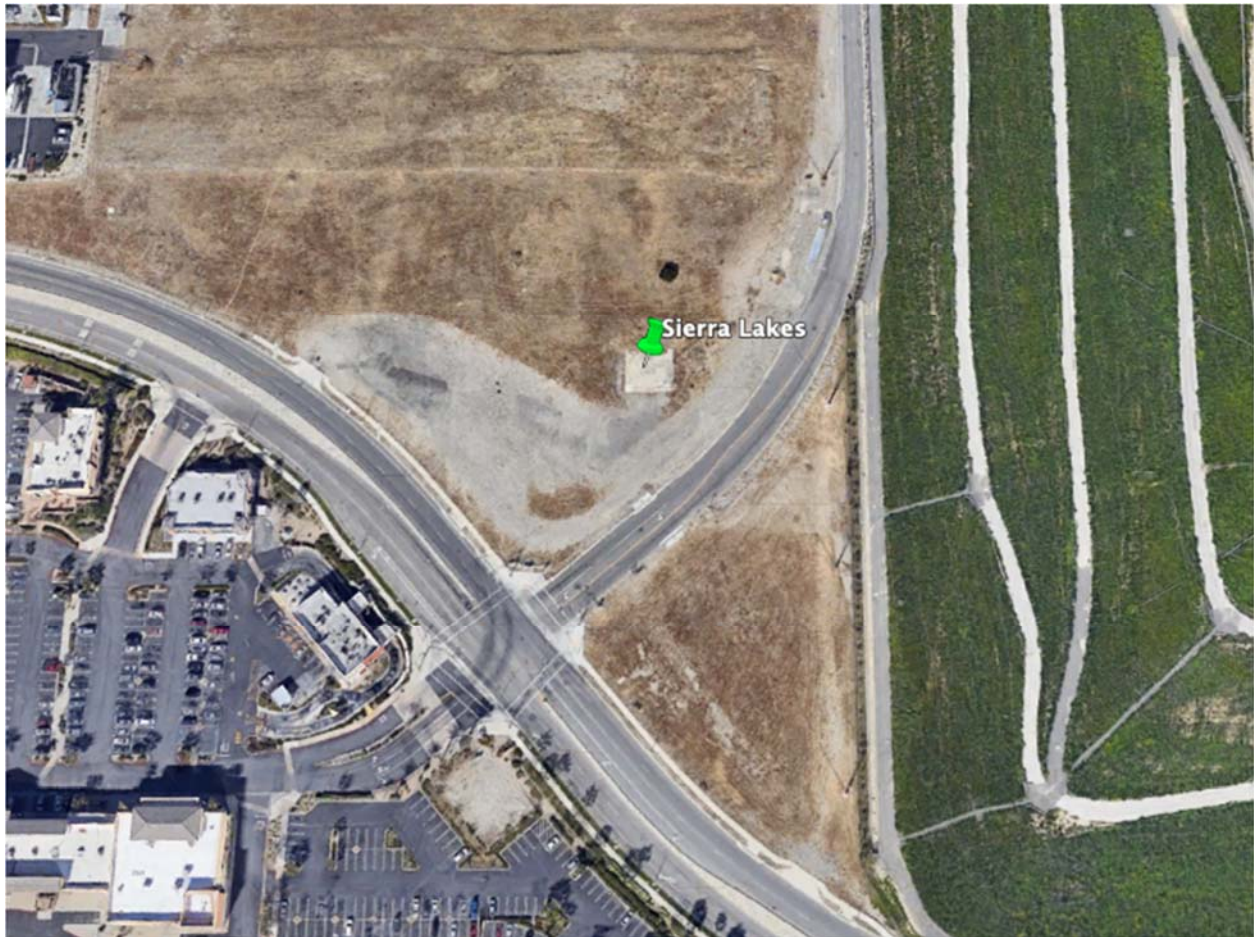
Site ID: CSL02952

## Location of Candidate Sites





**Proposed Facility – Sierra Lakes, 17010 Sierra Lakes Pkwy.**



*Conclusion: Based upon location, a willing landlord and the superior coverage as shown in the proposed coverage map included in AT&T's Radio Frequency Statement, the proposed Facility is the least intrusive means for AT&T to meet its service coverage objective.*

This commercial property is located in a Regional Mixed Use (RMU) zoning district. Consistent with Chapter 32 of the Fontana Municipal Code, this "mono-palm" structure will be 75 feet tall, will be aesthetically and architecturally blended with the surrounding area, and will be subject to all applicable health and safety regulations as the city requires.



**Per Chapter 32 of the Fontana Municipal Code:**

- (4) *Height.* The following height requirements shall apply to all towers for which a conditional use permit is required; provided, however, that the planning commission may increase the height limitation requirements if the goals of this chapter would be better served thereby:
- For a single user, up to 75 feet in height;
  - For two or more users, up to 100 feet in height.
- (5) *Setbacks.* The following setback requirements shall apply to all towers for which a conditional use permit is required; provided, however, that the planning commission may reduce the standard setback requirements if the goals of this chapter would be better served thereby:
- Towers must be set back a distance equal to at least 75 percent of the height of the tower from any adjoining lot line.
  - Guys and accessory buildings must satisfy the minimum zoning district setback requirements.
- 
- (6) *Separation.* The following separation requirements shall apply to all towers and antennas for which a conditional use permit is required; provided, however, that the planning commission may reduce the standard separation requirements if the goals of this chapter would be better served thereby:
- Separation from off-site uses/designated areas:*
    - Tower separation shall be measured from the base of the tower to the lot line of the off-site uses and/or designated areas as specified in Table 32-7.A., except as otherwise provided in Table 32-7.A.
    - Separation requirements for towers shall comply with the minimum standards established in Table 32-7.A.

*Table 32-7.A.*

Off-site use/designated area	Separation distance
Single-family or duplex residential units <sup>1</sup>	200 feet or 300 percent height of tower whichever is greater
Vacant single-family or duplex residentially zoned land which has preliminary subdivision plan approval which is not expired	200 feet or 300 percent height of tower <sup>2</sup> whichever is greater
Vacant residentially zoned lands <sup>3</sup>	100 feet or 100 percent height of tower whichever is greater
Existing multi-family residential units greater than duplex units	100 feet or 100 percent height of tower whichever is greater
Non-residentially zoned lands or non-residentially uses, vacant or occupied	None; only setbacks apply



## Alternate Candidates Investigated





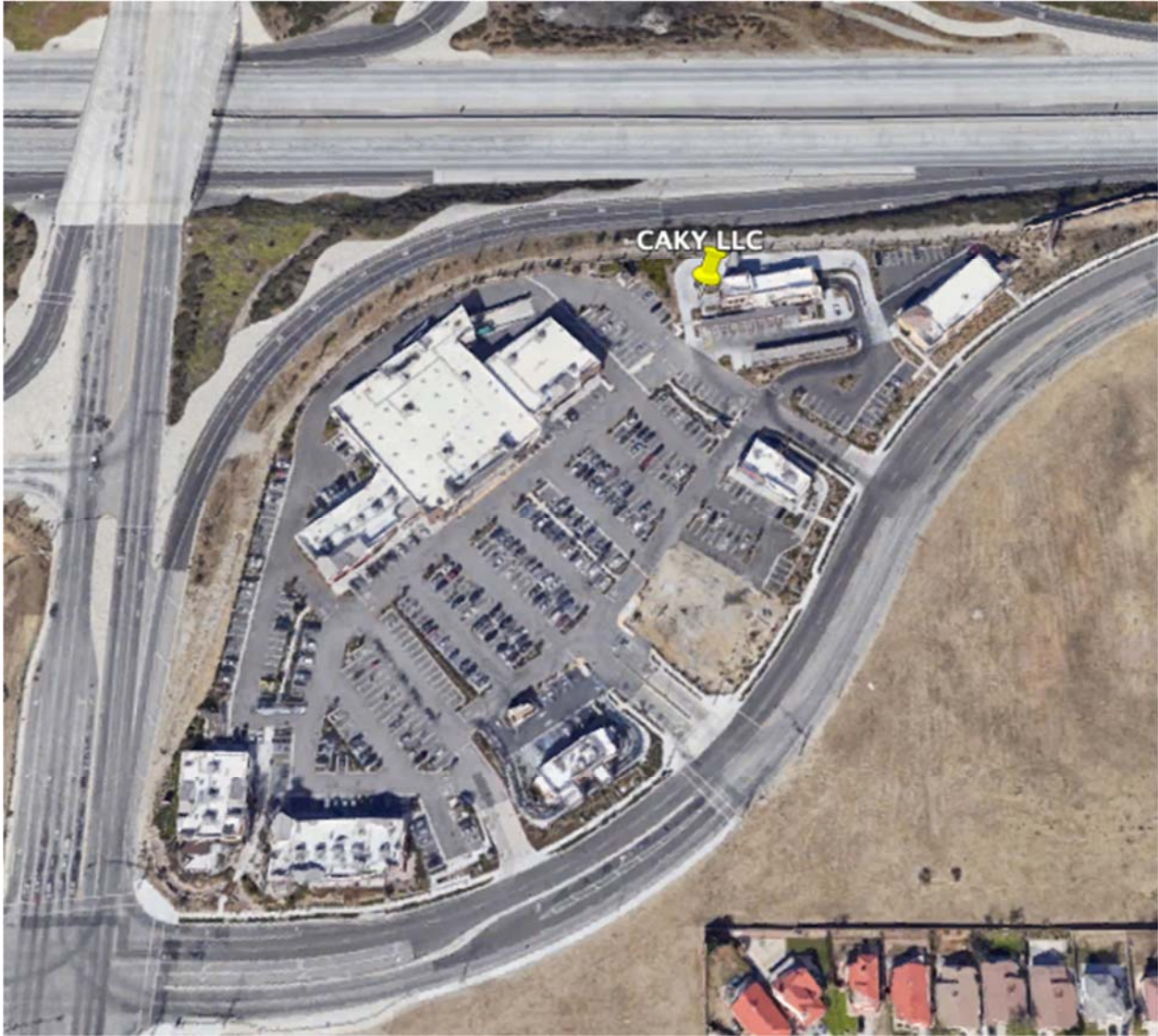
**Alternative Site – ARI Highland Village LP, 16944 S. Highland Avenue**



*Conclusion: Unavailable.*

This property is located approximately 0.33 miles to the southwest of the Proposed Facility. AT&T pursued this location and there was no interest. Currently, with the City of Fontana setbacks requirements for a wireless facility and the property lines, a cell site with RF's requested height could not be met.

**Alternative Site – CAKY LLC, 17030 S. Highland Ave.**



*Conclusion: Unavailable.*

This property is located approximately 0.27 miles to the southwest of the Proposed Facility. AT&T pursued this location and there was no interest. This property was undeveloped at the time AT&T approached the property owner. Currently, setbacks cannot be met per the City of Fontana municipal code.



**Alternative Site – CMK2 Fontana LLC, 17051 Sierra Lakes Pkwy.**



*Conclusion: Unavailable.*

This property is located approximately 0.14 miles to the south of the Proposed Facility. AT&T pursued this location and there was no interest. This was a rooftop antenna location. RF would have to consider a much lower RAD.

**Alternative Site – FARSAI-FONTANA LLC, 16943 Sierra Lakes Pkwy.**



*Conclusion: Unavailable.*

This property is located approximately 0.15 miles southwest of the Proposed Facility. AT&T pursued this location and there was no interest. This is a restaurant parking lot with landscaping for a disguised light standard. Rooftop antennas will not work since this is a single-story building.



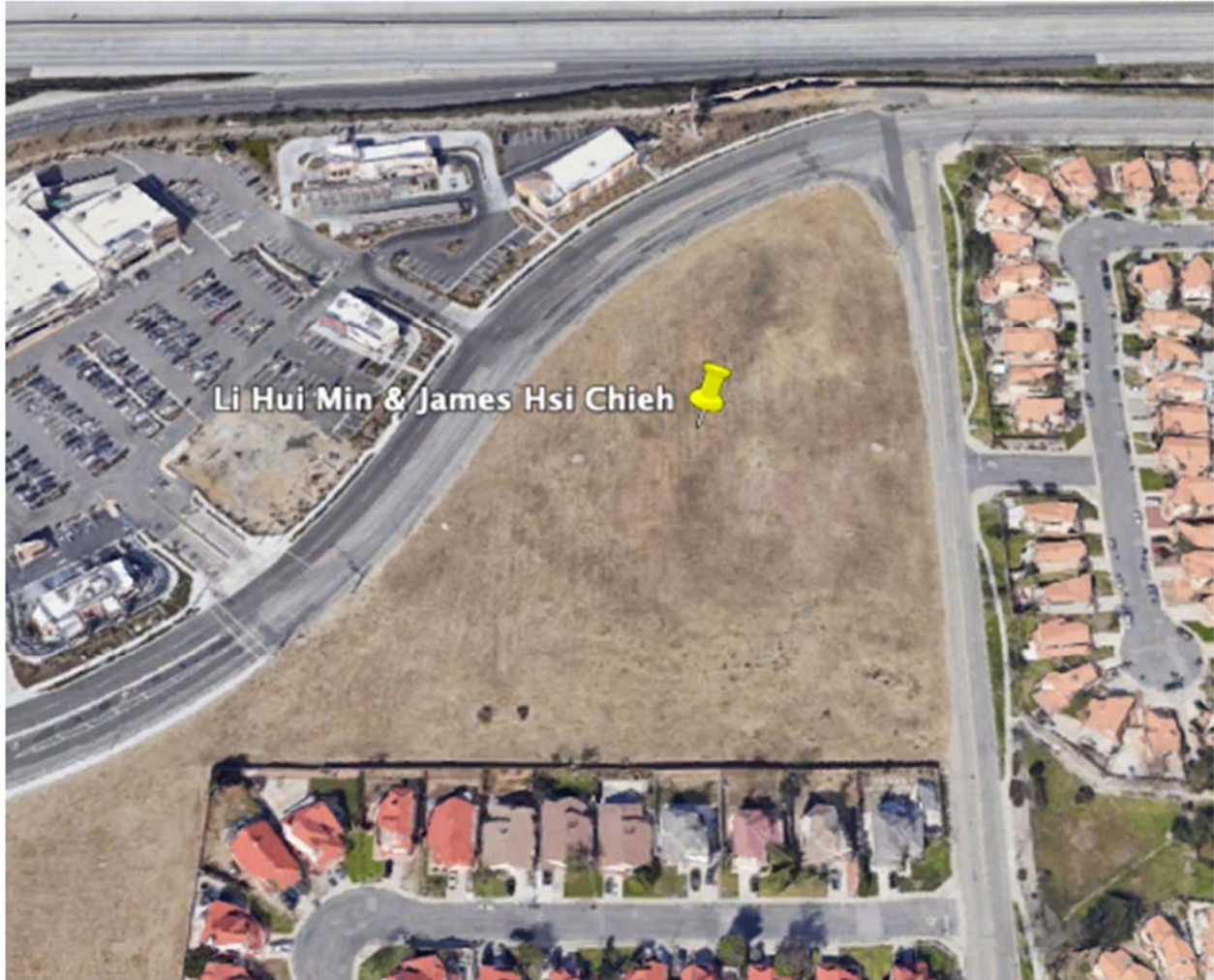
**Alternative Site – FONTANABS 2019 LLC, 16963 Sierra Lakes Pkwy.**



***Conclusion: Unavailable.***

This property is located approximately 0.13 miles to the southwest of the Proposed Facility. AT&T pursued this location and there was no interest. This was a rooftop antenna location. RF would have to consider a lower RAD.

**Alternative Site – Li Hui Min & James Hsi Chieh, APN: 0240-121-22, Fontana, CA. 92336**



*Conclusion: Unavailable.*

This property is located approximately 0.32 miles to the south of the Proposed Facility. AT&T pursued this location and there was no interest. This is an undeveloped commercial property. The residential setback is approximately 57'.



**Alternative Site – MV Properties LLC, 17040 S. Highland Ave., Fontana, CA. 92336**



*Conclusion: Unavailable.*

This property is located approximately 0.25 miles to the south of the Proposed Facility. AT&T pursued this location and there was no interest. This property was undeveloped at the time AT&T approached the property owner. Currently, setbacks cannot be met.



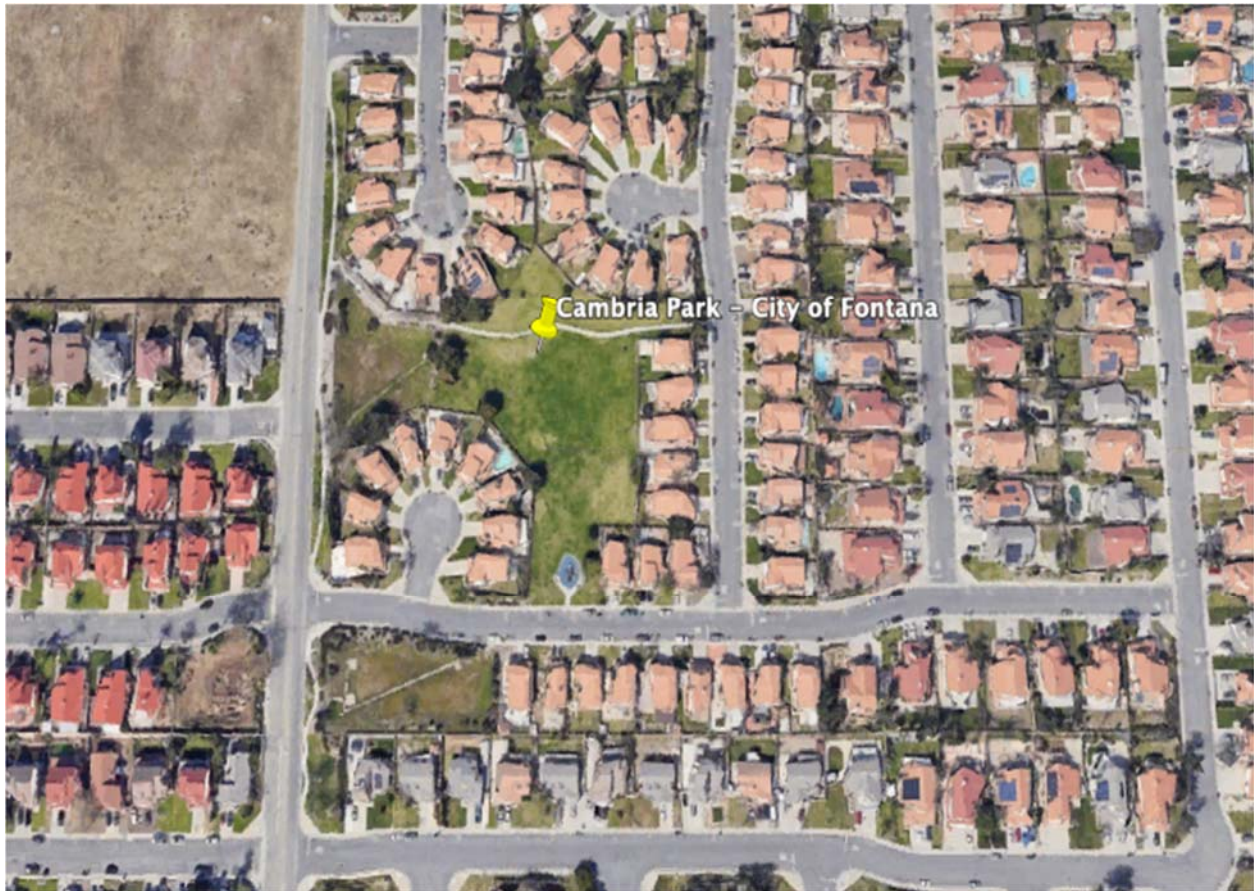
**Alternative Site - Verizon Collocation Monopine, 17051 Sierra Lakes Pkwy.**



*Conclusion: Unavailable.*

This property is located approximately 0.17 miles to the southeast of the Proposed Facility. AT&T pursued this location and had correspondence with the property owner, Vincent Piarulli, about required add land for AT&T's equipment. After a few weeks of communication and discussions about lease terms, Mr. Piarulli informed AT&T he was not interested in moving forward as an interested Landlord, therefore, AT&T stopped pursuing this candidate.

**Alternative Site – Cambria Park, 17140 Cambria Ave.**



*Conclusion: Unavailable.*

This property is located approximately 0.42 miles to the southeast of the Proposed Facility. AT&T pursued this location, however, setbacks cannot be met.



# City of Fontana

8353 Sierra Avenue  
Fontana, CA 92335

## Action Report

### City Council Meeting

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**File #:** 21-2474

**Agenda #:** A.

**Agenda Date:** 9/26/2023

**Category:** New Business

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**FROM:**

Finance

**SUBJECT:**

Issuance of Special Tax Bonds for CFD #100 (Victoria)

**RECOMMENDATION:**

Adopt **Resolution No. 2023-100**, of the City Council of the City of Fontana authorizing the issuance of City of Fontana Community Facilities District No. 100 (Victoria) Special Tax Bonds, Series 2023, in an aggregate principal amount of not to exceed \$6,000,000, authorizing the execution and delivery of an Indenture, a Bond Purchase Agreement and a Continuing Disclosure Agreement, authorizing the distribution of an Official Statement in connection therewith and authorizing the execution of necessary documents and certificates and related actions.

**COUNCIL GOALS:**

- Practice sound fiscal management by developing long-term funding and debt management plans.

**DISCUSSION:**

On December 8, 2020, the City Council authorized the formation of Community Facilities District No. 100 (Victoria) and conducted a special election to levy taxes within the District. This project consists of 193 residential lots located at the northwest corner of North Heritage Circle and Victoria Street. Bond proceeds will be used to fund public infrastructure including sewer, storm drain, street improvements, landscaping, public facilities and park facilities.

In order to issue the special tax bonds, it is necessary to execute bond documents and agreements relating to this District. The recommended action complies with the City's debt management strategy.

The following documents, in their materially correct form, are attached hereto:

1. Indenture;
2. District Continuing Disclosure Agreement;
3. Bond Purchase Agreement;
4. Preliminary Official Statement; and
5. Appraisal Report.

**FISCAL IMPACT:**

The fiscal impact associated with the approval of this item is \$4.58 million in bond proceeds resulting from the issuance of the bonds to be made available for the approved infrastructure projects which also includes \$916,000 in community benefit fees (20% of bond proceeds) to fund a defined

community benefit project. Costs of issuance will be paid from gross bond proceeds. Debt service payments will be made from special taxes levied on the property owners within the district.

**MOTION:**

Approve staff recommendation.



**RESOLUTION NO. \_\_\_\_\_**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF FONTANA AUTHORIZING THE ISSUANCE OF CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA) SPECIAL TAX BONDS, SERIES 2023, IN AN AGGREGATE PRINCIPAL AMOUNT OF NOT TO EXCEED \$6,000,000, AUTHORIZING THE EXECUTION AND DELIVERY OF AN INDENTURE, A BOND PURCHASE AGREEMENT AND A CONTINUING DISCLOSURE AGREEMENT, AUTHORIZING THE DISTRIBUTION OF AN OFFICIAL STATEMENT IN CONNECTION THEREWITH AND AUTHORIZING THE EXECUTION OF NECESSARY DOCUMENTS AND CERTIFICATES AND RELATED ACTIONS**

**WHEREAS**, the City Council (the “City Council”) of the City of Fontana (the “City”) has formed City of Fontana Community Facilities District No. 100 (Victoria) (the “Community Facilities District”) under the provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”);

**WHEREAS**, the Community Facilities District is authorized under the Act to levy a special tax (the “Special Tax”) to pay for the costs of certain public facilities (the “Facilities”) and to issue bonds payable from the Special Tax;

**WHEREAS**, in order to provide funds to finance certain of the Facilities, the Community Facilities District proposes to issue its City of Fontana Community Facilities District No. 100 (Victoria) Special Tax Bonds, Series 2023 (the “Series 2023 Bonds”), in the aggregate principal amount of not to exceed \$6,000,000;

**WHEREAS**, in order to provide for the authentication and delivery of the Series 2023 Bonds, to establish and declare the terms and conditions upon which the Series 2023 Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Community Facilities District proposes to enter into an Indenture with U.S. Bank Trust Company, National Association, as trustee (the “Trustee”) (such Indenture, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Indenture”);

**WHEREAS**, Stifel, Nicolaus & Company, Incorporated (the “Underwriter”), has presented the Community Facilities District with a proposal, in the form of a Bond Purchase Agreement, to purchase the Series 2023 Bonds from the Community Facilities District (such Bond Purchase Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Purchase Agreement”);

**WHEREAS**, Rule 15c2-12 promulgated under the Securities Exchange Act of 1934 (“Rule 15c2-12”) requires that, in order to be able to purchase or sell the Series 2023 Bonds, the underwriter thereof must have reasonably determined that the Community Facilities District, as



the issuer of the Series 2023 Bonds, has undertaken in a written agreement or contract for the benefit of the holders of the Series 2023 Bonds to provide disclosure of certain financial information and certain listed events on an ongoing basis;

**WHEREAS**, in order to cause such requirement to be satisfied, the Community Facilities District desires to enter into a Continuing Disclosure Agreement with U.S. Bank Trust Company, National Association, in its capacity as Trustee and in its capacity as dissemination agent thereunder (such Continuing Disclosure Agreement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Continuing Disclosure Agreement”);

**WHEREAS**, a form of the Preliminary Official Statement to be distributed in connection with the public offering of the Series 2023 Bonds has been prepared (such Preliminary Official Statement, in the form presented to this meeting, with such changes, insertions and omissions as are made pursuant to this Resolution, being referred to herein as the “Preliminary Official Statement”);

**WHEREAS**, there have been prepared and submitted to this meeting forms of:

- (a) the Indenture;
- (b) the Purchase Agreement;
- (c) the Continuing Disclosure Agreement; and
- (d) the Preliminary Official Statement;

**WHEREAS**, Kitty Siino & Associates, Inc. has prepared and provided to the Community Facilities District an appraisal report, dated August 22, 2023 (the “Appraisal”), providing an opinion of value of the property in the Community Facilities District, which has been submitted to this meeting;

**WHEREAS**, Section 5852.1 of the California Government Code requires that the City Council obtain from an underwriter, financial advisor or private lender and disclose, in a meeting open to the public, prior to authorization of the issuance of the Series 2023 Bonds, good faith estimates of (a) the true interest cost of the Series 2023 Bonds, (b) the sum of all fees and charges paid to third parties with respect to the Series 2023 Bonds, (c) the amount of proceeds of the Series 2023 Bonds expected to be received net of the fees and charges paid to third parties and any reserves or capitalized interest paid or funded with proceeds of the Series 2023 Bonds, and (d) the sum total of all debt service payments on the Series 2023 Bonds calculated to the final maturity of the Series 2023 Bonds plus the fees and charges paid to third parties not paid with the proceeds of the Series 2023 Bonds;

**WHEREAS**, in compliance with Section 5852.1 of the California Government Code, the City Council has obtained from CSG Advisors Incorporated, as the Community Facilities District’s municipal advisor (the “Municipal Advisor”), the required good faith estimates, which the Municipal Advisor has prepared in consultation with the Underwriter, and such estimates are disclosed and set forth in Exhibit A attached hereto;

**WHEREAS**, the Community Facilities District desires to proceed to issue and sell the Series 2023 Bonds and to authorize the execution of such documents and the performance of such acts as may be necessary or desirable to effect the offering, sale and issuance of the Series 2023 Bonds; and

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

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

**Section 1.** The foregoing recitals are true and correct, and the City Council so finds and determines.

**Section 2.** Subject to the provisions of Section 3 hereof, the issuance of the Series 2023 Bonds, in an aggregate principal amount of not to exceed \$6,000,000, on the terms and conditions set forth in, and subject to the limitations specified in, the Indenture, be and the same is hereby authorized and approved. The Series 2023 Bonds shall be dated, shall bear interest at the rates, shall mature on the dates, shall be subject to call and redemption, shall be issued in the form and shall be as otherwise provided in the Indenture, as the same shall be completed as provided in this Resolution.

**Section 3.** The Indenture, in substantially the form submitted to this meeting and made a part hereof as though set forth herein, be and the same is hereby approved. Each of the Mayor of the City, and such other member of the City Council as the Mayor may designate, the City Manager of the City, the Chief Financial Officer, Finance Department, of the City and such other officer or employee of the City as the City Manager may designate (the "Authorized Officers") is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Indenture in the form submitted to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Indenture by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not authorize an aggregate principal amount of Series 2023 Bonds in excess of \$6,000,000, shall not result in a final maturity date of the Series 2023 Bonds later than September 1, 2055 and shall not result in a true interest cost for the Series 2023 Bonds in excess of 6.50%.

**Section 4.** The Purchase Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Purchase Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Purchase Agreement by such Authorized Officer; provided, however, that such changes, insertions and omissions shall not result in an aggregate underwriter's discount (not including any original issue discount) from the principal amount of the Series 2023 Bonds in excess of 1.50% of the aggregate principal amount of the Series 2023 Bonds. The City Council hereby finds and determines that the sale of the Series

2023 Bonds at negotiated sale as contemplated by the Purchase Agreement will result in a lower overall cost.

**Section 5.** The Continuing Disclosure Agreement, in substantially the form submitted to this meeting and made a part hereof as though set forth in full herein, be and the same is hereby approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute and deliver the Continuing Disclosure Agreement in the form presented to this meeting, with such changes, insertions and omissions as the Authorized Officer executing the same may require or approve, such requirement or approval to be conclusively evidenced by the execution of the Continuing Disclosure Agreement by such Authorized Officer.

**Section 6.** The Preliminary Official Statement, in substantially the form presented to this meeting and made a part hereof as though set forth in full herein, with such changes, insertions and omissions therein as may be approved by an Authorized Officer, be and the same is hereby approved, and the use of the Preliminary Official Statement in connection with the offering and sale of the Series 2023 Bonds is hereby authorized and approved. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, to certify on behalf of the Community Facilities District that the Preliminary Official Statement is deemed final as of its date, within the meaning of Rule 15c2-12 (except for the omission of certain final pricing, rating and related information as permitted by Rule 15c2-12).

**Section 7.** The preparation and delivery of a final Official Statement (the “Official Statement”), and its use in connection with the offering and sale of the Series 2023 Bonds, be and the same is hereby authorized and approved. The Official Statement shall be in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as may be approved by an Authorized Officer, such approval to be conclusively evidenced by the execution and delivery thereof. Each of the Authorized Officers is hereby authorized, and any one of the Authorized Officers is hereby directed, for and in the name of the Community Facilities District, to execute the final Official Statement and any amendment or supplement thereto.

**Section 8.** Based upon the value of the property within the Community Facilities District reported in the Appraisal and the value-to-lien information for such property set forth in the Preliminary Official Statement, the City Council, for purposes of Section 53345.8 of the Act, hereby finds and determines that the value of the real property that would be subject to the Special Tax to pay debt service on the Series 2023 Bonds will be at least three times the principal amount of the Series 2023 Bonds to be sold and the principal amount of all other bonds outstanding that are secured by a special tax levied pursuant to the Act on property within the Community Facilities District or a special assessment levied on property within the Community Facilities District.

**Section 9.** The City Council hereby waives the provisions of the City of Fontana Community Facilities and Assessment District Policy for the Provision of Public Facilities and Services (Operation and Maintenance) and Fee Deferrals in Proposed Development Projects that are inconsistent or in conflict with the offering, issuance and sale of the Series 2023 Bonds and the financing of the Facilities as approved and authorized hereby. In the judgment of the City Council, additional benefit inures to the ultimate property owners, the Community Facilities District and/or the City as a result of such waiver.

**Section 10.** The City Council hereby approves the execution and delivery of all agreements, documents, certificates and instruments referred to herein with electronic signatures as may be permitted under the California Uniform Electronic Transactions Act and digital signatures as may be permitted under Section 16.5 of the California Government Code using DocuSign.

**Section 11.** All actions heretofore taken by the officers, employees and agents of the City with respect to the issuance and sale of the Series 2023 Bonds, or in connection with or related to any of the agreements, documents, certificates or instruments referred to herein, are hereby approved, confirmed and ratified.

**Section 12.** The Authorized Officers and the officers, employees and agents of the City are, and each of them is, hereby authorized and directed, for and in the name of the Community Facilities District to take all actions and do any and all things and to execute and deliver any and all agreements, documents, certificates or instruments that they, or any of them, may deem necessary or advisable in order to consummate the transactions contemplated by this Resolution and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution not inconsistent with the provisions hereof.

**Section 13.** This Resolution shall take effect immediately upon its adoption.

**PASSED AND ADOPTED** the \_\_\_\_ day of \_\_\_\_\_, 2023.

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Mayor

ATTEST:

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City Clerk

## EXHIBIT A

### GOOD FAITH ESTIMATES

The good faith estimates set forth herein are provided with respect to the Series 2023 Bonds in accordance with Section 5852.1 of the California Government Code. Such good faith estimates have been provided to the Community Facilities District by the Municipal Advisor, which the Municipal Advisor has prepared in consultation with the Underwriter.

*Principal Amount.* The Municipal Advisor has informed the Community Facilities District that, based on the Community Facilities District's financing plan and current market conditions, its good faith estimate of the aggregate principal amount of the Series 2023 Bonds to be issued and sold is \$5,330,000 (the "Estimated Principal Amount"), plus approximately \$34,000 of net premium estimated to be generated based on current market conditions. Net premium is generated when, on a net aggregate basis for a single issuance of bonds, the price paid for such bonds is higher than the face value of such bonds. Such Estimated Principal Amount plus such estimated net premium amount would produce approximately \$5,364,000 of gross proceeds.

*True Interest Cost of the Series 2023 Bonds.* The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2023 Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the true interest cost of the Series 2023 Bonds, which means the rate necessary to discount the amounts payable on the respective principal and interest payment dates to the purchase price received for the Series 2023 Bonds, is 5.15%.

*Finance Charge of the Series 2023 Bonds.* The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2023 Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the finance charge for the Series 2023 Bonds, which means the sum of all fees and charges paid to third parties (or costs associated with the Series 2023 Bonds), is \$388,000.

*Amount of Proceeds to be Received.* The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2023 Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the amount of proceeds expected to be received by the Community Facilities District for sale of the Series 2023 Bonds, less the finance charge of the Series 2023 Bonds, as estimated above, and any reserves or capitalized interest paid or funded with proceeds of the Series 2023 Bonds, is \$4,770,000.

*Total Payment Amount.* The Municipal Advisor has informed the Community Facilities District that, assuming that the Estimated Principal Amount of the Series 2023 Bonds is issued and sold, and based on market interest rates prevailing at the time of preparation of such estimate, its good faith estimate of the total payment amount, which means the sum total of all payments the Community Facilities District will make to pay debt service on the Series 2023 Bonds, plus the finance charge for the Series 2023 Bonds, as described above, not paid with the proceeds of the Series 2023 Bonds, calculated to the final maturity of the Series 2023 Bonds, is \$10,660,000,



which excludes any reserves or capitalized interest funded or paid with proceeds of the Series 2023 Bonds (which may offset such total payment amount).

The foregoing estimates constitute good faith estimates only and are based on market conditions prevailing at the time of preparation of such estimates. The actual principal amount of the Series 2023 Bonds issued and sold, the true interest cost thereof, the finance charges thereof, the amount of proceeds received therefrom and total payment amount with respect thereto may differ from such good faith estimates due to (a) the actual date of the sale of the Series 2023 Bonds being different than the date assumed for purposes of such estimates, (b) the actual principal amount of Series 2023 Bonds issued and sold being different from the Estimated Principal Amount, (c) the actual amortization of the Series 2023 Bonds being different than the amortization assumed for purposes of such estimates, (d) the actual market interest rates at the time of sale of the Series 2023 Bonds being different than those estimated for purposes of such estimates, (e) other market conditions, or (f) alterations in the Community Facilities District's financing plan, or a combination of such factors. The actual date of sale of the Series 2023 Bonds and the actual principal amount of Series 2023 Bonds issued and sold will be determined by the Community Facilities District based on the timing of the need for proceeds of the Series 2023 Bonds and other factors. The actual interest rates borne by the Series 2023 Bonds will depend on market interest rates at the time of sale thereof. The actual amortization of the Series 2023 Bonds will also depend, in part, on market interest rates at the time of sale thereof. Market interest rates are affected by economic and other factors beyond the control of the Community Facilities District.

CITY OF FONTANA )  
COUNTY OF SAN BERNARDINO )  
STATE OF CALIFORNIA )

I, Germaine Key, City Clerk of the City of Fontana, California, and Ex-Officio Clerk of the City Council, do hereby certify that the foregoing Resolution is the actual Resolution duly and regularly adopted by the City Council of said City at a regular meeting thereof, held on \_\_\_\_\_, 2023, by the following vote to-wit:

**AYES:**

**NOES:**

**ABSENT:**

\_\_\_\_\_  
City Clerk

\_\_\_\_\_  
Mayor

**ATTEST:**

\_\_\_\_\_  
City Clerk

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**INDENTURE**

**by and between**

**CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100  
(VICTORIA)**

**and**

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
AS TRUSTEE**

**Dated as of \_\_\_\_\_ 1, 2023**

**Relating to  
City of Fontana  
Community Facilities District No. 100  
(Victoria)  
Special Tax Bonds**

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## INDENTURE

**THIS INDENTURE** (this “Indenture”), dated as of \_\_\_\_\_ 1, 2023, is by and between CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA), a community facilities district organized and existing under the laws of the State of California (the “Community Facilities District”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, as trustee (the “Trustee”).

### WITNESSETH:

**WHEREAS**, the City Council of the City of Fontana has formed the Community Facilities District under the provisions of the Mello-Roos Community Facilities Act of 1982 (the “Act”);

**WHEREAS**, the Community Facilities District is authorized under the Act to levy a special tax (the “Special Tax”) to pay for the costs of certain public facilities (the “Facilities”) and to issue bonds payable from the Special Tax;

**WHEREAS**, in order to provide funds to finance certain of the Facilities, the Community Facilities District desires to provide for the issuance of City of Fontana Community Facilities District No. 100 (Victoria) Special Tax Bonds, Series 2023 (the “Series 2023 Bonds”), in the aggregate principal amount of not to exceed \$\_\_\_\_\_;

**WHEREAS**, the Community Facilities District desires to provide for the issuance of additional bonds (the “Additional Bonds”) for refunding purposes payable from the Special Tax on a parity with the Series 2023 Bonds, provided that said issuance is in accordance with the Act and this Indenture (the Series 2023 Bonds and any such Additional Bonds being collectively referred to as the “Bonds”);

**WHEREAS**, in order to provide for the authentication and delivery of the Bonds, to establish and declare the terms and conditions upon which the Bonds are to be issued and secured and to secure the payment of the principal thereof, premium, if any, and interest thereon, the Community Facilities District has authorized the execution and delivery of this Indenture; and

**WHEREAS**, the Community Facilities District has determined that all acts and proceedings required by law necessary to make the Bonds, when executed by the Community Facilities District, authenticated and delivered by the Trustee and duly issued, the valid, binding and legal special, limited obligations of the Community Facilities District, and to constitute this Indenture a valid and binding agreement for the uses and purposes herein set forth in accordance with its terms, have been done and taken, and the execution and delivery of this Indenture has been in all respects duly authorized;

**NOW, THEREFORE, THIS INDENTURE WITNESSETH**, that in order to secure the payment of the principal of, premium, if any, and the interest on all Bonds at any time issued and outstanding under this Indenture, according to their tenor, and to secure the performance and observance of all the covenants and conditions therein and herein set forth, and to declare the terms and conditions upon and subject to which the Bonds are to be issued, and in consideration of the premises and of the mutual covenants herein contained and of the purchase and acceptance of the

Bonds by the owners thereof, and for other valuable consideration, the receipt whereof is hereby acknowledged, the Community Facilities District does hereby covenant and agree with the Trustee, for the benefit of the respective owners from time to time of the Bonds, as follows:

## ARTICLE I

### DEFINITIONS; EQUAL SECURITY

**Section 1.01. Definitions.** Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Indenture and of any certificate, opinion or other document herein mentioned, have the meanings herein specified.

**“Act”** means the Mello-Roos Community Facilities Act of 1982, constituting Sections 53311 *et seq.* of the California Government Code.

**“Acquisition Account”** means the account by that name within the Improvement Fund established and held by the Trustee pursuant to Section 3.04.

**“Acquisition Agreement”** means the Acquisition and Funding Agreement, dated as of December 1, 2020, by and among the Community Facilities District, the City and SC VICTORIA, LLC, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

**“Acquisition Facilities”** has the meaning ascribed thereto in the Acquisition Agreement.

**“Additional Bonds”** means Bonds other than Series 2023 Bonds issued hereunder in accordance with the provisions of Sections 3.05 and 3.06.

**“Administrative Expense Fund”** means the fund by that name established and held by the Trustee pursuant to Section 5.07.

**“Administrative Expenses”** means costs directly related to the administration of the Community Facilities District, including: the costs of computing the Special Tax and preparing the annual Special Tax collection schedules and the costs of collecting the Special Tax, the costs of remitting the Special Tax to the Trustee, the fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under this Indenture, the costs incurred by the Community Facilities District in complying with the disclosure provisions of any continuing disclosure undertaking and this Indenture, including those related to public inquiries regarding the Special Tax and disclosures to Owners, the costs of the Community Facilities District related to an appeal of the Special Tax, any amounts required to be rebated to the federal government in order for the Community Facilities District to comply with Section 6.07, an allocable share of the salaries of the City staff providing services on behalf of the Community Facilities District directly related to the foregoing and a proportionate amount of City general administrative overhead related thereto, and the costs of foreclosure of any delinquent Special Tax.

**“Annual Debt Service”** means, for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the principal of the Outstanding Bonds due in such Bond Year (including by reason of mandatory sinking fund redemptions).



**“Authorized Denominations”** means (a) with respect to the Series 2023 Bonds, \$5,000 and any integral multiple thereof, and (b) with respect to each Series of Additional Bonds, the authorized denominations for such Series of Additional Bonds specified in the Supplemental Indenture pursuant to which such Additional Bonds are issued.

**“Authorized Representative”** means, with respect to the Community Facilities District, the City Manager of the City and the Chief Financial Officer, Finance Department, of the City, and any other Person designated as an Authorized Representative of the Community Facilities District in a Written Certificate of the Community Facilities District submitted to the Trustee.

**“Average Annual Debt Service”** means the average of the Annual Debt Service for all Bond Years, including the Bond Year in which the calculation is made.

**“Beneficial Owners”** means those Persons for which the Participants have caused the Depository to hold Book-Entry Bonds.

**“Bond Counsel”** means a firm of nationally recognized bond counsel selected by the Community Facilities District.

**“Bond Fund”** means the fund by that name established and held by the Trustee pursuant to Section 5.03.

**“Bond Year”** means the twelve-month period beginning on September 2 in each year and extending to the next succeeding September 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and end on September 1, 2024.

**“Bonds”** means the City of Fontana Community Facilities District No. 100 (Victoria) Special Tax Bonds issued hereunder, and includes the Series 2023 Bonds and any Additional Bonds.

**“Book-Entry Bonds”** means the Bonds of a Series registered in the name of the Depository, or the Nominee thereof, as the registered owner thereof pursuant to the terms and provisions of Section 2.07.

**“Business Day”** means a day that is not (a) a Saturday, Sunday or legal holiday in the State, (b) a day on which banking institutions in the State, or in any state in which the Office of the Trustee is located, are required or authorized by law (including executive order) to close, or (c) a day on which the New York Stock Exchange is closed.

**“Cede & Co.”** means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to a Series of Book-Entry Bonds.

**“City”** means the City of Fontana, a general law city organized and existing under the laws of the State, and its successors.

**“City Council”** means the City Council of the City.

**“Closing Date”** means the date upon which the Series 2023 Bonds are delivered to the Original Purchaser, being \_\_\_\_\_, 2023.

**“Code”** means the Internal Revenue Code of 1986.

**“Community Benefit Facilities Account”** means the account by that name within the Improvement Fund established and held by the Trustee pursuant to Section 3.04.

**“Community Benefit Facilities”** means Construction Facilities, the costs of which are paid from the Community Benefit Facilities Account.

**“Community Facilities District”** means City of Fontana Community Facilities District No. 100 (Victoria), a community facilities district organized and existing under the laws of the State, and its successors.

**“Construction Account”** means the account by that name within the Improvement Fund established and held by the Trustee pursuant to Section 3.04.

**“Construction Facilities”** means the Facilities other than the Acquisition Facilities.

**“Corresponding Bond Year”** means, with respect to any Fiscal Year, the Bond Year that commences in such Fiscal Year.

**“Costs of Issuance”** means all items of expense directly or indirectly payable by or reimbursable to the Community Facilities District relating to the authorization, issuance, sale and delivery of the Bonds, including printing expenses, rating agency fees, filing and recording fees, initial fees, expenses and charges of the Trustee and its counsel, including the Trustee’s first annual administrative fee, fees, charges and disbursements of attorneys, municipal advisors, accounting firms, consultants and other professionals, fees and charges for preparation, execution and safekeeping of the Bonds, any premium for bond insurance securing payment of the Bonds and any other cost, charge or fee in connection with the original issuance of the Bonds.

**“Costs of Issuance Fund”** means the fund by that name established and held by the Trustee pursuant to Section 3.03.

**“County”** means the County of San Bernardino, a county and political subdivision of the State organized and existing under the laws of the State, and any successor thereto.

**“County Assessor”** means the Assessor of the County.

**“County Auditor”** means the Auditor-Controller of the County.

**“Defeasance Securities”** means (a) non-callable direct obligations of the United States of America (“United States Treasury Obligations”), and (b) evidences of ownership of proportionate interests in future interest and principal payments on United States Treasury Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying

United States Treasury Obligations are not available to any person claiming through the custodian or to whom the custodian may be obligated.

**“Depository”** means DTC, and its successors as securities depository for any Series of Book-Entry Bonds, including any such successor appointed pursuant to Section 2.07.

**“Developer”** means TRI Pointe Homes, Inc., a corporation organized and existing under the laws of the State of Delaware, and any successor thereto.

**“Developer Continuing Disclosure Certificate”** means the Continuing Disclosure Certificate, dated as of \_\_\_\_\_ 1, 2023, executed by the Developer, as originally executed and as it may be amended from time to time in accordance with the terms thereof.

**“District Continuing Disclosure Agreement”** means the Continuing Disclosure Agreement, dated as of \_\_\_\_\_ 1, 2023, by and between the Community Facilities District and U.S. Bank Trust Company, National Association, in its capacity as Trustee and in its capacity as dissemination agent thereunder, as originally executed and as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

**“DTC”** means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York.

**“Event of Default”** means any event specified in Section 7.01.

**“Facilities”** means the public facilities authorized to be financed by the Community Facilities District, as described in the Resolution of Formation.

**“Fiscal Year”** means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official fiscal year period of the Community Facilities District.

**“Improvement Fund”** means the fund by that name established and held by the Trustee pursuant to Section 3.04.

**“Indenture”** means this Indenture, dated as of \_\_\_\_\_ 1, 2023, by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as Trustee, as originally executed and as it may be modified or amended from time to time by any Supplemental Indenture.

**“Independent Consultant”** means any consultant or firm of such consultants selected by the Community Facilities District and who, or each of whom (a) is generally recognized to be qualified in the financial consulting field, (b) is in fact independent and not under the control of the Community Facilities District or the City, (c) does not have any substantial interest, direct or indirect, with or in the Community Facilities District or the City, with or in any owner of real property in the Community Facilities District or in any real property in the Community Facilities District, and (d) is not connected with the Community Facilities District or the City as an officer or employee thereof, but who may be regularly retained to make reports to the Community Facilities District or the City.

**“Interest Account”** means the account by that name within the Bond Fund established and held by the Trustee pursuant to Section 5.03.

**“Interest Payment Dates”** means March 1 and September 1 of each year, commencing \_\_\_\_\_ 1, 20\_\_.

**“Letter of Representations”** means the Letter of Representations from the Community Facilities District to the Depository, in which the Community Facilities District makes certain representations with respect to issues of its securities for deposit by the Depository.

**“Maximum Annual Debt Service”** means the largest Annual Debt Service for any Bond Year, including the Bond Year in which the calculation is made.

**“Moody’s”** means Moody’s Investors Service, Inc., a corporation duly organized and existing under the laws of the State of Delaware, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “Moody’s” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

**“Net Special Tax Revenues”** means Special Tax Revenues, less amounts required to pay Administrative Expenses.

**“Nominee”** means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to Section 2.07.

**“Office of the Trustee”** means the principal corporate trust office of the Trustee in Los Angeles, California or such other office as may be specified to the Community Facilities District by the Trustee in writing; provided, however, that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted, which other office or agency shall be specified to the Community Facilities District by the Trustee in writing.

**“Ordinance”** means any ordinance adopted by the City Council levying the Special Tax.

**“Original Purchaser”** means the original purchaser of the Series 2023 Bonds from the Community Facilities District.

**“Outstanding”** means, when used as of any particular time with reference to Bonds, subject to the provisions of Section 11.07, all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under this Indenture except (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation, (b) Bonds with respect to which all liability of the Community Facilities District shall have been discharged in accordance with Section 10.01, and (c) Bonds in lieu of which other Bonds shall have been authenticated and delivered by the Trustee, or that have been paid without surrender thereof, pursuant to Section 2.08.

**“Owner”** means, with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

**“Participant”** means any entity that is recognized as a participant by DTC in the book-entry system of maintaining records with respect to Book-Entry Bonds.

**“Participating Underwriter”** has the meaning ascribed to such term in the District Continuing Disclosure Agreement and the Developer Continuing Disclosure Certificate.

**“Payment Request”** has the meaning ascribed to such term in the Acquisition Agreement.

**“Permitted Investments”** is defined in Exhibit A hereto.

**“Person”** means an individual, corporation, limited liability company, firm, association, partnership, trust or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

**“Principal Account”** means the account by that name within the Bond Fund established and held by the Trustee pursuant to Section 5.03.

**“Rate and Method”** means the rate and method of apportionment of the Special Tax approved by the qualified electors of the Community Facilities District.

**“Rebate Fund”** means the fund by that name established and held by the Trustee pursuant to Section 5.06.

**“Rebate Requirement”** has the meaning ascribed to such term in the Tax Certificate.

**“Record Date”** means, with respect to interest payable on any Interest Payment Date, the 15th calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

**“Redemption Fund”** means the fund by that name established and held by the Trustee pursuant to Section 5.05.

**“Redemption Price”** means the aggregate amount of principal of and premium, if any, on the Bonds upon the redemption thereof pursuant hereto.

**“Registration Books”** means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to Section 2.05.

**“Reserve Fund”** means the fund by that name established and held by the Trustee pursuant to Section 5.04.

**“Reserve Requirement”** means, as of the date of any calculation, the least of (a) “10% of the proceeds of the issue,” within the meaning of Section 148 of the Code (excluding Bonds refunded with the proceeds of subsequently issued Bonds), (b) Maximum Annual Debt Service, and (c) 125% of Average Annual Debt Service.



**“Resolution of Formation”** means Resolution No. 2020-157, adopted by the City Council on December 8, 2020, as originally adopted and as it may be amended, supplemented or otherwise modified from time to time.

**“S&P”** means S&P Global Ratings, a business unit of Standard and Poor’s Financial Services, LLC, and its successors and assigns, except that if such entity shall be dissolved or liquidated or shall no longer perform the functions of a securities rating agency, then the term “S&P” shall be deemed to refer to any other nationally recognized securities rating agency selected by the Community Facilities District.

**“Series”** means the initial series of Bonds executed, authenticated and delivered on the date of initial issuance of the Bonds and designated pursuant to this Indenture as the Series 2023 Bonds, and any Additional Bonds issued pursuant to a Supplemental Indenture and identified as a separate Series of Bonds.

**“Series 2023 Bonds”** means the City of Fontana Community Facilities District No. 100 (Victoria) Special Tax Bonds, Series 2023, issued hereunder.

**“Special Tax”** means the special tax described and defined in the Rate and Method as the “Special Tax” approved by the qualified electors of the Community Facilities District.

**“Special Tax Fund”** means the fund by that name established and held by the Trustee pursuant to Section 5.02.

**“Special Tax Revenues”** means the proceeds of the Special Tax received by or on behalf of the Community Facilities District, including any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Tax, which shall be limited to the amount of said lien and interest and penalties thereon.

**“State”** means the State of California.

**“Supplemental Indenture”** means any supplemental indenture modifying or amending this Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized hereunder.

**“Tax Certificate”** means the Tax Certificate executed by the Community Facilities District at the time of issuance of the Series 2023 Bonds relating to the requirements of Section 148 of the Code, as originally executed and as it may be amended, supplemented or otherwise modified from time to time in accordance with the terms thereof.

**“Trustee”** means U.S. Bank Trust Company, National Association, a national banking association organized and existing under the laws of the United States of America, or any successor thereto as Trustee hereunder substituted in its place as provided herein.

**“Verification Report”** means, with respect to the deemed payment of Bonds pursuant to clause (ii) of Section 10.02(a), a report of a nationally recognized certified public accountant, or

firm of such accountants, verifying that the Defeasance Securities and cash, if any, deposited in connection with such deemed payment satisfy the requirements of clause (ii) of Section 10.02(a).

**“Written Certificate”** and **“Written Request”** of the Community Facilities District mean, respectively, a written certificate or written request signed in the name of the Community Facilities District by an Authorized Representative. Any such certificate or request may, but need not, be combined in a single instrument with any other instrument, opinion or representation, and the two or more so combined shall be read and construed as a single instrument.

**Section 1.02. Rules of Construction.** (a) The terms defined herein expressed in the singular shall, unless the context otherwise indicates, include the plural and vice versa.

(b) The use herein of the masculine, feminine or neuter gender is for convenience only and shall be deemed and construed to include correlative words of the masculine, feminine or neuter gender, as appropriate.

(c) References herein to a document shall include all amendments, supplements or other modifications to such document, and any replacements, substitutions or novation of, that document.

(d) Any term defined herein by reference to another document shall continue to have the meaning ascribed thereto whether or not such other document remains in effect.

(e) The use herein of the words “including” and “includes,” and words of similar import, shall be deemed to be followed by the phrase “without limitation.”

(f) Headings of Articles and Sections herein and the table of contents hereof are solely for convenience of reference, do not constitute a part hereof and shall not affect the meaning, construction or effect hereof.

(g) All references herein to designated “Articles,” “Sections,” “Exhibits,” “subsections,” “paragraphs,” “clauses,” and other subdivisions are to the designated Articles, Sections, Exhibits, subsections, paragraphs, clauses, and other subdivisions of this Indenture.

(h) The words “hereof” (except when preceded by a specific Section or Article reference) “herein,” “hereby,” “hereunder,” “hereinabove,” “hereinafter,” and other equivalent words and phrases used herein refer to this Indenture and not solely to the particular portion hereof in which any such word is used.

(i) Any reference to a Person, or a Person in a specified capacity, shall be construed to include such Person’s successors or such Person’s successors in such capacity, as the case may be.

**Section 1.03. Equal Security.** In consideration of the acceptance of the Bonds by the Owners thereof, this Indenture shall be deemed to be and shall constitute a contract among the Community Facilities District, the Trustee and the Owners from time to time of all Bonds authorized, executed, issued and delivered hereunder and then Outstanding to secure the full and final payment of the principal of, premium, if any, and interest on all Bonds that may from time to time be authorized, executed, issued and delivered hereunder, subject to the agreements,

conditions, covenants and provisions contained herein; and all agreements and covenants set forth herein to be performed by or on behalf of the Community Facilities District shall be for the equal and proportionate benefit, protection and security of all Owners of the Bonds without distinction, preference or priority as to security or otherwise of any Bonds over any other Bonds by reason of the number or date thereof or the time of authorization, sale, execution, issuance or delivery thereof or for any cause whatsoever, except as expressly provided herein or therein.

## ARTICLE II

### THE BONDS

**Section 2.01. Authorization of Bonds; Special, Limited Obligations.** (a) The Community Facilities District hereby authorizes the issuance of the Bonds under and subject to the terms of this Indenture, the Act and other applicable laws of the State. The Bonds may consist of one or more Series of Bonds of varying denominations, dates, maturities, interest rates and other provisions, subject to the provisions and conditions contained herein. The Bonds shall be designated generally as the “City of Fontana Community Facilities District No. 100 (Victoria) Special Tax Bonds,” each Series thereof to bear such additional designation as may be necessary or appropriate to distinguish such Series from every other Series of Bonds.

(b) The Bonds shall be special, limited obligations of the Community Facilities District, payable, as provided herein, solely from Net Special Tax Revenues and the other assets pledged therefor hereunder. Neither the faith and credit nor the taxing power of the Community Facilities District (except to the limited extent set forth herein), the City or the State, or any political subdivision thereof, is pledged to the payment of the Bonds.

**Section 2.02. Terms of Series 2023 Bonds.** (a) The Series 2023 Bonds shall be designated “City of Fontana Community Facilities District No. 100 (Victoria) Special Tax Bonds, Series 2023.” The aggregate principal amount of Series 2023 Bonds that may be issued and Outstanding under this Indenture shall not exceed \$\_\_\_\_\_, except as may be otherwise provided in Section 2.08.

(b) The Series 2023 Bonds shall be issued in fully-registered form without coupons in Authorized Denominations, so long as no Series 2023 Bond shall have more than one maturity date. The Series 2023 Bonds shall be dated as of the Closing Date, shall be in the aggregate principal amount of \$\_\_\_\_\_, shall mature on September 1 of each year, shall bear interest at the rates per annum (calculated on the basis of a 360-day year comprised of twelve 30-day months) and shall be in the principal amounts as follows:

Maturity Date (September 1)	Principal Amount	Interest Rate
	\$	%

(c) Interest on the Series 2023 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Series 2023 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event interest thereon shall be payable from such Interest Payment Date, (ii) a Series 2023 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date, or (iii) interest on any Series 2023 Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for. Interest shall be paid in lawful money of the United States on each Interest Payment Date. Interest shall be paid by check of the Trustee mailed by first-class mail, postage prepaid, on each Interest Payment Date to the Owners of the Series 2023 Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest on any Series 2023 Bond that is not punctually paid or duly provided for on any Interest Payment Date shall, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Series 2023 Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which shall be given to such Owner not less than ten days prior to such special record date.

(d) The principal of the Series 2023 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

(e) The Series 2023 Bonds shall be subject to redemption as provided in Article IV.

(f) The Series 2023 Bonds shall be in substantially the form set forth in Exhibit B hereto, with appropriate or necessary insertions, omissions and variations as permitted or required hereby.

**Section 2.03. Execution of Bonds.** The Bonds shall be executed in the name and on behalf of the Community Facilities District with the manual or facsimile signature of the Mayor of the City attested by the manual or facsimile signature of the City Clerk of the City. The Bonds shall then be delivered to the Trustee for authentication by it. In case any of such officers who shall have signed or attested any of the Bonds shall cease to be such officers before the Bonds so signed or attested shall have been authenticated or delivered by the Trustee, or issued by the Community Facilities District, such Bonds may nevertheless be authenticated, delivered and issued and, upon such authentication, delivery and issue, shall be as binding upon the Community Facilities District as though those who signed and attested the same had continued to be such officers, and also any Bonds may be signed and attested on behalf of the Community Facilities District by such Persons as at the actual date of execution of such Bonds shall be the proper officers of the City although at the nominal date of such Bonds any such Person shall not have been such officer of the City.

**Section 2.04. Authentication of Bonds.** Only such of the Bonds as shall bear thereon a certificate of authentication substantially in the form as that set forth in Exhibit B hereto for the Series 2023 Bonds, manually executed by the Trustee, shall be valid or obligatory for any purpose or entitled to the benefits of this Indenture, and such certificate of the Trustee shall be conclusive



evidence that the Bonds so authenticated have been duly executed, authenticated and delivered hereunder and are entitled to the benefits of this Indenture.

**Section 2.05. Registration Books.** The Trustee shall keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall be open to inspection during regular business hours and upon reasonable notice by the Community Facilities District. Upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds.

**Section 2.06. Transfer and Exchange of Bonds.** (a) Any Bond may be transferred upon the Registration Books by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Bond to the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be so surrendered for transfer, the Community Facilities District shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of the same Series and maturity in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

(b) The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and maturity of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

(c) The Trustee shall not be obligated to make any transfer or exchange of Bonds of a Series pursuant to this Section during the period established by the Trustee for the selection of Bonds of such Series for redemption, or with respect to any Bonds of such Series selected for redemption.

**Section 2.07. Book-Entry System.** (a) Prior to the issuance of a Series of Bonds, the Community Facilities District may provide that such Series of Bonds shall initially be issued as Book-Entry Bonds, and in such event, the Bonds of such Series for each maturity date shall be in the form of a separate single fully-registered Bond (which may be typewritten). Upon initial issuance, the ownership of each such Bond of such Series shall be registered in the Registration Books in the name of the Nominee, as nominee of the Depository. The Series 2023 Bonds shall initially be issued as Book-Entry Bonds.

Payment of principal of, and interest and premium, if any, on, any Book-Entry Bond registered in the name of the Nominee shall be made on the applicable payment date by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of the Nominee. Such payments shall be made to the Nominee at the address that is, on the Record Date, shown for the Nominee in the Registration Books.

(b) With respect to Book-Entry Bonds, the Community Facilities District and the Trustee shall have no responsibility or obligation to any Participant or to any Person on behalf of which such a Participant holds an interest in such Book-Entry Bonds. Without limiting the

immediately preceding sentence, the Community Facilities District and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in Book-Entry Bonds, (ii) the delivery to any Participant or any other Person, other than an Owner as shown in the Registration Books, of any notice with respect to Book-Entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in Book-Entry Bonds of a maturity to be redeemed in the event such Book-Entry Bonds are redeemed in part, (iv) the payment to any Participant or any other Person, other than an Owner as shown in the Registration Books, of any amount with respect to principal of, or premium, if any, or interest on Book-Entry Bonds, or (v) any consent given or other action taken by the Depository as Owner.

(c) The Community Facilities District and the Trustee may treat and consider the Person in whose name each Book-Entry Bond is registered in the Registration Books as the absolute Owner of such Book-Entry Bond for the purpose of payment of principal of, and premium, if any, and interest on such Bond, for the purpose of selecting any Bonds, or portions thereof, to be redeemed, for the purpose of giving notices of redemption and other matters with respect to such Book-Entry Bond, for the purpose of registering transfers with respect to such Book-Entry Bond, for the purpose of obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever, and the Community Facilities District and the Trustee shall not be affected by any notice to the contrary.

(d) In the event of a redemption of all or a portion of a Book-Entry Bond, the Depository, in its discretion (i) may request the Trustee to authenticate and deliver a new Book-Entry Bond, or (ii) if the Depository is the sole Owner of such Book-Entry Bond, shall make an appropriate notation on the Book-Entry Bond indicating the date and amounts of the reduction in principal thereof resulting from such redemption, except in the case of final payment, in which case such Book-Entry Bond must be presented to the Trustee prior to payment.

(e) The Trustee shall pay all principal of, and premium, if any, and interest on the Book-Entry Bonds only to or “upon the order of” (as that term is used in the Uniform Commercial Code as adopted in the State) the respective Owner, as shown in the Registration Books, or such Owner’s respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment of principal of, and premium, if any, and interest on the Book-Entry Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Registration Books, shall receive an authenticated Book-Entry Bond. Upon delivery by the Depository to the Owners, the Community Facilities District and the Trustee of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions herein with respect to Record Dates, the word Nominee in this Indenture shall refer to such nominee of the Depository.

(f) In order to qualify the Book-Entry Bonds for the Depository’s book-entry system, the Community Facilities District shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the Community Facilities District or the Trustee any obligation whatsoever with respect to Persons having interests in such Book-Entry Bonds other than the Owners, as shown on the Registration Books. Such Letter of Representations may provide the time, form, content and manner of transmission, of notices to the Depository. In addition to the execution and delivery of

a Letter of Representations by the Community Facilities District, the Community Facilities District and the Trustee shall take such other actions, not inconsistent with this Indenture, as are reasonably necessary to qualify Book-Entry Bonds for the Depository's book-entry program.

(g) In the event the Community Facilities District determines that it is in the best interests of the Beneficial Owners that they be able to obtain certificated Bonds and that such Bonds should therefore be made available, and notifies the Depository and the Trustee of such determination, the Depository will notify the Participants of the availability through the Depository of certificated Bonds. In such event, the Trustee shall transfer and exchange certificated Bonds as requested by the Depository and any other Owners in appropriate amounts. In the event (i) the Depository determines not to continue to act as securities depository for Book-Entry Bonds, or (ii) the Depository shall no longer so act and gives notice to the Trustee of such determination, then the Community Facilities District shall discontinue the Book-Entry system with the Depository. If the Community Facilities District determines to replace the Depository with another qualified securities depository, the Community Facilities District shall prepare or direct the preparation of a new single, separate, fully-registered Bond of the appropriate Series for each maturity date of such Book-Entry Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee. If the Community Facilities District fails to identify another qualified securities depository to replace the Depository, then the Book-Entry Bonds shall no longer be restricted to being registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of Sections 2.06, 2.08 and 2.09. Whenever the Depository requests the Community Facilities District to do so, the Community Facilities District shall cooperate with the Depository in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Book-Entry Bonds to any Participant having Book-Entry Bonds credited to its account with the Depository, and (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Book-Entry Bonds.

(h) Notwithstanding any other provision of this Indenture to the contrary, if the Depository is the sole Owner of the Bonds of a Series, so long as any Book-Entry Bond of such Series is registered in the name of the Nominee, all payments of principal of, and premium, if any, and interest on such Book-Entry Bond and all notices with respect to such Book-Entry Bond shall be made and given, respectively, as provided in the Letter of Representations or as otherwise instructed by the Depository.

(i) In connection with any notice or other communication to be provided to Owners pursuant to this Indenture by the Community Facilities District or the Trustee, with respect to any consent or other action to be taken by Owners of Book-Entry Bonds, the Trustee shall establish a record date for such consent or other action and give the Depository notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

**Section 2.08. Bonds Mutilated, Lost, Destroyed or Stolen.** If any Bond shall become mutilated, the Community Facilities District, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of the same Series and maturity in a like principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Community

Facilities District. If any Bond shall be lost, destroyed or stolen, evidence of such loss, destruction or theft may be submitted to the Trustee and, if such evidence and indemnity reasonably satisfactory to the Trustee shall be given, the Community Facilities District, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of the same Series and maturity in a like aggregate principal amount in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The Community Facilities District may require payment by the Owner of a sum not exceeding the actual cost of preparing the replacement Bond delivered thereto under this Section and the expenses incurred by the Community Facilities District and the Trustee in connection therewith. Any Bond of a Series issued under the provisions of this Section in lieu of any Bond of such Series alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Community Facilities District whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of this Indenture with all other Bonds of such Series secured by this Indenture.

**Section 2.09. Temporary Bonds.** The Bonds of a Series may be issued in temporary form exchangeable for definitive Bonds of such Series when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such Authorized Denominations as may be determined by the Community Facilities District, shall be in fully-registered form without coupons and may contain such reference to any of the provisions of this Indenture as may be appropriate. Every temporary Bond shall be executed by the Community Facilities District and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Community Facilities District issues temporary Bonds of a Series it shall execute and deliver definitive Bonds of such Series as promptly thereafter as practicable, and thereupon the temporary Bonds of such Series may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver, in exchange for such temporary Bonds, an equal aggregate principal amount of definitive Bonds of such Series and maturities in Authorized Denominations. Until so exchanged, the temporary Bonds of such Series shall be entitled to the same benefits under this Indenture as definitive Bonds of such Series authenticated and delivered hereunder.

## ARTICLE III

### ISSUANCE OF SERIES 2023 BONDS; APPLICATION OF PROCEEDS; ADDITIONAL BONDS

**Section 3.01. Issuance of Series 2023 Bonds.** The Community Facilities District may, at any time, execute the Series 2023 Bonds and deliver the same to the Trustee. The Trustee shall authenticate the Series 2023 Bonds and deliver the Series 2023 Bonds to the Original Purchaser upon receipt of a Written Request of the Community Facilities District and upon receipt of the purchase price therefor.

**Section 3.02. Application of Proceeds.** (a) On the Closing Date, the proceeds of the sale of the Series 2023 Bonds received by the Trustee, \$\_\_\_\_\_, shall be deposited by the Trustee as follows:

(i) the Trustee shall deposit the amount of \$\_\_\_\_\_ in the Costs of Issuance Fund;

(ii) the Trustee shall deposit the amount of \$\_\_\_\_\_ in the Reserve Fund, which is equal to the Reserve Requirement;

(iii) the Trustee shall deposit the amount of \$\_\_\_\_\_ in the Interest Account;

(iv) the Trustee shall deposit the amount of \$\_\_\_\_\_ in the Acquisition Account;

(v) the Trustee shall deposit the amount of \$\_\_\_\_\_ in the Construction Account; and

(vi) the Trustee shall deposit the amount of \$\_\_\_\_\_ in the Community Benefit Facilities Account.

(b) [On the Closing Date, the amount transferred by the Community Facilities District to the Trustee, \$\_\_\_\_\_, which consists of amounts of the Special Tax collected by the Community Facilities District, shall be deposited by the Trustee as follows:

(i) the Trustee shall deposit the amount of \$\_\_\_\_\_ in the Construction Account;

(ii) the Trustee shall deposit the amount of \$\_\_\_\_\_ in the Community Benefit Facilities Account; and

(iii) the Trustee shall deposit the amount of \$\_\_\_\_\_ in the Administrative Expense Fund.]

**Section 3.03. Costs of Issuance Fund.** (a) The Trustee shall establish and maintain a separate fund designated the "Costs of Issuance Fund." On the Closing Date, the Trustee shall deposit in the Costs of Issuance Fund the amount required to be deposited therein pursuant to



Section 3.02. There shall additionally be deposited in the Cost of Issuance Fund the portion, if any, of the proceeds of the sale of any Additional Bonds required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

(b) The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the Community Facilities District stating (i) the Person to whom payment is to be made, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred, (iv) that such payment is a proper charge against the Costs of Issuance Fund, and (v) that such amount has not been the subject of a prior disbursement from the Costs of Issuance Fund, in each case together with a statement or invoice for each amount requested thereunder. On the last Business Day that is no later than six months after the Closing Date, the Trustee shall transfer any amount remaining in the Costs of Issuance Fund to the Construction Account and, upon making such transfer, the Costs of Issuance Fund shall be closed.

(c) If the Costs of Issuance Fund has been closed in accordance with the provisions hereof, the Costs of Issuance Fund shall be reopened and reestablished by the Trustee in connection with the issuance of any Additional Bonds, if so provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued.

**Section 3.04. Improvement Fund.** (a) The Trustee shall establish and maintain a separate fund designated the “Improvement Fund.” Within the Improvement Fund, the Trustee shall establish and maintain a separate account designated the “Acquisition Account,” a separate account designated the “Construction Account” and a separate account designated the “Community Benefit Facilities Account.” On the Closing Date, the Trustee shall deposit in the Acquisition Account, the Construction Account and the Community Benefit Facilities Account the respective amounts required to be deposited therein pursuant to Section 3.02.

The moneys in the Acquisition Account shall be used and withdrawn by the Trustee from time to time to pay the costs of the Acquisition Facilities upon submission of a Written Request of the Community Facilities District stating (i) the Person to whom payment is to be made, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred, (iv) that such payment is for costs of the Acquisition Facilities and is a proper charge against the Acquisition Account, (v) that payment of such costs has not been the subject of a prior disbursement from the Acquisition Account, the Construction Account or the Community Benefit Facilities Account, and (vi) whether or not such costs of the Acquisition Facilities are to be paid pursuant to a Payment Request submitted in accordance with the Acquisition Agreement, in each case together with a statement or invoice for each amount requested thereunder. If costs of the Acquisition Facilities are to be paid pursuant to a Payment Request submitted in accordance with the Acquisition Agreement, a duplicate original of the signed and approved Payment Request relating to such costs of the Acquisition Facilities, together with all exhibits and attachments thereto, must accompany such Written Request of the Community Facilities District.

Upon the submission of a Written Certificate of the Community Facilities District stating (i) that the portion of the Acquisition Facilities to be financed from the Acquisition Account has been completed and that all costs of such Acquisition Facilities have been paid, or (ii) that such portion of the Acquisition Facilities has been substantially completed and that all remaining costs

of such portion of the Acquisition Facilities have been determined and specifying the amount to be retained therefor, the Trustee shall transfer all of the amount remaining in the Acquisition Account (less any such retention) to the Construction Account or the Community Benefit Facilities Account, as directed in a Written Certificate of the Community Facilities District submitted to the Trustee.

(b) The moneys in the Construction Account shall be used and withdrawn by the Trustee from time to time to pay the costs of the Construction Facilities upon submission of a Written Request of the Community Facilities District stating (i) the Person to whom payment is to be made, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred, (iv) that such payment is for costs of the Construction Facilities and is a proper charge against the Construction Account, and (v) that payment of such costs has not been the subject of a prior disbursement from the Acquisition Account, the Construction Account or the Community Benefit Facilities Account, in each case together with a statement or invoice for each amount requested thereunder. Additionally, upon submission of a Written Request of the Community Facilities District stating (i) that a portion of the amount on deposit in the Construction Account is to be transferred to the Community Benefit Facilities Account, and (ii) the amount to be so transferred, the Trustee shall transfer such amount from the Construction Account to the Community Benefit Facilities Account.

Upon the submission of a Written Certificate of the Community Facilities District stating (i) that the portion of the Construction Facilities to be financed from the Construction Account has been completed and that all costs of such Construction Facilities have been paid, or (ii) that such portion of the Construction Facilities has been substantially completed and that all remaining costs of such portion of the Construction Facilities have been determined and specifying the amount to be retained therefor, the Trustee shall (A) if the amount remaining in the Construction Account (less any such retention) is equal to or greater than \$25,000, transfer the portion of such amount equal to the largest integral multiple of \$5,000 that is not greater than such amount to the Redemption Fund, to be applied to the redemption of Bonds, and (B) after making the transfer, if any, required to be made pursuant to the preceding clause (A), transfer all of the amount remaining in the Construction Account (less any such retention) to the Bond Fund, to be applied to the payment of interest on the Bonds.

(c) The moneys in the Community Benefit Facilities Account shall be used and withdrawn by the Trustee from time to time to pay the costs of Construction Facilities that constitute Community Benefit Facilities upon submission of a Written Request of the Community Facilities District stating (i) the Person to whom payment is to be made, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred, (iv) that the Construction Facilities, the costs of which are to be paid, constitute Community Benefit Facilities and such payment is for costs of the Community Benefit Facilities and is a proper charge against the Community Benefit Facilities Account, and (v) that payment of such costs has not been the subject of a prior disbursement from the Acquisition Account, the Construction Account or the Community Benefit Facilities Account, in each case together with a statement or invoice for each amount requested thereunder. Additionally, upon submission of a Written Request of the Community Facilities District stating (i) that a portion of the amount on deposit in the Community Benefit Facilities Account is to be transferred to the Construction Account, and (ii) the amount to be so transferred,

the Trustee shall transfer such amount from the Community Benefit Facilities Account to the Construction Account.

Upon the submission of a Written Certificate of the Community Facilities District stating (i) that the portion of the Community Benefit Facilities to be financed from the Community Benefit Facilities Account has been completed and that all costs of such Community Benefit Facilities have been paid, or (ii) that such portion of the Community Benefit Facilities has been substantially completed and that all remaining costs of such portion of the Community Benefit Facilities have been determined and specifying the amount to be retained therefor, the Trustee shall (A) if the amount remaining in the Community Benefit Facilities Account (less any such retention) is equal to or greater than \$25,000, transfer the portion of such amount equal to the largest integral multiple of \$5,000 that is not greater than such amount to the Redemption Fund, to be applied to the redemption of Bonds, and (B) after making the transfer, if any, required to be made pursuant to the preceding clause (A), transfer all of the amount remaining in the Community Benefit Facilities Account (less any such retention) to the Bond Fund, to be applied to the payment of interest on the Bonds.

**Section 3.05. Conditions for the Issuance of Additional Bonds.** The Community Facilities District may at any time issue one or more Series of Additional Bonds payable from Net Special Tax Revenues as provided herein on a parity with all other Bonds theretofore issued hereunder, but only subject to the following conditions, which are hereby made conditions precedent to the issuance of such Additional Bonds:

(a) upon the issuance of such Additional Bonds, no Event of Default shall have occurred and be continuing hereunder;

(b) the issuance of such Additional Bonds shall have been authorized under and pursuant to this Indenture and the Act and shall have been provided for by a Supplemental Indenture, which shall specify the following:

(i) the purposes for which the proceeds of such Additional Bonds are to be applied, which purposes may only include one or more of (A) providing funds to refund any Bonds previously issued hereunder, (B) providing funds to pay Costs of Issuance incurred in connection with the issuance of such Additional Bonds, and (C) providing funds to make any deposit to the Reserve Fund required pursuant to paragraph (vii) below;

(ii) the designation of such Series of Additional Bonds, the aggregate principal amount of the Additional Bonds of such Series, and the principal amount of, and the interest rate to be borne by, each maturity of such Additional Bonds;

(iii) that such Additional Bonds shall be payable as to interest on the Interest Payment Dates, except that the first installment of interest may be payable on either March 1 or September 1 and shall be for a period of not longer than twelve months;

(iv) the date, the maturity date or dates and the dates on which mandatory sinking fund redemptions, if any, are to be made for such Additional

Bonds; provided, however, that each such maturity date and date on which a mandatory sinking fund redemption is to be made shall be a September 1 and, provided, further, that serial maturities of serial Bonds or mandatory sinking fund redemptions for term Bonds, or any combination thereof, shall be established to provide for the redemption or payment of such Additional Bonds on or before their respective maturity dates;

- (v) the Authorized Denominations of such Additional Bonds;
- (vi) the redemption premiums and terms, if any, for such Additional Bonds;
- (vii) the form of such Additional Bonds;
- (viii) the amount, if any, to be deposited from the proceeds of sale of such Additional Bonds in the Reserve Fund; provided, however, that the amount on deposit in the Reserve Fund at the time that such Additional Bonds become Outstanding shall be at least equal to the Reserve Requirement; and
- (ix) such other provisions that are appropriate or necessary and are not inconsistent with the provisions hereof;

(c) Annual Debt Service in each Bond Year, calculated for all Bonds that will be Outstanding after the issuance of such Additional Bonds, will be less than or equal to Annual Debt Service in such Bond Year, calculated for all Bonds that are Outstanding immediately prior to the issuance of such Additional Bonds.

Nothing contained herein shall limit the issuance of any special tax bonds payable from the Special Tax if, after the issuance and delivery of such special tax bonds, none of the Bonds theretofore issued hereunder will be Outstanding.

**Section 3.06. Procedure for the Issuance of Additional Bonds.** At any time after the sale of any Additional Bonds in accordance with the Act, such Additional Bonds shall be executed by the Community Facilities District for issuance hereunder and shall be delivered to the Trustee and thereupon shall be authenticated and delivered by the Trustee, but only upon receipt by the Trustee of the following:

- (a) a certified copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;
- (b) a Written Request of the Community Facilities District as to the delivery of such Additional Bonds;
- (c) a Written Certificate of the Community Facilities District stating that the conditions precedent to the issuance of such Additional Bonds specified in Section 3.05 have been satisfied;

(d) an opinion of Bond Counsel substantially to the effect that (i) this Indenture, as modified and amended by all Supplemental Indentures theretofore, or thereupon being, entered into, has been duly authorized, executed and delivered by, and constitutes the valid and binding obligation of, the Community Facilities District, (ii) such Additional Bonds constitute valid and binding special, limited obligations of the Community Facilities District, and (iii) the issuance of such Additional Bonds, in and of itself, will not adversely affect the exclusion of interest on the Bonds Outstanding prior to the issuance of such Additional Bonds from gross income for federal income tax purposes;

(e) the proceeds of the sale of such Additional Bonds; and

(f) such further documents or money as are required by the provisions hereof or by the provisions of the Supplemental Indenture pursuant to which such Additional Bonds are issued.

**Section 3.07. Additional Bonds.** So long as any of the Bonds remain Outstanding, the Community Facilities District shall not issue any Additional Bonds or obligations payable from Net Special Tax Revenues on a parity with the Bonds, except pursuant to Sections 3.05 and 3.06. So long as any of the Bonds remain Outstanding, the Community Facilities District shall not issue any obligations payable from Net Special Tax Revenues on a basis senior to the Bonds. The Community Facilities District may issue obligations payable from Net Special Tax Revenues on a basis subordinate to the Bonds, without complying with Sections 3.05 and 3.06.



## ARTICLE IV

### REDEMPTION OF BONDS

**Section 4.01. Redemption of Series 2023 Bonds.** (a) *Optional Redemption.* The Series 2023 Bonds maturing on and after September 1, 20\_\_, shall be subject to optional redemption, in whole, or in part in Authorized Denominations, on any date on or after September 1, 20\_\_, from any source of available funds, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Series 2023 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and thereafter	100

The Community Facilities District shall give the Trustee written notice of its intention to redeem Series 2023 Bonds pursuant to this subsection not less than 45 days prior to the applicable redemption date, unless a later date is agreed to by the Trustee.

(b) *Mandatory Redemption from Special Tax Prepayments.* The Series 2023 Bonds shall be subject to mandatory redemption, in whole, or in part in Authorized Denominations, on any Interest Payment Date, from and to the extent of Special Tax prepayments required to be applied thereto pursuant to Section 5.02(a) and any amount required to be applied thereto pursuant to Section 5.04(c), at the following respective Redemption Prices (expressed as percentages of the principal amount of the Series 2023 Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
Any Interest Payment Date through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and thereafter	100

(c) *Mandatory Sinking Fund Redemption.* The Series 2023 Bonds maturing September 1, 20\_\_ shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20\_\_, at a Redemption Price equal to the principal amount of the Series 2023 Bonds maturing September 1, 20\_\_ to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund  
Redemption Date  
(September 1)

Principal Amount  
to be  
Redeemed  
\$

(Maturity)

If some but not all of the Series 2023 Bonds maturing on September 1, 20\_\_ are redeemed pursuant to Section 4.01(a), the principal amount of the Series 2023 Bonds maturing on September 1, 20\_\_ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced, by \$5,000 or an integral multiple thereof, as designated by the Community Facilities District in a Written Certificate of the Community Facilities District submitted to the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of the Series 2023 Bonds maturing on September 1, 20\_\_ redeemed pursuant to Section 4.01(a). If some but not all of the Series 2023 Bonds maturing on September 1, 20\_\_ are redeemed pursuant to Section 4.01(b), the principal amount of the Series 2023 Bonds maturing on September 1, 20\_\_ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced by the aggregate principal amount of the Series 2023 Bonds maturing on September 1, 20\_\_ so redeemed pursuant to Section 4.01(b), such reduction to be allocated among redemption dates as nearly as practicable on a pro rata basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Community Facilities District.

The Series 2023 Bonds maturing September 1, 20\_\_ shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20\_\_, at a Redemption Price equal to the principal amount of the Series 2023 Bonds maturing September 1, 20\_\_ to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

Sinking Fund  
Redemption Date  
(September 1)

Principal Amount  
to be  
Redeemed  
\$

(Maturity)

If some but not all of the Series 2023 Bonds maturing on September 1, 20\_\_ are redeemed pursuant to Section 4.01(a), the principal amount of the Series 2023 Bonds maturing on September 1, 20\_\_ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced, by \$5,000 or an integral multiple thereof, as designated by the Community Facilities District in a Written Certificate of the Community Facilities District submitted to the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of the Series 2023 Bonds maturing on September 1, 20\_\_ redeemed pursuant to

Section 4.01(a). If some but not all of the Series 2023 Bonds maturing on September 1, 20\_\_ are redeemed pursuant to Section 4.01(b), the principal amount of the Series 2023 Bonds maturing on September 1, 20\_\_ to be redeemed pursuant to Section 4.01(c) on any subsequent September 1 shall be reduced by the aggregate principal amount of the Series 2023 Bonds maturing on September 1, 20\_\_ so redeemed pursuant to Section 4.01(b), such reduction to be allocated among redemption dates as nearly as practicable on a pro rata basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the Community Facilities District.

**Section 4.02. Notice of Redemption.** The Trustee on behalf and at the expense of the Community Facilities District shall mail by first class mail notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books and to the Original Purchaser, at least 30 but not more than 60 days prior to the date fixed for redemption. Such notice shall state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, if any, the Bond numbers and the maturity or maturities of the Bonds to be redeemed (except in the event of redemption of all of the Bonds of such maturity or maturities in whole), and shall require that such Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, shall affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption. With respect to any notice of any optional redemption of Bonds, unless at the time such notice is given the Bonds to be redeemed shall be deemed to have been paid within the meaning of Section 10.02, such notice shall state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the Redemption Price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the Community Facilities District shall not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption shall not be made and the Trustee shall, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption.

**Section 4.03. Selection of Bonds for Redemption.** Whenever provision is made in this Indenture for the redemption of less than all of the Bonds, the Trustee shall select the Bonds to be redeemed from all Bonds not previously called for redemption (a) with respect to any optional redemption of Bonds of a Series, among maturities of Bonds of such Series as directed in a Written Request of the Community Facilities District, (b) with respect to any redemption pursuant to Section 4.01(b) and the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued, among maturities of all Series of Bonds on a *pro rata* basis as nearly as practicable, and (c) with respect to any other redemption of Additional Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued, and by lot among Bonds of the same Series with the same maturity in any manner that the Trustee in its sole discretion shall deem appropriate. For purposes of such selection, all Bonds shall be

deemed to be comprised of the greatest number of separate denominations that would result in each such denomination being an Authorized Denomination and each such separate denomination shall be treated as a separate Bond that may be separately redeemed.

**Section 4.04. Partial Redemption of Bonds.** Upon surrender of any Bonds redeemed in part only, the Community Facilities District shall execute and the Trustee shall authenticate and deliver to the Owner thereof, at the expense of the Community Facilities District, a new Bond or Bonds of the same Series in Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the Bonds surrendered.

**Section 4.05. Effect of Notice of Redemption.** (a) Notice of redemption of the Bonds subject to redemption having been mailed as aforesaid, and moneys for the Redemption Price thereof, and the interest thereon to the applicable date fixed for redemption, having been set aside with the Trustee, such Bonds shall become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds shall be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date.

(b) If, on said date fixed for redemption, moneys for the Redemption Price of all the Bonds to be redeemed, together with interest to said date, shall be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof shall have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds shall cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds shall be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon.

(c) All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions hereof shall be canceled upon surrender thereof and destroyed.

## ARTICLE V

### SECURITY FOR BONDS; FLOW OF FUNDS; INVESTMENTS

**Section 5.01. Pledge.** Subject only to the provisions of this Indenture permitting the application thereof for the purposes and on the terms and conditions set forth herein, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of this Indenture and the Act, the Community Facilities District hereby pledges to the Owners, and grants thereto a lien on and a security interest in, all of the Net Special Tax Revenues and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund. Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the Community Facilities District, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, this Indenture, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

**Section 5.02. Special Tax Fund.** (a) The Trustee shall establish and maintain a separate fund designated the “Special Tax Fund.” As soon as practicable after the receipt by the Community Facilities District of any Special Tax Revenues, but in any event no later than the date ten Business Days prior to the Interest Payment Date after such receipt, the Community Facilities District shall transfer such Special Tax Revenues to the Trustee for deposit in the Special Tax Fund; provided, however, that with respect to any such Special Tax Revenues that represent a Special Tax prepayment (i) said Special Tax prepayment shall be identified as such in a Written Certificate of the Community Facilities District submitted to the Trustee at the time such Special Tax prepayment is transferred to the Trustee, (ii) the portion of such Special Tax prepayment that is to be applied to the Redemption Price of the Bonds shall be identified in such Written Certificate of the Community Facilities District, shall be deposited by the Trustee in the Redemption Fund and shall be applied to the redemption of Bonds pursuant to Section 4.01(b) and the corresponding provisions of any Supplemental Indenture pursuant to which Additional Bonds are issued, and (iii) the portion of such Special Tax prepayment that is to be applied to the payment of interest on the Bonds to be so redeemed shall be identified in such Written Certificate of the Community Facilities District, shall be deposited by the Trustee in the Interest Account and shall be applied to the payment of such interest.

(b) Upon receipt of a Written Request of the Community Facilities District, the Trustee shall withdraw from the Special Tax Fund and transfer to the Administrative Expense Fund the amount specified in such Written Request of the Community Facilities District as the amount necessary to be transferred thereto in order to have sufficient amounts available therein to pay Administrative Expenses.

(c) No later than the Business Day immediately preceding each Interest Payment Date, after having made any requested transfer to the Administrative Expense Fund, the Trustee shall withdraw from the Special Tax Fund Net Special Tax Revenues in an amount sufficient to enable the Trustee to make the following transfers in the following order of priority:

(i) Interest Account. To the Interest Account, the amount, if any, necessary to cause the amount on deposit in the Interest Account to be equal to the interest due on the Bonds on such Interest Payment Date;

(ii) Principal Account. To the Principal Account, the amount, if any, necessary to cause the amount on deposit in the Principal Account to be equal to the principal, if any, due on the Bonds on such Interest Payment Date, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds; and

(iii) Reserve Fund. To the Reserve Fund, the amount, if any, necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Requirement.

Upon the receipt of such amounts from the Community Facilities District, the Trustee shall make such transfers in said order of priority.

**Section 5.03. Bond Fund.** (a) The Trustee shall establish and maintain a separate fund designated the “Bond Fund.” Within the Bond Fund, the Trustee shall establish and maintain a separate account designated the “Principal Account” and a separate account designated the “Interest Account.” The Trustee shall deposit in the Interest Account and the Principal Account from time to time the amounts required to be deposited therein pursuant to Section 5.02. [On the Closing Date, the Trustee shall deposit in the Interest Account the amount specified in Section 3.02.]

(b) In the event that, on the Business Day prior to an Interest Payment Date, after the deposit in the Interest Account of the amounts required to be deposited therein pursuant to Section 5.02, amounts in the Interest Account are insufficient to pay the interest on the Bonds due and payable on such Interest Payment Date, the Trustee shall withdraw from the Reserve Fund, to the extent of any funds therein, the amount of such insufficiency, and shall transfer any amounts so withdrawn to the Interest Account.

(c) On each Interest Payment Date, the Trustee shall withdraw from the Interest Account for payment to the Owners of the Bonds the interest on the Bonds then due and payable.

(d) In the event that, on the Business Day prior to a September 1 on which principal of the Bonds is due and payable, after the deposit in the Principal Account of the amounts required to be deposited therein pursuant to Section 5.02, including principal due and payable by reason of mandatory sinking fund redemption of the Bonds, amounts in the Principal Account are insufficient to pay such principal, after having withdrawn any amounts from the Reserve Fund required to be withdrawn therefrom on such date pursuant to subsection (b) of this Section, the Trustee shall withdraw from the Reserve Fund, to the extent of any funds therein, the amount of such insufficiency, and shall transfer any amounts so withdrawn to the Principal Account.

(e) On each September 1 on which principal of the Bonds is due and payable, including principal due and payable by reason of mandatory sinking fund redemption of the Bonds, the Trustee shall withdraw from the Principal Account for payment to the Owners of the Bonds such principal then due and payable.



**Section 5.04. Reserve Fund.** (a) The Trustee shall establish and maintain a special fund designated the “Reserve Fund.” On the Closing Date, the Trustee shall deposit in the Reserve Fund the amount specified in Section 3.02. The Trustee shall deposit in the Reserve Fund from time to time the amounts required to be deposited therein pursuant to Section 5.02(c). There shall additionally be deposited in the Reserve Fund, in connection with the issuance of Additional Bonds, the amount required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

(b) Except as otherwise provided in this Section, amounts in the Reserve Fund shall be used and withdrawn by the Trustee solely for the purpose of (i) making transfers to the Interest Account in accordance with Section 5.03(b) in the event of any deficiency in the Interest Account of the amount then required for payment of the interest on the Bonds, (ii) making transfers to the Principal Account in accordance with Section 5.03(d) in the event of any deficiency in the Principal Account of the amount then required for payment of the principal of the Bonds, and (iii) redeeming Bonds in accordance with the provisions of this Section.

(c) Whenever Bonds are to be optionally redeemed or redeemed from Special Tax prepayments, a proportionate share, determined as provided below, of the amount on deposit in the Reserve Fund shall, on the date on which amounts to redeem such Bonds are deposited in the Redemption Fund or otherwise deposited with the Trustee pursuant to Section 10.02, be transferred by the Trustee from the Reserve Fund to the Redemption Fund or to such deposit held by the Trustee and shall be applied to the redemption of said Bonds; provided, however, that such amount shall be so transferred only if and to the extent that the amount remaining on deposit in the Reserve Fund will be at least equal to the Reserve Requirement (excluding from the calculation thereof said Bonds to be redeemed). Such proportionate share shall be equal to the largest integral multiple of the minimum Authorized Denomination for said Bonds that is not larger than the amount equal to the product of (i) the amount on deposit in the Reserve Fund on the date of such transfer, times (ii) a fraction, the numerator of which is the principal amount of Bonds to be so redeemed and the denominator of which is the principal amount of Bonds to be Outstanding on the day prior to the date on which such Bonds are to be so redeemed.

(d) Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay Outstanding Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Trustee shall, upon receipt of a Written Request of the Community Facilities District, transfer the amount in the Reserve Fund to the Interest Account, Principal Account and/or Redemption Fund, as applicable, to be applied, on the next succeeding Interest Payment Date to the payment and redemption of all of the Outstanding Bonds.

(e) If, as a result of the scheduled payment of principal of or interest on the Bonds, the Reserve Requirement is reduced, the Trustee shall transfer an amount equal to the amount of such reduction to the Interest Account.

**Section 5.05. Redemption Fund.** (a) The Trustee shall establish and maintain a special fund designated the “Redemption Fund.” The Trustee shall deposit in the Redemption Fund (i) amounts received from the Community Facilities District in connection with the Community Facilities District’s exercise of its rights to optionally redeem Bonds, (ii) the portion of Special Tax prepayments required to be deposited therein pursuant to Section 5.02(a), (iii) amounts

required to be transferred to the Redemption Fund from the Improvement Fund (or accounts therein) pursuant to Section 3.04, (iv) amounts required to be transferred to the Redemption Fund from the Reserve Fund pursuant to Section 5.04(c) or Section 5.04(d), and (v) amounts required to be deposited therein pursuant to any Supplemental Indenture.

(b) Amounts in the Redemption Fund shall be disbursed therefrom for the payment of the Redemption Price of Series 2023 Bonds redeemed pursuant to Section 4.01(a) or Section 4.01(b) and for the payment of the Redemption Price of Additional Bonds redeemed under the Supplemental Indenture pursuant to which such Additional Bonds are issued (other than mandatory sinking fund redemptions thereof).

**Section 5.06. Rebate Fund.** (a) The Trustee shall establish and maintain a special fund designated the “Rebate Fund.” There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate, as specified in a Written Request of the Community Facilities District. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Bonds pursuant to Article X or anything to the contrary contained herein, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by this Section and by the Tax Certificate, which is hereby incorporated herein as if fully set forth herein. The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Community Facilities District, and shall have no liability or responsibility to enforce compliance by the Community Facilities District with the terms of the Tax Certificate. The Trustee may conclusively rely upon the Community Facilities District’s determinations, calculations and certifications required by the Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the Community Facilities District’s calculations.

(b) Any funds remaining in the Rebate Fund after payment in full of all of the Bonds and after payment of any amounts described in this Section, shall, upon receipt by the Trustee of a Written Request of the Community Facilities District, be withdrawn by the Trustee and remitted to the Community Facilities District.

**Section 5.07. Administrative Expense Fund.** (a) The Trustee shall establish and maintain a special fund designated the “Administrative Expense Fund.” [On the Closing Date, the Trustee shall deposit in the Administrative Expense Fund the amount required to be deposited therein pursuant to Section 3.02.] The Trustee shall deposit in the Administrative Expense Fund the amounts transferred from the Special Tax Fund and required to be deposited therein pursuant to Section 5.02.

(b) The moneys in the Administrative Expense Fund shall be used and withdrawn by the Trustee from time to time to pay the Administrative Expenses upon submission of a Written Request of the Community Facilities District stating (i) the Person to whom payment is to be made, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred and that such purpose constitutes an Administrative Expense, (iv) that such payment is a proper charge against the Administrative Expense Fund, and (v) that such amount has not been the subject of a prior disbursement from the Administrative Expense Fund, in each case together with a statement or invoice for each amount requested thereunder.

**Section 5.08. Investment of Moneys.** (a) Except as otherwise provided herein, all moneys in any of the funds or accounts established pursuant to this Indenture held by the Trustee shall be invested by the Trustee solely in Permitted Investments, as directed in a Written Request of the Community Facilities District received by the Trustee no later than two Business Days prior to the making of such investment. Moneys in all such funds and accounts shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in this Indenture; provided, however, that Permitted Investments in which moneys in the Reserve Fund are so invested shall mature no later than the earlier of five years from the date of investment or the final maturity date of the Bonds and, provided, further, that if such Permitted Investments may be redeemed at par so as to be available on each Interest Payment Date, any amount in the Reserve Fund may be invested in such redeemable Permitted Investments maturing on any date on or prior to the final maturity date of the Bonds. Absent a timely Written Request of the Community Facilities District with respect to the investment of moneys in any of the funds or accounts established pursuant to this Indenture held by the Trustee, the Trustee shall invest such moneys in Permitted Investments described in paragraph (6) of the definition thereof.

(b) Subject to the provisions of Section 5.06, all interest, profits and other income received from the investment of moneys in any fund or account established pursuant to this Indenture (other than the Reserve Fund) shall be retained therein. Subject to the provisions of Section 5.06, all interest, profits or other income received from the investment of moneys in the Reserve Fund shall (i) prior to the date on which a Written Certificate of the Community Facilities District is submitted to the Trustee pursuant to subsection (b) of Section 3.04, be transferred to the Construction Account, and (ii) unless a Written Certificate of the Community Facilities District has been previously submitted to the Trustee pursuant to subsection (c) of Section 3.04, on and after the date such Written Certificate of the Community Facilities District is submitted to the Trustee pursuant to subsection (b) of Section 3.04 and prior to the date on which the Written Certificate of the Community Facilities District is submitted to the Trustee pursuant to subsection (c) of Section 3.04, be transferred to the Community Benefit Facilities Account and, thereafter, shall be transferred to the Interest Account; provided, however, that, notwithstanding the foregoing, any such transfer shall be made from the Reserve Fund only if and to the extent that, after such transfer, the amount on deposit in the Reserve Fund is at least equal to the Reserve Requirement.

(c) Permitted Investments acquired as an investment of moneys in any fund or account established under this Indenture shall be credited to such fund or account. For the purpose of determining the amount in any fund or account, all Permitted Investments credited to such fund or account shall be valued by the Trustee at the market value thereof (without regard to costs incurred in the acquisition or disposition thereof, including breakage, unwind or other similar fees), such valuation to be performed not less frequently than semiannually on or before each February 15 and August 15. To the extent of any valuations to be made by the Trustee hereunder, the Trustee may utilize computerized securities pricing services that may be available to it, including those available through its regular accounting system. Any Permitted Investment that is a registrable security shall be registered in the name of the Trustee.

(d) The Trustee may act as principal or agent in the making or disposing of any investment. Upon the Written Request of the Community Facilities District, the Trustee shall sell

or present for redemption any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investments are credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to this Section. For purposes of investment, the Trustee may commingle moneys in any of the funds and accounts established hereunder. The Trustee, in making or disposing of any investment permitted by this Section, may deal with itself (in its individual capacity) or with any one or more of its affiliates, whether it or such affiliate is acting as an agent of the Trustee or for any third person or dealing as a principal for its own account.

(e) The Community Facilities District acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Community Facilities District the right to receive brokerage confirmations of security transactions as they occur, the Community Facilities District specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall furnish the Community Facilities District periodic cash transaction statements, which shall include detail for all investment transactions made by the Trustee hereunder.

## ARTICLE VI

### COVENANTS

**Section 6.01. Collection of Special Tax Revenues.** (a) The Community Facilities District shall comply with all requirements of the Act so as to assure the timely collection of Special Tax Revenues, including the enforcement of delinquent Special Tax payments.

(b) Prior to August 1 of each year, the Community Facilities District shall ascertain from the County Assessor the relevant parcels on which the Special Tax is to be levied, taking into account any parcel splits during the preceding and then current year. The Community Facilities District shall effect the levy of the Special Tax each Fiscal Year in accordance with the Ordinance by each August 10, or otherwise such that the computation of the levy is complete before the final date on which the County Auditor will accept the transmission of the Special Tax amounts for the parcels within the Community Facilities District for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the Community Facilities District shall prepare or cause to be prepared, and shall transmit to the County Auditor, such data as the County Auditor requires in order to include the levy of the Special Tax on the next real property tax roll.

(c) The Community Facilities District shall fix and levy the Special Tax within the Community Facilities District in each Fiscal Year in accordance with the Rate and Method and, subject to the limitations in the Rate and Method as to the maximum Special Tax that may be levied on each parcel, in an amount sufficient to yield Special Tax Revenues in the amount required for (i) the payment of principal of and interest on any Outstanding Bonds becoming due and payable during the Corresponding Bond Year, (ii) any necessary replenishment of the Reserve Fund, and (iii) the payment of Administrative Expenses estimated to be paid from such Special Tax Revenues, taking into account the balances in the funds and accounts established hereunder.

(d) The Special Tax shall be payable and be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable (or in such other manner as the City Council shall determine, including direct billing of the affected property owners), and have the same priority, become delinquent at the same time and in the same proportionate amounts and bear the same proportionate penalties and interest after delinquency as do the *ad valorem* taxes on real property.

**Section 6.02. Foreclosure.** Pursuant to Section 53356.1 of the Act, the Community Facilities District hereby covenants with and for the benefit of the Owners that it will determine or cause to be determined, no later than September 15 of each year, whether or not any owners of property within the Community Facilities District are delinquent in the payment of the Special Tax levied thereon and, if such delinquencies exist, the Community Facilities District will order and cause to be commenced no later than November 1, and thereafter diligently prosecute, an action in the superior court to foreclose the lien of the Special Tax or installment thereof not paid when due; provided, however, that the Community Facilities District shall not be required to order the commencement of foreclosure proceedings if (a) the total Special Tax delinquency in the Community Facilities District for such Fiscal Year is less than 5% of the total amount of the Special Tax levied in such Fiscal Year, and (b) the amount then on deposit in the Reserve Fund is

equal to the Reserve Requirement. Notwithstanding the foregoing, if the Community Facilities District determines that any single parcel in the Community Facilities District is delinquent in excess of \$5,000 in the payment of the Special Tax, then the Community Facilities District shall diligently institute, prosecute and pursue foreclosure proceedings against such parcel.

**Section 6.03. Compliance with Act.** The Community Facilities District shall comply with all applicable provisions of the Act.

**Section 6.04. Punctual Payment.** The Community Facilities District shall punctually pay or cause to be paid the principal, premium, if any, and interest to become due in respect of all the Bonds, in strict conformity with the terms of the Bonds and of this Indenture, according to the true intent and meaning thereof, but only out of Net Special Tax Revenues and other assets pledged for such payment as provided in this Indenture and received by the Community Facilities District or the Trustee.

**Section 6.05. Extension of Payment of Bonds.** The Community Facilities District shall not directly or indirectly extend or assent to the extension of the maturity of any of the Bonds or the time of payment of any claims for interest by the purchase of such Bonds or by any other arrangement, and in case the maturity of any of the Bonds or the time of payment of any such claims for interest shall be extended, such Bonds or claims for interest shall not be entitled, in case of any default hereunder, to the benefits of this Indenture, except subject to the prior payment in full of the principal of all of the Bonds then Outstanding and of all claims for interest thereon that shall not have been so extended. Nothing in this Section shall be deemed to limit the right of the Community Facilities District to issue Bonds for the purpose of refunding any Outstanding Bonds in accordance with the provisions hereof, and such issuance shall not be deemed to constitute an extension of maturity of the Bonds.

**Section 6.06. Against Encumbrances; Defense of Pledge.** The Community Facilities District shall not create, or permit the creation of, any pledge of, lien on, security interest in or charge or other encumbrance upon the assets pledged under this Indenture, except as permitted hereby. The Community Facilities District shall at all times, to the extent permitted by law, defend, preserve and protect said pledge of such assets, and the lien thereon and security interest therein created hereby, against all claims and demands of all Persons whomsoever.

**Section 6.07. Tax Covenants.** (a) The Community Facilities District shall not take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Series 2023 Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, the Community Facilities District shall comply with the requirements of the Tax Certificate, which is incorporated herein as if fully set forth herein. This covenant shall survive payment in full or defeasance of the Series 2023 Bonds.

(b) In the event that at any time the Community Facilities District is of the opinion that for purposes of this Section it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee in any of the funds or accounts established hereunder, the Community Facilities District shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.



(c) Notwithstanding any provisions of this Section, if the Community Facilities District shall provide to the Trustee an opinion of Bond Counsel to the effect that any specified action required under this Section is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series 2023 Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of this Section and of the Tax Certificate, and the covenants hereunder shall be deemed to be modified to that extent.

**Section 6.08. Non-Cash Payments of Special Tax.** The Community Facilities District shall not authorize owners of taxable parcels within the Community Facilities District to satisfy Special Tax obligations by the tender of Bonds unless the Community Facilities District shall have first obtained a report of an Independent Consultant certifying that doing so would not result in the Community Facilities District having insufficient Special Tax Revenues to pay the principal of and interest on all Outstanding Bonds when due.

**Section 6.09. Reduction in Special Tax.** The Community Facilities District shall not initiate proceedings under the Act to modify the Rate and Method if such modification would adversely affect the security for the Bonds. If an initiative is adopted that purports to modify the Rate and Method in a manner that would adversely affect the security for the Bonds, the Community Facilities District shall, to the extent permitted by law, commence and pursue reasonable legal actions to prevent the modification of the Rate and Method in a manner that would adversely affect the security for the Bonds.

**Section 6.10. Continuing Disclosure.** (a) Each of the Community Facilities District and the Trustee shall comply with and carry out all of the provisions of the District Continuing Disclosure Agreement applicable to it. Notwithstanding any other provision of this Indenture, failure of the Community Facilities District or the Trustee to comply with the District Continuing Disclosure Agreement shall not be considered an Event of Default; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Series 2023 Bonds, and upon receipt of indemnification reasonably satisfactory to the Trustee, shall) or any Owner or Beneficial Owner of the Series 2023 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

(b) The Developer has executed the Developer Continuing Disclosure Certificate. Notwithstanding any other provision of this Indenture, failure of the Developer to comply with the Developer Continuing Disclosure Certificate shall not be considered an Event of Default; provided, however, that the Trustee may (and, at the written direction of any Participating Underwriter or the Owners of at least 25% aggregate principal amount of Outstanding Series 2023 Bonds, and upon receipt of indemnification reasonably satisfactory to the Trustee, shall) or any Owner or Beneficial Owner of the Series 2023 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

**Section 6.11. Accounting Records.** The Community Facilities District shall keep or cause to be kept appropriate accounting records in which complete and correct entries shall be made of all transactions relating to the Special Tax, which records shall be available for inspection by the Trustee at reasonable hours and under reasonable conditions.

**Section 6.12. State Reporting.** If at any time principal or interest due on any scheduled payment date for the Bonds is not paid, or if funds are withdrawn from the Reserve Fund to pay principal of or interest on the Bonds, the Trustee shall notify the Community Facilities District in writing of such failure or withdrawal, and the Community Facilities District shall notify the California Debt and Investment Advisory Commission of such failure or withdrawal within ten days of the failure to make such payment or the date of such withdrawal.

**Section 6.13. Annual Reports to the California Debt and Investment Advisory Commission.** Not later than October 30 of each year, commencing October 30, 2024 and continuing until the October 30 following the final maturity of the Bonds, the Community Facilities District shall supply to the California Debt and Investment Advisory Commission the information required to be provided thereto pursuant to Section 53359.5(b) of the Act. Such information shall be made available to any Owner upon written request to the Community Facilities District accompanied by a fee determined by the Community Facilities District to pay the costs of the Community Facilities District in connection therewith. The Community Facilities District shall in no event be liable to any Owner or any other person or entity in connection with any error in any such information.

**Section 6.14. Further Assurances.** The Community Facilities District shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of this Indenture and for the better assuring and confirming unto the Owners of the rights and benefits provided in this Indenture.

## ARTICLE VII

### EVENTS OF DEFAULT AND REMEDIES

**Section 7.01. Events of Default.** The following events shall be Events of Default:

(a) failure to pay any installment of principal of any Bonds when and as the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise;

(b) failure to pay any installment of interest on any Bonds when and as the same shall become due and payable;

(c) failure by the Community Facilities District to observe and perform any of the other covenants, agreements or conditions on its part in this Indenture or in the Bonds contained, if such failure shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Community Facilities District by the Trustee, or to the Community Facilities District and the Trustee by the Owners of not less than 5% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, that, if in the reasonable opinion of the Community Facilities District the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Community Facilities District within such 30 day period and the Community Facilities District shall thereafter diligently and in good faith cure such failure in a reasonable period of time; or

(d) the commencement by the Community Facilities District or the City of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

**Section 7.02. Foreclosure.** If an Event of Default shall occur under Section 7.01(a) or Section 7.01(b) then, and in each and every such case during the continuance of such Event of Default, the Trustee may, or at the written direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding, and upon being indemnified to its satisfaction therefor, shall, commence foreclosure against any parcels of land in the Community Facilities District delinquent in the payment of the Special Tax, as provided in Section 53356.1 of the Act.

**Section 7.03. Other Remedies.** If an Event of Default shall have occurred and be continuing, the Trustee shall have the right:

(a) by mandamus, suit, action or proceeding, to compel the Community Facilities District and its officers, agents or employees to perform each and every term, provision and covenant contained in this Indenture and in the Bonds, and to require the carrying out of any or all such covenants and agreements of the Community Facilities District and the fulfillment of all duties imposed upon it by this Indenture and the Act;

(b) by suit, action or proceeding in equity, to enjoin any acts or things that are unlawful, or the violation of any of the rights of the Trustee or the Owners; or

(c) by suit, action or proceeding in any court of competent jurisdiction, to require the Community Facilities District and its officers and employees to account as if it and they were the trustees of an express trust.

**Section 7.04. Remedies Not Exclusive.** No remedy herein conferred upon or reserved to the Trustee or to the Owners is intended to be exclusive of any other remedy or remedies, and each and every such remedy, to the extent permitted by law, shall be cumulative and in addition to any other remedy given hereunder or now or hereafter existing at law or in equity or otherwise.

**Section 7.05. Application of Net Special Tax Revenues After Default.** If an Event of Default shall occur and be continuing, all Net Special Tax Revenues and any other funds thereafter received by the Trustee under any of the provisions of this Indenture shall be applied by the Trustee as follows and in the following order:

(a) to the payment of any expenses necessary in the opinion of the Trustee to protect the interests of the Owners and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under this Indenture;

(b) to the payment of the principal and interest then due with respect to the Bonds (upon presentation of the Bonds to be paid, and stamping thereon of the payment if only partially paid, or surrender thereof if fully paid) subject to the provisions of this Indenture, as follows:

*First:* to the payment to the Persons entitled thereto of all installments of interest on the Bonds then due in the order of the maturity of such installments and, if the amount available shall not be sufficient to pay in full any installment or installments maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

*Second:* to the payment to the Persons entitled thereto of all installments of principal of the Bonds then due, whether at maturity or by call for redemption, with interest on the overdue principal at the rate borne by the respective Bonds on the date of maturity or redemption, and, if the amount available shall not be sufficient to pay in full all the Bonds, together with such interest, then to the payment thereof ratably, according to the amounts of principal due on such date to the Persons entitled thereto, without any discrimination or preference;

(c) any remaining funds shall be transferred by the Trustee to the Special Tax Fund.

**Section 7.06. Power of Trustee to Enforce.** All rights of action under this Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit,

action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owners of such Bonds, subject to the provisions of this Indenture.

**Section 7.07. Owners' Direction of Proceedings.** Anything in this Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee; provided, however, that such direction shall not be otherwise than in accordance with the provisions of this Indenture, the Act and other applicable law and, provided, further, that the Trustee shall have the right to decline to follow any such direction that in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

**Section 7.08. Limitation on Owners' Right to Sue.** No Owner of any Bond shall have the right to institute any suit, action or proceeding at law or in equity, for the protection or enforcement of any right or remedy under this Indenture, the Act or any other applicable law with respect to such Bond, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default, (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers hereinbefore granted or to institute such suit, action or proceeding in its own name, (c) such Owner or said Owners shall have tendered to the Trustee indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities to be incurred in compliance with such request, and (d) the Trustee shall have refused or omitted to comply with such request for a period of 60 days after such written request shall have been received by, and said tender of indemnity shall have been made to, the Trustee.

Such notification, request, tender of indemnity and refusal or omission are hereby declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy hereunder or under law; it being understood and intended that no one or more Owners shall have any right in any manner whatever by such Owner's or Owners' action to affect, disturb or prejudice the security of this Indenture or the rights of any other Owners, or to enforce any right under the Bonds, this Indenture, the Act or other applicable law with respect to the Bonds, except in the manner herein provided, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner herein provided and for the benefit and protection of all Owners, subject to the provisions of this Indenture.

**Section 7.09. Absolute Obligation.** Nothing in this Indenture or the Bonds contained shall affect or impair the obligation of the Community Facilities District, which is absolute and unconditional, to pay the principal of and interest on the Bonds to the respective Owners as the same become due, as herein provided, but only out of the Net Special Tax Revenues and other assets pledged therefor hereunder, or affect or impair the right of such Owners, which is also absolute and unconditional, to enforce such payment by virtue of the contract embodied in the Bonds.

**Section 7.10. Termination of Proceedings.** In case any proceedings taken by the Trustee or any one or more Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or the Owners,

then in every such case the Community Facilities District, the Trustee and the Owners, subject to any determination in such proceedings, shall be restored to their former positions and rights hereunder, severally and respectively, and all rights, remedies, powers and duties of the Community Facilities District, the Trustee and the Owners shall continue as though no such proceedings had been taken.

**Section 7.11. No Waiver of Default.** No delay or omission of the Trustee or of any Owner to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein, and every power and remedy given by this Indenture to the Trustee or to the Owners may be exercised from time to time and as often as may be deemed expedient.



## ARTICLE VIII

### TRUSTEE

**Section 8.01. Duties and Liabilities of Trustee.** The Trustee shall, prior to an Event of Default, and after the curing or waiver of all Events of Default that may have occurred, perform such duties and only such duties as are expressly and specifically set forth in this Indenture. The Trustee shall, during the existence of any Event of Default that has not been cured or waived, exercise such of the rights and powers vested in it by this Indenture, and use the same degree of care and skill in their exercise, as a prudent person would exercise or use under the circumstances in the conduct of such person's own affairs.

**Section 8.02. Qualifications; Removal and Resignation; Successors.** (a) The Trustee initially a party hereto and any successor thereto shall at all times be a trust company, national banking association or bank having trust powers in good standing in or incorporated under the laws of the United States or any state thereof, having (or if such trust company, national banking association or bank is a member of a bank holding company system, its parent bank holding company shall have) a combined capital and surplus of at least \$250,000,000, and subject to supervision or examination by a federal or state agency. If such trust company, national banking association or bank publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining agency above referred to, then for the purpose of this subsection the combined capital and surplus of such trust company, national banking association or bank shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) The Community Facilities District may, by an instrument in writing, upon at least 30 days' notice to the Trustee, remove the Trustee initially a party hereto and any successor thereto unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee initially a party hereto and any successor thereto if (i) at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing), or (ii) the Trustee shall cease to be eligible in accordance with subsection (a) of this Section, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee.

(c) The Trustee may at any time resign by giving written notice of such resignation by first class mail, postage prepaid, to the Community Facilities District, and to the Owners at the respective addresses shown on the Registration Books. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of subsection (a) of this Section, the Trustee shall resign immediately in the manner and with the effect specified in this Section.

(d) Upon removal or resignation of the Trustee, the Community Facilities District shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee; provided, however, that any successor Trustee shall be

qualified as provided in subsection (a) of this Section. If no qualified successor Trustee shall have been appointed and have accepted appointment within 45 days following notice of removal or notice of resignation as aforesaid, the removed or resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under this Indenture shall signify its acceptance of such appointment by executing and delivering to the Community Facilities District and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee herein; but, nevertheless at the Written Request of the Community Facilities District or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under this Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions herein set forth. Upon acceptance of appointment by a successor Trustee as provided in this subsection, the successor Trustee shall, within 15 days after such acceptance, mail, by first class mail postage prepaid, a notice of the succession of such Trustee to the trusts hereunder to the Owners at the addresses shown on the Registration Books.

(e) Any trust company, national banking association or bank into which the Trustee may be merged or converted or with which it may be consolidated or any trust company, national banking association or bank resulting from any merger, conversion or consolidation to which it shall be a party or any trust company, national banking association or bank to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such trust company, national banking association or bank shall be eligible under subsection (a) of this Section, shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything herein to the contrary notwithstanding.

**Section 8.03. Liability of Trustee.** (a) The recitals of facts herein and in the Bonds contained shall be taken as statements of the Community Facilities District, and the Trustee shall not assume responsibility for the correctness of the same or incur any responsibility in respect thereof, other than as expressly stated herein in connection with the respective duties or obligations herein or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds.

(b) The Trustee makes no representations as to the validity or sufficiency of this Indenture or of any Bonds, or in respect of the security afforded by this Indenture and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds for value, the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee, or the application of any moneys paid to the Community Facilities District or others in accordance with this Indenture.

(c) The Trustee shall not be liable in connection with the performance of its duties hereunder, except for its own negligence or willful misconduct.

(d) No provision of this Indenture or any other document related hereto shall require the Trustee to risk or advance its own funds.

(e) The Trustee may execute any of its powers or duties hereunder through attorneys, agents or receivers and shall not be answerable for the actions of such attorneys, agents or receivers if selected by it with reasonable care.

(f) The Trustee shall not be liable for any error of judgment made in good faith by a responsible officer, unless it shall be proved that the Trustee was negligent in ascertaining the pertinent facts.

(g) The immunities and protections extended to the Trustee also extend to its directors, officers, employees and agents.

(h) Before taking action under Article VII, under this Article or upon the direction of the Owners, the Trustee may require indemnity reasonably satisfactory to the Trustee be furnished to it to protect it against all fees and expenses, including those of its attorneys and advisors, and protect it against all liability it may incur.

(i) The Trustee shall not be liable with respect to any action taken or omitted to be taken by it in good faith in accordance with the direction of the Owners of not less than a majority in aggregate principal amount of the Bonds at the time Outstanding relating to the time, method and place of conducting any proceeding for any remedy available to the Trustee, or exercising any trust or power conferred upon the Trustee under this Indenture.

(j) The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

(k) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(l) The Trustee shall not be liable for the failure to take any action required to be taken by it hereunder if and to the extent that the Trustee's taking such action is prevented by reason of an act of God, terrorism, war, riot, strike, fire, flood, earthquake, epidemic or other, similar occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care.

(m) The Trustee shall not be deemed to have knowledge of an Event of Default hereunder unless it has actual knowledge thereof.

(n) The permissive right of the Trustee to do things enumerated in this Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

(o) The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys that shall be released or withdrawn in accordance with the provisions hereof.

**Section 8.04. Right to Rely on Documents and Opinions.** (a) The Trustee shall be protected in acting upon any notice, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) Whenever in the administration of the duties imposed upon it by this Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action hereunder, such matter (unless other evidence in respect thereof be herein specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Community Facilities District, and such Written Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of this Indenture in reliance upon such Written Certificate, but in its discretion the Trustee may, in lieu thereof, accept other evidence of such matter or may require such additional evidence as it may deem reasonable.

(c) The Trustee may consult with counsel, who may be counsel to the Community Facilities District, with regard to legal questions, and the opinion of such counsel shall be full and complete authorization and protection in respect of any action taken or suffered by it hereunder in good faith and in accordance therewith.

**Section 8.05. Accounting Records and Financial Statements.** The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with prudent corporate trust industry standards, in which accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds, the Special Tax Revenues received by it and all funds and accounts established by it pursuant to this Indenture. Such books of record and account shall be available for inspection by the Community Facilities District during regular business hours and upon reasonable notice and under reasonable circumstances as agreed to by the Trustee. The Trustee shall deliver to the Community Facilities District a monthly accounting of the funds and accounts it holds under this Indenture; provided, however, that the Trustee shall not be obligated to deliver an accounting for any fund or account that (a) has a balance of zero, and (b) has not had any activity since the last reporting date.

**Section 8.06. Preservation and Inspection of Documents.** All documents received by the Trustee under the provisions of this Indenture shall be retained in its possession and shall be subject during business hours and upon reasonable notice to the inspection of the Community Facilities District, the Owners and their agents and representatives duly authorized in writing.

**Section 8.07. Compensation and Indemnification.** The Community Facilities District shall pay to the Trustee from time to time from Special Tax Revenues all reasonable compensation pursuant to a pre-approved fee letter for all services rendered under this Indenture, and also all reasonable expenses, charges, legal and consulting fees pursuant to a pre-approved fee letter and other disbursements pursuant to a pre-approved fee letter and those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under this Indenture.

The Community Facilities District shall, to the extent permitted by law, from Special Tax Revenues, indemnify and save the Trustee harmless against any costs, claims, expenses (including fees and expenses of its counsel) and liabilities that it may incur in the exercise and performance of its powers and duties hereunder, including the enforcement of any remedies and the defense of any suit, and that are not due to its negligence or its willful misconduct. The duty of the Community Facilities District to indemnify the Trustee shall survive the resignation or removal of the Trustee and the termination and discharge of this Indenture.

## ARTICLE IX

### SUPPLEMENTAL INDENTURES

**Section 9.01. Supplemental Indentures.** (a) This Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners hereunder may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into when there are submitted to the Trustee the written consents of the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in Section 11.07. No such modification or amendment shall (i) extend the fixed maturity of any Bond, reduce the amount of principal thereof or the rate of interest thereon, extend the time of payment thereof or alter the redemption provisions thereof, without the prior written consent of the Owner of each Bond so affected, (ii) permit any pledge of, or the creation of any lien on, security interest in or charge or other encumbrance upon the assets pledged under this Indenture prior to or on a parity with the pledge contained in, and the lien and security interest created by, this Indenture or deprive the Owners of the pledge contained in, and the lien and security interest created by, this Indenture, except as expressly provided in this Indenture, without the prior written consents of the Owners of all Bonds then Outstanding, or (iii) modify or amend this Section without the prior written consents of the Owners of all Bonds then Outstanding.

(b) This Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners hereunder may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Community Facilities District and the Trustee may enter into without the consent of any Owners for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Community Facilities District in this Indenture contained, other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power herein reserved to or conferred upon the Community Facilities District;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in this Indenture, provided that such modification or amendment does not materially adversely affect the rights or interests of the Owners hereunder;

(iii) to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of Article III;

(iv) to permit the qualification of this Indenture under the Trust Indenture Act of 1939, as amended, or any similar federal statute hereafter in effect;

(v) to cause interest on the Bonds to be excludable from gross income for purposes of federal income taxation by the United States of America; and



(vi) in any other respect whatsoever as the Community Facilities District may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the rights or interests of the Owners hereunder.

(c) Promptly after the execution by the Community Facilities District and the Trustee of any Supplemental Indenture, the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the Community Facilities District), by first-class mail, postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

**Section 9.02. Effect of Supplemental Indenture.** Upon the execution of any Supplemental Indenture pursuant to this Article, this Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and obligations under this Indenture of the Community Facilities District, the Trustee and the Owners shall thereafter be determined, exercised and enforced hereunder subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of this Indenture for any and all purposes.

**Section 9.03. Endorsement of Bonds; Preparation of New Bonds.** Bonds delivered after the effective date of any Supplemental Indenture pursuant to this Article may and, if the Community Facilities District so determines, shall bear a notation by endorsement or otherwise in form approved by the Community Facilities District and the Trustee as to any modification or amendment provided for in such Supplemental Indenture, and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such effective date and presentation of such Bond for such purpose at the Office of the Trustee a suitable notation shall be made on such Bonds. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Community Facilities District and the Trustee, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Community Facilities District and authenticated by the Trustee and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such effective date, and presentation of such Bond for such purpose at the Office of the Trustee, such a new Bond in equal principal amount of the same Series, interest rate and maturity shall be exchanged for such Owner's Bond so surrendered.

**Section 9.04. Amendment of Particular Bonds.** The provisions of this Article shall not prevent any Owner from accepting any amendment or modification as to any particular Bond owned by it, provided that due notation thereof is made on such Bond.

## ARTICLE X

### DEFEASANCE

**Section 10.01. Discharge of Indenture.** (a) If the Community Facilities District shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, then the Owners shall cease to be entitled to the pledge of the Net Special Tax Revenues and the other assets pledged therefor hereunder, and all agreements, covenants and other obligations of the Community Facilities District hereunder shall thereupon cease, terminate and become void and this Indenture shall be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Community Facilities District all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Community Facilities District all money or securities held by it pursuant hereto that are not required for the payment of the principal of and interest and premium, if any, on the Bonds.

(b) Subject to the provisions of subsection (a) of this Section, if the Community Facilities District shall pay or cause to be paid to the Owner of an Outstanding Bond the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated herein and therein, such Owner shall cease to be entitled to the pledge of the Net Special Tax Revenues and the other assets pledged therefor hereunder and all agreements, covenants and other obligations of the Community Facilities District hereunder shall thereupon cease, terminate and become void and this Indenture shall be discharged and satisfied as to such Bond.

(c) Notwithstanding the discharge and satisfaction of this Indenture or the discharge and satisfaction of this Indenture in respect of any Bond, those provisions of this Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owner of such Bond, and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on such Bond, and to pay to the Owner of such Bond the funds so held by the Trustee as and when such payment becomes due.

**Section 10.02. Bonds Deemed To Have Been Paid.** (a) If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bond and the payment of the interest thereon to the maturity or redemption date thereof, such Bond shall be deemed to have been paid within the meaning and with the effect provided in Section 10.01. Any Outstanding Bond shall prior to the maturity date or redemption date thereof be deemed to have been paid within the meaning of and with the effect expressed in Section 10.01 if (i) in case such Bond is to be redeemed on any date prior to its maturity date, the Community Facilities District shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the provisions of Section 4.02, notice of redemption of such Bond on said redemption date, said notice to be given in accordance with Section 4.02, (ii) there shall have been deposited with the Trustee either (A) money in an amount that shall be sufficient, or

(B) Defeasance Securities, the principal of and the interest on which when due, and without any reinvestment thereof, together with the money, if any, deposited therewith, will provide moneys that shall be sufficient to pay when due the interest to become due on such Bond on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bond, and (iii) in the event such Bond is not by its terms subject to redemption within the next succeeding 60 days, the Community Facilities District shall have given the Trustee, in form satisfactory to it, irrevocable instructions to mail as soon as practicable, a notice to the Owner of such Bond that the deposit required by clause (ii) above has been made with the Trustee and that such Bond is deemed to have been paid in accordance with this Section and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Bond.

(b) No Bond shall be deemed to have been paid pursuant to clause (ii) of subsection (a) of this Section unless the Community Facilities District shall have caused to be delivered to the Community Facilities District and the Trustee (i) an executed copy of a Verification Report with respect to such deemed payment, addressed to the Community Facilities District and the Trustee, in form and in substance acceptable to the Community Facilities District, (ii) a copy of the escrow agreement entered into in connection with the deposit pursuant to clause (ii)(B) of subsection (a) of this Section resulting in such deemed payment, which escrow agreement shall be in form and in substance acceptable to the Community Facilities District and which escrow agreement shall provide that no substitution of Defeasance Securities shall be permitted except with other Defeasance Securities and upon delivery of a new Verification Report, and no reinvestment of Defeasance Securities shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report, and (iii) a copy of an opinion of Bond Counsel, dated the date of such deemed payment and addressed to the Community Facilities District and the Trustee, in form and in substance acceptable to the Community Facilities District, to the effect that such Bond has been paid within the meaning and with the effect expressed in this Indenture, all agreements, covenants and other obligations of the Community Facilities District hereunder have ceased, terminated and become void and the Indenture has been completely discharged and satisfied as to such Bonds.

**Section 10.03. Unclaimed Moneys.** Any moneys held by the Trustee in trust for the payment of the principal of, or premium or interest on, any Bond that remain unclaimed for two years after the date when such principal, premium or interest has become payable, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the date when such principal, premium or interest become payable, shall be repaid by the Trustee to the Community Facilities District as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owner of such Bond shall look only to the Community Facilities District for the payment of such principal, premium or interest. The Trustee shall hold any such moneys uninvested.

## ARTICLE XI

### MISCELLANEOUS

**Section 11.01. Notices.** Any written notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication to be given hereunder shall be given to the party entitled thereto at its address set forth below, or at such other address as such party may provide to the other parties in writing from time to time, namely:

If to the Community Facilities District:

City of Fontana Community Facilities  
District No. 100 (Victoria)  
c/o City of Fontana  
8353 Sierra Avenue  
Fontana, California 92335  
Attention: Chief Financial Officer, Finance Department

If to the Trustee:

U.S. Bank Trust Company, National Association  
633 West Fifth Street, 24<sup>th</sup> Floor  
Los Angeles, California 90071  
Attention: Global Corporate Trust

Each such notice, statement, demand, consent, approval, authorization, offer, designation, request or other communication hereunder shall be deemed delivered to the party to whom it is addressed (a) if given by courier or delivery service or if personally served or delivered, upon delivery, (b) if given by telecopier, upon the sender's receipt of an appropriate answerback or other written acknowledgment, (c) if given by electronic mail, on the date sent, but only if confirmation of the receipt of such electronic mail is received or if notice is concurrently sent by another means specified herein, (d) if given by registered or certified mail, return receipt requested, deposited with the United States mail postage prepaid, 72 hours after such notice is deposited with the United States mail, or (e) if given by any other means, upon delivery at the address specified in this Section.

**Section 11.02. Successor Is Deemed Included in All References to Predecessor.** Whenever in this Indenture either the Community Facilities District or the Trustee is named or referred to, such reference shall be deemed to include the successors or assigns thereof, and all the covenants and agreements in this Indenture contained required hereby to be performed by or on behalf of the Community Facilities District or the Trustee shall bind and inure to the benefit of the respective successors and assigns thereof whether so expressed or not.

**Section 11.03. Limitation of Rights.** Nothing in this Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Trustee, the Community Facilities District and the Owners any legal or equitable right, remedy or claim under or in respect of this Indenture or any covenant, condition or provision therein or herein contained,

and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Trustee, the Community Facilities District and the Owners.

**Section 11.04. Destruction of Bonds.** Whenever in this Indenture provision is made for the cancellation by the Trustee and the delivery to the Community Facilities District of any Bonds, the Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds.

**Section 11.05. Severability of Invalid Provisions.** If any term or provision of this Indenture or the Bonds, or the application of the term or provision to any Person or circumstance is, to any extent, held to be invalid or unenforceable in any jurisdiction, but the extent of such invalidity or unenforceability does not destroy the basis of the bargain between the parties as contained herein, the remainder of this Indenture or the Bonds, as applicable, or the application of the term or provision to Persons or circumstances other than those as to which the term or provision is held invalid or unenforceable, shall not be affected by such invalidity or unenforceability, and each remaining term or provision of this Indenture and the Bonds shall be valid and will be enforced to the fullest extent permitted by law.

**Section 11.06. Evidence of Rights of Owners.** (a) Any request, consent or other instrument required or permitted by this Indenture to be signed and executed by Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Owners in person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, shall be sufficient for any purpose of this Indenture and shall be conclusive in favor of the Trustee and the Community Facilities District if made in the manner provided in this Section.

(b) The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument acknowledged to such notary public or such officer the execution thereof, or by an affidavit of a witness of such execution duly sworn to before such notary public or other officer.

(c) The ownership of Bonds shall be proved by the Registration Books.

(d) Any request, consent or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Trustee or the Community Facilities District in accordance therewith or reliance thereon.

**Section 11.07. Disqualified Bonds.** In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under this Indenture, Bonds that are known by the Trustee to be owned or held by or for the account of the Community Facilities District, or by any other obligor on the Bonds, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Community Facilities District or any other obligor on the Bonds, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination. Bonds so owned that have been pledged in good faith may be regarded as Outstanding for the purposes

of this Section if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Community Facilities District or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the Community Facilities District shall specify in a Written Certificate of the Community Facilities District submitted to the Trustee those Bonds disqualified pursuant to this Section and the Trustee may conclusively rely on such Written Certificate.

**Section 11.08. Money Held for Particular Bonds.** The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owner entitled thereto, subject, however, to the provisions of Section 10.03, but without any liability for interest thereon.

**Section 11.09. Funds and Accounts.** Any fund or account required by this Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account, but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with prudent corporate trust industry standards, and with due regard for the requirements hereof and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish any such additional funds or accounts as it deems necessary to perform its obligations hereunder.

**Section 11.10. Business Days.** If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in this Indenture, shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in this Indenture and, unless otherwise specifically provided in this Indenture, no interest shall accrue for the period from and after such nominal date.

**Section 11.11. Waiver of Personal Liability.** No member, officer, agent or employee of the Community Facilities District or the City shall be individually or personally liable for the payment of the principal of or premium or interest on the Bonds or be subject to any personal liability or accountability by reason of the issuance thereof, but nothing herein contained shall relieve any such member, officer, agent or employee from the performance of any official duty provided by any applicable provision of law or by this Indenture.

**Section 11.12. Conflict with Act.** In the event of any conflict between any provision of this Indenture and any provision of the Act, the provision of the Act shall prevail over the provision of this Indenture.

**Section 11.13. Conclusive Evidence of Regularity.** Bonds issued pursuant to this Indenture shall constitute evidence of the regularity of all proceedings under the Act relative to their issuance and to the levy of the Special Tax.



**Section 11.14. Governing Laws.** This Indenture shall be governed by and construed in accordance with the laws of the State.

**Section 11.15. Electronic Signature.** Each of the parties hereto agrees that the transaction consisting of this Indenture may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this Indenture using an electronic signature, it is signing, adopting and accepting this Indenture and that signing this Indenture using an electronic signature is the legal equivalent of having placed its handwritten signature on this Indenture on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Indenture in a usable format.

**Section 11.16. Execution in Several Counterparts.** This Indenture may be executed in any number of counterparts and each of such counterparts shall for all purposes be deemed to be an original, and all such counterparts shall together constitute but one and the same instrument.

**IN WITNESS WHEREOF,** the Community Facilities District has caused this Indenture to be signed in its name by its representative thereunto duly authorized, and the Trustee, in token of its acceptance of the trusts created hereunder, has caused this Indenture to be signed in its corporate name by its officer thereunto duly authorized, all as of the day and year first above written.

**CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT  
NO. 100 (VICTORIA)**

By: \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_  
of the City of Fontana

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION, AS  
TRUSTEE**

By: \_\_\_\_\_  
Authorized Officer

## **EXHIBIT A**

### **PERMITTED INVESTMENTS**

**“Permitted Investments”** means the following:

(1) Direct general obligations of the United States of America (including obligations issued or held in book-entry form on the books of the Department of the Treasury of the United States of America);

(2) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHAs)
- Federal Housing Administration
- Federal Financing Bank;

(3) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations issued by the Federal National Mortgage Association (FNMA) or Federal Home Loan Mortgage Corporation (FHLMC)
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System;

(4) U.S. dollar denominated deposit accounts, federal funds and bankers' acceptances with domestic commercial banks which have a rating on their short term certificates of deposit on the date of purchase of “P-1” by Moody’s and “A-1” or “A-1+” by S&P and maturing not more than 360 calendar days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(5) Commercial paper which is rated at the time of purchase in the single highest classification, “P-1” by Moody’s and “A-1+” by S&P and which matures not more than 270 calendar days after the date of purchase;

(6) Investments in a money market fund rated “AAAm” or “AAAm-G” or better by S&P, including a fund for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee provide investment advisory or other management services;

(7) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(a) which are rated, based on an irrevocable escrow account or fund (the “escrow”), in the highest rating category of Moody’s or S&P or any successors thereto; or

(b) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(8) Municipal obligations rated “Aaa/AAA” or general obligations of states with a rating of “A2/A” or higher by both Moody’s and S&P;

(9) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least “Aa3” by Moody’s and “AA-” by S&P; provided, that, by the terms of the investment agreement:

(a) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days’ prior notice;

(b) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks pari passu with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(c) the Trustee or the Community Facilities District receive the opinion of domestic counsel that such investment agreement is legal, valid and binding and enforceable against the provider in accordance with its terms and of foreign counsel (if applicable);

(d) the investment agreement shall provide that if during its term (i) the provider’s rating by either Moody’s or S&P falls below “Aa3” or “AA-,” respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (A) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider’s books) to the Trustee or a holder of the collateral, collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to Moody’s and S&P to maintain an “A” rating in an “A” rated structured financing (with a market value approach); or (B) repay the principal of and accrued but unpaid interest, on the investment, and (ii) the provider’s

rating by either Moody's or S&P is withdrawn or suspended or falls below "A3" or "A-," respectively, the provider must, at the direction of the Community Facilities District or the Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Trustee;

(e) the investment agreement shall state, and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the holder of collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the holder of collateral is in possession); and

(f) the investment agreement must provide that if during its term (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the Community Facilities District or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Trustee, and (ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc., the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Trustee.

**EXHIBIT B**  
**FORM OF SERIES 2023 BOND**

No. \_\_\_\_

\$ \_\_\_\_\_

**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 100**  
**(VICTORIA)**  
**SPECIAL TAX BOND, SERIES 2023**

<b>INTEREST RATE</b>	<b>MATURITY DATE</b>	<b>DATED DATE</b>	<b>CUSIP</b>
%	September 1, 20__	_____, 2023	

**REGISTERED OWNER:**

**PRINCIPAL AMOUNT:**

City of Fontana Community Facilities District No. 100 (Victoria) (the “Community Facilities District”), for value received, hereby promises to pay, solely from the sources hereinafter described, to the Registered Owner identified above or registered assigns (the “Registered Owner”), on the Maturity Date identified above or on any earlier redemption date, the Principal Amount identified above in lawful money of the United States of America; and to pay interest thereon at the Interest Rate identified above in like lawful money from the date hereof payable semiannually on March 1 and September 1 in each year, commencing \_\_\_\_\_ 1, 20\_\_ (the “Interest Payment Dates”), until payment of such Principal Amount in full.

This Bond is one of a series of a duly authorized issue of bonds approved by the qualified electors of the Community Facilities District, pursuant to the Mello-Roos Community Facilities Act of 1982, constituting Sections 53311 *et seq.* of the California Government Code (the “Act”), and issued for the purpose of financing certain public facilities, and is one of the series of bonds designated “City of Fontana Community Facilities District No. 100 (Victoria) Special Tax Bonds, Series 2023” (the “Series 2023 Bonds”) in the aggregate principal amount of \$\_\_\_\_\_. The Series 2023 Bonds are issued pursuant to the Indenture, dated as of \_\_\_\_\_ 1, 2023 (the “Indenture”), by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as trustee (said entity or any successor thereto as trustee under the Indenture, the “Trustee”), and this reference incorporates the Indenture herein, and by acceptance hereof the owner of this Bond assents to said terms and conditions. Pursuant to and as more particularly provided in the Indenture, additional bonds (“Additional Bonds”) may be issued by the Community Facilities District on a parity with the Series 2023 Bonds. The Series 2023 Bonds and any Additional Bonds are collectively referred to as the “Bonds.” The Indenture is entered into, and this Bond is issued under, the Act and the laws of the State of California. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

Interest on the Series 2023 Bonds shall be payable from the Interest Payment Date next preceding the date of authentication thereof unless (a) a Series 2023 Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event interest thereon shall be payable from such Interest Payment Date, (b) a Series 2023 Bond is authenticated on or before the first Record Date, in which event interest thereon shall be payable from the Closing Date, or (c) interest on any Series 2023 Bond is in default as of the date of authentication thereof, in which event interest thereon shall be payable from the date to which interest has previously been paid or duly provided for. Interest shall be paid in lawful money of the United States on each Interest Payment Date. Interest shall be paid by check of the Trustee mailed by first-class mail, postage prepaid, on each Interest Payment Date to the Owners of the Series 2023 Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date. Notwithstanding the foregoing, interest on any Series 2023 Bond which is not punctually paid or duly provided for on any Interest Payment Date shall, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Series 2023 Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which shall be given to such Owner not less than ten days prior to such special record date. The principal of the Series 2023 Bonds shall be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

The Bonds are special, limited obligations of the Community Facilities District, payable, as provided in the Indenture, solely from Net Special Tax Revenues and the other assets pledged therefor thereunder. Neither the faith and credit nor the taxing power of the Community Facilities District (except to the limited extent set forth in the Indenture), the City of Fontana or the State of California, or any political subdivision thereof, is pledged to the payment of the Bonds.

Pursuant to and as more particularly provided in the Indenture, subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act, the Community Facilities District pledges to the Owners, and grants thereto a lien on and a security interest in, all of the Net Special Tax Revenues and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund. Said pledge constitutes a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the Community Facilities District, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, the Indenture, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

The Series 2023 Bonds are subject to redemption on the dates, at the Redemption Prices and pursuant to the terms set forth in the Indenture. Notice of redemption of any Series 2023 Bond or any portion thereof shall be given as provided in the Indenture.

The Series 2023 Bonds are issuable as fully-registered Bonds without coupons in Authorized Denominations (\$5,000 and any integral multiple thereof).



Any Series 2023 Bond may be transferred upon the Registration Books by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Series 2023 Bond to the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Series 2023 Bond or Series 2023 Bonds shall be so surrendered for transfer, the Community Facilities District shall execute and the Trustee shall authenticate and shall deliver a new Series 2023 Bond or Series 2023 Bonds of the same maturity in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer. The Series 2023 Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Series 2023 Bonds of the same maturity of other Authorized Denominations. The Trustee shall require the payment by the Owner requesting such exchange of any tax or other governmental charge required to be paid with respect to such exchange.

The Indenture and the rights and obligations of the Community Facilities District, the Trustee and the Owners may be modified or amended in the manner, to the extent, and upon the terms provided in the Indenture.

The Indenture contains provisions permitting the Community Facilities District to make provision for the payment of the principal of and the interest and premium, if any, on any of the Bonds so that such Bonds shall no longer be deemed to be Outstanding under the terms of the Indenture.

Unless this Bond is presented by an authorized representative of The Depository Trust Company to the Trustee for registration of transfer, exchange or payment, and any Bond issued is registered in the name of Cede & Co. or such other name as requested by an authorized representative of The Depository Trust Company and any payment is made to Cede & Co., ANY TRANSFER, PLEDGE OR OTHER USE HEREOF FOR VALUE OR OTHERWISE BY OR TO ANY PERSON IS WRONGFUL since the registered owner hereof, Cede & Co., has an interest herein.

**IN WITNESS WHEREOF**, the Community Facilities District has caused this Bond to be signed in its name and on its behalf by the manual or facsimile signature of the Mayor of the City of Fontana attested by the manual or facsimile signature of the City Clerk of the City of Fontana, all as of the Dated Date identified above.

**CITY OF FONTANA COMMUNITY  
FACILITIES DISTRICT NO. 100  
(VICTORIA)**

By: \_\_\_\_\_  
Mayor of the City of Fontana

Attest:

By: \_\_\_\_\_  
City Clerk of the City of Fontana

## **CERTIFICATE OF AUTHENTICATION**

This is one of the Series 2023 Bonds described in the within-mentioned Indenture and registered on the Registration Books.

Date: \_\_\_\_\_, 2023

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION, AS  
TRUSTEE**

By: \_\_\_\_\_  
Authorized Officer

## ASSIGNMENT

For value received the undersigned hereby sells, assigns and transfers unto \_\_\_\_\_, whose address and social security or other tax identifying number is \_\_\_\_\_, the within-mentioned Bond and hereby irrevocably constitute(s) and appoint(s) \_\_\_\_\_, attorney, to transfer the same on the registration books of the Trustee with full power of substitution in the premises.

Dated: \_\_\_\_\_

Signature Guaranteed:

\_\_\_\_\_

Note: Signature guarantee shall be made by a guarantor institution participating in the Securities Transfer Agents Medallion Program or in such other guarantee program acceptable to the Trustee.

Note: The signature(s) on this Assignment must correspond with the name(s) as written on the face of the within Bond in every particular without alteration or enlargement or any change whatsoever.

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# **CONTINUING DISCLOSURE AGREEMENT**

**by and among**

**CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100  
(VICTORIA)**

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
AS TRUSTEE**

**and**

**U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION,  
AS DISSEMINATION AGENT**

**Dated as of \_\_\_\_\_ 1, 2023**

**City of Fontana  
Community Facilities District No. 100  
(Victoria)  
Special Tax Bonds, Series 2023**

## CONTINUING DISCLOSURE AGREEMENT

**THIS CONTINUING DISCLOSURE AGREEMENT** (this “Disclosure Agreement”), dated as of \_\_\_\_\_ 1, 2023, is by and among CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA), a community facilities district organized and existing under the laws of the State of California (the “Community Facilities District”), U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, in its capacity as Trustee (the “Trustee”), and U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION, a national banking association organized and existing under the laws of the United States of America, in its capacity as Dissemination Agent (the “Dissemination Agent”).

### WITNESSETH:

**WHEREAS**, the Community Facilities District has issued its City of Fontana Community Facilities District No. 100 (Victoria) Special Tax Bonds, Series 2023 (the “Series 2023 Bonds”), in the aggregate principal amount of \$\_\_\_\_\_, pursuant to the Indenture, dated as of \_\_\_\_\_ 1, 2023 (the “Indenture”), by and between the Community Facilities District and the Trustee; and

**WHEREAS**, this Disclosure Agreement is being executed and delivered by the Community Facilities District, the Trustee and the Dissemination Agent for the benefit of the owners and beneficial owners of the Series 2023 Bonds and in order to assist the underwriter of the Series 2023 Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

**NOW, THEREFORE**, for and in consideration of the mutual promises and covenants herein contained, the receipt whereof is hereby acknowledged, the parties hereto agree as follows:

**Section 1. Definitions.** Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Disclosure Agreement have the meanings herein specified. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

**“Annual Report”** means any Annual Report provided by the Community Facilities District pursuant to, and as described in, Sections 2 and 3 hereof.

**“Annual Report Date”** means the date in each year that is the first day of the month following the eighth month after the end of the Community Facilities District’s fiscal year, which date, as of the date of this Disclosure Agreement, is March 1.

**“Community Facilities District”** means City of Fontana Community Facilities District No. 100 (Victoria), a community facilities district organized and existing under the laws of the State, and its successors.

**“Disclosure Representative”** means the Chief Financial Officer, Finance Department, of the City, or his or her designee, or such other person as the Community Facilities District shall designate in writing to the Trustee and the Dissemination Agent from time to time.



**“Dissemination Agent”** means U.S. Bank Trust Company, National Association, acting in its capacity as Dissemination Agent hereunder, or any successor Dissemination Agent designated in writing by the Community Facilities District and that has filed with the Trustee and the then existing Dissemination Agent a written acceptance of such designation.

**“Financial Obligation”** means (a) a debt obligation of the Community Facilities District, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation of the Community Facilities District, or (c) a guarantee of (i) a debt obligation of the Community Facilities District, or (ii) a derivative instrument described in clause (b), above; provided, however, that the term “Financial Obligation” shall not include “municipal securities” (as such term is defined in the Securities Exchange Act of 1934, as amended) as to which a “final official statement” (as such term is defined in the Rule) has been provided to the MSRB consistent with the Rule.

**“Indenture”** means the Indenture, dated as of \_\_\_\_\_ 1, 2023, by and between the Community Facilities District and U.S. Bank Trust Company, National Association, as Trustee, as originally executed and as it may be modified or amended from time to time in accordance with its terms.

**“Listed Events”** means any of the events listed in subsection (a) or subsection (b) of Section 4 hereof.

**“MSRB”** means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at <http://emma.msrb.org>.

**“Participating Underwriter”** means the original underwriter of the Series 2023 Bonds required to comply with the Rule in connection with the offering of the Series 2023 Bonds.

**“Rule”** means Rule 15c2-12(b)(5) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as the same may be amended from time to time.

**“Trustee”** means U.S. Bank Trust Company, National Association, as Trustee under the Indenture, or any successor thereto as Trustee thereunder substituted in its place as provided therein.

**Section 2. Provision of Annual Reports.** (a) The Community Facilities District shall, or shall cause the Dissemination Agent to, provide to the MSRB an Annual Report that is consistent with the requirements of Section 3 hereof, not later than the Annual Report Date, commencing with the report for the 2022-23 Fiscal Year. The Annual Report may include by reference other information as provided in Section 3 hereof; provided, however, that the audited financial statements of the Community Facilities District, if any, may be submitted separately from the balance of the Annual Report, and later than the date required above for the filing of the Annual Report if they are not available by that date. If the Community Facilities District’s fiscal year changes, it shall, or it shall instruct the Dissemination Agent to, give notice of such change in a filing with the MSRB.

(b) Not later than 15 business days prior to the date specified in subsection (a) of this Section for the providing of the Annual Report to the MSRB, the Community Facilities District shall provide the Annual Report to the Dissemination Agent. If by such date, the Dissemination Agent has not received a copy of the Annual Report, the Dissemination Agent shall contact the Community Facilities District to determine if the Community Facilities District is in compliance with the first sentence of this subsection (b).

(c) If the Dissemination Agent has not received a copy of the Annual Report from the Community Facilities District by the date specified in subsection (a) of this Section, the Dissemination Agent shall, in a timely manner, send a notice to the MSRB in substantially the form attached as Exhibit A.

(d) The Dissemination Agent shall:

(i) provide each Annual Report received by it to the MSRB, as provided herein; and

(ii) file a report with the Community Facilities District and the Trustee certifying that such Annual Report has been provided pursuant to this Disclosure Agreement and stating the date it was provided to the MSRB.

**Section 3. Content of Annual Reports.** The Community Facilities District's Annual Report shall contain or incorporate by reference the following:

(a) The Community Facilities District's audited financial statements, if any, prepared in accordance with generally accepted accounting principles as promulgated to apply to governmental entities from time to time by the Governmental Accounting Standards Board. If the Community Facilities District's audited financial statements, if any, are not available by the time the Annual Report is required to be filed pursuant to subsection (a) of Section 2 hereof, the Annual Report shall contain unaudited financial statements, in a format similar to that used for the Community Facilities District's audited financial statements, and the audited financial statements, if any, shall be filed in the same manner as the Annual Report when they become available.

(b) The following information:

(i) The principal amount of Series 2023 Bonds Outstanding as of the December 31 next preceding the Annual Report Date;

(ii) The principal amount of Additional Bonds, if any, Outstanding as of the December 31 next preceding the Annual Report Date;

(iii) The balance in the Reserve Fund, and a statement of the Reserve Requirement, as of the December 31 next preceding the Annual Report Date;

(iv) The balance in (A) the Acquisition Account, (B) the Construction Account, and (C) the Community Benefit Facilities Account, as of the December 31 next preceding the Annual Report Date;

(v) The total assessed value of all parcels within the Community Facilities District on which the Special Tax is levied, as shown on the assessment roll of the San Bernardino County Assessor last equalized prior to the December 31 next preceding the Annual Report Date, and a statement of assessed value-to-bonded debt ratios therefor, either by individual parcel or by categories (e.g., “below 3:1,” “3:1 to 4.99:1,” etc.);

(vi) Value-to-bonded debt information, based on the assessed values in the assessment roll of the San Bernardino County Assessor last equalized prior to the December 31 next preceding the Annual Report Date, for (A) each property owner that owns four or more taxable parcels within the Community Facilities District, and (B) all other property owners, grouped together, owning taxable parcels within the Community Facilities District;

(vii) The Special Tax delinquency rate for all parcels within the Community Facilities District, as shown on the assessment roll of the San Bernardino County Assessor last equalized prior to the December 31 next preceding the Annual Report Date, the number of parcels within the Community Facilities District delinquent in payment of the Special Tax as of the December 31 next preceding the Annual Report Date, the amount of each delinquency, the length of time delinquent and the date on which foreclosure was commenced, or similar information pertaining to delinquencies deemed appropriate by the Community Facilities District; provided, however, that parcels with aggregate delinquencies of \$5,000 or less (excluding penalties and interest) may be grouped together and such information may be provided by category;

(viii) The status of foreclosure proceedings and a summary of the results of any foreclosure sales as of the December 31 next preceding the Annual Report Date;

(ix) The identity of any property owner representing more than 5% of the Special Tax levy delinquent in payment of the Special Tax as of the December 31 next preceding the Annual Report Date;

(x) A land ownership summary listing property owners responsible for more than 5% of the annual Special Tax, as shown on the assessment roll of the San Bernardino County Assessor last equalized prior to the December 31 next preceding the Annual Report Date; and

(xi) A description of any changes to the Rate and Method approved by, or submitted for approval to, the qualified electors of the Community Facilities District during the period from the date of filing the prior year’s Annual Report to the date of filing such Annual Report.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the Community Facilities District or related public entities that have been made available to the public on the MSRB’s website. The

Community Facilities District shall clearly identify each such other document so included by reference.

**Section 4. Reporting of Significant Events.** (a) Pursuant to the provisions of this Section, the Community Facilities District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2023 Bonds in a timely manner not later than ten business days after the occurrence of the event:

- (i) Principal and interest payment delinquencies.
- (ii) Unscheduled draws on debt service reserves reflecting financial difficulties.
- (iii) Unscheduled draws on credit enhancements reflecting financial difficulties.
- (iv) Substitution of credit or liquidity providers, or their failure to perform.
- (v) Adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB).
- (vi) Tender offers.
- (vii) Defeasances.
- (viii) Rating changes.
- (ix) Bankruptcy, insolvency, receivership or similar event of the Community Facilities District.
- (x) Default, event of acceleration, termination event, modification of terms or other similar events under the terms of a Financial Obligation, any of which reflect financial difficulties.

For purposes of the event identified in paragraph (ix) of this subsection, the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Community Facilities District in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Community Facilities District, or if such jurisdiction has been assumed by leaving the existing governmental body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Community Facilities District.

(b) Pursuant to the provisions of this Section, the Community Facilities District shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Series 2023 Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

- (i) Unless described in paragraph (v) of subsection (a) of this Section, material notices or determinations by the Internal Revenue Service with respect to the tax status of the Series 2023 Bonds or other material events affecting the tax status of the Series 2023 Bonds.
- (ii) Modifications to rights of holders of the Series 2023 Bonds.
- (iii) Series 2023 Bond calls.
- (iv) Release, substitution, or sale of property securing repayment of the Series 2023 Bonds.
- (v) Non-payment related defaults.
- (vi) The consummation of a merger, consolidation, or acquisition involving the Community Facilities District or the sale of all or substantially all of the assets of the Community Facilities District other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms.
- (vii) Appointment of a successor or additional Trustee or the change of name of a Trustee.
- (viii) Incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect holders of the Series 2023 Bonds.

(c) The Trustee shall, within one business day of obtaining actual knowledge of the occurrence of any of the Listed Events, contact the Disclosure Representative and inform such person of the event.

(d) Whenever the Community Facilities District obtains knowledge of the occurrence of a Listed Event described in subsection (b) of this Section, the Community Facilities District shall determine if such event would be material under applicable Federal securities law.

(e) Whenever the Community Facilities District obtains knowledge of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that knowledge of a Listed Event described in subsection (b) of this Section would be material under applicable Federal securities law, the Community Facilities District shall, or shall cause the Dissemination Agent to, file a notice of the occurrence of such Listed Event with the MSRB, within ten business days of such occurrence.

(f) Notwithstanding the foregoing, notice of Listed Events described in paragraph (iii) of subsection (b) of this Section need not be given any earlier than the notice (if any) of the underlying event is given to holders of affected Series 2023 Bonds pursuant to the Indenture.

**Section 5. Format for Filings with MSRB.** Any report or filing with the MSRB pursuant to this Disclosure Agreement must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

**Section 6. Termination of Reporting Obligation.** The Community Facilities District's obligations under this Disclosure Agreement shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Series 2023 Bonds. If such termination occurs prior to the final maturity of the Series 2023 Bonds, the Community Facilities District shall give, or cause to be given, notice of such termination in a filing with the MSRB.

**Section 7. Dissemination Agent.** The Community Facilities District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent may resign by providing 30 days' written notice to the Community Facilities District and the Trustee.

**Section 8. Amendment; Waiver.** Notwithstanding any other provision of this Disclosure Agreement, the Community Facilities District, the Trustee and the Dissemination Agent may amend this Disclosure Agreement (and the Trustee and the Dissemination Agent shall agree to any amendment so requested by the Community Facilities District, so long as such amendment does not adversely affect the rights or materially increase the obligations of the Trustee or the Dissemination Agent), and any provision of this Disclosure Agreement may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of subsection (a) of Section 2 hereof, Section 3 hereof or subsection (a) or (b) of Section 4 hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Series 2023 Bonds, or the type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Series 2023 Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(c) the proposed amendment or waiver (i) is approved by Owners of the Series 2023 Bonds in the manner provided in the Indenture for amendments to the Indenture with the consent of Owners, or (ii) does not, in the opinion of nationally recognized bond counsel, materially impair the interests of Owners or Beneficial Owners of the Series 2023 Bonds.

In the event of any amendment or waiver of a provision of this Disclosure Agreement, the Community Facilities District shall describe such amendment or waiver in the next Annual Report, and shall include, as applicable, a narrative explanation of the reason for the amendment or waiver and its impact on the type (or in the case of a change of accounting principles, on the presentation) of financial information or operating data being presented by the Community Facilities District. In



addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

**Section 9. Additional Information.** Nothing in this Disclosure Agreement shall be deemed to prevent the Community Facilities District from disseminating any other information, using the means of dissemination set forth in this Disclosure Agreement or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Agreement, in addition to that which is required by this Disclosure Agreement. If the Community Facilities District chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Agreement, the Community Facilities District shall have no obligation under this Disclosure Agreement to update such information or include it in any future Annual Report or notice of occurrence of a Listed Event or any other event required to be reported.

**Section 10. Default.** In the event of a failure of the Community Facilities District, the Trustee or the Dissemination Agent to comply with any provision of this Disclosure Agreement, the Trustee may (and, at the written direction of any Participating Underwriter or the Owners of at least 25% of the aggregate principal amount of Outstanding Series 2023 Bonds, shall, upon receipt of indemnification reasonably satisfactory to the Trustee), or any Owner or Beneficial Owner of the Series 2023 Bonds may, take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the Community Facilities District, the Trustee or the Dissemination Agent, as the case may be, to comply with its obligations under this Disclosure Agreement. A default under this Disclosure Agreement shall not be deemed an Event of Default under the Indenture, and the sole remedy under this Disclosure Agreement in the event of any failure of the Community Facilities District, the Trustee or the Dissemination Agent to comply with this Disclosure Agreement shall be an action to compel performance.

**Section 11. Duties, Immunities and Liabilities of Trustee and Dissemination Agent.** Article VIII of the Indenture is hereby made applicable to this Disclosure Agreement as if this Disclosure Agreement were (solely for this purpose) contained in the Indenture. The Dissemination Agent shall be entitled to the protections and limitations from liability afforded to the Trustee thereunder. Neither the Trustee nor the Dissemination Agent shall be responsible for the form or content of any Annual Report or notice of Listed Event. The Dissemination Agent shall receive reasonable compensation for its services provided under this Disclosure Agreement. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Agreement. To the extent permitted by law, the Community Facilities District agrees to indemnify and save the Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities that any such Person may incur in the exercise or performance of the Dissemination Agent's powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, and that are not due to such Person's negligence or its willful misconduct. The obligations of the Community Facilities District under this Section shall survive resignation or removal of the Dissemination Agent and the termination of this Disclosure Agreement.

The Dissemination Agent has no power to enforce performance on the part of the Community Facilities District. The Dissemination Agent shall not be responsible for the content of any notice or report prepared by the Community Facilities District pursuant to this Disclosure Agreement.

**Section 12. Beneficiaries.** This Disclosure Agreement shall inure solely to the benefit of the Community Facilities District, the Trustee, the Dissemination Agent, the Participating Underwriter and the Owners and Beneficial Owners from time to time of the Series 2023 Bonds, and shall create no rights in any other person or entity.

**Section 13. Governing Laws.** This Disclosure Agreement shall be governed by and construed in accordance with the laws of the State of California.

**Section 14. Electronic Signature.** Each of the parties hereto agrees that the transaction consisting of this Disclosure Agreement may be conducted by electronic means. Each party agrees, and acknowledges that it is such party's intent, that if such party signs this Disclosure Agreement using an electronic signature, it is signing, adopting and accepting this Disclosure Agreement and that signing this Disclosure Agreement using an electronic signature is the legal equivalent of having placed its handwritten signature on this Disclosure Agreement on paper. Each party acknowledges that it is being provided with an electronic or paper copy of this Disclosure Agreement in a usable format.

**Section 15. Counterparts.** This Disclosure Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

**IN WITNESS WHEREOF**, the parties hereto have executed this Disclosure Agreement as of the date first above written.

**CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT  
NO. 100 (VICTORIA)**

By: \_\_\_\_\_  
\_\_\_\_\_, \_\_\_\_\_  
of the City of Fontana

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION, AS  
TRUSTEE**

By: \_\_\_\_\_  
Authorized Signatory

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION, AS  
DISSEMINATION AGENT**

By: \_\_\_\_\_  
Authorized Signatory

## **EXHIBIT A**

### **NOTICE OF FAILURE TO FILE ANNUAL REPORT**

Name of Issuer: City of Fontana Community Facilities District No. 100 (Victoria)  
Name of Issue: City of Fontana Community Facilities District No. 100 (Victoria) Special  
Tax Bonds, Series 2023  
Date of Issuance: \_\_\_\_\_, 2023

NOTICE IS HEREBY GIVEN that City of Fontana Community Facilities District No. 100 (Victoria) (the “Community Facilities District”) has not provided an Annual Report with respect to the above-named Bonds as required by the Continuing Disclosure Agreement, dated as of \_\_\_\_\_ 1, 2023, by and among the Community Facilities District, U.S. Bank Trust Company, National Association, in its capacity as Trustee, and U.S. Bank Trust Company, National Association, in its capacity as Dissemination Agent. [The Community Facilities District anticipates that such Annual Report will be filed by \_\_\_\_\_.]

Dated: \_\_\_\_\_

U.S. Bank Trust Company, National  
Association, as Dissemination  
Agent, on behalf of City of Fontana  
Community Facilities District  
No. 100 (Victoria)

cc: City of Fontana  
Community Facilities District  
No. 100 (Victoria)

## BOND PURCHASE AGREEMENT

\$[PAR]  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
SPECIAL TAX BONDS, SERIES 2023

[Pricing Date]

City of Fontana Community Facilities  
District No. 100 (Victoria)  
c/o City of Fontana  
8353 Sierra Avenue  
Fontana, California 92335  
Attention: Chief Financial Officer, Finance Department

Ladies and Gentlemen:

Stifel, Nicolaus & Company, Incorporated, as underwriter (the “**Underwriter**”) offers to enter into this Bond Purchase Agreement (this “**Agreement**”) with City of Fontana Community Facilities District No. 100 (Victoria) (the “**Issuer**” or the “**District**”), which, upon your acceptance of this offer, will be binding upon the Issuer and the Underwriter. This offer is made subject to the acceptance by the Issuer of this Agreement on or before 11:59 p.m. on the date set forth above. Terms not otherwise defined herein have the meanings given them in the Indenture described below.

1. Upon the terms and conditions and in reliance upon the respective representations, warranties and covenants herein, the Underwriter hereby agrees to purchase from the Issuer, and the Issuer hereby agrees to sell to the Underwriter, all (but not less than all) of the above-captioned bonds (the “**Bonds**”) at a purchase price (the “**Purchase Price**”) of \$\_\_\_\_\_ (equal to the par amount of the Bonds (\$[PAR].00), *plus* original issue premium of \$\_\_\_\_\_, *less* an Underwriter’s discount of \$\_\_\_\_\_).

The Bonds will be issued by the Issuer under the Mello-Roos Community Facilities Act of 1982 (constituting Section 53311 et seq. of the California Government Code) (the “**Act**”) and a resolution adopted on \_\_\_\_\_, 2023 (the “**Bond Resolution**”) by the City Council (the “**City Council**”) of the City of Fontana (the “**City**”) acting as the legislative body of the Issuer.

The special tax that provides a source of payment for the Bonds (the “**Special Tax**”) will be levied under Ordinance No. 1859 adopted by the City Council on January 12, 2021 (the “**Ordinance**”). In addition to the Ordinance, the City Council adopted the following in connection with initial formation of the District and the levy of the Special Tax: (i) Resolution No. 2020-129 (the “**Resolution of Intention to Form the District**”), (ii) Resolution No. 2020-130 (the “**Resolution of Intention to Incur Bonded Indebtedness**”), (iii) Resolution No. 2020-158 (“**Resolution Declaring Necessity to Incur Bonded Indebtedness**”), (iv) Resolution No. 2020-157 (the “**Resolution of Formation**”), (v) Resolution No. 2020-159 (the “**Resolution Calling**”).

**Election**”), and (vi) Resolution No. 2020-160 (the “**Resolution Declaring Election Results**”; together, the “**Formation Resolutions and Ordinance**”). Together, the Bond Resolution and the Formation Resolutions and Ordinance are referred to as the “**Resolutions and Ordinance**.”

The Bonds will be issued under the terms of an Indenture (the “**Indenture**”), dated as of October 1, 2023, by and between the Issuer and U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”). The proceeds of the sale of the Bonds will be used by the Issuer to (i) provide financing for certain public facilities and costs related to development within the District, (ii) fund a reserve fund with respect to the Bonds, and (iii) pay the costs of issuing the Bonds. Proceeds of the Bonds will be applied in accordance with the Indenture.

The Issuer acknowledges and agrees that: (i) the primary role of the Underwriter is to purchase securities for resale to investors in an arms-length commercial transaction between the Issuer and the Underwriter and that the Underwriter has financial and other interests that differ from those of the Issuer, and in connection therewith and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as the agent or fiduciary of the District, (ii) the Underwriter is not acting as a municipal advisor (within the meaning of Section 15B of the Securities Exchange Act of 1934, as amended), financial advisor or fiduciary to the Issuer or any other person or entity and has not assumed any advisory or fiduciary responsibility to the Issuer with respect to the transaction contemplated hereby and the discussions, undertakings and proceedings leading thereto (irrespective of whether the Underwriter has provided other services or is currently providing other services to the Issuer on other matters), (iii) the only obligations the Underwriter has to the Issuer with respect to the transaction contemplated hereby expressly are set forth in this Agreement, except as otherwise provided by applicable rules and regulations of the Securities and Exchange Commission or the rules of the MSRB or other law, and (iv) the Issuer has consulted its own legal, accounting, tax, municipal, financial and other advisors, as applicable, to the extent it has deemed appropriate in connection with the transaction contemplated herein. The Issuer acknowledges that it has previously provided the Underwriter with an acknowledgement of receipt of the required Underwriter disclosure under Rule G-17 of the MSRB.

2. The Bonds will mature on the dates and in the principal amounts and will bear interest at the rates (and have the redemption terms) as set forth in Exhibit A hereto. The Underwriter agrees to make a bona fide public offering of all of the Bonds at the offering prices set forth on the cover of the Final Official Statement described below. Additional details related to the establishment of the issue price of the Bonds is set forth in Section 14.

3. The Issuer agrees to deliver to the Underwriter as many copies of the Final Official Statement dated the date hereof, relating to the Bonds to each of its customers purchasing Bonds no later than the settlement date of the transaction.

In addition, the Issuer has authorized and approved the Preliminary Official Statement dated [POS Date] (the “**Preliminary Official Statement**”) and the final Official Statement dated the date hereof (the “**Final Official Statement**”) and consents to their distribution and use by the Underwriter and the execution and approval of the Final Official Statement by a duly authorized officer of the Issuer. The Issuer deems such Preliminary Official Statement final as of its date for purposes of Rule 15c2-12 of the Securities and Exchange Commission (“**Rule 15c2-12**”), except for information allowed by Rule 15c2-12 to be omitted, and has executed a certificate to that effect in the form of Exhibit D.



In connection with issuance of the Bonds, and in order to assist the Underwriter in complying with Rule 15c2-12, the Issuer will execute a Continuing Disclosure Agreement, dated as of October 1, 2023 (the “**District Continuing Disclosure Agreement**”), substantially in the form of the Appendix G to the Preliminary Official Statement.

4. The Issuer represents and warrants to the Underwriter that:
  - (a) The Issuer is duly organized and validly existing as a community facilities district under the laws of the State of California (the “**State**”), and has the full legal right, power and authority, among other things, (i) upon satisfaction of the conditions in this Agreement and the Indenture, to issue the Bonds as provided herein, and (ii) to secure the Bonds in the manner set forth in the Indenture.
  - (b) The City Council has the full legal right, power and authority to adopt the Resolutions and Ordinance, and the Issuer has the full legal right, power and authority (i) to enter into this Agreement, the Indenture, and the District Continuing Disclosure Agreement (collectively, the “**Issuer Documents**”), (ii) to issue, sell and deliver the Bonds to the Underwriter as provided herein, and (iii) to carry out and consummate all other transactions on its part contemplated by the Final Official Statement and each of the Issuer Documents, and the Issuer and the City Council have complied with all provisions of applicable law, including the Act, in all matters relating to such transactions.
  - (c) The Issuer has duly authorized (i) the execution and delivery by the Issuer of the Bonds and the execution, delivery and due performance by the Issuer of its obligations under the Issuer Documents, (ii) the distribution and use of the Preliminary Official Statement and execution, delivery and distribution of the Final Official Statement, and (iii) the taking of any and all such action as may be required on the part of the Issuer to carry out, give effect to and consummate the transactions on its part contemplated by such instruments. All consents or approvals necessary to be obtained by the Issuer in connection with the foregoing have been received, and the consents or approvals so received are still in full force and effect.
  - (d) The Resolutions and Ordinance have been duly adopted by the City Council and are in full force and effect; and the Issuer Documents, when executed and delivered by the Issuer and the other party thereto, will constitute a legal, valid and binding obligation of the Issuer enforceable against the Issuer in accordance with their terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights generally.
  - (e) When delivered to the Underwriter, the Bonds will have been duly authorized by the City Council and duly executed, issued and delivered by the Issuer and will constitute legal, valid and binding special obligations of the Issuer enforceable against the Issuer in accordance with their respective terms, except as enforceability thereof may be limited by bankruptcy, insolvency or other laws affecting creditors’ rights generally, and will be entitled to the benefit and security of the Indenture.

- (f) The information (excluding information under first three paragraphs of the caption “INTRODUCTION – The District”, information under the caption “PROPERTY OWNERSHIP AND THE DEVELOPMENT,” and information relating to The Depository Trust Company (“DTC”) and its book-entry system) contained in the Preliminary Official Statement is, and as of the Closing Date such information in the Final Official Statement will be true and correct in all material respects, and the Preliminary Official Statement does not as of its date and the Final Official Statement will not as of the Closing Date contain any untrue or misleading statement of a material fact (excluding information under the first three paragraphs of the caption “INTRODUCTION – The District”, information under the caption “PROPERTY OWNERSHIP AND THE DEVELOPMENT,” and information relating to DTC and its book-entry system) or omit to state any material fact (excluding information under the first three paragraphs of the caption “INTRODUCTION – The District”, information under the caption “PROPERTY OWNERSHIP AND THE DEVELOPMENT,” and information relating to DTC and its book-entry system) necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.
- (g) If, at any time up to and including 25 days after the End of the Underwriting Period (as defined below), any event known to the officers of the Issuer participating in the issuance of the Bonds occurs with respect to the Issuer or the City as a result of which the Final Official Statement as then amended or supplemented might include an untrue statement of a material fact, or omit to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, the Issuer shall promptly notify the Underwriter in writing of such event. Any information supplied by the Issuer for inclusion in any amendments or supplements to the Final Official Statement will not contain any untrue or misleading statement of a material fact relating to the Issuer or the City or omit to state any material fact relating to the Issuer or the City necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. As used herein, the term “End of the Underwriting Period” means the later of such time as: (i) the Bonds are delivered to the Underwriter; or (ii) the Underwriter does not retain, directly or as a member of an underwriting syndicate, an unsold balance of the Bonds for sale to the public. Unless the Underwriter gives notice to the contrary, the End of the Underwriting Period shall be deemed to be the Closing Date (as described in Section 6 below). Any notice delivered pursuant to this provision shall be written notice delivered to the District at or prior to the Closing Date, and shall specify a date (other than the Closing Date) to be deemed the “End of the Underwriting Period.”
- (h) Neither the adoption of the Resolutions and Ordinance, the execution and delivery of the Issuer Documents, nor the consummation of the transactions on the part of the Issuer contemplated herein or therein or the compliance by the Issuer with the provisions hereof or thereof will conflict with, or constitute on the part of the Issuer, a violation of, or a breach of or default under, (i) any material indenture, mortgage, commitment, note or other agreement or instrument to which the Issuer is a party or by which it is bound, (ii) any

provision of the State Constitution or (iii) any existing law, rule, regulation, ordinance, judgment, order or decree to which the Issuer or the City (or the members of the City Council or any of its officers in their respective capacities as such) is subject, that would have a material adverse effect on the ability of the Issuer to perform its obligations under the Issuer Documents.

- (i) The Issuer has never been in default at any time, as to principal of or interest on any obligation which it has issued, including those which it has issued as a conduit for another entity, which default may have an adverse effect on the ability of the Issuer to consummate the transactions on its part under the Issuer Documents, except as specifically disclosed in the Final Official Statement; and the Issuer has not entered into any contract or arrangement of any kind which might give rise to any lien or encumbrance on the Special Tax.
- (j) Except as is specifically disclosed in the Final Official Statement, to the best knowledge of the Issuer, there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending with respect to which the Issuer has been served with process or threatened, which in any way questions the powers of the City Council, the City or the Issuer referred to in paragraph (b) above, or the validity of any proceeding taken by the City Council in connection with the issuance of the Bonds, or wherein an unfavorable decision, ruling or finding could materially adversely affect the transactions contemplated by the Issuer Documents, or which, in any way, could adversely affect the validity or enforceability of the Resolutions and Ordinance, the Bonds or the Issuer Documents or, to the knowledge of the Issuer, which in any way questions the exclusion from gross income of the recipients thereof of the interest on the Bonds for federal income tax purposes or in any other way questions the status of the Bonds under State tax laws or regulations.
- (k) Any certificate signed by an official of the Issuer authorized to execute such certificate and delivered to the Underwriter in connection with the transactions contemplated by the Issuer Documents shall be deemed a representation and warranty by the Issuer to the Underwriter as to the truth of the statements therein contained.
- (l) The Issuer has not been notified of any listing or proposed listing by the Internal Revenue Service to the effect that it is a bond issuer whose arbitrage certifications may not be relied upon.
- (m) The Bonds will be paid from Net Special Tax Revenues (as defined in the Indenture) received by the Issuer and amounts held in certain funds and accounts established and pledged under the Indenture.
- (n) The Special Tax may lawfully be levied in accordance with the rate and method of apportionment of the Special Tax relating to the District (the “**Rate and Method**”), the Resolutions and Ordinance as described in the Preliminary Official Statement and the Final Official Statement, and, when levied, will be secured by a lien on the property on which they are levied.

- (o) The Indenture creates a valid pledge of, and first lien upon the Net Special Tax Revenues deposited thereunder, and the amounts held in certain funds and accounts established and pledged under the Indenture, subject in all cases to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein.
- (p) Except as disclosed in the Final Official Statement, in the last five years, neither the City, nor the District, nor any other entity for which the City Council is the legislative body, has failed to comply with any undertaking under Rule 15c2-12 in any material respect.

5. The Issuer covenants with the Underwriter that the Issuer will cooperate with the Underwriter (at the cost of the Underwriter), in qualifying the Bonds for offer and sale under the securities or Blue Sky laws of such jurisdictions of the United States as the Underwriter may reasonably request; provided, however, that the Issuer shall not be required to consent to suit or to service of process, or to qualify to do business, in any jurisdiction. The Issuer consents to the use by the Underwriter of the Issuer Documents in the course of its compliance with the securities or Blue Sky laws of the various jurisdictions.

6. At 9:00 a.m. on [Closing Date] (the “**Closing Date**”) or at such other time and/or date as shall have been mutually agreed upon by the Issuer and the Underwriter, the Issuer will deliver or cause to be delivered to the Underwriter the Bonds in definitive form duly executed and authenticated by the Trustee together with the other documents mentioned in Section 8 hereof; and the Underwriter will accept such delivery and pay the Purchase Price of the Bonds by delivering to the Trustee for the account of the Issuer a check payable in federal funds or making a wire transfer in federal funds payable to the order of the Trustee.

The activities relating to the final execution and delivery of the Bonds and the Indenture and the payment therefor and the delivery of the certificates, opinions and other instruments as described in Section 8 of this Agreement shall occur at the offices of Orrick, Herrington & Sutcliffe, Los Angeles, California, as bond counsel to the Issuer (“**Bond Counsel**”). The payment for the Bonds and simultaneous delivery of the Bonds to the Underwriter is herein referred to as the “**Closing**.” The Bonds will be delivered as fully registered Bonds initially in denominations of \$5,000 each and any integral multiple thereof. The Bonds will be registered in the name of Cede & Co., as nominee of DTC, and will be made available for checking by the Underwriter at such place as the Underwriter and the Trustee shall agree not less than 24 hours prior to the Closing.

7. The Underwriter has the right to cancel its obligations to purchase the Bonds if between the date hereof and the Closing Date:

- (a) the House of Representatives or the Senate of the Congress of the United States, or a committee of either, shall have pending before it, or shall have passed or recommended favorably, legislation introduced previous to the date hereof, which legislation, if enacted in its form as introduced or as amended, would have the purpose or effect of imposing federal income taxation upon revenues or other income of the general character to be derived by the Issuer or by any similar body under the Indenture or upon interest received on obligations of the general character of the Bonds, or of causing interest on obligations of the general character of the Bonds, to be includable in gross

income for purposes of federal income taxation, and such legislation, in the Underwriter's reasonable opinion, materially adversely affects the market price of the Bonds; or

- (b) a tentative decision with respect to legislation shall be reached by a committee of the House of Representatives or the Senate of the Congress of the United States, or legislation shall be favorably reported or re-reported by such a committee or be introduced, by amendment or otherwise, in or be passed by the House of Representatives or the Senate, or recommended to the Congress of the United States for passage by the President of the United States, or be enacted or a decision by a federal court of the United States or the United States Tax Court shall have been rendered, or a ruling, release, order, circular, regulation or official statement by or on behalf of the United States Treasury Department, the Internal Revenue Service or other governmental agency shall have been made or proposed to be made having the purpose or effect, or any other action or event shall have occurred which has the purpose or effect, directly or indirectly, of adversely affecting the federal income tax consequences of owning the Bonds, including causing interest on the Bonds to be included in gross income for purposes of federal income taxation, or imposing federal income taxation upon revenues or other income of the general character to be derived by the Issuer under the Indenture or upon interest received on obligations of the general character of the Bonds, or the Bonds and also including adversely affecting the tax-exempt status of the Issuer under the Code, which, in the reasonable opinion of the Underwriter, materially adversely affects the market price of or market for the Bonds; or
- (c) legislation shall have been enacted, or actively considered for enactment with an effective date prior to the Closing, or a decision by a court of the United States shall have been rendered, the effect of which is that the Bonds, including any underlying obligations, or the Indenture, as the case may be, is not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or
- (d) a stop order, ruling, regulation or official statement by the Securities and Exchange Commission or any other governmental agency having jurisdiction of the subject matter shall have been issued or made or any other event occurs, the effect of which is that the issuance, offering or sale of the Bonds, including any underlying obligations, or the execution and delivery of the Indenture as contemplated hereby or by the Final Official Statement, is or would be in violation of any provision of the federal securities laws, including the Securities Act of 1933, as amended and as then in effect, the Securities Exchange Act of 1934, as amended and as then in effect, or the Trust Indenture Act of 1939, as amended and as then in effect; or
- (e) any event shall have occurred or any information shall have become known to the Underwriter which causes the Underwriter to reasonably believe that the Final Official Statement as then amended or supplemented includes an untrue

statement of a material fact, or omits to state any material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading, and the Issuer fails to amend or supplement such Final Official Statement to cure such omission or misstatement under Section 4(g); or

- (f) there shall have occurred any outbreak of hostilities or any national or international calamity or crisis, including a financial crisis, or the sovereign debt rating of the United States is downgraded by any major credit rating agency or a payment default occurs on United States Treasury obligations, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or
- (g) there shall be in force a general suspension of trading on the New York Stock Exchange or other major exchange shall be in force, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on any such exchange, whether by virtue of determination by that exchange or by order of the SEC or any other governmental authority having jurisdiction, the effect of which on the financial markets of the United States is such as, in the reasonable judgment of the Underwriter, would materially adversely affect the market for or market price of the Bonds; or
- (h) a general banking moratorium shall have been declared by federal, New York or State authorities; or
- (i) any proceeding shall be pending or threatened by the Securities and Exchange Commission against the Issuer; or
- (j) additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange which adversely affects the Underwriter's ability to sell the Bonds; or
- (k) the New York Stock Exchange or other national securities exchange, or any governmental authority, shall impose, as to the Bonds or obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter; or
- (l) an amendment to the federal or State constitution shall be enacted or action taken by any federal or State court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the Issuer, its property, income or securities (or interest thereon), the validity or enforceability of the Special Tax or the ability of the Issuer to issue the Bonds and levy the Special Tax as contemplated by the Indenture, the Rate and Method, the Resolution of Formation, the Ordinance and the Final Official Statement; or



- (m) the entry of any order by a court of competent jurisdiction which enjoins or restrains the Issuer from issuing permits, licenses or entitlements within the District or which order, in the reasonable opinion of the Underwriter, otherwise materially and adversely affects development of the real property located in the District.

8. The obligation of the Underwriter to purchase the Bonds is subject (a) to the performance by the Issuer of its obligations to be performed by it hereunder at and prior to the Closing, (b) to the accuracy as of the date hereof and as of the time of the Closing of the representations and warranties of the Issuer herein, and (c) to the following conditions, including the delivery by the Issuer of such documents as are enumerated herein in form and substance satisfactory to the Underwriter:

- (a) At the time of Closing, (i) the Final Official Statement and the Issuer Documents shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to by the Underwriter, and (ii) the Issuer shall have duly adopted and there shall be in full force and effect such resolutions and ordinances (including, but not limited to, the Resolutions and Ordinance) as, in the opinion of Bond Counsel, shall be necessary in connection with the transactions contemplated hereby.
- (b) Receipt of the Bonds, executed by the Issuer and authenticated by the Trustee, at or prior to the Closing. The terms of the Bonds, when delivered, shall in all instances be as described in Final Official Statement.
- (c) At or prior to the Closing, the Underwriter shall receive the following documents in such number of counterparts as shall be mutually agreeable to the Underwriter and the Issuer:
  - (i) A final approving opinion of Bond Counsel dated the Closing Date in the form attached to the Final Official Statement.
  - (ii) A letter or letters of Bond Counsel addressed to the Underwriter, which includes a statement to the effect that Bond Counsel's final approving opinion may be relied upon by the Underwriter to the same extent as if such opinion were addressed to the Underwriter, and further provides:
    - (A) the statements contained in the Final Official Statement under the captions "INTRODUCTION – Security and Sources of Payment for the Bonds," "INTRODUCTION – Description of the Bonds," "THE BONDS" (other than information relating to DTC and its book-entry only system and information in the section entitled "Debt Service Schedule", as to which no opinion is expressed), "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" (except information in the sections entitled "Special Tax" and "Rate and Method of Apportionment" as to which no opinion need be expressed)," "TAX MATTERS," and in Appendix F thereto, excluding any material that may be treated as included under such captions by reference to other documents, insofar as

such statements expressly summarize certain provisions of the Indenture and Bond Counsel's final opinion are accurate in all material respects;

- (B) this Agreement and the District Continuing Disclosure Agreement have been duly executed and delivered by, and constitute valid and binding obligations of, the Issuer, subject to bankruptcy, insolvency, reorganization, moratorium and other laws affecting enforcement of creditors' rights in general and to the application of equitable principles if equitable remedies are sought; and
  - (C) the Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended, and the Indenture is exempt from qualification under the Trust Indenture Act of 1939, as amended.
- (iii) An opinion of Stradling Yocca Carlson & Rauth, a Professional Corporation, addressed to the Issuer and the Underwriter ("**Disclosure Counsel**"), to the effect that during the course of serving as Disclosure Counsel in connection with the issuance of the Bonds and without having undertaken to determine independently or assuming any responsibility for the accuracy, completeness or fairness of the statements contained in the Preliminary Official Statement and the Final Official Statement, no information came to the attention of the attorneys in such firm rendering legal services in connection with the issuance of the Bonds that would lead them to believe that the Preliminary Official Statement as of its date and the date hereof and the Final Official Statement as of its date and the Closing Date, (excluding therefrom the financial statements, any financial or statistical data, or forecasts, charts, numbers, estimates, projections, assumptions or expressions of opinion included in the Preliminary Official Statement and the Final Official Statement, information regarding DTC, and the appendices to the Preliminary Official Statement and the Final Official Statement, as to which no opinion need be expressed), contains any untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.
  - (iv) A letter of Jones Hall, A Professional Law Corporation ("**Underwriter's Counsel**"), dated the Closing Date, addressed to the Underwriter and in form and substance acceptable to the Underwriter.
  - (v) The Final Official Statement executed on behalf of the Issuer by a duly authorized officer.
  - (vi) Certified copies of the Resolutions and Ordinance.

- (vii) Evidence of recordation in the real property records of the County of San Bernardino of the Notice of Special Tax Lien, in the form required by the Act.
- (viii) A certificate of DTA, Inc., Newport Beach, California (“**Special Tax Consultant**”), in form and substance as set forth in Exhibit B hereto, dated as of the Closing Date.
- (ix) A certificate of the Issuer, in form and substance as set forth in Exhibit C hereto, dated as of the Closing Date.
- (x) Evidence that Federal Form 8038 has been executed by the Issuer and will be filed with the Internal Revenue Service.
- (xi) Executed copies of the Issuer Documents.
- (xii) A non-arbitrage certificate executed by the Issuer in form and substance satisfactory to Bond Counsel.
- (xiii) An opinion, dated the Closing Date and addressed to the Underwriter, of the City Attorney, as counsel to the Issuer, to the effect that:
  - (A) the Issuer is duly organized and validly existing as a community facilities district under and by virtue of the Constitution and laws of the State (including the Act);
  - (B) the City Council of the City, acting as legislative body of the Issuer, has the full legal right, power and authority to adopt the Resolutions and Ordinance;
  - (C) the Resolutions and Ordinance were duly adopted at meetings of the City Council, acting as legislative body of the Issuer which were called and held under law and with all public notice required by law and at which a quorum was present and acting throughout, and the Resolutions and Ordinance are in full force and effect and have not been amended or repealed;
  - (D) to their best knowledge, based on reasonable due diligence, no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, regulatory agency, public board or body is pending with respect to which the Issuer has been served with process or threatened, in any way affecting the existence of the City, the Issuer or the titles of the Issuer’s officials to their respective offices, or seeking to restrain or to enjoin the issuance, sale or delivery of the Bonds or the application of the proceeds thereof in accordance with the Indenture, or the collection or application of the Special Tax to pay the principal of and interest on the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds, the Issuer Documents or any action of

the Issuer contemplated by any of said documents, or in any way contesting the completeness or accuracy of the Preliminary Official Statement or of the Final Official Statement or the powers of the Issuer or its authority with respect to the Bonds, the Issuer Documents or any action on the part of the Issuer contemplated by any of said documents, wherein an unfavorable decision, ruling, or finding could materially adversely affect the validity or enforceability of the Bonds or the Issuer Documents;

- (E) the execution and delivery of the Bonds and the Issuer Documents, and compliance with the provisions of each, will not conflict with or constitute a breach of or default under any loan agreement, note, ordinance, resolution, indenture, contract, agreement or other instrument of which the Issuer is a party or is otherwise subject or bound, a consequence of which could be to materially and adversely affect the ability of the Issuer to perform its obligations under the Bonds or the Issuer Documents; and
  - (F) all approvals, consents, authorization, elections and orders of or filings or registrations with any governmental authority, board, agency or commission having jurisdiction which would constitute a condition precedent to, or the absence of which would materially adversely affect, the ability of the Issuer, to perform its obligations under the Bonds or the Issuer Documents, have been obtained or made, as the case may be, and are in full force and effect.
- (xiv) In connection with printing and distribution of the Preliminary Official Statement, an executed certificate of the Issuer in the form attached hereto as Exhibit D.
  - (xv) A certificate of the Trustee in the form and substance attached hereto as Exhibit E, together with certifications as to other matters that Bond Counsel may reasonably require, and an opinion of its counsel in form and substance satisfactory to the Underwriter and Bond Counsel.
  - (xvi) A certificate of CSG Advisors, Inc., the City's municipal advisor (the "**Municipal Advisor**"), in the form and substance attached hereto as Exhibit F.
  - (xvii) A Letter of Representations from each of Tri Pointe Homes Holdings, Inc., a Delaware corporation (the "**Developer**") and Rescal Victoria 193, LLC, a Delaware limited liability company (the "**Land Bank**") addressed to the District and the Underwriter in connection with the printing of the Preliminary Official Statement dated the date of the Preliminary Official Statement, in the form attached hereto as Exhibit G-1 and G-2, respectively.

- (xviii) A Closing Certificate from each of the Developer and the Land Bank, dated the Closing Date, in the form attached hereto as Exhibit H-1 and H-2, respectively.
- (xix) (i) A negative assurance letter of counsel to the Developer addressed to the Underwriter and the District, dated the date of the Closing, in form and substance acceptable to the Underwriter and Bond Counsel; and (ii) an opinion of counsel to the Developer addressed to the Underwriter and the District, in form and substance acceptable to the Underwriter and Bond Counsel, to the effect that the Developer Continuing Disclosure Certificate in the form attached as an appendix to the Official Statement (the “**Developer Continuing Disclosure Certificate**”), has been duly authorized, executed and delivered by the Developer;
- (xx) A certificate dated the Closing Date from Kitty Siino & Associates, Inc. (the “**Appraiser**”) addressed to the District and the Underwriter substantially to the effect that (i) the assumptions made in the appraisal of the taxable properties within the District, dated [August 22], 2023 prepared by the Appraiser (the “**Appraisal Report**”) are reasonable, (ii) the Appraisal Report fairly and accurately described, as of the stated date of value (the “**Date of Value**”), the market values of the properties in the District that are subject to the Special Tax, (iii) the Appraiser is not aware of any event or act which occurred since the Date of Value which, in its opinion, would materially and adversely affect the conclusions as to the market value of the appraised property in the Community Facilities District, (iv) the Appraiser consents to the reproduction of the Appraisal Report as an appendix to the Preliminary Official Statement and the final Official Statement, each with respect to the Bonds, and to the references to the Appraiser and the Appraisal Report made in the Preliminary Official Statement and the Official Statement, (v) the Appraisal Report complies with the Appraisal Standards for Land-Secured Financings issued by the California Debt and Investment Advisory Commission dated July, 2004, (vi) a true and correct copy of the Appraisal Report is attached as an appendix to the Preliminary Official Statement and the Official Statement; and (vii) neither the Appraisal Report nor the information in the Preliminary Official Statement or the Official Statement referring to it contains any untrue statement of a material fact or omits to state a material fact necessary in order to make the statements therein, in light of the circumstances under which they were made, not misleading;
- (xxi) A certificate dated the Closing Date from Empire Economics, Inc. addressed to the District and the Underwriter to the effect that the statements in the Preliminary Official Statement and the Official Statement provided by Empire Economics, Inc. and all information supplied by it for use in the Preliminary Official Statement and the Official Statement were as of their respective dates and are as of the Closing Date true and correct, and do not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make

the statements therein, in light of the circumstances under which they were made, not misleading;

- (xxii) Such additional legal opinions, certificates, proceedings, instruments and other documents as the Underwriter, Disclosure Counsel or Bond Counsel may reasonably request to evidence compliance by the Issuer with legal requirements, the truth and accuracy, as of the time of Closing, of the respective representations of the Issuer herein contained and the due performance or satisfaction by the Issuer at or prior to such time of all agreements then to be performed and all conditions then to be satisfied.

If the Issuer is unable to satisfy the conditions to the obligations of the Underwriter contained in this Agreement, or if the obligations of the Underwriter to purchase and accept delivery of the Bonds shall be terminated for any reason permitted by this Agreement, this Agreement shall terminate and neither the Underwriter nor the Issuer shall be under further obligation hereunder; except that the respective obligations to pay expenses, as provided in Section 11 shall continue in full force and effect.

9. The obligations of the Issuer to issue and deliver the Bonds on the Closing Date is subject, at the option of the Issuer, to the performance by the Underwriter of its obligations to be performed hereunder at or prior to the Closing Date.

10. All representations, warranties and agreements of the Issuer hereunder shall remain operative and in full force and effect, regardless of any investigations made by or on behalf of the Underwriter or the Issuer and shall survive the Closing.

11. The Issuer shall pay or cause to be paid all reasonable expenses incident to the performance of its obligations under this Agreement, including, but not limited to, delivery of the Bonds, costs of printing the Bonds, the Preliminary Official Statement and the Final Official Statement, any amendment or supplement to the Preliminary Official Statement or Final Official Statement and this Agreement, fees and disbursements of Bond Counsel and Disclosure Counsel, any financial advisor and other consultants engaged by the Issuer, including the fees and expenses of the special tax consultant and fees of the Trustee.

The Underwriter shall pay the California Debt Investment and Advisory Commission fee, all advertising expenses in connection with the public offering of the Bonds, and all other expenses incurred by it in connection with its public offering and distribution of the Bonds, including fees and expenses of its counsel, meals, transportation, and lodging (but not entertainment expenses), and fees and disbursements in connection with the qualification of the Bonds for sale under the securities or "Blue Sky" laws of the various jurisdictions and the preparation of "Blue Sky" memoranda.

12. Any notice or other communication to be given to the Issuer under this Agreement may be given by delivering the same in writing at its address set forth above, and any notice or other communication to be given to the Underwriter under this Agreement may be given by delivering the same in writing to the following: Stifel, Nicolaus & Company, Incorporated, One Montgomery Street, 35th Floor, San Francisco, California 94104, Attention: Sara Oberlies Brown.

13. This Agreement is made solely for the benefit of the Issuer and the Underwriter (including the successors or assigns of the Underwriter) and no other person, including any purchaser



of the Bonds, shall acquire or have any right hereunder or by virtue hereof. This Agreement supersedes and replaces all prior negotiations, agreements and understanding among the parties hereto in relation to the sale of the Bonds by the Issuer.

14. Establishment of Issue Price.

(a) The Underwriter agrees to assist the Issuer in establishing the issue price of the Bonds and shall execute and deliver to the Issuer at Closing an “issue price” or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as **Exhibit I**, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the Issuer and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the initial offering price or prices to the public of the Bonds. All actions to be taken by Issuer under this section to establish the issue price of the Bonds may be taken on behalf of the District by the Municipal Advisor and any notice or report to be provided to the District may be provided to the District’s Municipal Advisor.

(b) Except as otherwise set forth in Exhibit A attached hereto, the Issuer will treat the first price at which 10% of each maturity of the Bonds (the “**10% test**”) is sold to the public as the issue price of that maturity. At or promptly after the execution of this Agreement, the Underwriter shall report to the Issuer the price or prices at which it has sold to the public each maturity of Bonds. If at that time the 10% test has not been satisfied as to any maturity of the Bonds, the Underwriter agrees to promptly report to the Issuer the prices at which it sells the unsold Bonds of that maturity to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold to the public, provided that the Underwriter’s reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Issuer or Bond Counsel. For purposes of this Section, if Bonds mature on the same date but have different interest rates, each separate CUSIP number within that maturity will be treated as a separate maturity of the Bonds. For clarity, and notwithstanding any other condition to Closing set forth in this Agreement, the sale of 10% of each maturity of the Bonds to the public prior to the Closing Date shall not be a condition to Closing.

(c) The Underwriter confirms that it has offered the Bonds to the public on or before the date of this Agreement at the offering price or prices (the “**initial offering price**”), or at the corresponding yield or yields, set forth in Exhibit A attached hereto, except as otherwise set forth therein. Exhibit A also sets forth, as of the date of this Agreement, the maturities, if any, of the Bonds for which the 10% test has not been satisfied and for which the Issuer and the Underwriter agree that the restrictions set forth in the next sentence shall apply, which will allow the Issuer to treat the initial offering price to the public of each such maturity as of the sale date as the issue price of that maturity (the “**hold-the-offering-price rule**”). So long as the hold-the-offering-price rule remains applicable to any maturity of the Bonds, the Underwriter will neither offer nor sell unsold Bonds of that maturity to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth (5<sup>th</sup>) business day after the sale date; or
- (2) the date on which the Underwriter has sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Underwriter will advise the Issuer promptly after the close of the fifth (5th) business day after the sale date whether it has sold 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that:

(i) any selling group agreement and any third-party distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer who is a member of the selling group and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter that the 10% test has been satisfied as to the Bonds of that maturity, provided that the reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter, and (ii) to comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the Underwriter,

(B) to promptly notify the Underwriter of any sales of Bonds that, to its knowledge, are made to a purchaser who is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below), and

(C) to acknowledge that, unless otherwise advised by the dealer or broker-dealer, the Underwriter shall assume that each order submitted by the dealer or broker-dealer is a sale to the public.

(ii) any selling group agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each dealer that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allocated to it, whether or not the Closing has occurred, until either all Bonds of that maturity allocated to it have been sold or it is notified by the Underwriter or the dealer that the 10% test has been satisfied as to the Bonds of that maturity, provided that the reporting obligation after the date of the Closing may be at reasonable periodic intervals or otherwise upon request of the Underwriter or the dealer, and (B) comply with the hold-the-offering-price rule, if applicable, if and for so long as directed by the Underwriter or the dealer and as set forth in the related pricing wires.

(e) The Issuer acknowledges that, in making the representations set forth in this subsection, the Underwriter will rely on (i) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (ii) in the event that a third-party distribution agreement was employed in connection with the initial

sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The Issuer further acknowledges that the Underwriter shall not be liable for the failure of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement, to comply with its corresponding agreement to comply with the requirements for establishing issue price of the Bonds, including, but not limited to, its agreement to comply with the hold-the-offering-price rule if applicable to the Bonds.

(f) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter participating in the initial sale of the Bonds to the public (each such term being used as defined below) shall not constitute sales to the public for purposes of this section. Further, for purposes of this section:

- (i) **“public”** means any person other than an underwriter or a related party,
- (ii) **“underwriter”** means (A) any person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the public),
- (iii) a purchaser of any of the Bonds is a **“related party”** to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (iv) **“sale date”** means the date of execution of this Agreement by all parties.

15. In the event that any provision of this Agreement is held invalid or unenforceable by any court of competent jurisdiction, such holding will not invalidate or render unenforceable any other provision of this Agreement.

16. This Agreement may be executed in any number of counterparts, all of which taken together will constitute one agreement, and any of the parties hereto may execute the Agreement by signing any such counterpart.

17. This Agreement shall be governed by and construed in accordance with the laws of the State of California.

Very truly yours,

**STIFEL, NICOLAUS & COMPANY,  
INCORPORATED, as Underwriter**

By: \_\_\_\_\_  
Authorized Officer

Accepted:  
**CITY OF FONTANA COMMUNITY  
FACILITIES DISTRICT NO. 100  
(VICTORIA)**

By: \_\_\_\_\_  
Authorized Officer

Time of Execution: \_\_\_\_\_

## EXHIBIT A

<u>Maturity (September 1)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>Price</u>	<u>10% Test Satisfied*</u>	<u>10% Test Not Satisfied</u>	<u>Subject to Hold-The- Offering- Price Rule</u>
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T: Term Bond.

C: Priced to optional redemption date of September 1, 20\_\_, at \_\_%.

CC: Priced to optional redemption date of September 1, 20\_\_, at par.

\* At the time of execution of this Agreement and assuming orders are confirmed immediately after the execution of this Agreement.

## REDEMPTION TERMS

***Optional Redemption.*** The Bonds maturing on and after September 1, 20\_\_ shall be subject to optional redemption, in whole, or in part in Authorized Denominations, on any date on or after September 1, 20\_\_, from any source of available funds, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and thereafter	100

***Mandatory Redemption from Special Tax Prepayments.*** The Bonds shall be subject to mandatory redemption, in whole, or in part in Authorized Denominations, on any Interest Payment Date, from and to the extent of Special Tax prepayments required to be applied thereto pursuant to the Indenture and any amount required to be applied thereto pursuant to the Indenture, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<u>Redemption Dates</u>	<u>Redemption Price</u>
Any Interest Payment Date through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and thereafter	100

***Mandatory Sinking Fund Redemption.*** The Bonds maturing September 1, 20\_\_ shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20\_\_, at a Redemption Price equal to the principal amount of the Bonds maturing September 1, 20\_\_ to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

### **Term Bond maturing on September 1, 20\_\_**

Sinking Fund Redemption Date (September 1)	Principal Amount to be <u>Redeemed</u>
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(Maturity)



The Bonds maturing September 1, 20\_\_ shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20\_\_, at a Redemption Price equal to the principal amount of the Bonds maturing September 1, 20\_\_ to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

**Term Bond maturing on September 1, 20\_\_**

Sinking Fund Redemption Date ( <u>September 1</u> )	Principal Amount to be <u>Redeemed</u>
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(Maturity)

**EXHIBIT B**

**[\$[PAR]]  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
SPECIAL TAX BONDS, SERIES 2023**

**CERTIFICATE OF SPECIAL TAX CONSULTANT**

DTA, Inc. (“**Special Tax Consultant**”), Newport Beach, California, was retained as Special Tax Consultant and assisted in the preparation of and has reviewed the Rate and Method of Apportionment of Special Tax (the “**Rate and Method**”) set forth in Appendix A to the Preliminary Official Statement dated [POS Date] (the “**Preliminary Official Statement**”) and the Official Statement dated [Pricing Date] (the “**Official Statement**”) relating to the above-referenced bonds (the “**Bonds**”) being issued by City of Fontana Community Facilities District No. 100 (Victoria) (the “**Issuer**”). Based upon the Special Tax Consultant’s review of the Preliminary Official Statement, the Official Statement and such other documents as it deems relevant in the circumstances, the Special Tax Consultant hereby certifies that the Special Tax, if collected in the maximum amounts permitted under the Rate and Method, would generate at least 110% of the gross annual debt service on the Bonds plus estimated Administrative Expenses, provided that the annual debt service figures on the attached debt service schedule, which were relied upon by Special Tax Consultant, are substantially true and correct.

Although the Special Tax if collected in the maximum amounts under the Rate and Method will generate at least 110% of the gross annual debt service payable with respect to the Bonds each year (net of estimated Administrative Expenses), no representation is made herein as to actual amounts that will be collected in future years.

All information with respect to the Rate and Method and all other information sourced to the Special Tax Consultant in the Preliminary Official Statement as of its date and [Pricing Date], and the Official Statement as of its date and the date hereof is true and correct, and a true and correct copy of the Rate and Method is attached to the Preliminary Official Statement and the Official Statement as Appendix A.

Dated: [Closing Date]

**DTA, INC.**

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

## EXHIBIT C

\$[PAR]  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
SPECIAL TAX BONDS, SERIES 2023

### ISSUER CLOSING CERTIFICATE

I, the undersigned, hereby certify that I am the \_\_\_\_\_ of the City of Fontana (the “**City**”), the City Council of which is the legislative body for City of Fontana Community Facilities District No. 100 (Victoria) (the “**Issuer**”), a community facilities district duly organized and existing under the laws of the State of California (the “**State**”) and that as such, I am authorized to execute this Certificate on behalf of the Issuer in connection with the issuance of the above-referenced bonds (the “**Bonds**”).

I hereby further certify on behalf of the Issuer that:

- (A) to my best knowledge, after reasonable inquiry, no litigation is pending with respect to which the Issuer has been served with process or threatened (1) to restrain or enjoin the issuance of any of the Bonds or the collection of Net Special Tax Revenues pledged under the Indenture; (2) in any way contesting or affecting the authority for the issuance of the Bonds or the validity or enforceability of the Bonds or the Issuer Documents; or (3) in any way contesting the existence or powers of the Issuer;
- (B) the representations and warranties made by the Issuer in the Bond Purchase Agreement dated [Pricing Date], between the Issuer and Stifel, Nicolaus & Company, Incorporated (the “**Agreement**”) are true and correct in all material respects on the Closing Date, with the same effect as if made on the Closing Date;
- (C) no event affecting the Issuer has occurred since the date of the Final Official Statement that, as of the Closing Date, would cause any statement or information contained in the Final Official Statement under the caption “ABSENCE OF LITIGATION” to be incorrect or incomplete in any material respect or would cause the information contained under such caption in the Final Official Statement to contain an untrue statement of a material fact or omit to state a material fact necessary in order to make such statements therein, in the light of the circumstances under which they were made, not misleading;

- (D) as of the date hereof, the Issuer Documents are in full force and effect in accordance with their terms and have not been amended, modified or supplemented except in such case as may have been agreed to by the Underwriter; and
- (E) the Issuer has complied with all the agreements and satisfied all the conditions on its part to be performed or satisfied under the Issuer Documents prior to issuance of the Bonds.

Capitalized terms not defined herein shall have the same meaning set forth in the Agreement.

IN WITNESS WHEREOF, the undersigned has executed this certificate as of the date herein below set forth.

Dated: [Closing Date]

**CITY OF FONTANA COMMUNITY  
FACILITIES DISTRICT NO. 100  
(VICTORIA)**

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT D**

**CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
SPECIAL TAX BONDS, SERIES 2023**

I, the undersigned, hereby certify that I am the \_\_\_\_\_ of the City of Fontana (the “**City**”), the City Council of which is the legislative body for City of Fontana Community Facilities District No. 100 (Victoria) (the “**Issuer**”), a community facilities district duly organized and existing under the laws of the State of California (the “**State**”) and that as such, I am authorized to execute this Certificate on behalf of the Issuer in connection with the issuance of the above-referenced bonds (the “**Bonds**”).

I further hereby certify on behalf of the Issuer as follows:

- (1) This Certificate is delivered in connection with the offering and sale of the Bonds in order to enable the underwriter of the Bonds to comply with Rule 15c2-12 of the Securities Exchange Commission (“**Rule 15c2-12**”).
- (2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, setting forth information concerning the Bonds, the City and the Issuer (the “**Preliminary Official Statement**”).
- (3) As used herein, “Permitted Omissions” shall mean the offering price(s), interest rate(s), selling compensation, aggregate principal amount, principal amount per maturity, delivery dates, ratings and other terms of the Bonds depending on such matters, all with respect to the Bonds.
- (4) The Preliminary Official Statement is, except for the Permitted Omissions, deemed final within the meaning of Rule 15c2-12.

IN WITNESS WHEREOF, I have hereunto set my hand as of [POS Date].

**CITY OF FONTANA COMMUNITY  
FACILITIES DISTRICT NO. 100  
(VICTORIA)**

By: \_\_\_\_\_  
Name:  
Title:

**EXHIBIT E**

**\$(PAR)  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
SPECIAL TAX BONDS, SERIES 2023**

**CERTIFICATE OF U.S. BANK TRUST COMPANY, NATIONAL ASSOCIATION**

The undersigned hereby states and certifies that the undersigned is an authorized officer of U.S. Bank Trust Company, National Association, as trustee (the “**Trustee**”) under that certain Indenture, dated as of October 1, 2023 (the “**Indenture**”), between City of Fontana Community Facilities District No. 100 (Victoria) (the “**Issuer**”) and the Trustee, relating to the captioned bonds (the “**Bonds**”) and as such, is familiar with the following facts and is authorized and qualified to certify the following facts on behalf of the Trustee:

- (1) The Trustee is duly organized and existing as a national banking association under the laws of the United States of America, having the full power and authority to enter into and perform its duties under the Indenture and the District Continuing Disclosure Agreement.
- (2) The Indenture and the District Continuing Disclosure Agreement have been duly authorized, executed and delivered by the Trustee and the Bonds have been authenticated by a duly authorized representative of the Trustee in accordance with the Indenture.
- (3) There is no action, suit, proceeding or investigation, at law or in equity, before or by any court or governmental agency, public board or body pending against the Trustee or threatened against the Trustee which in the reasonable judgment of the Trustee would affect the existence of the Trustee or in any way contesting or affecting the validity or enforceability of the Indenture or the District Continuing Disclosure Agreement or contesting the powers of the Trustee or its authority to enter into and perform its obligation under the Indenture or the District Continuing Disclosure Agreement.

Capitalized terms not defined herein have the same meaning as is set forth in the Bond Purchase Agreement relating to the Bonds.

Dated: [Closing Date]

**U.S. BANK TRUST COMPANY,  
NATIONAL ASSOCIATION,  
*as Trustee***

By \_\_\_\_\_  
Authorized Officer



**EXHIBIT F**

**[\$[PAR]]  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
SPECIAL TAX BONDS, SERIES 2023**

**CERTIFICATE OF MUNICIPAL ADVISOR**

The undersigned hereby states and certifies as follows:

(1) The undersigned is an authorized officer of CSG Advisors, Inc., which has acted as municipal advisor (the “Municipal Advisor”) to City of Fontana Community Facilities District No. 100 (Victoria) (the “Issuer”) in connection with the issuance of the above-referenced bonds (the “Bonds”), and as such, is familiar with the facts herein certified and is authorized and qualified to certify the same.

(2) The Municipal Advisor has participated in the preparation of the Preliminary Official Statement dated [POS Date] (the “Preliminary Official Statement”) and the final Official Statement dated [Pricing Date] (the “Official Statement”) relating to the Bonds.

(3) Nothing has come to the attention of the Municipal Advisor which would lead it to believe that the Preliminary Official Statement or the Official Statement contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

Dated: [Closing Date]

**CSG ADVISORS, INC.,**  
***as Municipal Advisor***

By: \_\_\_\_\_  
Authorized Officer

**EXHIBIT G-1**

**CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
SPECIAL TAX BONDS, SERIES 2023**

**LETTER OF REPRESENTATIONS  
(Tri Pointe Homes Holdings, Inc.)**

[POS Date]

City of Fontana Community Facilities  
District No. 100 (Victoria)  
8353 Sierra Avenue  
Fontana, California 92335

Stifel, Nicolaus & Company, Incorporated  
One Montgomery Street, 35th Floor  
San Francisco, California 94104

Reference is made to the City of Fontana Community Facilities District No. 100 (Victoria) Special Tax Bonds, Series 2023 (the “**Bonds**”) and to the Bond Purchase Agreement to be entered into in connection therewith (the “**Bond Purchase Agreement**”). This Letter of Representations (Tri Pointe Homes Holdings, Inc.) (the “**Letter of Representations**”) is delivered pursuant to and in satisfaction of Section 8(c)(xvii) of the Bond Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Bond Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of Tri Pointe Homes Holdings, Inc., a Delaware corporation (the “**Developer**”), and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer is duly organized and validly existing under the laws of the State of California, and has all requisite limited liability company right, power and authority (i) to execute and deliver this Letter of Representations, and (ii) to develop its property in the City of Fontana Community Facilities District No. 100 (Victoria) (the “**Community Facilities District**”) as described in the Preliminary Official Statement.

2. As set forth in the Preliminary Official Statement, title to a certain portion of the property within the Community Facilities District is held in the name of the Developer or is owned by, and is under option to the Developer to acquire from, Rescal Victoria 193, LLC, a Delaware limited liability company (collectively, herein, the “**Property**”). The undersigned, on behalf of the Developer, makes the representations herein with respect to all such Property. Except as otherwise described in the Preliminary Official Statement, the Developer’s current expectation is that the Developer shall remain the party responsible for the construction and sale of homes within the Property. Except as disclosed in the Preliminary Official Statement with respect to Rescal Victoria 193, LLC, a Delaware limited liability company (the “**Land Bank**”),

the Developer has not entered into an agreement for development or management of the Property by any other entity, except such subcontracts, consultant agreements and similar agreements for land development activities associated with the Developer's development plan as are entered into in the ordinary course of business.

3. Except as set forth in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public board or body is pending against the Developer (with proper service of process to the Developer having been accomplished) or, to the Actual Knowledge of the Undersigned,<sup>1</sup> is pending against any current Affiliate<sup>2</sup> (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned is threatened in writing against the Developer, or any such Affiliate (a) to restrain or enjoin the collection of special tax levied on the Property by the Community Facilities District (the "**Special Tax**") or other sums pledged or to be pledged to pay the principal of and interest on the Bonds (e.g., the reserve fund established under the Indenture (herein, the "**Reserve Fund**")), (b) to restrain or enjoin the development of the Property as described in the Preliminary Official Statement, (c) to materially adversely affect the ability of the Developer to perform its obligations under the Continuing Disclosure Certificate (as hereinafter defined), (d) in any way contesting or affecting the validity of the Special Tax, or (e) which is reasonably likely to materially and adversely affect the Developer's ability to acquire, develop, and sell the Property as described in the Preliminary Official Statement or to pay the Special Tax due with respect to the Property (to the extent the responsibility of the Developer) prior to delinquency.

4. As of the date of the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the information contained therein solely with respect to the Developer, its

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<sup>1</sup> "**Actual Knowledge of the Undersigned**" means, as of the date of this Letter of Representations, the actual (as opposed to constructive) knowledge that the individual signing on behalf of the Developer currently has or has obtained through (i) interviews with such current officers and responsible employees of the Developer and its Affiliates as the undersigned has determined are reasonably likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations, and/or (ii) review of documents that were reasonably available to the undersigned and which the undersigned has reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Developer's current business and operations. Individuals who are no longer employees of the Developer and its Affiliates have not been contacted.

<sup>2</sup> "**Affiliate**" means, with respect to the Developer, any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Developer, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Community Facilities District and investment decision regarding the Bonds (i.e., information relevant to (a) the Developer's development plans with respect to the Property and ability to pay its Special Tax on the Property (to the extent the responsibility of the Developer) prior to delinquency, or (b) such Person's assets or funds that would materially affect the Developer's ability to develop the Property as described in the Preliminary Official Statement or to pay its Special Tax on the Property (to the extent the responsibility of the Developer)). "**Person**" means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof. For purposes hereof, the term "**control**" (including the terms "**controlling**," "**controlled by**" or "**under common control with**") means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise. The Land Bank is not an Affiliate of the Developer.

Affiliates, the proposed development of the Property, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Affiliates) as set forth under the sections of the Preliminary Official Statement captioned "INTRODUCTION – The District" (the first three paragraphs only), "PROPERTY OWNERSHIP AND THE DEVELOPMENT" (excluding information under the caption "– The Land Bank"), and "CONTINUING DISCLOSURE – The Developer" (but in all cases under all captions excluding therefrom (i) information regarding the Appraisal Report (as defined herein), market value ratios and annual special tax ratios, and (ii) information which is identified as having been provided by a source other than the Developer), is true and correct in all material respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

5. Except as described in the Preliminary Official Statement, there are no material loans outstanding and unpaid and no material lines of credit of the Developer or its Affiliates, that are secured by an interest in the Property. Neither the Developer nor, to the Actual Knowledge of the Undersigned, any of its Affiliates is currently in material default on any loans, lines of credit or other obligation related to the development of the Property or any other project which default is reasonably likely to materially and adversely affect the Developer's ability to develop the Property as described in the Preliminary Official Statement or to pay the Special Tax due with respect to the Property (to the extent the responsibility of the Developer) prior to delinquency.

6. To the Actual Knowledge of the Undersigned, other than as disclosed in the Preliminary Official Statement, the Developer is not aware that any of the Property has a current liability with respect to the presence of a substance presently classified as hazardous under the federal Comprehensive Environmental Response, Compensation and Liability Act of 1980 or applicable California law or is adversely affected by the presence of endangered or threatened species or habitat for endangered or threatened species.

7. The Developer covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Developer and its Affiliates which it controls will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way seeks to challenge or overturn the formation of the Community Facilities District, to challenge the adoption of the ordinance of the Community Facilities District levying Special Tax within the Community Facilities District, to invalidate the Community Facilities District or any of the Bonds or any refunding bonds related thereto, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the notices of special tax lien relating thereto. The foregoing covenant shall not prevent the Developer in any way from bringing any other action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body including, without limitation, (a) an action or suit contending that the Special Tax has not been levied in accordance with the methodologies contained in the Rate and Method of Apportionment of Special Tax pursuant to which Special Tax is levied, (b) an action or suit with respect to the application or use of the Special Tax levied and collected or (c) an action or suit to enforce the obligations of the City and/or the Community Facilities District under the Resolutions and Ordinance, the Indenture, or any other agreements among the Developer, an

Affiliate, the City and/or the Community Facilities District or to which the Developer or an Affiliate is a party or beneficiary.

8. The Developer consents to the issuance of the Bonds. The Developer acknowledges and agrees that the proceeds of the Bonds will be used as described in the Preliminary Official Statement.

9. The Developer intends to comply with the provision of the Mello-Roos Community Facilities Act of 1982, as amended, relating to the Notice of Special Tax described in Government Code Section 53341.5 in connection with the sale of the Property to homeowners, or portions thereof.

10. To the Actual Knowledge of the Undersigned, the Developer is able to pay its bills as they become due and no legal proceedings are pending against the Developer (with proper service of process having been accomplished) or, to the Actual Knowledge of the Undersigned, threatened in writing in which the Developer may be adjudicated as bankrupt or discharged from any and all of its debts or obligations, or granted an extension of time to pay its debts or obligations, or be allowed to reorganize or readjust its debts, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

11. The Developer agrees to execute at Closing the continuing disclosure certificate substantially in the form attached as Appendix H to the Preliminary Official Statement (the **“Continuing Disclosure Certificate”**), with such additional changes as may be agreed to by the Developer and the Underwriter. Except as disclosed in the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the Developer is not aware of any material failures by it or any entity under managerial control of the Developer to comply in all material respects with previous continuing disclosure undertakings in a written certificate or agreement executed by it or an entity under the managerial control of the Developer to provide periodic continuing disclosure reports or notices of material events respecting securities offerings in California within the past five years.

12. To the Actual Knowledge of the Undersigned, execution and delivery of the Continuing Disclosure Certificate, and the performance by the Developer of its obligations under the Continuing Disclosure Certificate, will not conflict with or constitute a breach of or default under any loans, lines of credit, agreements, or other contractual or financial obligations of the Developer, or any applicable law, regulation, judgment or decree.

13. To the Actual Knowledge of the Undersigned, Affiliates of the Developer are able to pay their bills as they become due and no legal proceedings are pending against any Affiliate of the Developer (with proper service of process having been accomplished) or to the Actual Knowledge of the Undersigned, threatened in writing in which the Affiliates of the Developer may be adjudicated as bankrupt or discharged from any or all of their debts or obligations, or granted an extension of time to pay their debt or obligations, or be allowed to reorganize or readjust their debts or obligations, or be subject to control or supervision of the Federal Deposit Insurance Corporation which is reasonably likely to have a materially adverse impact on the ability of the Developer to develop the Property as described in the Preliminary Official Statement, to perform its obligations under the Continuing Disclosure Certificate or to pay the Special Tax or ad valorem tax obligations with respect to the portion of the Property then owned by the Developer (to the extent the responsibility of the Developer) prior to delinquency.

14. The Developer has been developing or has been involved in the development of numerous projects over an extended period of time. It is likely that the Developer and its Affiliates have been delinquent at one time or another in the payment of ad valorem property taxes, special assessments or special taxes. However, to the Actual Knowledge of the Undersigned, during the last five years, neither the Developer nor any current Affiliate has, during the period of its ownership, been delinquent to any material extent in the payment of any *ad valorem* property tax, special assessment or special tax on property included within the boundaries of a community facilities district or an assessment district in California that (a) caused a draw on a reserve fund relating to such assessment district or community facilities district financing or (b) resulted in a foreclosure action being commenced against the delinquent Developer or such Affiliate in a court of law.

15. The Developer has not filed for the reassessment of the assessed value of any portions of the Property, other than in connection with the sale of homes to individual homebuyers.

16. To the Actual Knowledge of the Undersigned, there are no claims, disputes, suits, actions or contingent liabilities by and among the Developer, its Affiliates or any contractors working on the development of the Property which is reasonably likely to materially and adversely affect the Developer's development of the Property as described in the Preliminary Official Statement, the performance of the Developer's obligations under the Continuing Disclosure Certificate, or the payment of the Special Tax due with respect to the Property (to the extent the responsibility of the Developer) prior to delinquency.

17. Based upon the current development plans, including, without limitation, the current budget and subject to economic conditions and risks generally inherent in the development of real property, including, but not limited to, the risks described in the Preliminary Official Statement under the section entitled "SPECIAL RISK FACTORS," the Developer presently anticipates that it will have sufficient funds to develop the Property as described in the Preliminary Official Statement and to pay Special Tax levied against the Property (to the extent the responsibility of the Developer) prior to delinquency and does not anticipate that the City or the Community Facilities District will be required to resort to a draw on the Reserve Fund for payment of principal of or interest on the Bonds due to the Developer's nonpayment of Special Tax. However, neither the Developer nor any of its Affiliates are obligated to make any additional capital contribution or loan to the Developer at any time, and the Developer reserves the right to change its development plans and financing plans for the Property at any time without notice.

18. An appraisal of the taxable properties within the Community Facilities District, dated [August 22, 2023] (the "**Appraisal Report**"), was prepared by Kitty Siino & Associates, Inc. (the "**Appraiser**"). The Appraisal Report estimates the market value of the taxable properties within the Community Facilities District as of July 17, 2023 (the "**Date of Value**"). To the Actual Knowledge of the Undersigned, all information submitted by, or on behalf of and authorized by, the Developer to the Appraiser and contained in the sections of the Appraisal Report highlighted in yellow or circled in Exhibit A attached hereto, was true and correct in all material respects as of the Date of Value.

19. Solely as to the limited information described in the sections of the Preliminary Official Statement indicated in Paragraph 4 herein (and subject to the limitations and exclusions set forth in Paragraph 4), the Developer agrees to indemnify and hold harmless, to the extent



permitted by law, the City, the Community Facilities District, and their officials and employees, and each Person, if any, who controls any of the foregoing within the meaning of Section 15 of the Securities Act of 1933, as amended, or of Section 20 of the Securities Exchange Act of 1934, as amended (each, an “**Indemnified Party**” and, collectively, the “**Indemnified Parties**”), against any and all losses, claims, damages or liabilities, joint or several, to which such Indemnified Party may become subject under any statute or at law or in equity and shall reimburse any such Indemnified Party for any reasonable legal or other expense incurred by it in connection with investigating any such claim against it and defending any such action, insofar as and solely to the extent such losses, claims, damages, liabilities or actions, or legal or other expenses, arise out of or are based upon any untrue statement or alleged untrue statement of a material fact or the omission or alleged omission of a material fact by the Developer in the above-referenced information in the Preliminary Official Statement, as of its date, necessary to make the statements made by the Developer contained therein, in light of the circumstances under which they were made not misleading. This indemnity provision shall not be construed as a limitation on any other liability which the Developer may otherwise have to any Indemnified Party, provided that in no event shall the Developer be obligated for double indemnification, or for the negligence or willful misconduct of an Indemnified Party.

If any suit, action, proceeding (including any governmental or regulatory investigation), claim or demand shall be brought or asserted against any Indemnified Party in respect of which indemnification may be sought pursuant to the above paragraph, such Indemnified Party shall promptly notify the Developer in writing; provided that the failure to notify the Developer shall not relieve it from any liability that it may have hereunder except to the extent that it has been materially prejudiced by such failure; and provided, further, that the failure to notify the Developer shall not relieve it from any liability that it may have to an Indemnified Party otherwise than under the above paragraph unless such liability was also conditioned upon such notice. If any such proceeding shall be brought or asserted against an Indemnified Party and it shall have notified the Developer thereof, the Developer shall retain counsel reasonably satisfactory to the Indemnified Party and approved thereby to represent the Indemnified Party in such proceeding and shall pay the fees and expenses of such counsel related to such proceeding, as incurred. In any such proceeding, any Indemnified Party shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Indemnified Party unless (i) the Developer and the Indemnified Party shall have mutually agreed to the contrary; (ii) the Developer has failed within a reasonable time to retain counsel reasonably satisfactory to the Indemnified Party; (iii) the Indemnified Party shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Developer such that a material conflict of interest exists for such counsel; or (iv) the named parties in any such proceeding (including any impleaded parties) include the Developer and the Indemnified Party and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interest between them. It is understood and agreed that the Developer shall not, in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for all Indemnified Parties, and that all such fees and expenses, to the extent reasonable, shall be paid or reimbursed as they are incurred. Any such separate firm shall be designated in writing by such Indemnified Parties. The Developer shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent or if there be a final judgment for the plaintiff, the Developer agrees to indemnify each Indemnified Party from and against any loss or liability by reason of such settlement or judgment to the extent set forth above. If the Developer shall, after receiving notice of the indemnification

obligation of the Developer and within a period of time necessary to preserve any and all defenses to any claim asserted, fails to assume the defense or to retain counsel for that purpose satisfactory to the Indemnified Party, the Indemnified Party shall have the right, but not the obligation, to undertake the defense of, and to compromise or settle the claim or other matter on behalf of, for the account of and at the risk of, the Developer. The Developer shall not, without the written consent of the Indemnified Party, effect any settlement of any pending or threatened proceeding in respect of which any Indemnified Party is a party and indemnification could have been sought hereunder by such Indemnified Party, unless such settlement (x) includes an unconditional release of such Indemnified Party, in form and substance reasonably satisfactory to such Indemnified Party, from all liability on claims that are the subject matter of such proceeding, and (y) does not include any statement as to or any admission of fault, culpability or a failure to act by or on behalf of any Indemnified Party.

20. If between the date hereof and the Closing Date any event relating to or affecting the Developer, its Affiliates, ownership of the Property, the proposed development of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of such Affiliates) shall occur of which the undersigned has actual knowledge which would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 4 hereof (and subject to the limitations and exclusions contained in Paragraph 4 hereof), to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Developer shall notify the City, the Community Facilities District and the Underwriter and if in the opinion of counsel to the City or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Developer shall reasonably cooperate with the City and the Community Facilities District in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance satisfactory to counsel to the City, the Community Facilities District and to the Underwriter.

21. The Developer agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Exhibit H to the Bond Purchase Agreement. If any event related to or affecting the Developer, its Affiliates, or the ownership, development, or sale of the Property occurs, as a result of which it is necessary to modify the Closing Certificate, the Developer agrees to deliver a new Closing Certificate revised to reflect such event.

22. On behalf of the Developer, I have reviewed the contents of this Letter of Representations and have had the opportunity to discuss with counsel to the Developer the meaning of the contents of this Letter of Representations. The Developer acknowledges and understands that a variety of state and federal securities laws, including, but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the Developer and that under some circumstances, certification as to the matters set forth in this Letter of Representations, without additional disclosures or other action, may not fully discharge all duties and obligations of the Developer under such securities laws.

The undersigned has executed this Letter of Representations solely in his or her capacity as an authorized officer or representative of the Developer and he or she will have no personal liability arising from or relating to this Letter of Representations. Any liability arising from or relating to this Letter of Representations may only be asserted against the Developer.

TRI POINTE HOMES HOLDINGS, INC.,  
a Delaware corporation

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

Name:\_\_\_\_\_

Title:\_\_\_\_\_

[SIGNATURE PAGE TO LETTER OF REPRESENTATIONS OF  
TRI POINTE HOMES HOLDINGS, INC.]

**EXHIBIT A**

**TO**

**LETTER OF REPRESENTATIONS  
(Tri Pointe Homes Holdings, Inc.)**

**DEVELOPER PROVIDED INFORMATION IN APPRAISAL REPORT**

See attached.

**EXHIBIT G-2**

**CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
SPECIAL TAX BONDS, SERIES 2023**

**LETTER OF REPRESENTATIONS  
(Rescal Victoria 193, LLC)**

[POS Date]

City of Fontana Community Facilities  
District No. 100 (Victoria)  
8353 Sierra Avenue  
Fontana, California 92335

Stifel, Nicolaus & Company, Incorporated  
One Montgomery Street, 35th Floor  
San Francisco, California 94104

Reference is made to the City of Fontana Community Facilities District No. 100 (Victoria) Special Tax Bonds, Series 2023 (the “**Bonds**”) and to the Bond Purchase Agreement to be entered into in connection therewith (the “**Bond Purchase Agreement**”). This Letter of Representations (Rescal Victoria 193, LLC) (the “**Letter of Representations**”) is delivered pursuant to and in satisfaction of Section 8(c)(xvii) of the Bond Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Bond Purchase Agreement.

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of Rescal Victoria 193, LLC, a Delaware limited liability company (the “**Land Bank**”), and the undersigned, on behalf of the Land Bank, further certifies as follows:

1. The Land Bank is a limited partnership validly existing and in good standing under the laws of the State of Delaware and has duly qualified to transact business in the State of California, and has all requisite right, power and authority to execute and deliver this Letter of Representations.

2. As set forth in the Preliminary Official Statement, title to a certain portion of the property within the City of Fontana Community Facilities District No. 100 (Victoria) (the “**Community Facilities District**”) is held in the name of the Land Bank (herein, the “**Land Bank Property**”). The undersigned, on behalf of the Land Bank, makes the representations herein with respect to all such Land Bank Property. Except as disclosed in the Preliminary Official Statement, the Land Bank has not entered into an agreement for the sale, development or management of the Land Bank Property with any entity other than Tri Pointe Homes Holdings, Inc.

3. Except as set forth in the Preliminary Official Statement, no action, suit, proceeding, inquiry or investigation at law or in equity, before or by any court, regulatory agency, public board or body is pending against the Land Bank (with proper service of process to the Land Bank having been accomplished) or, to the Actual Knowledge of the Undersigned<sup>3</sup>, is pending against any current Affiliate<sup>4</sup> (with proper service of process to such Affiliate having been accomplished) or to the Actual Knowledge of the Undersigned is threatened in writing against the Land Bank, or any such Affiliate (a) to restrain or enjoin the collection of special tax levied on the Land Bank Property by the Community Facilities District (the “**Special Tax**”) or other sums pledged or to be pledged to pay the principal of and interest on the Bonds (e.g., the reserve fund established under the Indenture (herein, the “**Reserve Fund**”)), (b) to restrain or enjoin the development of the Land Bank Property as described in the Preliminary Official Statement, (c) in any way contesting or affecting the validity of the Special Tax, or (d) which is reasonably likely to materially and adversely affect the Land Bank’s ability to sell the Land Bank Property as described in the Preliminary Official Statement or, if the Option Agreement is terminated, to pay the Special Tax due with respect to the Land Bank Property (to the extent the responsibility of the Land Bank) prior to delinquency.

4. As of the date of the Preliminary Official Statement, to the Actual Knowledge of the Undersigned, the information contained therein solely with respect to the Land Bank, current ownership of the Land Bank Property, and contractual arrangements of the Land Bank (including the Option Agreement described in the Preliminary Official Statement) as set forth under the sections of the Preliminary Official Statement captioned “INTRODUCTION – The District” (second paragraph only) and “PROPERTY OWNERSHIP AND THE DEVELOPMENT – The Land Bank,” and “– Development Plan – *Option Agreement*,” is true and correct in all material

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<sup>3</sup> “**Actual Knowledge of the Undersigned**” means, as of the date of this Letter of Representations, the actual (as opposed to constructive) knowledge that the individual signing on behalf of the Land Bank currently has or has obtained through (i) interviews with such current officers and responsible employees of the Land Bank and its Affiliates as the undersigned has determined are reasonably likely, in the ordinary course of their respective duties, to have knowledge of the matters set forth in this Letter of Representations, and/or (ii) review of documents that were reasonably available to the undersigned and which the undersigned has reasonably deemed necessary for the undersigned to obtain knowledge of the matters set forth in this Letter of Representations. The undersigned has not conducted any extraordinary inspection or inquiry other than such inspections or inquiries as are prudent and customary in connection with the ordinary course of the Land Bank’s current business and operations. Individuals who are no longer employees of the Land Bank and its Affiliates have not been contacted.

<sup>4</sup> “**Affiliate**” means, with respect to the Land Bank, any other Person (i) who directly, or indirectly through one or more intermediaries, is currently controlling, controlled by or under common control with the Land Bank, and (ii) for whom information, including financial information or operating data, concerning such Person is material to potential investors in their evaluation of the Community Facilities District and investment decision regarding the Bonds (i.e., information relevant to (a) the Land Bank’s development plans with respect to the Land Bank Property and, if the Option Agreement is terminated, ability to pay its Special Tax on the Land Bank Property (to the extent the responsibility of the Land Bank) prior to delinquency, or (b) such Person’s assets or funds that would materially affect the Land Bank’s ability to develop the Land Bank Property as described in the Preliminary Official Statement or, if the Option Agreement is terminated, to pay its Special Tax on the Land Bank Property (to the extent the responsibility of the Land Bank)). “**Person**” means an individual, a corporation, a partnership, a limited liability company, an association, a joint stock company, a trust, any unincorporated organization or a government or political subdivision thereof. For purposes hereof, the term “**control**” (including the terms “**controlling**,” “**controlled by**” or “**under common control with**”) means the possession, direct or indirect, of the power to direct or cause the direction of the management and policies of a Person, whether through the ownership of voting securities, by contract or otherwise.



respects and did not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

5. Except as described in the Preliminary Official Statement, there are no material loans outstanding and unpaid and no material lines of credit of the Land Bank or its Affiliates, that are secured by an interest in the Land Bank Property. Neither the Land Bank nor, to the Actual Knowledge of the Undersigned, any of its Affiliates is (a) currently in breach of or in default under the Option Agreement, (b) in material default on any loans, lines of credit or other obligation related to the development of the Land Bank Property or any other project which default is reasonably likely to materially and adversely affect the Land Bank's ability to pay the Special Tax due with respect to the Land Bank Property (if the Option Agreement is terminated and to the extent the responsibility of the Land Bank) prior to delinquency.

6. The Land Bank covenants that, while the Bonds or any refunding obligations related thereto are outstanding, the Land Bank and its Affiliates which it controls will not bring any action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body, that in any way seeks to challenge or overturn the formation of the Community Facilities District, to challenge the adoption of the ordinance of the Community Facilities District levying Special Tax within the Community Facilities District, to invalidate the Community Facilities District or any of the Bonds or any refunding bonds related thereto, or to invalidate the special tax liens imposed under Section 3115.5 of the Streets and Highways Code based on recordation of the notices of special tax lien relating thereto. The foregoing covenant shall not prevent the Land Bank in any way from bringing any other action, suit, proceeding, inquiry or investigation at law or in equity, before any court, regulatory agency, public board or body including, without limitation, (a) an action or suit contending that the Special Tax has not been levied in accordance with the methodologies contained in the Rate and Method of Apportionment of Special Tax pursuant to which Special Tax are levied, (b) an action or suit with respect to the application or use of the Special Tax levied and collected or (c) an action or suit to enforce the obligations of the City and/or the Community Facilities District under the Resolutions and Ordinance, the Indenture, or any other agreements among the Land Bank, an Affiliate, the City and/or the Community Facilities District or to which the Land Bank or an Affiliate is a party or beneficiary.

7. To the Actual Knowledge of the Undersigned, the Land Bank is able to pay its bills as they become due and no legal proceedings are pending against the Land Bank (with proper service of process having been accomplished) or, to the Actual Knowledge of the Undersigned, threatened in writing in which the Land Bank may be adjudicated as bankrupt or discharged from any and all of its debts or obligations, or granted an extension of time to pay its debts or obligations, or be allowed to reorganize or readjust its debts, or be subject to control or supervision of the Federal Deposit Insurance Corporation.

8. To the Actual Knowledge of the Undersigned, during the last five years, neither the Land Bank nor any current Affiliate has, during the period of its ownership, been delinquent to any material extent in the payment of any *ad valorem* property tax, special assessment or special tax on property included within the boundaries of a community facilities district or an assessment district in California that (a) caused a draw on a reserve fund relating to such assessment district or community facilities district financing or (b) resulted in a foreclosure action being commenced against the delinquent Land Bank or such Affiliate in a court of law.

9. If between the date hereof and the Closing Date any event relating to or affecting the Land Bank, its Affiliates, ownership of the Land Bank Property, and contractual arrangements of the Land Bank or any Affiliates shall occur of which the undersigned has actual knowledge which would cause the information under the sections of the Preliminary Official Statement indicated in Paragraph 4 hereof (and subject to the limitations and exclusions contained in Paragraph 4 hereof), to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the Land Bank shall notify the City, the Community Facilities District and the Underwriter and if in the opinion of counsel to the City or the Underwriter such event requires the preparation and publication of a supplement or amendment to the Preliminary Official Statement, the Land Bank shall reasonably cooperate with the City and the Community Facilities District in the preparation of an amendment or supplement to the Preliminary Official Statement in form and substance satisfactory to counsel to the City, the Community Facilities District and to the Underwriter.

10. The Land Bank agrees to deliver a Closing Certificate dated the date of issuance of the Bonds at the time of issuance of the Bonds in substantially the form attached as Exhibit H-2 to the Bond Purchase Agreement. If any event related to or affecting the Land Bank, its Affiliates, or the ownership, development, or sale of the Land Bank Property occurs, as a result of which it is necessary to modify the Closing Certificate, the Land Bank agrees to deliver a new Closing Certificate revised to reflect such event.

11. On behalf of the Land Bank, I have reviewed the contents of this Letter of Representations and have had the opportunity to discuss with counsel to the Land Bank the meaning of the contents of this Letter of Representations. The Land Bank acknowledges and understands that a variety of state and federal securities laws, including, but not limited to the Securities Act of 1933, as amended, and Rule 10b-5 promulgated under the Securities Exchange Act of 1934, as amended, may apply to the Land Bank and that under some circumstances, certification as to the matters set forth in this Letter of Representations, without additional disclosures or other action, may not fully discharge all duties and obligations of the Land Bank under such securities laws.

*[Remainder of Page Intentionally Left Blank; Signature Page Follows]*

The undersigned has executed this Letter of Representations solely in his or her capacity as an authorized officer or representative of the Land Bank and he or she will have no personal liability arising from or relating to this Letter of Representations. Any liability arising from or relating to this Letter of Representations may only be asserted against the Land Bank.

RESCAL VICTORIA 193, LLC,  
a Delaware limited liability company

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

Name:\_\_\_\_\_

Title:\_\_\_\_\_

**EXHIBIT H-1**

**[\$[PAR]]  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
SPECIAL TAX BONDS, SERIES 2023**

**CLOSING CERTIFICATE  
(Tri Pointe Homes Holdings, Inc.)**

[Closing Date]

City of Fontana Community Facilities  
District No. 100 (Victoria)  
8353 Sierra Avenue  
Fontana, California 92335

Stifel, Nicolaus & Company, Incorporated  
One Montgomery Street, 35th Floor  
San Francisco, California 94104

Ladies and Gentlemen:

Reference is made to the above-captioned bonds (the “**Bonds**”) and to the Bond Purchase Agreement, dated [Pricing Date] (the “**Bond Purchase Agreement**”), entered into in connection therewith. This Closing Certificate (Tri Pointe Homes Holdings, Inc.) (the “**Closing Certificate**”) is delivered pursuant to Section 8(c)(xviii) of the Bond Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Letter of Representations (Tri Pointe Homes Holdings, Inc.), dated [POS Date] (the “**Letter of Representations**”), delivered by Tri Pointe Homes Holdings, Inc., a Delaware corporation (the “**Developer**”).

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Developer, and the undersigned, on behalf of the Developer, further certifies as follows:

1. The Developer has received the final Official Statement dated [Pricing Date] relating to the Bonds (the “**Official Statement**”). To the Actual Knowledge of the Undersigned, each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations) relating to the Developer, its Affiliates, the proposed development of the Property, ownership of the Property, the Developer’s development plan, the Developer’s financing plan, the Developer’s lenders, if any, and contractual arrangements of the Developer or any

Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of its Affiliates), which should be disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the **"End of the Underwriting Period"** as defined in the Bond Purchase Agreement (provided the Developer may assume the End of the Underwriting Period is the Closing Date (as defined in the Bond Purchase Agreement), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if any event relating to or affecting the Developer, its Affiliates, the proposed development of the Property, ownership of the Property, the Developer's development plan, the Developer's financing plan, the Developer's lenders, if any, and contractual arrangements of the Developer or any Affiliates (including, if material to the Developer's development plan or the Developer's financing plan, other loans of its Affiliates) shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the City or the Community Facilities District, to amend or supplement the Official Statement in order to make the information under the sections of the Official Statement indicated in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations) not misleading in the light of the circumstances under which they were made, the Developer shall reasonably cooperate with the City, the Community Facilities District and the Underwriter in the preparation and publication of a supplement or amendment to the information under the sections of the Official Statement indicated in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations), in form and substance satisfactory to the Underwriter and counsel to the City and the Community Facilities District which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

4. The Developer has duly authorized the execution and delivery of the Continuing Disclosure Certificate and is duly authorized to perform the obligation on its part to be performed thereunder, and the Continuing Disclosure Certificate constitutes the legal, valid and binding obligation of the Developer, enforceable against it in accordance with its terms, subject to bankruptcy, insolvency, reorganization, arrangement, moratorium, fraudulent conveyance and other similar laws affecting the rights of creditors and certain equitable, legal or statutory principles affecting enforcement of contractual rights generally, regardless of whether such enforcement is considered in a proceeding of law or equity.

*[Remainder of Page Intentionally Left Blank; Signature Page Follows]*

The undersigned has executed this Closing Certificate solely in his or her capacity as an authorized officer or representative of the Developer and he or she will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Developer.

TRI POINTE HOMES HOLDINGS, INC.,  
a Delaware corporation

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_



**EXHIBIT H-2**

**\$(PAR)  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
SPECIAL TAX BONDS, SERIES 2023**

**CLOSING CERTIFICATE  
(Rescal Victoria 193, LLC)**

[Closing Date]

City of Fontana Community Facilities  
District No. 100 (Victoria)  
8353 Sierra Avenue  
Fontana, California 92335

Stifel, Nicolaus & Company, Incorporated  
One Montgomery Street, 35th Floor  
San Francisco, California 94104

Ladies and Gentlemen:

Reference is made to the above-captioned bonds (the “**Bonds**”) and to the Bond Purchase Agreement, dated [Pricing Date] (the “**Bond Purchase Agreement**”), entered into in connection therewith. This Closing Certificate (Rescal Victoria 193, LLC) (the “**Closing Certificate**”) is delivered pursuant to Section 8(c)(xviii) of the Bond Purchase Agreement. Capitalized terms used herein and not otherwise defined have the meanings ascribed to them in the Letter of Representations (Rescal Victoria 193, LLC), dated [POS Date] (the “**Letter of Representations**”), delivered by Rescal Victoria 193, LLC, a Delaware limited liability company (the “**Land Bank**”).

The undersigned certifies that he or she is familiar with the facts herein certified and is authorized and qualified to certify the same as an authorized officer or representative of the Land Bank, and the undersigned, on behalf of the Land Bank, further certifies as follows:

1. The Land Bank has received the final Official Statement dated [Pricing Date] relating to the Bonds (the “**Official Statement**”). To the Actual Knowledge of the Undersigned, each statement, representation and warranty made in the Letter of Representations is true and correct in all material respects on and as of the date hereof with the same effect as if made on the date hereof, except that all references therein to the Preliminary Official Statement shall be deemed to be references to the Official Statement.

2. To the Actual Knowledge of the Undersigned, no event has occurred since the date of the Preliminary Official Statement affecting the statements and information described in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations) relating to the Land Bank, the proposed development of the Land Bank Property, current ownership of the Land Bank Property, and contractual arrangements of the Land Bank (including the Option Agreement described in the Official Statement), which should be

disclosed in the Official Statement for the purposes for which it is to be used in order to make such statements and information contained in the Official Statement not misleading in any material respect.

3. For the period through 25 days after the “**End of the Underwriting Period**” as defined in the Bond Purchase Agreement (provided the Land Bank may assume the End of the Underwriting Period is the Closing Date (as defined in the Bond Purchase Agreement), unless it receives written notice from the Underwriter that the End of the Underwriting Period is later than the Closing Date), if any event relating to or affecting the Land Bank, ownership of the Land Bank Property, and contractual arrangements of the Land Bank (including the Option Agreement described in the Official Statement) shall occur as a result of which it is necessary, in the opinion of the Underwriter or counsel to the City or the Community Facilities District, to amend or supplement the Official Statement in order to make the information under the sections of the Official Statement indicated in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations) not misleading in the light of the circumstances under which they were made, the Land Bank shall reasonably cooperate with the City, the Community Facilities District and the Underwriter in the preparation and publication of a supplement or amendment to the information under the sections of the Official Statement indicated in Paragraph 4 of the Letter of Representations (and subject to the limitations and exclusions contained in Paragraph 4 of the Letter of Representations), in form and substance satisfactory to the Underwriter and counsel to the City and the Community Facilities District which will amend or supplement the Official Statement so that it will not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

*[Remainder of Page Intentionally Left Blank; Signature Page Follows]*

The undersigned has executed this Closing Certificate solely in his or her capacity as an authorized officer or representative of the Land Bank and he or she will have no personal liability arising from or relating to this Closing Certificate. Any liability arising from or relating to this Closing Certificate may only be asserted against the Developer.

RESCAL VICTORIA 193, LLC,  
a Delaware limited liability company

By: \_\_\_\_\_  
Name: \_\_\_\_\_  
Title: \_\_\_\_\_

## EXHIBIT I

### FORM OF ISSUE PRICE CERTIFICATION

\$[PAR]  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
SPECIAL TAX BONDS, SERIES 2023

#### ISSUE PRICE CERTIFICATE

The undersigned, Stifel, Nicolaus & Company, Incorporated (“Stifel”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

1. **Bond Purchase Agreement.** On [Pricing Date] (the “Sale Date”), Stifel and the Issuer executed a Bond Purchase Agreement (the “Purchase Agreement”) in connection with the sale of the Bonds. Stifel has not modified the Purchase Agreement since its execution on the Sale Date.
2. **Price.**
  - (a) As of the date of this Certificate, for each [Maturity] [of the General Rule Maturities] of the Bonds, the first price at which at least 10% of each such Maturity of the Bonds was sold to the Public (the “10% Test”) was the respective price for such Maturity listed in **Schedule A** attached hereto.
  - (b) [Stifel offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in **Schedule A** (the “Initial Offering Prices”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as **Schedule B**.
  - (c) As set forth in the Bond Purchase Agreement, Stifel has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “hold-the-offering-price rule”), and (ii) any selling group agreement shall contain the agreement of each dealer who is a member of the selling group, and any retail distribution agreement shall contain the agreement of each broker-dealer who is a party to the retail distribution agreement, to comply with the hold-the-offering-price rule. Pursuant to such agreement, no Underwriter (as defined below) has offered or sold any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity of the Bonds during the Holding Period.]
  - (d) [\*\* With respect to each of the General Rule Maturities of the Bonds:
    - (1) As of the date of this Certificate, Stifel has not sold at least 10% of the Bonds of these Maturities at any single price.

- (2) As of the date of this Certificate, Stifel reasonably expects that the first sale to the Public of Bonds of these Maturities will be at or below the respective price or prices listed on the attached **Schedule A** as the “Reasonably Expected Sale Prices for Undersold Maturities.”
- (3) Stifel will provide actual sales information (substantially similar to the information contained on **Schedule B**) as to the price at which the first 10% of each such Maturity (i.e., the Undersold Maturity or Maturities) is sold to the Public.
- (4) On the date the 10% Test is satisfied with respect to all Maturities of the Bonds, Stifel will execute a supplemental certificate substantially in the form attached hereto as **Schedule C** with respect to any remaining Maturities for which the 10% Test has not been satisfied as of the Closing Date.\*\*]

### 3. **Defined Terms.**

- (a) “*General Rule Maturities*” means those Maturities of the Bonds listed in Schedule A hereto as the “General Rule Maturities.”
- (b) “*Hold-the-Offering-Price Maturities*” means those Maturities of the Bonds listed in Schedule A hereto as the “Hold-the-Offering-Price Maturities.”
- (c) “*Holding Period*” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date, or (ii) the date on which Stifel has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.
- (d) “*Issuer*” means the City of Fontana Community Facilities District No. 100 (Victoria).
- (e) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds *with* the same maturity date but different stated interest rates, are treated as separate Maturities.
- (f) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (g) “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

- 4. **Reserve Fund.** The funding of the Reserve Fund under the Indenture, and as provided in the Tax Certificate, is reasonably required, was a vital factor in marketing the Bonds, facilitated the

marketing of the Bonds at an interest rate comparable to that of bonds and other tax-exempt obligations of a similar type, and is not in excess of the amount necessary for such purpose.

5. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated [Closing Date] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

**STIFEL, NICOLAUS & COMPANY,  
INCORPORATED**

By: \_\_\_\_\_  
Managing Director

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

Dated: [Closing Date]

SCHEDULE A  
TO  
ISSUE PRICE CERTIFICATE

[Schedules to be updated at pricing in the event there are Hold-the-Offering-Price-Maturities]

Actual Sales Information as of Closing Date

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Date Sold</u>	<u>Time Sold</u>	<u>Par Amount</u>	<u>Sale Price</u>
-----------------------	---------------	------------------	------------------	-------------------	-------------------

\*\*Reasonably Expected Sales Prices for Undersold Maturities as of Closing Date

<u>Maturity/CUSIP</u>	<u>Coupon</u>	<u>Par Amount</u>	<u>Offering Prices</u>
-----------------------	---------------	-------------------	------------------------

\*\*]



[\*\*SCHEDULE B  
TO  
ISSUE PRICE CERTIFICATE

**Actual Sales for Undersold Maturities as of the Closing Date**

<b><u>Maturity/CUSIP</u></b>	<b><u>Date Sold</u></b>	<b><u>Time Sold</u></b>	<b><u>Par Amount</u></b>	<b><u>Sale Price</u></b>
------------------------------	-------------------------	-------------------------	--------------------------	--------------------------

\*\*]

[\*\*SCHEDULE C  
TO  
ISSUE PRICE CERTIFICATE

**SUPPLEMENTAL ISSUE PRICE CERTIFICATE OF UNDERWRITER**

**[\$[PAR]  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
SPECIAL TAX BONDS, SERIES 2023**

The undersigned, Stifel, Nicolaus & Company, Incorporated (“Stifel”), hereby certifies as set forth below with respect to the sale and issuance of the above-captioned obligations (the “Bonds”).

**1. *Issue Price.***

- (a) Stifel sold at least 10% of the \_\_\_\_\_ Maturities of the Bonds to the Public at the price or prices shown on the Issue Price Certificate dated as of the Closing Date (the “10% Test”). With respect to each of the \_\_\_\_\_ Maturities of the Bonds, Stifel had not satisfied the 10% Test as of the Closing Date (the “Undersold Maturities”).
- (b) As of the date of this Supplemental Certificate, Stifel has satisfied the 10% Test with respect to the Undersold Maturities. The first price or prices at which at least 10% of each such Undersold Maturity was sold to the Public are the respective prices listed on **Exhibit A** attached hereto.

**2. *Defined Terms.***

- (a) “*Issuer*” means the City of Fontana Community Facilities District No. 100 (Victoria).
- (b) “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate Maturities.
- (c) “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term “related party” for purposes of this certificate generally means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.
- (d) “*Underwriter*” means (1) any person that agrees pursuant to a written contract with the Issuer (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (2) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

3. The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents Stifel's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Tax Certificate of the Issuer dated [Closing Date] and with respect to compliance with the federal income tax rules affecting the Bonds, and by Bond Counsel, in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds.

**STIFEL, NICOLAUS & COMPANY,  
INCORPORATED**

By: \_\_\_\_\_  
[Title]

By: \_\_\_\_\_  
[Title]

Dated: [Closing Date]

EXHIBIT A  
TO  
SUPPLEMENTAL ISSUE PRICE CERTIFICATE\*\*]

This Preliminary Official Statement and the information contained herein are subject to completion or amendment. These securities may not be sold, nor may offers to buy them be accepted, prior to the time the Official Statement is delivered in final form. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of, these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful.

**PRELIMINARY OFFICIAL STATEMENT DATED \_\_\_\_\_, 2023**

**NEW ISSUE – BOOK-ENTRY-ONLY**

**NO RATING**

*In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 and is exempt from State of California personal income taxes. In the further opinion of Bond Counsel, interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See “TAX MATTERS” herein.*

**\$5,330,000\***

**CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
SPECIAL TAX BONDS, SERIES 2023**

**Dated: Date of Delivery**

**Due: September 1, as shown on the inside cover page**

The City of Fontana Community Facilities District No. 100 (Victoria) Special Tax Bonds, Series 2023 (the “Bonds”) are being issued and delivered by the City of Fontana Community Facilities District No. 100 (Victoria) (the “District”) to (i) provide financing for certain public facilities and costs with respect thereto related to the development within the District, (ii) fund a reserve fund with respect to the Bonds, and (iii) pay the costs of issuance with respect to the Bonds. See “ESTIMATED SOURCES AND USES OF FUNDS” herein. The District has been formed by and is located in the City of Fontana, California (the “City”).

The Bonds are authorized to be issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California), and pursuant to an Indenture, dated as of \_\_\_\_\_, 1, 2023, by and between the District and U.S. Bank Trust Company, National Association, as Trustee. The Bonds are special, limited obligations of the District and are payable solely from Net Special Tax Revenues (as defined herein), and the other assets pledged therefor under the Indenture, all as further described herein. The Special Tax (as defined herein) is to be levied according to the rate and method of apportionment approved by the City Council of the City and the qualified electors within the District. The City Council is the legislative body of the District.

The Bonds are issuable in fully registered form and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Individual purchases of Bonds may be made in principal amounts of \$5,000 and integral multiples thereof. Purchasers of Bonds will not receive certificates representing their beneficial ownership of the Bonds but will receive credit balances on the books of their respective nominees. Interest on the Bonds will be payable on each September 1 and March 1, commencing March 1, 2024. Principal of and interest on the Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who are expected to remit such payments to the beneficial owners of the Bonds. See “THE BONDS — General Provisions” and Appendix I — “INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM” herein.

**NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT (EXCEPT TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), THE CITY OR THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS OR ADDITIONAL BONDS. EXCEPT FOR THE NET SPECIAL TAX REVENUES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS OR ADDITIONAL BONDS. THE BONDS AND ANY ADDITIONAL BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY BUT ARE SPECIAL, LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAX REVENUES AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.**

The purchase of the Bonds involves certain risks. See the section of this Official Statement entitled “SPECIAL RISK FACTORS” for a discussion of certain risk factors that should be considered, in addition to the other matters set forth herein, in evaluating the investment quality of the Bonds.

This cover page contains certain information for general reference only. It is not a summary of this issue. Investors are advised to read the entire Official Statement to obtain information essential to the making of an informed investment decision.

*The Bonds are offered when, as and if issued and accepted by the Underwriter, subject to approval as to their legality by Orrick Herrington & Sutcliffe, LLP, Los Angeles, California, as Bond Counsel, and subject to certain other conditions. Certain legal matters will be passed on for the City and the District by Best Best & Krieger LLP, Riverside, California, in its capacity as City Attorney, and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Jones Hall, A Professional Law Corporation, San Francisco, California. It is anticipated that the Bonds will be available for delivery to DTC or its agent in book-entry form on or about \_\_\_\_\_, 2023.*

**[STIFEL LOGO]**

Dated: \_\_\_\_\_, 2023

**MATURITY SCHEDULE**  
**BASE CUSIP<sup>†</sup>: 344630**

<i><b>Maturity Date</b></i> <i><b>(September 1)</b></i>	<i><b>Principal</b></i> <i><b>Amount</b></i>	<i><b>Interest</b></i> <i><b>Rate</b></i>	<i><b>Yield</b></i>	<i><b>Price</b></i>	<i><b>CUSIP<sup>†</sup> No.</b></i>
--	---	--	---------------------	---------------------	-------------------------------------

\$ _____	_____ %	Term Bonds due September 1, 20____,	Yield: _____ %	Price: _____	CUSIP No. _____ <sup>†</sup>
\$ _____	_____ %	Term Bonds due September 1, 20____,	Yield: _____ %	Price: _____	CUSIP No. _____ <sup>†</sup>
\$ _____	_____ %	Term Bonds due September 1, 20____,	Yield: _____ %	Price: _____	CUSIP No. _____ <sup>†</sup>

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<sup>†</sup> CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright© 2023 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the City, the Underwriter or their agents or counsel assume responsibility for the accuracy of such numbers.

**CITY OF FONTANA**

**CITY COUNCIL**

Acquanetta Warren, Mayor  
Peter Garcia, Mayor Pro Tem  
Phillip Cothran, Council Member  
John Roberts, Council Member  
Jesus “Jesse” Sandoval, Council Member

**STAFF**

Matthew C. Ballantyne, City Manager  
Jessica Brown, Chief Financial Officer, Management Services  
Janet Koehler-Brooks, City Treasurer  
Germaine Key, City Clerk  
Best Best & Krieger LLP, City Attorney

**BOND COUNSEL**

Orrick Herrington & Sutcliffe LLP  
Los Angeles, California

**MUNICIPAL ADVISOR**

CSG Advisors Incorporated  
San Francisco, California

**DISCLOSURE COUNSEL**

Stradling Yocca Carlson & Rauth, a Professional Corporation  
Newport Beach, California

**TRUSTEE**

U.S. Bank Trust Company, National Association  
Los Angeles, California

**SPECIAL TAX CONSULTANT**

DTA, Inc.  
Newport Beach, California

**APPRAISER**

Kitty Siino & Associates, Inc.  
Tustin, California

**PRICE POINT CONSULTANT**

Empire Economics, Inc.  
Capistrano Beach, California



Except where otherwise indicated, all information contained in this Official Statement has been provided by the City and the District. No dealer, broker, salesperson or other person has been authorized by the City, the District, the Trustee or the Underwriter to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the City, the District, the Trustee or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of the Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or owners of the Bonds. Statements contained in this Official Statement which involve estimates, forecasts or matters of opinion, whether or not expressly so described herein, are intended solely as such and are not to be construed as representations of fact.

The Underwriter has provided the following sentence for inclusion in this Official Statement:

The Underwriter has reviewed the information in this Official Statement in accordance with, and as a part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

The information and expressions of opinion herein are subject to change without notice and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District, or any other parties described herein since the date hereof. All summaries of the Indenture or other documents are made subject to the provisions of such documents respectively and do not purport to be complete statements of any or all of such provisions. Reference is hereby made to such documents on file with the District for further information in connection therewith.

Certain statements included or incorporated by reference in this Official Statement constitute “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as a “plan,” “expect,” “estimate,” “project,” “budget” or similar words. Such forward-looking statements include but are not limited to certain statements contained in the information under the captions “THE COMMUNITY FACILITIES DISTRICT” and “PROPERTY OWNERSHIP AND THE DEVELOPMENT.”

The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Except as set forth in the District’s Continuing Disclosure Agreement, a form of which is attached hereto as Appendix G, neither the District nor the City plans to issue any updates or revisions to the forward-looking statements set forth in this Official Statement. The Developer (as defined herein) has agreed to provide certain continuing disclosure information concerning the Developer and its property within the District in the form attached hereto as Appendix H. See “CONTINUING DISCLOSURE.”

A wide variety of other information, including financial information, concerning the City, is available from publications and websites of the City and others. No such information is a part of or incorporated into this Official Statement.

**IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF SUCH BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.**

**THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT. THE BONDS HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.**

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[INSERT AREA MAP]

[INSERT AERIAL PHOTO]

**\$5,330,000\***  
**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)**  
**SPECIAL TAX BONDS, SERIES 2023**

**INTRODUCTION**

*This introduction is not a summary of this Official Statement. It is only a brief description of and guide to, and is qualified by, more complete and detailed information contained in the entire Official Statement, including the cover page and appendices hereto, and the documents summarized or described herein. A full review should be made of the entire Official Statement. The offering of the Bonds to potential investors is made only by means of the entire Official Statement.*

The purpose of this Official Statement, which includes the cover page, the table of contents and the attached appendices, is to provide certain information concerning the issuance of the City of Fontana Community Facilities District No. 100 (Victoria) Special Tax Bonds, Series 2023 (the “Bonds”) by the City of Fontana Community Facilities District No. 100 (Victoria) (the “District”), in the aggregate principal amount set forth on the front cover page. The proceeds of the Bonds will be used to finance certain public facilities and costs with respect thereto related to the development within the District, to fund a reserve fund for the Bonds (the “Reserve Fund”), and to pay costs of issuance of the Bonds.

The Bonds are being issued pursuant to the Mello-Roos Community Facilities Act of 1982, as amended (Section 53311 *et seq.* of the Government Code of the State of California) (the “Act”), and pursuant to the Indenture, dated as of \_\_\_\_ 1, 2023 (the “Indenture”), by and between the District and U.S. Bank Trust Company, National Association, as trustee (the “Trustee”). The Bonds are secured under the Indenture by a pledge of, constituting a lien on and security interest in, the Net Special Tax Revenues (as defined herein) and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund established pursuant to the Indenture.

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**The District**

The District includes approximately 21.54 gross acres and is located in the northwestern portion of the City of Fontana (the “City”). The District is located at the southwest corner of Victoria Street and Kestrel Drive, just east of Interstate 15. The District is being developed into a gated community known as “Aurora Park” by Tri Pointe Homes Holdings, Inc., a Delaware corporation (“Tri Pointe” or the “Developer”), and is expected to consist of a total of 193 residential units in two product lines known as “Sienna at Aurora Park” (“Sienna”) and “Goldenrod at Aurora Park” (“Goldenrod”). Sienna is proposed for 82 single family detached residential units and Goldenrod is proposed for 111 single family detached residential units. The District is located in Tract Map No. 20229, recorded on June 17, 2021.

Tri Pointe is acquiring the property within the District in phased takedowns from Rescal Victoria 193, LLC (dba Resmark) (the “Land Bank”) pursuant to an Option Agreement, dated December 23, 2020, between Tri Pointe and the Land Bank (the “Option Agreement”) under which Tri Pointe acquires lots in a finished lot condition as development progresses. The Land Bank acquired the property within the District on December 23, 2020 from SC Victoria, LLC, a California limited liability company (the “Original Landowner” or “SC

Victoria”) and Tri Pointe began taking down lots on June 7, 2021. As of July 17, 2023, the date of value of the Appraisal (defined herein), Tri Pointe had taken down 115 of the 193 residential lots in the District. Tri Pointe is scheduled to take down all of the remaining property to be developed as 78 residential units in the District by October 2024. There is no guarantee that Tri Pointe will acquire the remaining lots as planned. During the term of the Option Agreement, Tri Pointe is contractually obligated to pay the Special Tax levied on the property subject to such agreement. However, in the event the Option Agreement is terminated prior to Tri Pointe having acquired all of the lots thereunder, the Special Tax would continue to be levied on the property in the District owned by the Land Bank. See “PROPERTY OWNERSHIP AND THE DEVELOPMENT.”

Sales began within the District in June 2022 and, as of July 17, 2023, within the District, 72 residential units had been completed and conveyed to individual homeowners, Tri Pointe owned six completed model units (none of which were in escrow), 10 homes over 95% complete (nine of which were in escrow), 11 residential units under construction and less than 95% complete (10 of which were in escrow), and 16 finished lots and the Land Bank owned 78 finished lots (none of which were in escrow). As of September 1, 2023, within the District, 88 residential units had been completed and conveyed to individual homeowners, Tri Pointe owned six completed model units (none of which were in escrow), 10 homes over 95% complete all of which were in escrow), 11 residential units under construction and less than 95% complete (none of which were in escrow), and the Land Bank owned 78 finished lots (none of which were in escrow). Sales contracts are subject to cancelation and, therefore, homes currently in escrow may not result in closed escrows with the prospective homebuyers. Within the District, 131 building permits had been obtained as of July 17, 2023. Accordingly, assuming no additional building permits are obtained prior to May 1, 2024, 131 parcels will be classified as Developed Property for the Fiscal Year 2024-25 Special Tax levy. See “PROPERTY OWNERSHIP AND THE DEVELOPMENT.”

The District was formed to finance certain public facilities and costs with respect thereto related to the development within the District. The Act was enacted by the California legislature to provide an alternative method of financing certain public capital facilities and services, especially in developing areas of the State of California (the “State”). Any local agency (as defined in the Act) may establish a community facilities district to provide for and finance the cost of eligible public facilities and services. The legislative body of the local agency which forms a community facilities district acts on behalf of such district as its legislative body. Subject to approval by two-thirds of the votes cast at an election and compliance with the other provisions of the Act, a legislative body of a local agency may issue bonds for a community facilities district and may levy and collect a special tax within such district to repay such indebtedness.

Pursuant to the Act, the City Council adopted the necessary resolutions stating its intent to establish the District, to authorize the levy of special taxes on taxable property within the boundaries of the District, and to have the District incur bonded indebtedness for the purpose of financing authorized facilities (the “Facilities”). Following public hearings conducted pursuant to the provisions of the Act, the City Council adopted resolutions establishing the District and calling special elections to submit the levy of the special taxes and the incurring of bonded indebtedness to the qualified voters of the District. On December 8, 2020, at an election held pursuant to the Act, the then sole landowner who comprised the qualified voters of the District, SC Victoria, authorized the District to incur bonded indebtedness in the aggregate principal amount of not to exceed \$8,000,000 to be secured by the levy of Special Taxes (as defined below) on taxable property within the District for the purpose of financing the Facilities, and approved the rate and method of apportionment of the special taxes for the District (the “Rate and Method”).

The Rate and Method provides for a Facilities Special Tax (as defined in the Rate and Method) (the “Facilities Special Tax”) to be levied for the Special Tax Requirement for Facilities (as defined in the Rate and Method) and a Services Special Tax (as defined in the Rate and Method) (the “Services Special Tax”) to be levied for services described in the Rate and Method. As used in this Official Statement, the terms “Special Tax” or “Special Taxes” refer only to the Facilities Special Tax and does not include the Services Special Tax. The Services Special Tax is not pledged under the Indenture nor is the Services Special Tax available to pay debt service on the Bonds. The Special Tax will be levied against certain property within the District pursuant



to the Act, the Ordinance approving the levy of Special Taxes and the Indenture and in accordance with the Rate and Method. The lien of the Special Tax will be co-equal with the lien of the Services Special Tax.

### **Security and Sources of Payment for the Bonds**

Under the Indenture, the City has pledged to repay the Bonds and any additional bonds issued under the Indenture (the “Additional Bonds”) from Net Special Tax Revenues and any other amounts held in the Special Tax Fund, the Bond Fund and the Reserve Fund. Proceeds of any Additional Bonds may only be applied to refund the Bonds or any Additional Bonds previously issued under the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — No Additional Bonds Except for Refunding Bonds.” The Indenture defines “Net Special Tax Revenues” to mean Special Tax Revenues less amounts required to pay Administrative Expenses. The term “Special Tax Revenues” is defined in the Indenture to mean the proceeds of the Special Tax received by or on behalf of the District, including any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Tax, which will be limited to the amount of said lien and interest and penalties thereon. “Administrative Expenses” is defined in the Indenture to mean costs directly related to the administration of the District, including, but not limited to: the costs of computing the Special Tax and preparing the annual Special Tax collection schedules and the costs of collecting the Special Tax, the costs of remitting the Special Tax to the Trustee, the fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture, the costs incurred by the District in complying with the disclosure provisions of any continuing disclosure undertaking and the Indenture, including those related to public inquiries regarding the Special Tax and disclosures to Owners, the costs of the District related to an appeal of the Special Tax, any amounts required to be rebated to the federal government in order for the District to comply with the tax covenants in the Indenture, an allocable share of the salaries of the City staff providing services on behalf of the District directly related to the foregoing and a proportionate amount of City general administrative overhead related thereto, and the costs of foreclosure of any delinquent Special Tax.

Net Special Tax Revenues are the primary security for the repayment of the Bonds and any Additional Bonds. In the event that Net Special Tax Revenues are not paid when due, the only sources of funds available to pay the debt service on the Bonds and any Additional Bonds will be the amounts held by the Trustee for such purpose in the Special Tax Fund, the Bond Fund and the Reserve Fund. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” herein.

**NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT (EXCEPT TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), THE CITY OR THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS OR ADDITIONAL BONDS. EXCEPT FOR THE NET SPECIAL TAX REVENUES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS OR ADDITIONAL BONDS. THE BONDS AND ANY ADDITIONAL BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY BUT ARE SPECIAL, LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAX REVENUES AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.**

### **Description of the Bonds**

The Bonds will be issued and delivered as fully registered bonds, registered in the name of Cede & Co. as nominee of The Depository Trust Company, New York, New York (“DTC”), and will be available to actual purchasers of the Bonds (the “Beneficial Owners”) in the denominations of \$5,000 and any integral multiples thereof under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. In the event that the book-entry only system described herein is no longer used with respect to the Bonds, the Bonds will be registered and transferred in accordance with the Indenture. See Appendix I —

“INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM” herein.

Principal of, premium, if any, and interest on the Bonds is payable by the Trustee to DTC. Disbursement of such payments to DTC Participants is the responsibility of DTC and disbursement of such payments to the Beneficial Owners is the responsibility of DTC Participants. In the event that the book-entry only system is no longer used with respect to the Bonds, the Beneficial Owners will become the registered owners of the Bonds and will be paid principal and interest by the Trustee, all as described herein. See Appendix I — “INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM” herein.

The Bonds are subject to optional redemption, mandatory redemption from Special Tax prepayments and mandatory sinking fund redemption as described herein. For a more complete description of the Bonds and the basic documentation pursuant to which they are being sold and delivered, see “THE BONDS” and Appendix F — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE” herein.

### **Appraisal Report**

The District has obtained an appraisal of the Taxable Property (as defined herein) included in the District dated August 22, 2023, with a date of value as of July 17, 2023 (the “Appraisal”). The Appraisal was prepared for the District by Kitty Siino & Associates, Inc., Tustin, California (the “Appraiser”). Subject to the limitations set forth in the Appraisal, the Appraiser is of the opinion that, as of July 17, 2023 the minimum market value of the Taxable Property within the District was not less than \$71,001,082 (the “Appraised Value”). See “THE COMMUNITY FACILITIES DISTRICT — Property Values” and “THE COMMUNITY FACILITIES DISTRICT — Value-to-Lien Ratios.” A copy of the Appraisal is included as Appendix B to this Official Statement. It is a condition precedent to the issuance of the Bonds that the Appraiser deliver a certificate stating that nothing has come to the attention of the Appraiser subsequent to the date of the Appraisal that would lead the Appraiser to believe that the value of the Taxable Property (as defined in the Rate and Method) in the District is less than the minimum market value of such property reported in the Appraisal. However, the Appraiser has not performed any procedures since the date of value to obtain knowledge of such events or occurrences nor is it obligated to do so in the future.

### **Price Point Study**

In connection with the formation of the District, the City hired Empire Economics, Inc., Capistrano Beach, California (the “Price Point Consultant”) to prepare a price point study of the prices of the homes planned within the District, dated August 26, 2020 (the “Original Price Point Study”). The Special Tax rates set forth in the Rate and Method were based in part on the prices set forth in the Original Price Point Study. In connection with and in preparation for the issuance of the Bonds, the City hired the Price Point Consultant to conduct an update to the Original Price Point Study within the District, dated July 17, 2023 (the “Updated Price Point Study”). Pursuant to Section C of the Rate and Method, prior to the issuance of Bonds, the City is required to amend the Assigned Special Tax (as defined in the Rate and Method) to the extent necessary to cause the total effective tax burden for residential property in the District to not exceed 1.95% of the minimum sales prices set forth in the Updated Price Point Study. A copy of the Updated Price Point Study is included as Appendix C to this Official Statement. Based on the conclusions of the Updated Price Point Study, the Facilities Special Taxes, the Services Special Taxes and all direct and overlapping property taxes, special assessments and other special taxes, the City does not expect to amend the Assigned Special Tax because effective tax rates are not projected to exceed 1.95% for any parcel. See “THE COMMUNITY FACILITIES DISTRICT — Direct and Overlapping Debt — Table 3” — Projected Total Effective Tax Rate for Individually Owned Residential Property.” See also “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Rate and Method of Apportionment.”

## **Professionals Involved in the Offering**

U.S. Bank Trust Company, National Association, Los Angeles, California, will act as Trustee under the Indenture and as the initial Dissemination Agent under the District Continuing Disclosure Agreement. Stifel, Nicolaus & Company, Incorporated is the Underwriter of the Bonds. The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick Herrington & Sutcliffe LLP, Bond Counsel to the District. CSG Advisors Incorporated, San Francisco, California, is acting as Municipal Advisor for the City in connection with the Bonds. Kitty Siino & Associates, Inc., Tustin, California, is acting as the Appraiser to the District. DTA, Inc. is acting as the Special Tax Consultant to the District. Empire Economics, Inc. is acting as the Price Point Consultant to the District. Certain legal matters will be passed on for the City and the District by Best Best & Krieger LLP, Riverside, California, in its capacity as City Attorney, and Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Jones Hall, A Professional Law Corporation, San Francisco, California.

For information concerning respects in which certain of the above-mentioned professionals, advisors, counsel and agents may have a financial or other interest in the offering of the Bonds, see “FINANCIAL INTERESTS” herein.

## **Continuing Disclosure**

The District will agree to provide, or cause to be provided, to the Municipal Securities Rulemaking Board’s Electronic Municipal Market Access system available on the Internet at <http://emma.msrb.org> (“EMMA”) certain annual financial information and operating data. The District will further agree to provide notice of certain listed events. These covenants will be made in order to assist the Underwriter in complying with Securities and Exchange Commission Rule 15c2-12(b)(5) (the “Rule”). See “CONTINUING DISCLOSURE” herein. Additionally, Tri Pointe has agreed to provide, or cause to be provided, to EMMA, on a semi-annual basis, certain information and to provide notice of certain listed events. See the form of District Continuing Disclosure Agreement attached as Appendix G hereto (the “District Continuing Disclosure Agreement”) for a description of the specific nature of the annual reports to be filed by the District and notices of listed events to be provided by the District. See the form of Developer Disclosure Certificate attached as Appendix H hereto (the “Developer Continuing Disclosure Certificate”) for a description of the specific nature of the semi-annual reports to be filed by Tri Pointe and notices of listed events to be provided by Tri Pointe. See “CONTINUING DISCLOSURE.”

## **Bond Owners’ Risks**

Certain events could affect the ability of the District to pay the principal of and interest on the Bonds when due. See the section of this Official Statement entitled “SPECIAL RISK FACTORS” for a discussion of certain factors which should be considered, in addition to other matters set forth herein, in evaluating an investment in the Bonds.

## **Other Information**

This Official Statement speaks only as of its date, and the information contained herein is subject to change.

Brief descriptions of the Bonds and the Indenture are included in this Official Statement. Such descriptions and information do not purport to be comprehensive or definitive. All references herein to the Indenture, the Bonds and the constitution and laws of the State as well as the proceedings of the City Council, acting as the legislative body of the District, are qualified in their entirety by references to such documents, laws and proceedings, and with respect to the Bonds, by reference to the Indenture.

Copies of the Indenture, the District Continuing Disclosure Agreement and other documents and information referred to herein are available for inspection and (upon request and payment to the City of a charge for copying, mailing and handling) for delivery from the City at 8353 Sierra Avenue, Fontana, California 92335, Attention: Jessica Brown.

### ESTIMATED SOURCES AND USES OF FUNDS

The following table sets forth the expected sources and uses of Bond proceeds and certain other amounts.

**Sources:**

Principal Amount of the Bonds	\$
[Plus/Less] [Net] [Original Issue] [Premium/Discount]	
Less Underwriter's Discount	
Plus Funds on Hand	
Total	<u>\$</u>

**Uses:**

Improvement Fund <sup>(1)</sup>	\$
Reserve Fund <sup>(2)</sup>	
Costs of Issuance Fund	
Total	<u>\$</u>

<sup>(1)</sup> Consists of \$\_\_\_\_\_ to be deposited into the Construction Account and \$\_\_\_\_\_ to be deposited into the Community Benefit Facilities Account.

<sup>(2)</sup> Equal to the initial Reserve Requirement.

### THE BONDS

**General Provisions**

The Bonds will be issued in fully registered form without coupons in denominations of \$5,000 and any integral multiple thereof ("Authorized Denominations"). The Bonds will be dated the date of issuance thereof. The Bonds are scheduled to mature on September 1, in the years and in the principal amounts, and will bear interest at the rates per annum, shown on the inside front cover page of this Official Statement. Interest on the Bonds will be computed on the basis of a 360-day year consisting of twelve 30-day months and will be payable on March 1 and September 1 of each year, commencing March 1, 2024 (each an "Interest Payment Date"). Interest on each Bond will be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) such Bond is authenticated on or before an Interest Payment Date and after the close of business on the fifteenth calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day (the "Record Date") in which event interest thereon will be payable from such Interest Payment Date, (ii) such Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the Closing Date or (iii) interest on such Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has been previously paid or duly provided for.

The interest on, and principal of and redemption premiums, if any, on the Bonds are payable in lawful money of the United States of America. Interest is payable by check of the Trustee mailed by first class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date (except that interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date will, if and to the extent that amounts subsequently become available therefor, be payable on a payment date established by the Trustee to the Person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee pursuant to the Indenture). Payment of principal of any Bond will be made only upon presentation and surrender thereof at maturity or upon earlier redemption at the Office of the Trustee.

The Bonds will initially be issued in book-entry form, and DTC will act as securities depository. So long as the Bonds are held in book-entry form, principal of, premium, if any, and interest on the Bonds will be paid by the Trustee directly to DTC for distribution to the Beneficial Owners of the Bonds in accordance with procedures adopted by DTC. See Appendix I — “INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM.”

The Bonds are not general obligations of the District but are special, limited obligations of the District payable solely from Net Special Tax Revenues and the other amounts held under the Indenture in the Special Tax Fund, the Bond Fund and the Reserve Fund. Neither the faith and credit nor the taxing power of the District (except to the limited extent set forth in the Indenture), the City, the State, or any political subdivision thereof, is pledged to the payment of the Bonds or Additional Bonds. See “SPECIAL RISK FACTORS — Bonds Are Limited Obligations.”

## Redemption

**Optional Redemption.** The Bonds maturing on and after September 1, 20\_\_ shall be subject to optional redemption, in whole, or in part in Authorized Denominations, on any date on or after September 1, 20\_\_, from any source of available funds, at the following respective Redemption Prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<i>Redemption Dates</i>	<i>Redemption Price</i>
September 1, 20__ through August 31, 20__	103%
September 1, 20__ through August 31, 20__	102
September 1, 20__ through August 31, 20__	101
September 1, 20__ and thereafter	100

**Mandatory Redemption from Special Tax Prepayments.** The Bonds are subject to mandatory redemption, in whole, or in part in Authorized Denominations, on any Interest Payment Date, from and to the extent of Special Tax prepayments required to be applied thereto and any related proportional amounts in the Reserve Fund required to be applied thereto pursuant to the Indenture (see “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Reserve Fund” and “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Tax Fund”) at the following respective Redemption Prices (expressed as percentages of the principal amount of the Bonds to be redeemed), plus accrued interest thereon to the date of redemption:

<i>Redemption Dates</i>	<i>Redemption Price</i>
Any Interest Payment Date through March 1, 20__	103%
September 1, 20__ and March 1, 20__	102
September 1, 20__ and March 1, 20__	101
September 1, 20__ and thereafter	100

**Mandatory Sinking Fund Redemption.** The Bonds maturing September 1, 20\_\_ shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20\_\_, at a Redemption Price equal to the principal amount of the Bonds maturing September 1, 20\_\_ to be redeemed,

without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

<i><b>Sinking Fund Redemption Date (September 1)</b></i>	<i><b>Principal Amount to be Redeemed</b></i>
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If some but not all of the Bonds maturing on September 1, 20\_\_ are redeemed pursuant to the optional redemption provisions of the Indenture described above, the principal amount of the Bonds maturing on September 1, 20\_\_ to be redeemed by mandatory sinking fund redemption as described above on any subsequent September 1 shall be reduced, by \$5,000 or an integral multiple thereof, as designated by the District in a Written Certificate of the District submitted to the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of the Bonds maturing on September 1, 20\_\_ so optionally redeemed. If some but not all of the Bonds maturing on September 1, 20\_\_ are redeemed pursuant to the mandatory redemption from Special Tax prepayments provisions of the Indenture, the principal amount of the Bonds maturing on September 1, 20\_\_ to be redeemed by mandatory sinking fund redemption as described above on any subsequent September 1 shall be reduced by the aggregate principal amount of the Bonds maturing on September 1, 20\_\_ so mandatorily redeemed from Special Tax prepayments, such reduction to be allocated among redemption dates as nearly as practicable on a pro rata basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the District.

The Bonds maturing September 1, 20\_\_ shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20\_\_, at a Redemption Price equal to the principal amount of the Bonds maturing September 1, 20\_\_ to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

<i><b>Sinking Fund Redemption Date (September 1)</b></i>	<i><b>Principal Amount to be Redeemed</b></i>
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If some but not all of the Bonds maturing on September 1, 20\_\_ are redeemed pursuant to the optional redemption provisions of the Indenture described above, the principal amount of the Bonds maturing on September 1, 20\_\_ to be redeemed by mandatory sinking fund redemption as described above on any subsequent September 1 shall be reduced, by \$5,000 or an integral multiple thereof, as designated by the District in a Written Certificate of the District submitted to the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of the Bonds maturing on September 1, 20\_\_ so optionally redeemed. If some but not all of the Bonds maturing on September 1, 20\_\_ are redeemed pursuant to the mandatory redemption from Special Tax prepayments provisions of the Indenture, the principal amount of the Bonds maturing on September 1, 20\_\_ to be redeemed by mandatory sinking fund redemption as described above on any subsequent September 1 shall be reduced by the aggregate principal amount of the Bonds maturing on

September 1, 20\_\_ so mandatorily redeemed from Special Tax prepayments, such reduction to be allocated among redemption dates as nearly as practicable on a pro rata basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the District.

The Bonds maturing September 1, 20\_\_ shall be subject to mandatory sinking fund redemption, in part, on September 1 in each year, commencing September 1, 20\_\_, at a Redemption Price equal to the principal amount of the Bonds maturing September 1, 20\_\_ to be redeemed, without premium, plus accrued interest thereon to the date of redemption, in the aggregate respective principal amounts in the respective years as follows:

<i><b>Sinking Fund Redemption Date (September 1)</b></i>	<i><b>Principal Amount to be Redeemed</b></i>
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If some but not all of the Bonds maturing on September 1, 20\_\_ are redeemed pursuant to the optional redemption provisions of the Indenture described above, the principal amount of the Bonds maturing on September 1, 20\_\_ to be redeemed by mandatory sinking fund redemption as described above on any subsequent September 1 shall be reduced, by \$5,000 or an integral multiple thereof, as designated by the District in a Written Certificate of the District submitted to the Trustee; provided, however, that the aggregate amount of such reductions shall not exceed the aggregate amount of the Bonds maturing on September 1, 20\_\_ so optionally redeemed. If some but not all of the Bonds maturing on September 1, 20\_\_ are redeemed pursuant to the mandatory redemption from Special Tax prepayments provisions of the Indenture, the principal amount of the Bonds maturing on September 1, 20\_\_ to be redeemed by mandatory sinking fund redemption as described above on any subsequent September 1 shall be reduced by the aggregate principal amount of the Bonds maturing on September 1, 20\_\_ so mandatorily redeemed from Special Tax prepayments, such reduction to be allocated among redemption dates as nearly as practicable on a pro rata basis in amounts of \$5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination shall be given by the Trustee to the District.

***Selection of Bonds for Redemption.*** Whenever provision is made in the Indenture for the redemption of less than all of the Bonds and Additional Bonds, the Trustee will select the Bonds and Additional Bonds to be redeemed from all Bonds and Additional Bonds not previously called for redemption (a) with respect to any optional redemption of Bonds and Additional Bonds of a Series, among maturities of the Bonds and Additional Bonds of such Series as directed in a Written Request of the District (b) with respect to any mandatory redemption of Bonds or Additional Bonds from prepayments of the Special Tax, among maturities of all Series of Bonds and any Additional Bonds on a pro rata basis as nearly as practicable, and (c) with respect to any other redemption of Additional Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued. The Trustee shall select for redemption the Bonds and any Additional Bonds of the same Series with the same maturity by lot in any manner that the Trustee, in its sole discretion, shall deem appropriate. For purposes of such selection, all Bonds shall be deemed to be comprised of the greatest number of separate denominations that would result in each such denomination being an Authorized Denomination and each such separate denomination shall be treated as a separate Bond that may be separately redeemed.

***Notice of Redemption.*** If the Bonds are held in book-entry form, notice of redemption will be mailed to DTC and not to the Beneficial Owners of the Bonds under the DTC book-entry system. Neither the District nor the Trustee is responsible for giving notice of redemption to the Beneficial Owners. See Appendix I —



“INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY AND ITS BOOK-ENTRY SYSTEM” herein.

The Indenture provides that the Trustee on behalf and at the expense of the District will give notice of any redemption by first class mail to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books and to the Original Purchaser, at least 30 but not more than 60 days prior to the date fixed for redemption. Such notice of redemption will state the date of the notice, the redemption date, the redemption place and the Redemption Price and shall designate the CUSIP numbers, if any, the Bond numbers and the maturity or maturities of the Bonds to be redeemed (except in the event of redemption of all of the Bonds of such maturity or maturities in whole). The notice of redemption will require that the Bonds to be redeemed be surrendered at the Office of the Trustee for redemption at the Redemption Price, and give notice that further interest on such Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, will affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption.

With respect to any notice of any optional redemption of Bonds, unless at the time such notice is given the Bonds to be redeemed shall be deemed to have been paid within the meaning of the Indenture, such notice will state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the Redemption Price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys shall not have been so received said notice shall be of no force and effect and the District will not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption will not be made and the Trustee will, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there shall be no redemption of Bonds pursuant to such notice of redemption.

***Effect of Notice of Redemption.*** If, on said date fixed for redemption, moneys for the Redemption Price of all the Bonds to be redeemed, together with interest to said date, is held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof will have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds will cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon.

## Debt Service Schedule

<i>Year Ending September 1</i>	<i>Principal<sup>(1)</sup></i>	<i>Interest</i>	<i>Total</i>
2024			
2025			
2026			
2027			
2028			
2029			
2030			
2031			
2032			
2033			
2034			
2035			
2036			
2037			
2038			
2039			
2040			
2041			
2042			
2043			
2044			
2045			
2046			
2047			
2048			
2049			
2050			
2051			
2052			
2053			
2054			
<b>TOTAL:</b>			

<sup>(1)</sup> Includes mandatory sinking fund redemption.

Source: The Underwriter.

## SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

### General

The Bonds are special, limited obligations of the District, and, except as otherwise provided in the Indenture, they are payable solely from Net Special Tax Revenues. The Indenture defines “Net Special Tax Revenues” to mean Special Tax Revenues less amounts required to pay Administrative Expenses. The term “Special Tax Revenues” is defined in the Indenture to mean the proceeds of the Special Tax received by or on behalf of the District, including any prepayments thereof, interest and penalties thereon and proceeds of the redemption or sale of property sold as a result of foreclosure of the lien of the Special Tax (which shall be limited to the amount of said lien and interest and penalties thereon). The Indenture defines the term “Special Tax” as the special tax described and defined in the Rate and Method as the “Special Tax” approved by the qualified electors of the District. “Administrative Expenses” is defined in the Indenture to mean costs directly related to

the administration of the District, including, but not limited to: the costs of computing the Special Tax and preparing the annual Special Tax collection schedules and the costs of collecting the Special Tax, the costs of remitting the Special Tax to the Trustee, the fees and costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture, the costs incurred by the District in complying with the disclosure provisions of any continuing disclosure undertaking and the Indenture, including those related to public inquiries regarding the Special Tax and disclosures to Owners, the costs of the District related to an appeal of the Special Tax, any amounts required to be rebated to the federal government in order for the District to comply with the tax covenants in the Indenture, an allocable share of the salaries of the City staff providing services on behalf of the District directly related to the foregoing and a proportionate amount of City general administrative overhead related thereto, and the costs of foreclosure of any delinquent Special Tax.

Under the Rate and Method, parcels of Taxable Property, exclusive of Taxable Public Property and Taxable Property Owner Association Property, are classified as Developed Property if a building permit has been obtained for such parcel by May 1 of the fiscal year preceding the Special Tax levy. For the projected Fiscal Year 2024-25 Special Tax levy, based on the development status within the District as of July 17, 2023, 131 parcels of Taxable Property will be classified as Developed Property, assuming no additional building permits are obtained prior to May 1, 2024. See "PROPERTY OWNERSHIP AND THE DEVELOPMENT." Under no circumstances may the amount of Special Tax levied by the District in any year exceed the maximum rates approved by the qualified electors within the District, as set forth in the Rate and Method. A copy of the Rate and Method is attached to this Official Statement as Appendix A.

In addition to the Net Special Tax Revenues, any other amounts held by the Trustee in the Special Tax Fund, the Bond Fund and the Reserve Fund are pledged pursuant to the Indenture to secure the payment of the principal of, premium, if any, and interest on the Bonds and any Additional Bonds in accordance with their respective terms, the Indenture and the Act. However, those amounts are pledged subject to the provisions of the Indenture permitting the application thereof for the purposes set forth in the Indenture. Amounts on deposit in the Improvement Fund, the Costs of Issuance Fund, the Redemption Fund, the Administrative Expense Fund and the Rebate Fund are not pledged to the payment of any of the Bonds or any Additional Bonds.

**NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE DISTRICT (EXCEPT TO THE LIMITED EXTENT SET FORTH IN THE INDENTURE), THE CITY OR THE STATE OF CALIFORNIA, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS OR ADDITIONAL BONDS. EXCEPT FOR THE NET SPECIAL TAX REVENUES, NO OTHER TAXES ARE PLEDGED TO THE PAYMENT OF THE BONDS OR ADDITIONAL BONDS. THE BONDS AND ANY ADDITIONAL BONDS ARE NOT GENERAL OR SPECIAL OBLIGATIONS OF THE CITY BUT ARE SPECIAL, LIMITED OBLIGATIONS OF THE DISTRICT PAYABLE SOLELY FROM NET SPECIAL TAX REVENUES AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE INDENTURE AS MORE FULLY DESCRIBED HEREIN.**

### **Special Tax**

Pursuant to the Act, the City Council adopted a resolution on June 9, 2020 stating its intention to establish the District and to levy a special tax within the District. In accordance with the provisions of the Act, the City Council established the District on December 8, 2020 for the purpose of, among other things, financing certain public infrastructure improvements necessary for the proposed development within the District. At a special election held on December 8, 2020, the then sole landowner of the property within the District, SC Victoria, authorized the District to incur indebtedness in an amount not to exceed \$8,000,000 and approved the Rate and Method. The Rate and Method is set forth in Appendix A hereto.

Pursuant to Section C of the Rate and Method, prior to the issuance of the Bonds, if necessary, the City is required to amend the Assigned Special Tax (as defined in the Rate and Method) to the extent necessary to cause the Total Tax Burden (as defined in the Rate and Method) for one or more land use classes of residential property in the District to not exceed 1.95% of the Minimum Sale Prices (as defined in the Rate and Method) set

forth in the Updated Price Point Study. A copy of the Updated Price Point Study is included as Appendix C to this Official Statement. Based on the conclusions of the Updated Price Point Study, the Facilities Special Taxes, the Services Special Taxes and all direct and overlapping property taxes, special assessments and other special taxes, the City does not expect to amend the Assigned Special Tax. See “— Rate and Method of Apportionment” below. See also “THE COMMUNITY FACILITIES DISTRICT — Direct and Overlapping Debt — Table 3 — Projected Total Effective Tax Rate for Individually Owned Residential Property.”

Pursuant to the Indenture, the District has covenanted that it will fix and levy the Special Tax within the District in each Fiscal Year in accordance with the Rate and Method in an amount sufficient (subject to the limitations contained in the Rate and Method as to the maximum Special Tax that may be levied on each parcel) to yield Special Tax Revenues in the amount required for (i) the payment of principal of and interest on any Outstanding Bonds and any Additional Bonds becoming due and payable during the Corresponding Bond Year, (ii) any necessary replenishment of the Reserve Fund, and (iii) the payment of Administrative Expenses estimated to be paid from such Special Tax Revenues, taking into account the balances in the funds and accounts established under the Indenture. See Appendix F — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Certain Covenants Under the Indenture.” Notwithstanding this covenant, the amount of Special Tax actually collected each year may be less than the amount described for a variety of different reasons. See “SPECIAL RISK FACTORS — Levy of the Special Tax.”

The Bonds have been structured so that, beginning in Fiscal Year 2024-25, the Assigned Special Tax rates set forth in the Rate and Method that may be levied within the District, based on the expected buildout of the District, are at least 110% of debt service on the Bonds in each Bond Year net of estimated Administrative Expenses of \$40,000 escalating 2% each fiscal year beginning July 1, 2025. The Special Tax levied in any fiscal year may not exceed the maximum rates authorized pursuant to the Rate and Method. See Appendix A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” There is no assurance that the Special Tax proceeds will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. Pursuant to the Act, the Special Tax levied in any Fiscal Year against any parcel of residential property in the District may not be increased as a consequence of delinquency or default by the owners of any other parcels within the District by more than 10% above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults. See “SPECIAL RISK FACTORS — Levy of the Special Tax” and “SPECIAL RISK FACTORS — Exempt Properties.”

### **Rate and Method of Apportionment**

**General.** The Rate and Method is to be applied by the District each year for the purpose of determining the amount of the Special Tax to be levied against each Assessor’s Parcel of Taxable Property within the District. For purposes of the discussion of the Rate and Method only, terms with initial capital letters that are not otherwise defined in this Official Statement shall have the respective meanings assigned to them in the Rate and Method, a copy of which appears in Appendix A.

Under the terms of the Indenture, prior to August 1 of each year, the District will ascertain from the County of San Bernardino Assessor the relevant parcels on which the Special Tax are to be levied, taking into account any parcel splits during the preceding and then current year. The District will levy the Special Tax by August 10 of each Fiscal Year that the Bonds are Outstanding, or otherwise such that the computation of the levy is complete before the final date on which the auditor (the “Auditor”) of the County of San Bernardino (the “County”) will accept the transmission of the Special Tax amounts for the parcels within the District for inclusion on the next real property tax roll. Upon the completion of the computation of the amounts of the levy, the District will prepare, or cause to be prepared, and shall transmit to the Auditor, such data as the Auditor requires to include the levy of the Special Tax on the next real property tax roll.

The Special Tax levied in any Fiscal Year may not exceed the maximum rates authorized pursuant to the Rate and Method. See Appendix A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX” hereto. Although the Bonds have been structured so that, beginning in Fiscal Year 2023-24, the Assigned

Special Tax rates set forth in the Rate and Method that may be levied based on expected build out of the District are at least 110% of debt service on the Bonds net of estimated Administrative Expenses of \$40,000 escalating 2% each fiscal year beginning July 1, 2025, there is no assurance that the proceeds of the Special Tax will, in all circumstances, be adequate to pay the principal of and interest on the Bonds when due. See “SPECIAL RISK FACTORS — Levy of the Special Tax” herein.

***Rate and Method of Apportionment of Special Tax.*** The District is legally authorized and has covenanted to cause the levy of the Special Taxes in an amount determined according to a methodology, *i.e.*, the Rate and Method, which the City Council and the qualified elector within the District have approved. The Rate and Method apportions the total amount of the Facilities Special Tax and Services Special Tax to be collected among the Taxable Property in the District as more particularly described below. The Facilities Special Tax is referred to herein as the “Special Tax” or the “Special Taxes.” The Services Special Tax is not pledged to the repayment of the Bonds and is not available to pay debt service on the Bonds.

The following is a synopsis of the provisions of the Rate and Method, which should be read in conjunction with the complete text of the Rate and Method which is attached as Appendix A — “RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX.” The meaning of the defined terms used in this section are as set forth in Appendix A. This section provides only a summary of the Rate and Method, and is qualified by more complete and detailed information contained in the Rate and Method attached as Appendix A. As used in the Rate and Method, “Bonds” means the Bonds and any Additional Bonds.

“*Alley Load Product*” means all Residential Property for which residential dwelling units have their garage entrance on one side of the unit, off of an alley or drive that runs behind such unit, with main house entrance from the opposite side of the unit.

“*CFD Administrator*” means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement for Facilities and the Special Tax Requirement for Services, providing for the levy and collection of the Special Taxes, and performing other duties as set forth in the Rate and Method of Apportionment of Special Tax.

“*Cluster Product*” means all Residential Property located within the District that is not an Alley Load Product.

“*Developed Property*” means, for each Fiscal Year, (i) with respect to the Facilities Special Tax, all Taxable Property, exclusive of Taxable Public Property and Taxable Property Owner Association Property, for which a building permit for new construction, other than the construction of a garage, parking lot, or parking structure, was issued after January 1, 2020 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Facilities Special Taxes are being levied, and (ii) with respect to the Services Special Tax, all Taxable Property, exclusive of Taxable Public Property and Taxable Property Owner Association Property, (a) for which the Final Residential Subdivision was recorded prior to the Fiscal Year for which the Services Special Taxes are being levied, or (b) for which a building permit has been issued with respect to Non-Residential Property on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Services Special Taxes are being levied.

“*Facilities Special Tax*” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within the District to fund the Special Tax Requirement for Facilities as set forth in the Rate and Method of Apportionment of Special Tax.

“*Lower Income Households Welfare Exemption Property*” means, for each Fiscal Year, an Assessor’s Parcel within the boundaries of the District that is entitled to a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute), as indicated in the County’s assessment roll finalized as of the last preceding January 1.

“*Product Type*” means Cluster Product or Alley Load Product, as defined in the Rate and Method.

“*Services Special Tax*” means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property within the District to fund the Special Tax Requirement for Services as set forth in the Rate and Method of Apportionment of Special Tax. The Services Special Tax is not pledged to the repayment of the Bonds and is not available to pay debt service on the Bonds.

“*Special Tax Requirement for Facilities*” means, for any Fiscal Year, that amount required, after taking into account available amounts held in the funds and accounts under the Indenture, for the following items: (i) debt service on all Outstanding Bonds due in the calendar year commencing in such Fiscal Year; (ii) periodic costs with respect to the Bonds, including but not limited to, costs of credit enhancement and federal rebate payments due in the calendar year commencing in such Fiscal Year; (iii) pay all or a portion of Administrative Expenses; (iv) any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) without duplicating any amounts described in clause (iv) above, reasonably anticipated Facilities Special Tax delinquencies based on the delinquency rate for the Facilities Special Tax in the previous Fiscal Year, as said levy for delinquencies shall be limited by the Act; and (vi) pay directly for the acquisition or construction of Authorized Facilities, provided that the inclusion of such amount does not cause an increase in the Facilities Special Tax levy on Undeveloped Property.

“*Taxable Property*” means all of the Assessor’s Parcels within the boundaries of the District which are not exempt from the Special Tax pursuant to law or described below under the subheading “— *Exempt Property*.” Each Fiscal Year, all Taxable Property within the District will be classified as Developed Property, Undeveloped Property, Taxable Property Owner Association Property, or Taxable Public Property, and will be subject to Special Taxes in accordance with the Rate and Method described below under the subheading “*Maximum Special Tax, Assigned Special Tax and Backup Special Tax*.”

“*Taxable Property Owner Association Property*” means all Assessor’s Parcels of Property Owner Association Property that are not exempt from the Special Tax described below under the subheading “— *Exempt Property*,” and further described in Section E of the Rate and Method attached hereto as Appendix A.

“*Taxable Public Property*” means all Assessor’s Parcels of Public Property that are not exempt from the Special Tax described below under the subheading “— *Exempt Property*,” and further described in Section E of the Rate and Method attached hereto as Appendix A.

“*Undeveloped Property*” means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Public Property or Taxable Property Owner Association Property.

***Exempt Property.*** No Facilities Special Tax will be levied on up to 7.7 Acres of Public Property and/or Property Owner Association Property in the District. Tax-exempt status will be assigned by the CFD Administrator in chronological order in which property in the District becomes Public Property or Property Owner Association Property. However, should an Assessor’s Parcel no longer be classified as Public Property or Property Owner Association Property, it will, from that point forward, be subject to the Facilities Special Tax.

Notwithstanding the above, an Assessor’s Parcel in the District that is transferred to a public agency or property owner’s association prior to the issuance of the first series of bonds that causes the Acreage of Public Property and Property Owner Association Property to exceed the 7.7 Acreage limit that can be designated by the CFD Administrator under the Rate and Method will also be exempted from the Special Tax.

Public Property or Property Owner Association Property that is not exempt from the Facilities Special Tax as described above will be subject to the levy of the Facilities Special Tax and will be taxed Proportionately as part of the fourth step described under the heading “*Method of Apportionment of Special Tax*” below. The District will not levy a Services Special Tax on Undeveloped Property, Taxable Public Property, Taxable

Property Owner Association Property or Public Property and Property Owner Association Property described below under the subheading “— *Exempt Property*,” and further described in Section E of the Rate and Method attached hereto as Appendix A.

Under the Rate and Method, no Special Tax shall be levied on Lower Income Household Welfare Exemption Property; provided that if, in any Fiscal Year, applicable law does not require that an Assessor’s Parcel that is Lower Income Households Welfare Exemption Property be exempt from the Facilities Special Tax, then the Facilities Special Tax shall be levied on such Assessor’s Parcel in accordance with the Rate and Method as if such Assessor’s Parcel were not classified as Lower Income Households Welfare Exemption Property. Senate Bill 1473, the “Local Government Omnibus Act of 2020,” amended Government Code Section 53340(c) to provide that in a community facilities district in which the levy of a special tax is authorized by an ordinance adopted on or after January 1, 2020, a property receiving a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code shall be exempt from the special tax unless debt is outstanding and the property was subject to the special tax prior to receiving the exemption, in which case the property shall remain subject to the special tax and the special tax shall be enforceable against the property. Therefore, pursuant to the Rate and Method and California law, and given that no property is subject to the welfare exemption as of the date hereof, the Special Tax will be applicable to Lower Income Household Welfare Exemption Property so long as the Bonds are outstanding.

***Maximum Special Tax, Assigned Special Tax and Backup Special Tax.*** The Maximum Special Tax, Assigned Special Tax and Backup Special Tax for the Facilities Special Tax provided for in the Rate and Method are as follows:

*Facilities Special Tax.*

***Developed Property.*** The Maximum Facilities Special Tax for each Assessor’s Parcel classified as Developed Property will be the greater of (i) the amount derived by application of the Assigned Facilities Special Tax or (ii) the amount derived by application of the Backup Facilities Special Tax.

***Assigned Facilities Special Tax.*** Residential Property will be assigned to either Land Use Class 1 or Land Use Class 2, as identified in Table 1 in Section C of the Rate and Method, based on the Product Type associated with such Assessor’s Parcel. Non-Residential Property will be assigned to Land Use Class 3. The Assigned Facilities Special Tax applicable to an Assessor’s Parcel classified as Residential Property was \$2,348 per unit for units assigned to Land Use Class 1 as an Alley Load Product and \$2,229 per unit for units assigned to Land Use Class 2 as a Cluster Product. The Assigned Facilities Special Tax applicable to an Assessor’s Parcel classified as Non-Residential Property is \$31,660 per acre. Based on the Updated Price Point Study provided by the Price Point Consultant, the City does not expect the Assigned Facilities Special Tax rates set forth in Section C of the Rate and Method to be reduced, as the total effective tax burden applicable to each land use class of residential property to be constructed within the District will not exceed 1.95% of the minimum sale prices set forth in the Updated Price Point Study. A copy of the Updated Price Point Study is included as Appendix C to this Official Statement.

***Backup Facilities Special Tax.*** The Backup Facilities Special Tax for an Assessor’s Parcel of Developed Property upon adoption of the Rate and Method equaled the lesser of (a) \$37,240 per Acre, or (b) in connection with any reduction in the Assigned Facilities Special Tax as set forth in Section C.1 of the Rate and Method, the reduced amount per Acre calculated pursuant to Section C.1.a.(3) of the Rate and Method. Pursuant to the Updated Price Point Study provided by the Price Point Consultant, no reduction of the Assigned Facilities Special Tax will be required under the Rate and Method; accordingly, no reduction of the Backup Facilities Special Tax will be required.

The Assigned Facilities Special Tax and Backup Facilities Special Tax are not subject to escalation.



*Multiple Land Use Classes.* In some instances an Assessor's Parcel of Developed Property may contain both Developed and Undeveloped Property. In such cases, the Acreage of the Assessor's Parcel will be allocated between Developed Property and Undeveloped Property based on the portion of the Assessor's Parcel for which building permits had been issued prior to May 1 of the prior Fiscal Year and the portion of the Assessor's Parcel for which building permits had not been issued prior to May 1 of the prior Fiscal Year. Furthermore, Developed Property may contain more than one Land Use Class. In such cases, the Acreage that is considered Developed Property will be allocated between Residential Property and Non-Residential Property based on the amount of Acreage designated for each land use as determined by reference to the site plan approved for such Assessor's Parcel. The Maximum Facilities Special Tax that can be levied on such Assessor's Parcel will be the sum of the Maximum Facilities Special Tax that can be levied on each type of property located on that Assessor's Parcel. The CFD Administrator's allocation to each type of property will be final.

*Undeveloped Property, Taxable Public Property and Taxable Property Owner Association Property.* The Maximum Facilities Special Tax for each Assessor's Parcel of Undeveloped Property, Taxable Public Property and Taxable Property Owner Association Property is \$37,240 per Acre. The Maximum Facilities Special Tax rates for Undeveloped Property, Taxable Public Property and Taxable Property Owner Association Property are not subject to escalation.

*Method of Apportionment of Special Tax.* Commencing with Fiscal Year 2021-22, and for each following Fiscal Year, the CFD Administrator will determine the Special Tax Requirement for Facilities and, subject to the Maximum Facilities Special Tax rates described above, will provide for the levy the Facilities Special Tax as follows:

First: The Facilities Special Tax shall be levied on each Assessor's Parcel of Developed Property in an amount equal to 100% of the applicable Assigned Facilities Special Tax;

Second: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Facilities Special Tax for Undeveloped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, then the levy of the Facilities Special Tax on each Assessor's Parcel of Developed Property whose Maximum Facilities Special Tax is determined through the application of the Backup Facilities Special Tax shall be increased in equal percentages from the Assigned Facilities Special Tax up to the Maximum Facilities Special Tax for each such Assessor's Parcel;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then the Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property and Taxable Property Owner Association Property at up to 100% of the Maximum Facilities Special Tax for Taxable Public Property and Taxable Property Owner Association Property, as needed to satisfy the Special Tax Requirement for Facilities.

Notwithstanding the above, the CFD Administrator will, in any Fiscal Year, calculate a levy Proportionately less than 100% of the Assigned Facilities Special Tax in step one above, when (i) the CFD Administrator is no longer required to provide for the levy of the Facilities Special Tax pursuant to steps two through four above in order to meet the Special Tax Requirement for Facilities; and (ii) all authorized Bonds for the District have already been issued or the City Council has covenanted that it will not issue any additional District bonds (except refunding bonds) to be supported by the Facilities Special Tax. The District has covenanted in the Indenture not to issue any Additional Bonds except to refund the Bonds or outstanding Additional Bonds. See "— No Additional Bonds Except For Refunding Bonds" below.

Further, notwithstanding the above, under no circumstances shall the Facilities Special Tax levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued (in accordance with Section 53321(d)(3) of the California Government Code), be increased as a consequence of delinquency or default by the owner of any other Assessor's Parcel within the District by more than 10% above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults. To the extent that the levy of the Facilities Special Tax on Residential Property is limited by the provision in the previous sentence, the levy of the Facilities Special Tax on each Assessor's Parcel of Non-Residential Property shall continue in equal percentages up to 100% of the applicable Maximum Facilities Special Tax.

***Prepayment of Special Taxes.*** The Facilities Special Tax obligation for an Assessor's Parcel of Developed Property or Undeveloped Property for which a building permit has been issued, may be prepaid in full, or in part, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment, provided that the terms set forth under Section H of the Rate and Method are satisfied. The Prepayment Amount is calculated based on the Bond Redemption Amount plus Redemption Premium plus the Future Facilities Amount plus the Defeasance Amount plus the Administrative Fees and Expenses, less a credit for the resulting reduction in the Reserve Requirement for the Bonds (if any) and less an allocable share of capitalized interest (if any), all as specified in Appendix A — "RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX — Section H."

Mandatory redemption of Bonds from Special Tax prepayments may result in the reduction in the otherwise expected yield on such Bonds if the Bonds were purchased at a price greater than par. See "SPECIAL RISK FACTORS — Potential Early Redemption of Bonds from Special Tax Prepayments."

***Term of Special Taxes.*** Pursuant to the Rate and Method, the Facilities Special Tax levy is authorized to be levied for a period not to exceed forty-five years commencing with Fiscal Year 2021-22.

***Estimated Debt Service Coverage.*** Based on the expected buildout of the District, Assigned Special Tax rates set forth in the Rate and Method are at least 110% of debt service on the Bonds in each Bond Year plus estimated Administrative Expenses. The District may levy up to the Maximum Special Tax rates on Taxable Property within the District. See "— Rate and Method of Apportionment — *Maximum Special Tax, Assigned Special Tax and Backup Special Tax*" and "— Rate and Method of Apportionment — *Exempt Property*."

Pursuant to the Rate and Method, the status of Developed Property is based on building permits issued as of May 1 of the Fiscal Year preceding the Fiscal Year for which the Special Tax is levied. As of July 17, 2023, building permits had been issued for 131 anticipated residential parcels within the District; accordingly, assuming no additional building permits are obtained prior to May 1, 2024, 131 taxable parcels within the District will be classified as Developed Property for the Fiscal Year 2024-25 Special Tax levy. See "PROPERTY OWNERSHIP AND THE DEVELOPMENT."

### **Collection and Application of the Special Tax**

The Special Tax is levied and collected by the Treasurer-Tax Collector of the County in the same manner and at the same time as *ad valorem* property taxes; provided, however, that the District may directly bill the Special Tax, may collect the Special Tax at a different time or in a different manner if necessary to meet its financial obligations, and may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels as permitted by the Act.

The District has made certain covenants in the Indenture for the purpose of ensuring that the current maximum rates and method of collection of the Special Tax are not altered in a manner that would impair the District's ability to collect a sufficient amount of the Special Tax to pay debt service on the Bonds and Administrative Expenses when due. First, the District has covenanted that, to the extent it is legally permitted to do so, it will not initiate proceedings under the Act to modify the Rate and Method if such modification would

adversely affect the security for the Bonds and any Additional Bonds and if an initiative is adopted that purports to modify the Rate and Method in a manner that would adversely affect the security for the Bonds and any Additional Bonds, the District shall, to the extent permitted by law, commence and pursue reasonable legal actions to prevent the modification of the Rate and Method in a manner that would adversely affect the security for the Bonds and any Additional Bonds. Second, the District has covenanted not to authorize owners of taxable parcels within the District to satisfy Special Tax obligations by the tender of Bonds and any Additional Bonds unless the District shall have first obtained a report of an Independent Consultant certifying that doing so would not result in the District having insufficient Special Tax Revenues to pay the principal of and interest on all Outstanding Bonds and any Additional Bonds when due.

Although the Special Tax constitutes a lien on Taxable Property within the District, it does not constitute a personal indebtedness of the owners of such property within the District. Moreover, other overlapping general obligation debt already exists on the property located within the District and other future special tax and assessment liens and overlapping general obligation debt could come into existence in the future in certain situations without the consent or knowledge of the City or the landowners therein. See “SPECIAL RISK FACTORS — Parity Taxes and Special Assessments” herein. There is no assurance that property owners will be financially able to pay the annual Special Tax or that they will pay such taxes even if financially able to do so, all as more fully described in the section of this Official Statement entitled “SPECIAL RISK FACTORS.”

Under the terms of the Indenture, the Trustee shall establish and maintain a separate fund designated the “Special Tax Fund.” As soon as practicable after the receipt by the District of any Special Tax Revenues, but in any event no later than the date ten Business Days prior to the Interest Payment Date after such receipt, the District shall transfer such Special Tax Revenues to the Trustee for deposit in the Special Tax Fund; provided, however, that any portion of any such Special Tax Revenues that represents Special Tax prepayments that are to be applied to the payment of the redemption price of Bonds and any Additional Bonds in accordance with the provisions of the Indenture shall be identified to the Trustee as such by the District and shall be deposited in the Redemption Fund. See “— Special Tax Fund” below, “THE BONDS — Redemption — *Mandatory Redemption from Special Tax Prepayments*” and Appendix F — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE.”

### **Covenant for Superior Court Foreclosure**

Pursuant to Section 53356.1 of the Act, the District has covenanted in the Indenture that it will determine or cause to be determined, no later than September 15 of each year, whether or not any owners of property within the District are delinquent in the payment of the Special Tax levied thereon and that, if such delinquencies exist, the District will order and cause to be commenced no later than November 1, and thereafter diligently prosecute, an action in the superior court to foreclose the lien of the Special Tax or installment thereof not paid when due. Notwithstanding the foregoing, the District is not required under the Indenture to order the commencement of foreclosure proceedings if (a) the total Special Tax delinquency in the District for such Fiscal Year is less than 5% of the total amount of the Special Tax levied in such Fiscal Year, and (b) the amount then on deposit in the Reserve Fund is equal to the Reserve Requirement. Notwithstanding the foregoing, if the District determines that any single parcel is delinquent in excess of \$5,000 in the payment of the Special Tax, then the District will diligently institute, prosecute and pursue foreclosure proceedings against such parcel.

The mere commencement of foreclosure proceedings will not assure a prompt and favorable resolution of Special Tax delinquencies. The ability of the District to foreclose the lien of delinquent unpaid Special Tax may be limited. See “SPECIAL RISK FACTORS — Bankruptcy and Legal Delays” and “SPECIAL RISK FACTORS — FDIC/Federal Government Interests in Properties.” Moreover, even if a judgment of foreclosure and order of sale is obtained, the District must cause a notice of levy to be issued. Under current law, the property owner has 120 days from the date of service of the notice of levy in which to redeem the subject property. If the property owner fails to redeem the property and it is sold, the property owner’s only remedy is an action to set aside the sale, which action must be brought within 90 days of the date of sale. If such an action results in the setting aside of the foreclosure sale, the judgment is revived, and the District would be entitled to receive interest

on the revived judgment as if the sale had not been made. Under former law a property owner had a period of one year within which to redeem property to be sold, and the constitutionality of the legislation that eliminated the one year redemption period has not been tested.

There can be no assurance that, even if the subject property is sold, the proceeds from such sale will be sufficient to pay the delinquent installments of the Special Tax. The Act does not require the District or any other governmental agency to purchase or otherwise acquire any Assessor's Parcel being sold if there is no other purchaser at such sale. The Act does require that property being sold pursuant to foreclosure under the Act must be sold for not less than the judgment amount (which must include reasonable attorneys' fees, together with interest, penalties, and other authorized charges and costs) plus post judgment interest and authorized costs, unless a lower bid price is authorized by the Owners of not less than 75% by value of the Bonds and any Additional Bonds Outstanding.

### **Special Tax Fund**

The Indenture provides that the Trustee will establish and maintain a separate fund designated the "Special Tax Fund." The Indenture requires that the District transfer Special Tax Revenues (other than Special Tax prepayments) to the Trustee for deposit into the Special Tax Fund as soon as practicable after the District's receipt thereof, but in any event no later than ten Business Days prior to the Interest Payment Date after such receipt. No later than the Business Day immediately preceding each Interest Payment Date, after having made any requested transfers to the Administrative Expense Fund, as requested by the District, to have sufficient amounts available therein to pay Administrative Expenses, the Trustee is required by the Indenture to make transfers from the Special Tax Fund to the Interest Account in the Bond Fund, the Principal Account in the Bond Fund and the Reserve Fund in the amounts and in the priority specified in the Indenture. See Appendix F — "SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE."

As soon as practicable after the District's receipt of Special Tax prepayments, but in any event no later than ten Business Days prior to the Interest Payment Date after such receipt, the District is required to transfer any Special Tax prepayment to the Trustee and, in connection therewith, submit to the Trustee a Written Certificate identifying such amounts as Special Tax prepayment, identifying the portion of such Special Tax prepayments so transferred that is to be applied to the Redemption Price of the Bonds and any Additional Bonds and identifying the portion of such Special Tax prepayment that is to be applied to the payment of interest on the Bonds and any Additional Bonds to be so redeemed. The portion of such Special Tax prepayment that is to be applied to the Redemption Price will be deposited by the Trustee in the Redemption Fund and will be applied to the redemption of the Bonds and any Additional Bonds pursuant to the Indenture. The portion of such Special Tax prepayment that is to be applied to the payment of interest on the Bonds and any Additional Bonds to be so redeemed will be deposited by the Trustee in the Interest Account and will be applied to the payment of such interest.

### **Reserve Fund**

The Indenture provides that the Trustee will establish and maintain a special fund designated the "Reserve Fund." On the Closing Date, the Trustee will deposit in the Reserve Fund the amount specified under the Indenture. See "ESTIMATED SOURCES AND USES OF FUNDS." The Trustee is also required, not later than the Business Day immediately preceding each Interest Payment Date, to transfer from the Special Tax Fund (after the requisite transfers to the Administrative Expense Fund, the Interest Account and the Principal Account) the amount, if any, necessary to cause the amount on deposit in the Reserve Fund to be equal to the Reserve Requirement. The Indenture defines "Reserve Requirement" to mean, as of the date of any calculation, the least of (i) "10% of the proceeds of the issue," within the meaning of Section 148 of the Code (excluding Bonds and any Additional Bonds refunded with the proceeds of subsequently issued Additional Bonds secured by the Special Tax on a parity with such Bonds and Additional Bonds), (ii) Maximum Annual Debt Service and (iii) 125% of Average Annual Debt Service.

Except as otherwise provided in the Indenture, all amounts deposited in the Reserve Fund are to be used and withdrawn by the Trustee solely for the purpose of (i) making transfers to the Interest Account in accordance with the Indenture in the event that, on the Business Day prior to an Interest Payment Date, amounts in the Interest Account are insufficient to pay the interest on the Bonds and any Additional Bonds due and payable on such Interest Payment Date, (ii) making transfers to the Principal Account in accordance with the Indenture in the event that, on the Business Day prior to a September 1 on which principal of the Bonds and any Additional Bonds is due and payable (including principal due and payable by reason of mandatory sinking fund redemption of the Bonds and any Additional Bonds), amounts in the Principal Account are insufficient to pay such principal, and (iii) redeeming Bonds and any Additional Bonds in accordance with the Indenture as described in the following paragraph.

Whenever Bonds or any Additional Bonds are to be optionally redeemed or redeemed from Special Tax prepayments, a proportionate share (determined as provided below) of the amount on deposit in the Reserve Fund will, on the date on which amounts to redeem such Bonds and any Additional Bonds are deposited in the Redemption Fund or otherwise deposited with the Trustee, be transferred by the Trustee from the Reserve Fund to the Redemption Fund or to such deposit held by the Trustee and will be applied to the redemption of said Bonds and any Additional Bonds; provided that, such amount will be so transferred only if and to the extent that the amount remaining on deposit in the Reserve Fund will be at least equal to the Reserve Requirement (excluding from the calculation thereof said Bonds and any Additional Bonds to be redeemed). Such proportionate share will be equal to the largest integral multiple of the minimum Authorized Denomination for said Bonds and any Additional Bonds that is not larger than the amount equal to the product of (i) the amount on deposit in the Reserve Fund on the date of such transfer, times (ii) a fraction, the numerator of which is the principal amount of Bonds and any Additional Bonds to be so redeemed and the denominator of which is the principal amount of Bonds and any Additional Bonds to be Outstanding on the day prior to the date on which such Bonds and any Additional Bonds are to be so redeemed.

Whenever the balance in the Reserve Fund exceeds the amount required to redeem or pay Outstanding Bonds and any Additional Bonds, including interest accrued to the date of payment or redemption and premium, if any, due upon redemption, the Trustee will, upon receipt of a Written Request of the District, transfer the amount in the Reserve Fund to the Interest Account, Principal Account and/or Redemption Fund, as applicable, to be applied, on the next succeeding Interest Payment Date to the payment and redemption of all of the Outstanding Bonds and any Additional Bonds. If, as a result of the scheduled payment of principal of or interest on the Bonds and any Additional Bonds, the Reserve Requirement is reduced, the Trustee will transfer an amount equal to the amount of such reduction to the Interest Account.

### **Investment of Moneys**

All moneys held by the Trustee in any of the funds or accounts established pursuant to the Indenture are required to be invested by the Trustee solely in Permitted Investments, as directed in writing by the District. As used in the Indenture, the phrase “Permitted Investments” includes a variety of investments, some of which may not be rated by a national rating service. See Appendix F — “SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE — Definitions.”

### **No Additional Bonds Except for Refunding Bonds**

So long as any of the Bonds and any Additional Bonds remain Outstanding, the District will not issue any obligations payable from Net Special Tax Revenues senior to the Bonds. The District may issue Additional Bonds or obligations payable on a parity with the Bonds and any Additional Bonds, if, among other things: (i) upon the issuance of such Additional Bonds, no Event of Default will occur or be continuing under the Indenture; (ii) the proceeds of the Additional Bonds will be applied to refund the Bonds or any Additional Bonds previously issued under the Indenture, pay Costs of Issuance incurred in connection with the issuance of such Additional Bonds, and/or make any requisite deposit to the Reserve Fund; and (iii) the Annual Debt Service in each Bond Year, calculated for all Bonds and any Additional Bonds that will be Outstanding after the issuance

of such Additional Bonds, will be less than or equal to Annual Debt Service in such Bond Year, calculated for all Bonds and any Additional Bonds that are Outstanding immediately prior to the issuance of such Additional Bonds.

The District may issue obligations payable from Net Special Tax Revenues on a basis subordinate to the Bonds and any Additional Bonds.

## **THE COMMUNITY FACILITIES DISTRICT**

### **General Information Regarding the District**

The District was organized by the City Council under the Act to provide for the financing of public improvements to meet the needs of new development related to the District. The qualified electors within the boundaries of the District, being the then owners of all property in the District, authorized the District to incur bonded indebtedness to finance certain public facilities to meet the needs of new development within the District and approved the Rate and Method for and authorized the levy of the Special Tax.

The District includes approximately 21.54 gross acres and is located in the northwestern portion of the City. The District is located at the southwest corner of Victoria Street and Kestrel Drive, just east of Interstate 15. The District is being developed into a gated community known as “Aurora Park” by Tri Pointe, and is expected to consist of a total of 193 residential units in two product lines known as “Sienna at Aurora Park” and “Goldenrod at Aurora Park.” Sienna is proposed for 82 single family detached residential units and Goldenrod is proposed for 111 single family detached residential units. The District is located in Tract Map No. 20229, recorded on June 17, 2021.

As of July 17, 2023, within the District, 72 residential units had been completed and conveyed to individual homeowners, Tri Pointe owned six completed model units (none of which were in escrow), 10 homes over 95% complete (nine of which were in escrow), 11 residential units under construction and less than 95% complete (10 of which were in escrow), and 16 finished lots and the Land Bank owned 78 finished lots (none of which were in escrow). As of September 1, 2023, within the District, 88 residential units had been completed and conveyed to individual homeowners, Tri Pointe owned six completed model units (none of which were in escrow), 10 homes over 95% complete all of which were in escrow), 11 residential units under construction and less than 95% complete (none of which were in escrow), and the Land Bank owned 78 finished lots (none of which were in escrow). Sales contracts are subject to cancelation and, therefore, homes currently in escrow may not result in closed escrows with the prospective homebuyers. Within the District, 131 building permits had been obtained as of July 17, 2023. Accordingly, assuming no additional building permits are obtained prior to May 1, 2024, 131 parcels will be classified as Developed Property for the Fiscal Year 2024-25 Special Tax levy. See “PROPERTY OWNERSHIP AND THE DEVELOPMENT.”

The District is zoned R-M (or Medium Density Residential) on the City’s General Plan Land Use Map. The District also falls within the West Gate Specific Plan, which as most recently amended denotes the District as zoned R-2 Cluster (Residential 5.1-12.0 dwelling units per acre). Tract Map No. 20229, recorded June 17, 2021, subdivided the District into a single lot along with condominium maps which divide the property into 193 single family units, along with a community center and pool/spa, tot lot, gazebo area, outdoor exercise area, covered eating areas, setback areas and internal streets. The approved condominium maps results in a density of approximately 10.08 dwelling units per acre, which is within the approved designation.

Water service to the property within the District will be supplied by the Fontana Water Company and sewer service to the property within the District will be supplied by the Inland Empire Utilities Agency. Electricity will be supplied by Southern California Edison Company, gas by the Southern California Gas Company and schools by the Etiwanda School District and the Chaffey Joint Union High School District.

Like all of Southern California, the land within the District is subject to seismic activity. The District is not located in a County Designated Fault Zone or an Earthquake Fault Zone Boundary. However, faults that

have the potential to generate the strongest ground shaking in the Fontana area include the Cucamonga (thrust fault), the San Jacinto (strike-slip fault), and the San Andreas (strike-slip) fault. The Cucamonga fault is an active fault that crosses the northern portion of the City, trending northwest along the foot of the San Gabriel Mountains. The Lytle Creek Branch of the San Jacinto Fault is an active fault that crosses the extreme northeast portion of the City in a southeastern direction. There are several other faults that border the Lytle Creek alluvial basin, including the Chino, San Andreas and San Jacinto faults.

In recent years, wildfires have caused extensive damage throughout the State. The last major wildfire in the vicinity of the City was the Grand Prix Fire in October 2003. There have been smaller fires, such as the 147-acre Sierra Fire that burned in November 2018 and the 277-acre Karen Fire in July 2020. While the District is not aware of any particular risk of wildfire within the District, there can be no assurances that wildfires won't occur within the District. See "SPECIAL RISK FACTORS — Geologic, Topographic and Climatic Conditions."

The Federal Emergency Management Agency has determined that the District is located in a Zone "AE, X500" flood area (an area with a one percent chance of flood discharge contained in a structure), and flood insurance will not be required.

An aerial photo showing the taxable property within the District and a map showing the general location of the District and the surrounding area appears on the pages before page 1. More detailed information about the property therein is contained in Appendix B — "APPRAISAL REPORT," and information about the ownership of such property is set forth under the caption "PROPERTY OWNERSHIP AND THE DEVELOPMENT." General information about the City is set forth in Appendix E.



## Assigned Special Tax and Development Summary

The following table sets forth the Assigned Special Tax that are projected to be levied on the property within the District at buildout of the development.

**TABLE 1**  
**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)**  
**SPECIAL TAX AND DEVELOPMENT SUMMARY**

<i>Rate and Method Land Use Classes</i>	<i>Number of Permitted Units/Acres as of May 1, 2023<sup>(1)</sup></i>	<i>Number of Additional Permitted Units/Acres as of July 17, 2023<sup>(2)</sup></i>	<i>Remaining Number of Units/Acres<sup>(3)</sup></i>	<i>Assigned Facilities Special Tax</i>	<i>Assigned Facilities Special Taxes at Build-Out</i>
<u>Developed Property</u>					
Residential Property (Alley Load Product)	58	6	18	\$ 2,348	\$ 192,536
Residential Property (Cluster Product)	57	10	44	2,229	247,419
Non-Residential Property	<u>0.00</u>	<u>0.00</u>	<u>0.00</u>	<u>31,660</u>	<u>0</u>
<b>TOTAL</b>	<b>115</b>	<b>16</b>	<b>62</b>	<b>N/A</b>	<b>\$ 439,955</b>

<sup>(1)</sup> Represents the classification of one hundred 115 parcels of Taxable Property as Developed Property for Fiscal Year 2023-2024, comprised of approximately 8.2 acres, based upon the building permits that had been obtained for such properties as of May 1, 2023.

<sup>(2)</sup> Represents the projected Developed Property classification of 16 parcels of Taxable Property, comprised of approximately 1.2 acres that will be classified as Undeveloped Property for Fiscal Year 2024-25, based upon the building permits that had been obtained for such properties between May 1, 2023 and July 17, 2023.

<sup>(3)</sup> Represents the projected Developed Property classification of 62 parcels of Taxable Property, comprised of approximately 4.5 acres that had not obtained a building permit as of July 17, 2023. The actual classification of these parcels for purposes of the Fiscal Year 2024-25 Special Tax levy will depend on building permits issued as of May 1, 2024.

Source: DTA, Inc.

## Direct and Overlapping Debt

The District is included within the boundaries of numerous overlapping local agencies providing governmental services. Some of these local agencies have outstanding bonds, and/or the authority to issue bonds, payable from taxes or assessments. The existing indebtedness payable from taxes and assessments that may be levied upon the property within the District is shown in Table 2 below. In addition to current debt, new community facilities districts and/or special assessment districts could be formed in the future encompassing all or a portion of the property within the District; and such districts or the agencies that formed them could issue more bonds and levy additional special taxes or assessments.

**TABLE 2**  
**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)**  
**DIRECT AND OVERLAPPING DEBT SUMMARY (TAXABLE PROPERTY)**

<i>Overlapping District</i>	<i>Percent of Levy on Taxable Parcels in the District<sup>(1)</sup></i>	<i>Total Debt Outstanding<sup>(2)</sup></i>	<i>District Share of Total Debt Outstanding</i>
Etiwanda Elementary School District G.O. Bonds	0.16953%	\$104,723,080	\$ 177,540
Chaffey Joint Union School District G.O. Bonds	0.03532	501,825,610	177,250
Chaffey Community College District G.O. Bonds	0.01845	302,930,000	55,900
Metropolitan Water District Mid-Valley G.O. Bonds	0.00051	20,175,000	110
Estimated Share of Overlapping Debt Allocable to District			\$ 410,800
Plus: The Bonds			<u>5,330,000</u>
Estimated Share of Direct and Overlapping Debt Allocable to District			\$ 5,740,800

<sup>(1)</sup> Based on the District's estimated share of the Fiscal Year 2022-23 levy for each applicable overlapping district.

<sup>(2)</sup> Based on the estimated overlapping tax and assessment debt outstanding as of August 1, 2023. Excludes debt secured by any tax or assessment established and levied on an individual Assessor's Parcel pursuant to a contractual agreement or other voluntary consent by the owner thereof.

Source: DTA, Inc., San Bernardino County.

As shown in Table 3A, the projected total effective tax rate for Fiscal Year 2024-25 for completed residential units conveyed to individual homeowners as of July 17, 2023 in Sienna at Aurora Park ranges from approximately 1.906% to approximately 1.852% of the concluded value as identified in the Appraisal. As shown in Table 3B, the projected total effective tax rate for Fiscal Year 2024-25 for completed single family detached residential units conveyed to individual homeowners as of July 17, 2023 in Goldenrod at Aurora Park ranges from approximately 1.715% to approximately 1.779% of the concluded value as identified in the Appraisal. Such estimates assume that the Rate and Method is not amended in accordance with Section C thereof.

**TABLE 3A  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
PROJECTED TOTAL EFFECTIVE TAX RATES FOR  
INDIVIDUALLY OWNED RESIDENTIAL PROPERTY  
SIENNA AT AURORA PARK**

Sienna at Aurora Park (Alley Load) Plan Types				
DESCRIPTION		Plan 1	Plan 2	Plan 3
Number of Units Sold <sup>(1)</sup>		12	12	11
Unit Size		1,879	1,997	2,264
Base Market Value <sup>(1)</sup>		\$ 522,362	\$ 559,160	\$ 572,792
Less: Homeowner Exemption		<u>(7,000)</u>	<u>(7,000)</u>	<u>(7,000)</u>
Equals: Assumed Taxable Value <sup>(2)</sup>		\$ 515,362	\$ 552,160	\$ 565,792
	Property Tax	Projected	Projected	Projected
AD VALOREM PROPERTY TAXES <sup>(2)(3)</sup>	Rate	Amount	Amount	Amount
Base Property Tax	1.0000%	\$ 5,154	\$ 5,522	\$ 5,658
Etiwanda Elementary School District G.O. Bonds	0.0323	166	178	183
Chaffey Joint Union High School G.O. Bonds	0.0294	152	162	166
Chaffey Community College District G.O. Bonds	0.0137	71	76	78
Metropolitan Water District G.O. Bonds	0.0035	18	19	20
Subtotal Ad Valorem Property Tax Rate/Taxes	1.0789%	\$ 5,561	\$ 5,957	\$ 6,105
PARCEL CHARGES, ASSESSMENTS AND SPECIAL TAXES <sup>(4)</sup>		Projected	Projected	Projected
		Amount	Amount	Amount
Metropolitan Water District Water Standby Charge		\$ 8	\$ 8	\$ 8
Fontana Vector Control Charge		6	6	6
Etiwanda Elementary School District CFD No. 10		1,604	1,604	1,858
Fontana CFD No. 100 (Victoria) Services Special Tax <sup>(5)</sup>		430	430	430
Fontana CFD No. 100 (Victoria) Facilities Special Tax <sup>(6)</sup>		<u>2,348</u>	<u>2,348</u>	<u>2,348</u>
Subtotal Parcel Charges, Assessments And Special Taxes		\$ 4,396	\$ 4,396	\$ 4,650
PROJECTED TOTAL PROPERTY TAXES		\$ 9,957	\$ 10,353	\$ 10,755
PROJECTED EFFECTIVE TAX RATE (% OF BASE MARKET VALUE)		1.906%	1.852%	1.878%

<sup>(1)</sup> Number of units sold and base market value for units that have closed to individual homeowners based on the Appraisal.

<sup>(2)</sup> Assumed Taxable Value and *ad valorem* taxes incorporate owner-occupied assessed value exemption of \$7,000.

<sup>(3)</sup> Based on the Fiscal Year 2022-23 *ad valorem* rates for the tax rate area(s) within the District. Rates subject to change in future years.

<sup>(4)</sup> Based on the Fiscal Year 2022-23 charges identified on the San Bernardino County issued property tax bills. Charges subject to change in future years.

<sup>(5)</sup> Based on the levy of the Assigned Services Special Tax.

<sup>(6)</sup> Based on the levy of the Assigned Facilities Special Tax.

Source: DTA, Inc., Kitty Siino & Associates, Inc., City of Fontana, County of San Bernardino.

**TABLE 3B  
CITY OF FONTANA  
COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
PROJECTED TOTAL EFFECTIVE TAX RATES FOR  
INDIVIDUALLY OWNED RESIDENTIAL PROPERTY  
GOLDENROD AT AURORA PARK**

<b>DESCRIPTION</b>	<i>Goldenrod at Aurora Park (Cluster) Plan Types</i>		
	<i>Plan 1</i>	<i>Plan 2</i>	<i>Plan 3</i>
Number of Units Sold <sup>(1)</sup>	13	14	10
Unit Size	2,006	2,292	2,743
Base Market Value <sup>(1)</sup>	\$ 611,830	\$ 653,220	\$ 740,610
Less: Homeowner Exemption	(7,000)	(7,000)	(7,000)
Equals: Assumed Taxable Value <sup>(2)</sup>	\$ 604,830	\$ 646,220	\$ 733,610
<b>AD VALOREM PROPERTY TAXES</b> <sup>(2)(3)</sup>	<b>Property Tax Rate</b>	<b>Projected Amount</b>	<b>Projected Amount</b>
Base Property Tax	1.0000%	\$ 6,048	\$ 7,336
Etiwanda Elementary School District G.O. Bonds	0.0323	195	237
Chaffey Joint Union High School G.O. Bonds	0.0294	178	216
Chaffey Community College District G.O. Bonds	0.0137	83	101
Metropolitan Water District G.O. Bonds	0.0035	21	26
Subtotal <i>Ad Valorem</i> Property Tax Rate/Taxes	1.0789%	\$ 6,525	\$ 7,916
<b>PARCEL CHARGES, ASSESSMENTS AND SPECIAL TAXES</b> <sup>(4)</sup>	<b>Projected Amount</b>	<b>Projected Amount</b>	<b>Projected Amount</b>
Metropolitan Water District Water Standby Charge	\$ 8	\$ 8	\$ 8
Fontana Vector Control Charge	6	6	6
Etiwanda Elementary School District CFD No. 10	1,689	1,858	2,111
Fontana CFD No. 100 (Victoria) Services Special Tax <sup>(5)</sup>	430	430	430
Fontana CFD No. 100 (Victoria) Facilities Special Tax <sup>(6)</sup>	2,229	2,229	2,229
Subtotal Parcel Charges, Assessments And Special Taxes	\$ 4,362	\$ 4,531	\$ 4,784
<b>PROJECTED TOTAL PROPERTY TAXES</b>	<b>\$ 10,887</b>	<b>\$ 11,504</b>	<b>\$ 12,700</b>
<b>PROJECTED EFFECTIVE TAX RATE (% OF BASE MARKET VALUE)</b>	<b>1.779%</b>	<b>1.761%</b>	<b>1.715%</b>

- (1) Number of units sold and base market value for units that have closed to individual homeowners based on the Appraisal.
- (2) Assumed Taxable Value and *ad valorem* taxes incorporate owner-occupied assessed value exemption of \$7,000.
- (3) Based on the Fiscal Year 2022-23 *ad valorem* rates for the tax rate area(s) within the District. Rates subject to change in future years.
- (4) Based on the Fiscal Year 2022-23 charges identified on the San Bernardino County issued property tax bills. Charges subject to change in future years.
- (5) Based on the levy of the Assigned Services Special Tax.
- (6) Based on the levy of the Assigned Facilities Special Tax.
- Source: DTA, Inc., Kitty Siino & Associates, Inc., City of Fontana, County of San Bernardino.

### Property Values

**Appraisal.** In order to provide information with respect to the value of the land within the District, the District engaged Kitty Siino & Associates, Inc. to prepare the Appraisal. The principal of the Appraiser, who was actively involved in the preparation of the Appraisal, has an “MAI” designation from the Appraisal Institute and has prepared numerous appraisals for the sale of land secured municipal bonds. The Appraiser was selected by the District and has no material relationships with the City, the District or the owners of the land within the District other than the relationship represented by the engagement to prepare the Appraisal and other similar engagements for the City. The City instructed the Appraiser to prepare its analysis and report in conformity with City-approved guidelines and the Appraisal Standards for Land Secured Financings published in 1994 and revised in 2004 by the commission now known as California Debt and Investment Advisory Commission. A copy of the Appraisal is included as Appendix B to this Official Statement.

The purpose of the Appraisal was to estimate the minimum market value of the fee simple estate, subject to special tax and special assessment liens, of the property within the District in its current condition. As of July

17, 2023, within the District, 72 residential units had been completed and conveyed to individual homeowners, Tri Pointe owned six completed model units (none of which were in escrow), 10 homes over 95% complete (nine of which were in escrow), 11 residential units under construction and less than 95% complete (10 of which were in escrow), and 10 finished lots and the Land Bank owned 78 finished lots (none of which were in escrow). Subject to the contingencies, assumptions and limiting conditions set forth in the Appraisal, the Appraiser concluded that, as of July 17, 2023, the minimum market value of the Taxable Property within the District was not less than \$71,001,082, consisting of \$43,783,946 for the 72 completed units conveyed to individual homeowners, \$6,937,338 for the 16 completed homes owned by Tri Pointe, \$5,214,805 for the 27 finished lots and homes under construction owned by Tri Pointe and \$15,064,993 for the 78 finished lots owned by the Land Bank. See Appendix B — “APPRAISAL REPORT.”

Reference is made to Appendix B for a complete list and full discussion of the applicable contingencies, assumptions and limiting conditions and the methodology employed by the Appraiser. In the event that any of the contingencies, assumptions and limiting conditions are not actually realized, the value of the property within the District may be less than the amount reported in the Appraisal. In any case, there can be no assurance that any portion of the property within the District would actually sell for the amount indicated by the Appraisal.

The Appraisal merely indicates the Appraiser’s opinion as to the minimum market value of the property referred to therein as of the date and under the conditions specified therein. The Appraiser’s opinion reflects conditions prevailing in the applicable market as of the date of value. The Appraiser’s opinion does not predict the future value of the subject property, and there can be no assurance that market conditions will not adversely change in the future.

The Appraiser has specifically consented to the inclusion of the Appraisal in this Official Statement. Nevertheless, the Appraisal contains the following statement:

The acceptance of and/or use of this appraisal report by the client or any third party constitutes acceptance of the following conditions:

The liability of Kitty Siino & Associates, Inc. and the appraisers responsible for this report is limited to the client only and to the fee actually received by the appraisers. Further, there is no accountability, obligation or liability to any third-party. If the appraisal report is placed in the hands of anyone other than the client for whom this report was prepared, the client shall make such party and/or parties aware of all limiting conditions and assumptions of this assignment and related discussions. Any party who uses or relies upon any information in this report, without the preparer’s written consent, does so at his own risk.

If the client or any third party brings legal action against Kitty Siino & Associates, Inc. or the signer of the Appraisal and the appraisers prevail, the party initiating such legal action shall reimburse Kitty Siino & Associates, Inc. and/or the appraisers for any and all costs of any nature, including attorneys’ fees, incurred in their defense.

It is a condition precedent to the issuance of the Bonds that the Appraiser deliver to the District a certification to the effect that nothing has come to the attention of the Appraiser subsequent to the date of value of the Appraisal that would cause the Appraiser to believe that the value of property in the District is less than the minimum value reported in the Appraisal. However, the Appraiser has not performed any procedures since the date of value to obtain knowledge of such events or occurrences nor is it obligated to do so in the future.

### **Value-to-Lien Ratios**

The value of the property within the District is significant because, in the event of a delinquency in the payment of the Special Tax, the District may foreclose only against delinquent parcels. Likewise, the ratio of the value of a parcel to its “share” of the Bonds is important because it provides an indication of the extent of the relative burden imposed on each parcel by the applicable Special Tax. As indicated above, the minimum market value of the property within the District is not less than \$71,001,082. The ratio of that value to the

\$5,330,000\* total principal amount of the Bonds is approximately 13.32\*-to-1. This ratio does not include other overlapping general obligation debt within the District. At this time there is no other overlapping land secured special tax or assessment debt within the District. See “— Direct and Overlapping Debt.” Taking the \$5,330,000\* principal amount of the Bonds and other overlapping general obligation debt within the District into account, the ratio of the minimum market value to the total amount of direct and overlapping bonded debt for the District of \$410,800 is approximately 12.37\*-to-1. Table 4 sets forth the minimum market value-to-lien ratios of all the taxable property within the District by development status as of July 17, 2023 based on the projected Fiscal Year 2024-25 Special Tax levy.

Each of the aforesaid value-to-lien ratios is for the entire District, however, the ratios of the value of individual lots within the District to their respective shares of the principal amount of the Bonds can be expected to vary substantially depending upon the selling price thereof. The following Table 5 sets forth the value-to-lien ratios within the District by land use class under the Rate and Method using the principal amount of the Bonds allocated based on the projected Fiscal Year 2024-25 Special Tax levy.

Additionally, the following Table 6 sets forth the stratification of value-to-liens of the parcels within the District, based on the appraised value of such parcels set forth in the Appraisal and such parcels’ respective shares of the principal amount of the Bonds (allocated to each parcel based upon its respective share of the total projected Fiscal Year 2024-25 Special Tax levy) and the ratio of the appraised value to its share of the Bonds. Taxable property within the District will be classified as “Developed Property” for purposes of the Fiscal Year 2024-25 Special Tax levy if a building permit for such property is obtained by May 1, 2024. Based on the development status within the District as of July 17, 2023, building permits had been issued for 131 residential parcels of Taxable Property within the District and will thus be classified as Developed Property for purposes of the projected Fiscal Year 2024-25 Special Tax levy. Tri Pointe currently expects to obtain the remaining 62 building permits by December 2023.

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\* Preliminary, subject to change.

**TABLE 4**  
**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)**  
**ESTIMATED MINIMUM MARKET VALUE-TO-LIEN RATIOS BASED ON BONDS ONLY**  
**ALLOCATED BY PROPERTY OWNER/DEVELOPMENT STATUS**  
**(Projected Fiscal Year 2024-25 Special Tax Levy)**

<i>Property Owner/ Development Status<sup>(1)</sup></i>	<i>Number of Taxable Parcels</i>	<i>Projected Fiscal Year 2024-25 Facilities Special Tax<sup>(2)*</sup></i>	<i>Percent of Projected Fiscal Year 2024-25 Facilities Special Tax<sup>*</sup></i>	<i>Pro Rata Share of Bonds<sup>(3)*</sup></i>	<i>Minimum Market Value<sup>(1)</sup></i>	<i>Estimated Minimum Market Value-to-Lien Ratios<sup>(4)*</sup></i>
<u>Tri Pointe Homes Holdings, Inc.</u>						
Model Homes	6	\$ 13,731	3.42%	\$ 182,276	\$ 2,842,821	15.60
95%+ Completed Homes	10	23,361	5.82	310,113	4,094,517	13.20
Homes Under Construction	11	25,114	6.26	333,383	2,124,550	6.37
Finished Lots (Developed Property)	<u>16</u>	<u>36,378</u>	<u>9.06</u>	<u>482,910</u>	<u>3,090,255</u>	<u>6.40</u>
Subtotal	43	\$ 98,584	24.55%	\$ 1,308,682	\$ 2,842,821	9.29
<u>Rescal Victoria 193, LLC</u>						
Model Homes	0	\$ 0	0.00%	\$ 0	\$ 0	N/A
95%+ Completed Homes	0	0	0.00	0	0	N/A
Homes Under Construction	0	0	0.00	0	0	N/A
Finished Lots (Developed Property)	16	36,378	9.06	482,910	3,090,255	6.40
Finished Lots (Undeveloped Property) <sup>(5)</sup>	<u>62</u>	<u>101,898</u>	<u>25.38</u>	<u>1,352,674</u>	<u>11,974,738</u>	<u>8.85</u>
Subtotal	78	\$ 136,276	34.44%	\$ 1,835,584	\$ 15,064,993	8.21
<u>Individual Homeowners</u>	<u>72</u>	<u>\$ 164,653</u>	<u>41.01%</u>	<u>\$ 2,185,734</u>	<u>\$ 43,783,946</u>	<u>20.03</u>
<b>TOTAL</b>	<b>193</b>	<b>\$ 401,513</b>	<b>100.00%</b>	<b>\$ 5,330,000</b>	<b>\$ 71,001,082</b>	<b>13.32</b>

\* Preliminary, subject to change.

(1) Based on the Appraisal with a date of value as of July 17, 2023.

(2) Based on the levy to fund Administrative Expenses and debt service on the Bonds, the building permits obtained as of July 17, 2023, and assumes no further development.

(3) There are currently no overlapping assessment districts and/or other community facilities districts encumbering the District with outstanding debt (excluding debt secured by any tax or assessment established and levied on an individual Assessor's Parcel pursuant to a contractual agreement or other voluntary consent by the owner thereof). The Bonds are allocated based on a proportionate share of the projected Fiscal Year 2024-25 Facilities Special Tax.

(4) Calculated by dividing the Minimum Market Value column by the Pro Rata Share of Bonds column.

(5) Under the Rate and Method, parcels of Taxable Property are classified as Developed Property if a building permit has been obtained for such parcel by May 1 of the fiscal year preceding the Special Tax levy. Accordingly, of the 94 parcels identified in the Appraisal as finished lots, thirty-two (32) of such parcels have obtained a building permit as of July 17, 2023 and will be classified as Developed Property for Fiscal Year 2024-45 and 62 of such parcels have not obtained a building permit as of July 17, 2023, and assuming no further development, will be classified as Undeveloped Property for Fiscal Year 2024-45.



Source: DTA, Inc.

**TABLE 5**  
**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)**  
**ESTIMATED MINIMUM MARKET VALUE-TO-LIEN RATIOS BASED ON BONDS ONLY**  
**ALLOCATED BY LAND USE CLASSES**  
**(Projected Fiscal Year 2024-25 Special Tax Levy)**

<i>Rate and Method Land Use Classes</i>	<i>Number of Permitted Units/ Acres as of July 17, 2023<sup>(1)</sup></i>	<i>Fiscal Year 2024-25 Assigned / Maximum Facilities Special Tax<sup>(2)*</sup></i>	<i>Projected Fiscal Year 2024-25 Facilities Special Tax<sup>(3)*</sup></i>	<i>Pro Rata Share of Bonds<sup>(4)*</sup></i>	<i>Minimum Market Value<sup>(5)</sup></i>	<i>Estimated Minimum Market Value-to- Lien Ratios<sup>(6)*</sup></i>
<u>Developed Property</u>						
Residential Property (Alley Load Product)	64	\$ 150,272	\$ 150,272	\$ 1,994,829	\$ 27,420,510	13.75
Residential Property (Cluster Product)	67	149,343	149,343	1,982,497	31,605,834	15.94
Non-Residential Property	<u>0.0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>N/A</u>
Subtotal	131	\$ 299,615	\$ 299,615	\$ 3,977,326	\$ 59,026,344	14.84
<u>Undeveloped Property</u>	<u>4.5</u>	<u>\$ 168,653</u>	<u>\$ 101,898</u>	<u>\$ 1,352,674</u>	<u>\$ 11,974,738</u>	<u>8.85</u>
<b>TOTAL</b>	<b>N/A</b>	<b>\$ 468,268</b>	<b>\$ 401,513</b>	<b>\$ 5,330,000</b>	<b>\$ 71,001,082</b>	<b>13.32</b>

\* Preliminary, subject to change.

- (1) Based on the building permits obtained as of July 17, 2023, and assumes no further development. Under the Rate and Method, parcels of Taxable Property are classified as Developed Property if a building permit has been obtained for such parcel by May 1 of the fiscal year preceding the Special Tax levy.
- (2) Based on the Assigned Facilities Special Tax revenues generated by residential dwelling units for which building permits had been obtained as of July 17, 2023, and the Maximum Facilities Special Tax revenues generated by 62 parcels of Taxable Property on approximately 4.5 acres of Undeveloped Property for which building permits had not been obtained as of July 17, 2023, and assumes no further development.
- (3) Based on the levy to fund Administrative Expenses and debt service on the Bonds, the building permits obtained as of July 17, 2023, and assumes no further development.
- (4) There are currently no overlapping assessment districts and/or other community facilities districts encumbering the District with outstanding debt (excluding debt secured by any tax or assessment established and levied on an individual Assessor's Parcel pursuant to a contractual agreement or other voluntary consent by the owner thereof). The Bonds are allocated based on a proportionate share of the projected Fiscal Year 2024-25 Facilities Special Tax.
- (5) Based on the Appraisal with a date of value as of July 17, 2023.
- (6) Calculated by dividing the Minimum Market Value column by the Pro Rata Share of Bonds column.

Source: DTA, Inc.

**TABLE 6**  
**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)**  
**ESTIMATED MINIMUM MARKET VALUE-TO-LIEN STRATIFICATION**  
**BASED ON BONDS ONLY**  
**(Projected Fiscal Year 2024-25 Special Tax Levy)**

<i>Estimated Minimum Market Value-to-Lien Ratio Category</i>	<i>Number of Parcels Subject to Facilities Special Tax</i>	<i>Projected Fiscal Year 2024-25 Facilities Special Tax<sup>(1)</sup></i>	<i>Percent of Projected Fiscal Year 2024-25 Facilities Special Tax</i>	<i>Pro Rata Share of Bonds<sup>(2)</sup></i>	<i>Minimum Market Value<sup>(3)</sup></i>	<i>Estimated Minimum Market Value-to-Lien Ratios<sup>(4)</sup></i>
20:00:1 and above	37	\$ 82,473	20.54%	\$ 1,094,812	\$ 24,504,970	22.38
17:00:1 to 19.99:1	26	60,691	15.12	805,660	14,614,712	18.14
14:00:1 to 16.99:1	15	35,101	8.74	465,958	7,627,869	16.37
11:00:1 to 13.99:1	16	31,802	7.92	311,692	3,973,733	12.75
8:00:1 to 10.99:1	56	93,576	23.31	993,879	9,270,765	9.33
5:00:1 to 7.99:1	43	97,870	24.37	1,657,999	11,009,033	6.64
Less than 5:00:1 <sup>(5)</sup>	0	0	0.00	0	0	NA
<b>TOTAL</b>	<b>193</b>	<b>\$ 401,513</b>	<b>100.00%</b>	<b>\$ 5,330,000</b>	<b>\$ 71,001,082</b>	<b>13.32</b>

(1) Based on the levy to fund Administrative Expenses and debt service on the Bonds, the building permits obtained as of July 17, 2023, and assumes no further development.

(2) There are currently no overlapping assessment districts and/or other community facilities districts encumbering the District with outstanding debt (excluding debt secured by any tax or assessment established and levied on an individual Assessor's Parcel pursuant to a contractual agreement or other voluntary consent by the owner thereof). The Bonds are allocated based on a proportionate share of the projected Fiscal Year 2024-25 Facilities Special Tax.

(3) Based on the Appraisal with a date of value as of July 17, 2023.

(4) Calculated by dividing the Minimum Market Value column by the Pro Rata Share of Bonds column.

(5) No parcel has a value-to-lien of less than 5:00:1.

Source: DTA, Inc.

### **Delinquency History**

Fiscal Year 2022-23 was the first year in which Special Taxes were levied in the District. For Fiscal Year 2022-23, Facilities Special Taxes totaling \$198,542 were levied on 87 parcels classified as Developed Property with respect to the Facilities Special Tax. For Fiscal Year 2022-23, Services Special Taxes totaling \$82,990 were levied on 193 parcels classified as Developed Property with respect to the Services Special Tax. As of August 15, 2023, one parcel was delinquent in payment of Facilities Special Taxes in the amount of \$1,174 for a delinquency rate of 0.59%, and delinquent in payment of Services Special Taxes in the amount of \$215 for a delinquency rate of 0.26%.

### **PROPERTY OWNERSHIP AND THE DEVELOPMENT**

*Representatives of Tri Pointe have provided the information in this section regarding Tri Pointe and its development in the District. Representatives of the Land Bank have also provided information in this section regarding the Land Bank and the Option Agreement. Neither the Underwriter nor the City has independently confirmed or verified the information in this section of the Official Statement nor does any such party make any representation as to accuracy or adequacy of this information. Further, there may be material adverse changes in this information after the date of this Official Statement.*

*The information in this section of the Official Statement regarding ownership of certain taxable property in the District has been included because it is considered relevant to an informed evaluation of the Bonds. The inclusion in this Official Statement of information related to Tri Pointe and the Land Bank should not be*

*construed to suggest that the Bonds, or the Special Tax that will be used to pay the Bonds, are recourse obligations of Tri Pointe, the Land Bank, or any other property owner in the District. A property owner may sell or otherwise dispose of land within the District or a development or any interest therein at any time.*

*No assurance can be given that the proposed development within the District will occur as described below. As the proposed land development progresses and parcels are sold, it is expected that the ownership of the land within the District will become more diversified. No assurance can be given that development of the land within the District will occur in a timely manner or in the configuration or intensity described herein, or that any landowner described herein will obtain or retain ownership of any of the land within the District.*

*The Bonds and the Special Tax are not personal obligations of Tri Pointe, the Land Bank, or any other current or subsequent property owners and, in the event that Tri Pointe, the Land Bank, or any other current or subsequent property owner defaults in the payment of the Special Tax, the City may proceed with judicial foreclosure but has no direct recourse to the assets of Tri Pointe, the Land Bank, or any other current or subsequent property owner. As a result, other than as provided in the Official Statement, no financial statements or information is, or will be, provided about Tri Pointe, the Land Bank, or any other current or subsequent property owner. The Bonds are secured solely by the Net Special Tax Revenues and other amounts pledged under the Indenture. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” and “SPECIAL RISK FACTORS.”*

### **General Description of the Development**

The District is located in Tract Map No. 20229, recorded on June 17, 2021. Tri Pointe Homes Holdings, Inc., a Delaware corporation (previously defined herein as “Tri Pointe” or the “Developer”) is acquiring the property within the District from Rescal Victoria 193, LLC (dba Resmark), a Delaware limited liability company (previously defined herein as the “Land Bank”) in phased takedowns pursuant to an Option Agreement. The Land Bank acquired all of the property within the District on December 23, 2020 and Tri Pointe began taking down property for development on June 7, 2021. Pursuant to the Option Agreement, Tri Pointe was provided an exclusive option, but is not obligated, to acquire the property within the District over several takedowns pursuant to an agreed takedown schedule. In the event that Tri Pointe does not exercise its option to purchase the property, the Land Bank, being an investor only and not a homebuilder, would likely attempt to sell such property to another merchant builder. As of July 17, 2023, the date of value of the Appraisal, Tri Pointe had taken down 115 of the planned 193 residential lots in the District. Tri Pointe is scheduled to take down all of the remaining property to be developed as 78 residential units in the District by October 2024. There is no guarantee that Tri Pointe will acquire the remaining lots as planned See the caption “—Development Plan” below for more information regarding the Option Agreement, including the complete takedown schedule.

As of July 17, 2023, within the District, 72 residential units had been completed and conveyed to individual homeowners, Tri Pointe owned six completed model units (none of which were in escrow), 10 homes over 95% complete (nine of which were in escrow), 11 residential units under construction and less than 95% complete (10 of which were in escrow), and 16 finished lots and the Land Bank owned 78 finished lots (none of which were in escrow). As of September 1, 2023, within the District, 88 residential units had been completed and conveyed to individual homeowners, Tri Pointe owned six completed model units (none of which were in escrow), 10 homes over 95% complete all of which were in escrow), 11 residential units under construction and less than 95% complete (none of which were in escrow), and the Land Bank owned 78 finished lots (none of which were in escrow).. Sales contracts are subject to cancelation and, therefore, homes currently in escrow may not result in closed escrows with the prospective homebuyers. As of July 17, 2023, building permits had been obtained for 131 of the 193 single family residential units planned to be constructed within the District. As of September 1, 2023, Tri Pointe had not obtained any additional building permits and Tri Pointe currently expects to obtain the remaining 62 building permits by December 2023. While the information set forth in this Official Statement reflects Tri Pointe’s current development expectations, no assurance can be given that final home construction and conveyance to individual home buyers will be carried out as described in this Official Statement.

## Tri Pointe

As previously defined in this Official Statement as the “Developer” or “Tri Pointe” is Tri Pointe Homes Holdings, Inc. (formerly known as TRI Pointe Homes, Inc.), a Delaware corporation, which is an indirect, wholly-owned subsidiary of Tri Pointe Homes, Inc., a Delaware corporation (“Tri Pointe Homes”), a publicly traded company whose common stock is listed on the New York Stock Exchange under the ticker symbol “TPH”. Tri Pointe Homes is engaged in the design, construction and sale of innovative single-family attached and detached homes in 15 markets across ten states and the District of Columbia. Effective January 15, 2021, Tri Pointe Homes changed its corporate name from “TRI Pointe Group, Inc.” to “Tri Pointe Homes, Inc.” and consolidated its six regional homebuilding brands into one unified name—Tri Pointe Homes.

Tri Pointe Homes is subject to the informational requirements of the Exchange Act and, in accordance therewith, files reports, proxy statements, and other information, including financial statements, with the SEC. Such filings, set forth, among other things, certain data relative to the consolidated results of operations and financial position of Tri Pointe Homes and its consolidated subsidiaries, including Tri Pointe, as of such dates (e.g., see Tri Pointe Homes’ Annual Report on Form 10-K for the fiscal year ended December 31, 2022, as filed with the SEC on February 21, 2023, and Tri Pointe Homes’ Quarterly Report on Form 10-Q for the quarter ended June 30, 2023, as filed with the SEC on July 27, 2023).

The SEC maintains an Internet web site that contains reports, proxy and information statements and other information regarding registrants that file electronically with the SEC, including Tri Pointe Homes. The address of such Internet web site is [www.sec.gov](http://www.sec.gov). All documents filed by Tri Pointe Homes pursuant to the requirements of the Exchange Act after the date of this Official Statement will be available for inspection in such manner as the SEC prescribes. Copies of Tri Pointe Homes’ most recent Annual Report on Form 10-K and each of its other quarterly and current reports, including any amendments, are available in the “investors” portion of its website at [www.TriPointehomes.com](http://www.TriPointehomes.com).

*The foregoing website addresses and references to filings with the SEC are given for reference and convenience only, and the information on such websites and on file with the SEC does not form a part of this Official Statement and is not incorporated by reference herein. No representation is made in this Official Statement as to the accuracy or adequacy of the information contained on such websites. Tri Pointe Homes and Tri Pointe are not obligated to advance funds for construction or development or to pay ad valorem property taxes or the Special Taxes and investors should not rely on the information and financial statements contained on such websites in evaluating whether to buy, hold or sell the Bonds. The information contained on such websites may be incomplete or inaccurate and has not been reviewed by the City or the Underwriter.*

## The Land Bank

Rescal Victoria 193, LLC (dba Resmark), a Delaware limited liability company (previously defined herein as the “Land Bank”), is ultimately controlled by Resmark Equity Partners LLC (“Resmark”). Resmark was founded in 1995 and is a real estate investment manager focused on the residential sector. Resmark finances, acquires, develops and manages real estate investments in California, the Western United States, Texas, the Southeastern United States, the D.C./mid-Atlantic region and select additional major metropolitan markets. Since its formation, Resmark has invested in over 90,000 single-family and multi-family units and lots and invested in over 295 single-family and multi-family investments. Resmark’s principal office is located in Virginia.

## Development Plan

**General.** Tri Pointe plans to construct a total of 193 residential units in the District in a community known as Aurora Park. Aurora Park is a gated community consisting of two product lines known as “Sienna at Aurora Park,” which is planned to be comprised of 82 single family detached alley-load residential units, and “Goldenrod at Aurora Park,” which is planned for 111 cluster detached condominiums. For each of the Sienna

and Goldenrod products, Aurora Park features two story floorplans with three exterior architectural styles: Traditional, Spanish and Farmhouse. Home exteriors feature dual glazed low-E windows, insulated roll-up sectional garage doors, rain gutters, and 8-foot entry doors with black hardware and Smart Wi-Fi deadbolt. Aurora Park homes include tankless water heaters, 220V outlet in garage for electric car chargers, Eero Wi-Fi systems, Merv 13 air filters, and smart home system including Amazon voice control for automation of smart deadbolt, Ring doorbell, and Smart programmable Wi-Fi thermostat. Kitchens include granite countertops and white thermofoil flat panel cabinets, stainless steel double basin sinks, and GE stainless steel appliances.

The following table describes the development and ownership status as of July 17, 2023 by floor plan within the development.

**TABLE 7**  
**AURORA PARK**  
**DEVELOPMENT AND OWNERSHIP STATUS**  
**(AS OF JULY 17, 2023)**

<i>Floor Plan</i>	<i>Total Units Planned</i>	<i>Home Size</i>	<i>Closings as of July 17, 2023</i>	<i>Completed Homes/ Models</i>	<i>Homes Under Construction</i>	<i>Finished Lots<sup>(1)</sup></i>	<i>Homes in Escrow</i>	<i>Base Home Prices<sup>(2)</sup></i>
<b>Sienna</b>								
1	29	1,879	12	4			5	\$613,000
2	27	1,997	12	4			4	\$636,000
3	26	2,264	11	4			5	\$682,000
<b>Total</b>	82		35	12	5	30	14	
<b>Goldenrod</b>								
1	37	2,006	13	1				\$660,000
2	38	2,292	14	1				\$679,000
3	36	2,743	10	2				\$749,000
<b>Total</b>	111		37	4	6	64	5	
<b>Total</b>	193		72	16	11	94	19	

<sup>(1)</sup> As of July 17, 2023, 16 finished lots were owned by Tri Pointe and 78 finished lots were owned by the Land Bank.

<sup>(2)</sup> Base sales prices are subject to change and exclude any lot premiums, options, upgrades, incentives, and any selling concessions, mortgage rate buydowns or price reductions currently being offered. Tri Pointe is offering varying concessions, including rate buy downs, on a case-by-case basis. As of July 17, 2023, the date of value of the Appraisal, the net closing cost and rate buy down concessions for the 72 residential units conveyed to individual homeowners and the 19 residential units in escrow within the District ranged from \$0 to \$38,500, and averaged \$13,341.60 per residential unit.

Source: Tri Pointe.

**Sienna at Aurora Park.** The Sienna residential units are alley loaded detached condominiums that include three floorplans ranging from 1,879 to 2,264 square feet. Each of the floorplans feature two stories with three to four bedrooms and two to three-car garages. As of July 17, 2023, the base sales prices for the Sienna units ranged from \$613,000 to \$682,000. Base sales prices are subject to change and exclude any lot premiums, options, upgrades, incentives, and any selling concessions, mortgage rate buydowns or price reductions currently being offered. Tri Pointe is offering varying concessions, including rate buy downs, on a case-by-case basis.

As of July 17, 2023, within Sienna, 35 completed units had been conveyed to individual homeowners, Tri Pointe owned three completed model units (none of which were in escrow), nine completed residential units (all of which were in escrow), and five residential units under construction (all of which were in escrow) and six finished lots (none of which were in escrow) and the Land Bank owned 24 finished lots (none of which were in escrow). Between July 17, 2023 and September 1, 2023, an additional nine residential units had been completed and conveyed to individual homeowners, for a total of 44 residential units owned by individual homeowners as of September 1, 2023. Sales of residential units within Sienna began in June 2022 and Tri Pointe expects that construction will be complete within Sienna by July 2025.

**Goldenrod at Aurora Park.** The Goldenrod residential units are detached condominiums arranged in motor courts, and include three floorplans ranging from 2,006 to 2,743 square feet. Each of the floorplans feature two stories with three to five bedrooms and two to three-car garages. As of July 17, 2023, the base sales prices for the Sienna units ranged from \$660,000 to \$749,000. Base sales prices are subject to change and exclude any lot premiums, options, upgrades, incentives, and any selling concessions, mortgage rate buydowns or price reductions currently being offered. Tri Pointe is offering varying concessions, including rate buy downs, on a case-by-case basis.

As of July 17, 2023, within Goldenrod, 37 completed units had been conveyed to individual homeowners, Tri Pointe owned three completed model units (none of which were in escrow), one completed residential unit (which is being used as a sales gallery), six residential units under construction (five of which were in escrow) and ten finished lots (none of which were in escrow) and the Land Bank owned 54 finished lots (none of which were in escrow). Between July 17, 2023 and September 1, 2023, an additional seven residential units had been completed and conveyed to individual homeowners, for a total of 44 residential units owned by individual homeowners as of September 1, 2023. Sales of residential units within Goldenrod began in June 2022 and Tri Pointe expects that construction will be complete within Goldenrod by July 2025.

**Option Agreement.** On December 4, 2020, Tri Pointe entered into a Purchase and Sale Agreement and Escrow Instructions (the “Original PSA”) to acquire the property in the District intended to be subdivided into 193 lots (the “Property”) from SC Victoria, LLC, a California limited liability company (previously defined as “SC Victoria” or the “Original Owner”). On December 23, 2020, concurrent with the execution of the Option Agreement (described below), Tri Pointe nominated the Land Bank as the buyer under the Original PSA and the Land Bank acquired all of the Property from SC Victoria pursuant to the Original PSA.

On December 23, 2020, the Land Bank and Tri Pointe entered into an Option Agreement regarding the Property, as amended (herein, the “Option Agreement”), whereby Tri Pointe has the option but not the obligation to purchase finished lots in the District from the Land Bank pursuant to a takedown schedule. To Tri Pointe’s actual knowledge, it is not in default under the Option Agreement.

As of September 1, 2023, Tri Pointe has acquired 115 of the 193 lots from the Land Bank. The remaining 78 lots are expected to be acquired by Tri Pointe on a monthly basis in blocks of 0-18 lots through October 2024, although Tri Pointe may acquire more lots than scheduled and at earlier times so long as the cumulative number lots are acquired by the applicable takedown date. The failure to acquire the cumulative number of lots by the date required will result in the payment of a premium in addition to the purchase price. There is no guaranty that Tri Pointe will acquire the remaining 78 lots from the Land Bank as planned. The following is the takedown option schedule:

**TABLE 8**  
**CITY OF FONTANA**  
**COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)**  
**TAKEDOWN SCHEDULE**

Goldenrod		Sienna		Date
Phase	# of Units	Phase	# of Units	
M	3	M	3	6/7/2021*
1/SC	7	1	9	10/5/2021*
2	9	--	--	11/5/2021*
--	--	2	8	12/3/2021*
3	6	3	9	2/4/2022*
4	10		--	3/5/2022*
--	0	4	9	4/5/2022*
5	6		--	5/5/2022*
6	6	5	9	6/3/2022*
--		6	5	4/5/2023*
7	10		--	7/10/2023*
--	0	7	6	7/10/2023*
8	10	8	6	9/6/23*
--	0	9	6	11/5/23
9	10	10	8	1/1/24
10	10	11	4	4/5/24
11	10	--	--	6/5/24
12	6	--	--	8/5/24
13	8	--	--	10/5/24
<b>TOTAL:</b>	<b>111</b>		<b>82</b>	

\* Represents that actual takedown date.  
Source: Tri Pointe.

In addition to and concurrent with the Option Agreement, Tri Pointe and Land Bank entered into a Construction Agreement regarding the Property (the “Construction Agreement”), whereby the Land Bank engaged Tri Pointe as contractor (the “Contractor”) to, among other things, construct improvements on and for the benefit of the property in the District necessary to bring the lots into finished lot condition and reimburse the Contractor for such development costs up to a guaranteed maximum aggregate contract amount.

Under the terms of the Option Agreement, the Land Bank agreed to provide Tri Pointe the exclusive right and option to purchase all 193 lots comprising the Property in consideration for (a) an initial option payment, which payment has been made to the Land Bank; (b) the covenants of Tri Pointe to timely pay the option payments under the Option Agreement on a monthly basis in arrears; and (c) upon exercise of the option, the payment of the purchase price for each set of lots acquired.

In addition, pursuant to the Option Agreement and with some limitations, the Land Bank has granted Tri Pointe a license to enter upon the property to construct homes before it acquires the lots from the Land Bank. To date, Tri Pointe has obtained building permits for and commenced construction of homes on lots owned by the Land Bank and Tri Pointe’s plan is to continue to obtain building permits for and commence home



construction on some or all of the remaining lots prior to acquiring them from the Land Bank. As of September 1, 2023, Tri Pointe had obtained building permits for 16 lots owned by the Land Bank as of such date.

The option under the Option Agreement expires on the earlier of (i) the last date permitted for the final takedown specified on the takedown schedule (October 2024) and the expiration of any applicable cure period, or (ii) the date Tri Pointe has acquired all of the Lots in accordance with the Option Agreement. The failure to timely acquire lots could result in the termination of the option and Tri Pointe will no longer have a right to purchase any of the remaining units under the Option Agreement. The Option Agreement does provide Tri Pointe a one-time option to acquire all of the lots at once. In the event that Tri Pointe does not exercise its option, the Land Bank being an investor only and not a homebuilder, would likely attempt to sell such lots to another merchant builder.

Under the Construction Agreement, the Contractor has agreed to use commercially reasonable efforts to construct all of the on-site and off-site improvements and obtain the requisite governmental permits and approvals necessary to create finished lots on the Property pursuant to a construction schedule and the Land Bank has agreed to reimburse the Contractor for such development costs up to a guaranteed maximum aggregate contract amount. As of September 1, 2023, other than bond exoneration work and final paving, which is to be completed at build out of the Property, all of the work required by the Construction Agreement is substantially complete.

During the term of the Option Agreement and the Construction Agreement, Tri Pointe is obligated to pay all property taxes and carry-costs related to the Property owned by the Land Bank.

*No assurance can be given that Tri Pointe will acquire the property within the District from The Land Bank or that home construction and sales will be carried out on the schedule and according to the plans described herein, or that the home construction and sale plans or base prices set forth above will not change after the date of this Official Statement. Additionally, homes under contract to be sold may not result in closed escrows as sales contracts are subject to cancellation. See “SPECIAL RISK FACTORS — Failure to Develop Properties.” Moreover, rising interest rates may affect prospective buyers’ willingness or ability to close escrow or enter into future sales contracts. See “SPECIAL RISK FACTORS — Increasing Mortgage Interest Rates.”*

**Increasing Mortgage Interest Rates.** Most of the purchasers of Tri Pointe’s homes finance their acquisitions with mortgage financing. As such, rising interest rates, decreased availability of mortgage financing or of certain mortgage programs, higher down payment requirements or increased monthly mortgage costs could have a negative impact on the estimated absorption rates of Tri Pointe’s planned for-sale homes in the District. Further, a combination of higher mortgage rates, delays in construction stemming from delays in the supply chain, homebuyers’ inability to sell their existing homes and adverse changes in local, regional or national economic conditions, among other factors, could contribute to an increase in Tri Pointe’s rate of home order cancellations. An increase in the level of such cancellations could similarly have a negative impact on the estimated absorption rates of Tri Pointe’s planned for-sale homes in the District.

See the caption “SPECIAL RISK FACTORS – Impact of Economic Conditions on the Development in the District” for certain risks associated with the outbreak of the COVID-19 Pandemic.

**Required Infrastructure.** All backbone infrastructure required to build-out all 193 residential units has been completed.

**Entitlement Status.** Other than certain permits required in the normal course of home construction, all discretionary entitlements required to complete the development and sales of homes in the District have been received. All environmental approvals have been secured in order to complete the development in the District.

**Conditions of Approval.** None of the remaining infrastructure improvements are required to be completed as a condition of receiving building or occupancy permits.

Except as described in this Official Statement and except for those consents, permits, authorizations, certifications and approvals of governmental entities required in the ordinary course of development, Tri Pointe has no actual knowledge of any impediment to construction or obtaining land use entitlements which could be reasonably expected to have a material adverse effect on its ability to complete the planned development of its property within the District as described in the Official Statement.

### **Financing Plan**

To date, Tri Pointe has financed its land acquisition and various site development and home construction costs related to its property in the District through internally generated funds (which may include home sales revenues and funding from its parent company Tri Pointe Homes), as well as payments for improvements from The Land Bank pursuant to the Option Agreement. As of September 1, 2023, Tri Pointe had expended approximately \$54,320,980 on land acquisition, land development, homebuilding, marketing and sales costs. As of such date, Tri Pointe expected to incur approximately \$879,587 on remaining land acquisition and development costs and approximately \$22,633,300 on remaining homebuilding, marketing, and sales costs for its property in the District.

Tri Pointe expects to use internally generated (which may include home sales revenues and funding from its parent company Tri Pointe Homes) to complete its land acquisition and development in the District. Tri Pointe believes that it will have sufficient funds available to complete its planned land acquisition and development in the District in accordance with the development schedule described in this Official Statement.

*Notwithstanding the belief of Tri Pointe that it will have sufficient funds to complete its planned land acquisition and development in the District, no assurance can be given that sources of financing available to Tri Pointe will be sufficient to complete the land acquisition, development and home construction as currently anticipated. While Tri Pointe has made such internal financing available in the past, there can be no assurance whatsoever of its willingness or ability to do so in the future. Neither Tri Pointe nor any of its affiliates has any legal obligation of any kind to make any such funds available or to obtain loans. Other than pointing out the willingness of Tri Pointe to provide internal financing in the past, Tri Pointe has not represented in any way that it will do so in the future. If and to the extent that internal financing and home sales revenues are inadequate to pay the costs to complete Tri Pointe's planned land acquisition and development in the District and other financing by Tri Pointe is not put into place, there could be a shortfall in the funds required to complete the proposed land acquisition and development by Tri Pointe and portions of the project may not be developed.*

### **SPECIAL RISK FACTORS**

The principal source of payment of debt service on the Bonds will be payments of the Special Tax made with respect to the Taxable Property. As discussed under "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Tax," the Special Tax is to be levied annually against all such Taxable Property either at the maximum rate authorized by the Rate and Method or at such lower rates as are determined by the District Administrator to raise sufficient funds to comply with the agreements, conditions, covenants and terms contained in the Indenture, and in accordance with the Act. The Special Tax is to be collected on the tax roll of the District at the same time and in the same manner as general *ad valorem* real property taxes are collected. The Special Tax cannot be levied at a tax rate higher than the maximum tax rate even if the maximum tax rate will not produce sufficient Net Special Tax Revenues to pay the principal and interest then payable with respect to the Bonds. See discussions below under "— Levy of the Special Tax" and "— Collection of the Special Tax."

Payment of the Special Tax levied on a parcel is secured by a continuing lien against such parcel. In the event an installment of the Special Tax included in the tax bill for a parcel of Taxable Property is not paid when due, the District has covenanted to institute foreclosure proceedings in court to cause the parcel to be sold in order to attempt to recover the delinquent amount from the sale proceeds. Foreclosure and sale may not always result in the recovery of the full amount of delinquent installments of the Special Tax. See "—

Collection of the Special Tax.” The sufficiency of the foreclosure sale proceeds to cover the delinquent amount depends in part upon the market for and the value of the parcel at the time of the sale. Sufficiency of the foreclosure sale proceeds to cover a delinquency may also depend upon the value of prior or parity liens and similar claims. Further, other governmental claims, such as hazardous substance claims, may affect the realizable value even though such claims may not rise to the status of liens. See “— Hazardous Substances.”

Timely foreclosure and sale proceedings with respect to a parcel of Taxable Property may be forestalled or delayed by a stay in the event the owner of the parcel becomes the subject of bankruptcy proceedings. Not only may foreclosure and sale proceedings be forestalled or delayed, but the sale of a parcel may also be similarly affected by a bankruptcy stay. Further, should the stay not be lifted, payment of the Special Tax may be subordinated to bankruptcy law priorities. See “— Bankruptcy and Legal Delays.”

Although bankruptcy proceedings may forestall or delay a foreclosure and sale or a tax sale of a delinquent parcel of Taxable Property, the Special Tax is secured by a lien which, assuming proper procedures are followed, may be enforced against the parcel. There may not be any recourse against a bankrupt property owner since the owner is not personally obligated to pay the Special Tax. Further, if proper disclosure of the authorization of the Special Tax is not made to the owner, the willingness or ability of an owner to pay the Special Tax may be adversely affected. See “— Payment of the Special Tax is Not a Personal Obligation of the Owners.”

The District is not obligated to advance funds to pay such debt service except from moneys on deposit in the Reserve Fund. See “— Bonds Are Limited Obligations.”

Even if debt service is timely paid, interest on the Bonds may have to be included in the gross income of the owner of the Bonds by reason of some circumstance occurring subsequent to issuance of the Bonds, thereby reducing the after-tax yield. See “— Loss of Tax Exemption.”

### **Risks of Real Estate Secured Investments Generally – Declines in Value**

Purchasers of the Bonds will be subject to the risks generally incident to an investment secured by real estate, including, without limitation, (i) adverse changes in local market conditions, such as changes in the market value of real property in the vicinity of the District, the supply of or demand for competitive properties in such area, and the market value of property in the event of sale or foreclosure; (ii) changes in real estate tax rates and other operating expenses, governmental rules and fiscal policies; and (iii) natural disasters (including, without limitation, earthquakes, wildfires and floods), which may result in uninsured losses. See the caption “— Increasing Mortgage Interest Rates” below.

No assurance can be given that the individual property owners within the District will pay the Special Tax in the future or that they will be able to pay the Special Tax on a timely basis. See the caption “— Bankruptcy and Legal Delays” for a discussion of certain limitations on the District’s ability to pursue judicial proceedings with respect to delinquent parcels within the District.

### **Levy of the Special Tax**

The principal source of money with which to pay debt service on the Bonds is the proceeds derived from the annual levy and collection of the Special Tax applicable to the Taxable Property in the District. The amount of the Special Tax that can be levied is limited to the maximum tax rates authorized pursuant to the Rate and Method. Additionally, pursuant to Section 53321(d) of the Government Code, the Special Tax levied against any Assessor’s parcel for which an occupancy permit for private residential use has been issued shall not be increased as a consequence of delinquency or default by the owner of any other Assessor’s parcel within the District by more than ten percent above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. As a result, it is possible that the District may not be able to increase the tax levy to the Assigned Special Tax on residential parcels in all years. The levies cannot be made

at higher rates even if the failure to do so would result in insufficient Net Special Tax Revenues to pay the principal of and interest on the Bonds as the same become due and payable.

The levy of the Special Tax will rarely, if ever, result in a uniform relationship between the value of a particular parcel and the amount of the levy of the Special Tax against such parcel. Thus, there will rarely, if ever, be a uniform relationship between the value of a parcel and its proportionate share of the debt service on the Bonds. The Special Tax levied in any particular Fiscal Year on a parcel is based upon the revenue needs of the District and the application of the Rate and Method. The application of the Rate and Method will, in turn, be dependent upon certain development factors with respect to each parcel by comparison with similar development factors with respect to the other parcels in the District. Thus, in addition to annual variations in the revenue needs of the District that must be met from the Special Tax, the following are some of the factors which might cause the levy of the Special Tax on any particular parcel to vary from the Special Tax that might otherwise be expected:

Reduction in the number of parcels of Taxable Property, for reasons such as acquisition of such parcels by a governmental entity and failure of the governmental entity to pay the Special Tax based upon a claim of exemption or, in the case of the federal government or an agency thereof, immunity from taxation, thereby resulting in an increased tax burden on the remaining parcels of Taxable Property; and

Failure of the owners of certain parcels of Taxable Property to pay the applicable Special Tax and delays in the collection of or inability to collect such Special Tax by tax sale or foreclosure and sale of the delinquent parcels, thereby resulting in an increased tax burden on the remaining parcels of Taxable Property.

### **Collection of the Special Tax**

The timely payment of the principal of and interest on the Bonds is ultimately dependent upon the timely payment of all of the Special Tax. Any money on deposit in the Reserve Fund can be used to make such payment in the event of delinquencies, but the replenishment of the Reserve Fund will be dependent on the recovery of such delinquencies. The Indenture provides that the Special Tax is to be collected in the same manner and at the same time and in the same installment as the general taxes on real property are payable (or in such other manner as the City Council shall determine, including direct billing of the affected property owners) and, except as provided in the special covenant for foreclosure described under the caption “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure” and in the Act, is to be subject to the same proportionate penalties and the same procedure, sale and lien priority in case of delinquency as is provided for *ad valorem* taxes on real property.

Pursuant to the Act, in the event of any delinquency in the payment of the Special Tax, the District may order the institution of a superior court action to foreclose the lien therefor within specified time limits. In such an action, the real property subject to the unpaid amount may be sold at judicial foreclosure sale. Such judicial foreclosure action is not mandatory. However, the District has covenanted for the benefit of the owners of the Bonds that it will institute foreclosure proceedings as authorized by the Act in order to enforce the lien of the delinquent installments of the Special Tax under certain circumstances. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure.” In the event that foreclosure proceedings are commenced, such foreclosure proceedings could be stayed by the commencement of bankruptcy proceedings by or against the owner of the property being foreclosed. In the event that sales or foreclosures of property are necessary, there could be a delay in payments to Owners of the Bonds pending such sales or the prosecution of foreclosure proceedings and receipt by the District of the proceeds of sale if the Reserve Fund is depleted.

The District may be unable to make full or timely payment of debt service on the Bonds if property owners in the District fail to pay installments of the Special Tax when due, if the Reserve Fund is depleted, or if the District is unable to sell foreclosed parcels for amounts sufficient to cover the delinquent installments of the Special Tax.

## **Failure to Develop Properties**

Development of property within the District may be subject to unexpected delays, disruptions and changes which may affect the willingness and ability of Tri Pointe, or any other property owner to pay the Special Tax prior to delinquency. Land development is subject to comprehensive federal, State and local regulations. Approval is required from various agencies in connection with the layout and design of developments, the nature and extent of improvements, construction activity, land use, zoning, school and health requirements, as well as numerous other matters. There is always the possibility that such approvals will not be obtained or, if obtained, will not be obtained on a timely basis. Failure to obtain any such agency approval or satisfy such governmental requirements would adversely affect planned land development. Development of land in the District is also subject to the availability of water. Finally, development of land is subject to economic considerations.

As of July 17, 2023, within the District, 72 residential units had been completed and conveyed to individual homeowners, Tri Pointe owned six completed model units (none of which were in escrow), 10 homes over 95% complete (nine of which were in escrow), 11 residential units under construction and less than 95% complete (10 of which were in escrow), and 10 finished lots and The Land Bank owned 78 finished lots (none of which were in escrow). As of September 1, 2023, within the District, 88 residential units had been completed and conveyed to individual homeowners, Tri Pointe owned six completed model units (none of which were in escrow), 10 homes over 95% complete all of which were in escrow), 11 residential units under construction and less than 95% complete (none of which were in escrow), and the Land Bank owned 78 finished lots (none of which were in escrow). Sales contracts are subject to cancelation and, therefore, homes currently in escrow may not result in closed escrows with the prospective homebuyers. Within the District, 131 building permits had been obtained as of July 17, 2023. Accordingly, assuming no additional building permits are obtained prior to May 1, 2024, 131 parcels will be classified as Developed Property for the projected Fiscal Year 2024-25 Special Tax levy. . See “THE COMMUNITY FACILITIES DISTRICT” and “PROPERTY OWNERSHIP AND THE DEVELOPMENT.” However, no assurance can be given that the remaining proposed residential development will be partially or fully completed; and for purposes of evaluating the investment quality of the Bonds, prospective purchasers should consider the possibility that such parcels will remain vacant and unimproved.

Undeveloped or partially developed land is inherently less valuable than developed land and provides less security to the Bond Owners should it be necessary for the District to foreclose on the property due to the nonpayment of the Special Tax. The failure to complete development in the District as planned, or substantial delays in the completion of the development may reduce the value of the property within the District and increase the length of time during which the Special Tax will be payable from undeveloped property, and may affect the willingness and ability of the owners of property within the District to pay the Special Tax prior to delinquency.

There can be no assurance that land development operations within the District will not be adversely affected by a future deterioration of the real estate market and economic conditions or future local, State and federal governmental policies relating to real estate development, an increase in mortgage interest rates, the income tax treatment of real property ownership, or the national economy. A slowdown of the development process and the absorption rate could adversely affect land values and reduce the ability or desire of the property owners to pay the annual Special Tax. In that event, there could be a default in the payment of principal of, and interest on, the Bonds when due.

Bond Owners should assume that any event that significantly impacts the ability to develop land in the District would cause the property values within the District to decrease substantially from those estimated by the Appraiser and could affect the willingness and ability of the owners of land within the District to pay the Special Tax prior to delinquency.

## **Concentration of Property Ownership**

Based on the development and ownership status as of July 17, 2023, Tri Pointe and The Land Bank are expected to be responsible for approximately 24.55% and 34.44%, respectively, of the projected Fiscal Year

2024-25 Special Tax levied within the District. Tri Pointe reports that since such date, additional development and certain sales contracts for residential units have closed escrow to individual homeowners. Based on the development and ownership status as of September 1, 2023, Tri Pointe and The Land Bank are expected to be responsible for approximately 15.40% and 34.44%, respectively, of the projected Fiscal Year 2024-25 Special Tax levied within the District.

As described under “PROPERTY OWNERSHIP AND THE DEVELOPMENT,” Tri Pointe has entered into an Option Agreement with Remark to acquire lots within the District in phased takedowns. As of September 1, 2023, The Land Bank owned 78 lots within the District. During the term of the Option Agreement, Tri Pointe is contractually obligated to pay the Special Tax levied on the property subject to such agreement. However, in the event the Option Agreement is terminated prior to Tri Pointe having acquired all of the lots thereunder, the Special Tax would continue to be levied on the property in the District owned by The Land Bank. No assurances can be made of the willingness and the ability of the Land Bank, or its affiliates, to pay such Special Tax.

While the District includes 72 completed residential units owned by individual homeowners as of July 17, 2023, the inability or refusal of Tri Pointe or Remark to pay the Special Tax applicable to its property when due could result in the depletion of the Reserve Fund prior to reimbursement thereof from sale or foreclosure proceedings, and/or insufficient money with which to pay the principal of and interest on the Bonds as the same became due. Additionally, pursuant to the Act, the Special Tax levied in any fiscal year against any parcel of residential property in the District may not be increased as a consequence of delinquency or default by the owners of any other parcels within the District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or default. As a result, while the Maximum Special Tax pursuant to the Rate and Method may be higher, the Maximum Special Tax on parcels of residential parcels cannot be greater than 110% of the projected actual Special Tax levy on such parcels.

### **Exempt Properties**

Certain properties are exempt from the Special Tax in accordance with the Rate and Method. In addition, the Act provides that properties or entities of the state, federal or local government are exempt from the Special Tax; provided, however, that property in the District acquired by a public entity through a negotiated transaction or by gift or devise, which is not otherwise exempt from the Special Tax, will continue to be subject to the Special Tax. In addition, the Act provides that if property subject to the Special Tax is acquired by a public entity through eminent domain proceedings, the obligation to pay the Special Tax with respect to that property is to be treated as if it were a special assessment. The constitutionality and operation of these provisions of the Act have not been tested.

In particular, insofar as the Act requires payment of the Special Tax by a federal entity acquiring property in the District, it may be unconstitutional. If for any reason property in the District becomes exempt from taxation by reason of ownership by a nontaxable entity such as the federal government or another public agency, subject to the limitation of the maximum authorized rates, the Special Tax will be reallocated to the remaining Taxable Properties in the District. This would result in the owners of such property paying a greater amount of the Special Tax and could have an adverse impact upon the timely payment of the Special Tax. Moreover, if a substantial portion of property in the District becomes exempt from the Special Tax because of public ownership, or otherwise, the Maximum Annual Special Tax which could be levied upon the remaining acreage might not be sufficient to pay principal of and interest on the Bonds when due and a default would occur with respect to the payment of such principal and interest.

### **Constitutional Limitations on Taxation and Appropriations**

***Articles XIII A and XIII B of the California Constitution.*** On June 6, 1978, California voters approved an amendment to the California Constitution, commonly known as Proposition 13 (the Jarvis/Gann Initiative), which added Article XIII A to the California Constitution. The effect of Article XIII A is to significantly limit

the imposition of new *ad valorem* taxes, special taxes, transaction taxes, and sales taxes. On November 7, 1978, California voters approved Proposition 8, which made certain clarifications to Article XIII A.

Article XIII A of the California Constitution limits the amount of *ad valorem* taxes on real property to 1% of “full cash value” as determined by the county assessor. Article XIII A defines “full cash value” to mean “the county assessor’s valuation of real property as shown on the 1975-76 tax bill under ‘full cash value’ or, thereafter, the appraised value of real property when purchased, newly constructed, or a change in ownership has occurred after the 1975 assessment.” The “full cash value” is subject to annual adjustment to reflect increases, not to exceed 2% per year, or decreases in the consumer price index or comparable local data, or to reflect reductions in property value caused by damage, destruction or other factors.

Article XIII A exempts from the 1% tax limitation any taxes to repay indebtedness approved by the voters prior to July 1, 1978, and allows local governments to raise their property tax rates above the constitutionally mandated 1% ceiling for the purpose of paying off certain new general obligation debt issued for the acquisition or improvement of real property and approved by two-thirds of the votes cast by the qualified electorate. Article XIII A requires a vote of two-thirds of the qualified electorate to impose special taxes on real property, while otherwise generally precluding the imposition of any additional *ad valorem* taxes, special taxes, transaction taxes, and sales taxes. In addition, Article XIII A requires the approval of two-thirds of all members of the California Legislature to change any State laws resulting in increased tax revenues.

Enactment of Article XIII A has reduced the amount of general property tax revenues received by the City. This reduction in such revenues makes it less likely that the City or the District will have surplus funds, other than the Reserve Fund for the Bonds, with which to advance funds to make any payments or to cure any deficiency in the Interest Account or Principal Account of the Special Tax Fund, should the City or the District, as applicable, in the exercise of its discretion, choose to do so. If there are additional delinquencies after exhaustion of funds in the Reserve Fund for the Bonds, none of the City or the District has any obligation to transfer into the Interest Account or Principal Account of the Special Tax Fund the amount of any such delinquencies out of any surplus moneys of the City.

On July 2, 1979, the Fifth District Court of Appeal rendered a 3-0 decision in the case of *County of Fresno v. Malmstrom* (94 Cal.App.3d 974), that determined that special assessments are not subject to the limitations of Article XIII A (Proposition 13). The Court held the one percent tax limitation imposed by California Constitution Article XIII A on *ad valorem* taxes does not apply to special assessments levied pursuant to the Improvement Act of 1911 (Streets and Highways Code, Section 5000 *et seq.*, the relevant portions of which are incorporated in the 1915 Act) and the 1913 Act. The Court further held that because special assessments pursuant to such acts are not within the definition of “special taxes” in Article XIII A, the Constitution does not require the levy of assessments and the issuance of bonds to be approved by a two-thirds vote of the qualified electors in an assessment district. On September 12, 1979, the California Supreme Court refused to hear an appeal of the lower court’s decision.

At the November 6, 1979, general election, Proposition 4 (the Gann Initiative) was approved by the voters of California. Such proposition added Article XIII B to the California Constitution.

Article XIII B of the California Constitution limits the annual appropriations of the State and of any city, county, school district, authority, or other political subdivision of the State to the level of appropriations of the particular governmental entity for the prior fiscal year, as adjusted for changes in the cost of living, population and services rendered by the governmental entity. The “base year” for establishing such appropriation limit is the fiscal year 1978-79 and the limit is to be adjusted annually to reflect changes in population, consumer prices and certain increases in the cost of services provided by these public agencies.

Appropriations subject to Article XIII B generally include the proceeds of taxes levied by the State or other entity of local government, exclusive of certain State subventions, refunds of taxes, benefit payments from retirement, unemployment insurance, and disability insurance funds. “Proceeds of taxes” include, but are not



limited to, all tax revenues and the proceeds to an entity of government from (i) regulatory licenses, user charges, and user fees (but only to the extent such proceeds exceed the cost of providing the service or regulation), and (ii) the investment of tax revenues. Article XIII B includes a requirement that if an entity's revenues in any year exceed the amounts permitted to be spent, the excess would have to be allocated to fund schools or be returned by revising tax rates or fee schedules over the subsequent two years.

On December 17, 1980, the Third District Court of Appeal rendered a 3-0 decision in the case *County of Placer v. Corin* (113 Cal. App. 3d 443) that determined that special assessments are not subject to the limitation of Article XIII B (Proposition 4). The Court held that the definition of "proceeds of taxes" imposed by California Constitution Article XIII B does not apply to special assessments and improvement bonds issued pursuant to the 1915 Act and the 1913 Act. The decision of the Court was not appealed.

The enactment of Article XIII A of the California Constitution (Proposition 13) and subsequent legislative enactments effectively repeal the otherwise mandatory duty on the part of the City, under the 1915 Act, to levy and collect a special tax (in an amount necessary to meet delinquencies, but not to exceed ten cents on each \$100 of assessable property within the City in any one year) if other funds are not available to cover delinquencies.

In early 1990, the U.S. Supreme Court struck down as a violation of equal protection certain property tax assessment practices in West Virginia, which had resulted in vastly different assessments of similar properties. Since Article XIII A provides that property may only be assessed up to 2%, per year, except upon change of ownership or new construction, recent purchasers may pay substantially higher property taxes than long-time owners of comparable property in a community. The Supreme Court in the West Virginia case expressly declined to comment in any way on the constitutionality of Article XIII A.

Based on this decision, however, property owners in California brought three suits challenging the acquisition value assessment provisions of Article XIII A. Two cases involve residential property and one case involves commercial property. In all three cases, State trial and appellate courts have upheld the constitutionality of Article XIII A's assessment rules and concluded that the West Virginia case did not apply to California's laws. On June 3, 1991, the U.S. Supreme Court agreed to hear the appeal in the challenge relating to commercial property, but the plaintiff subsequently decided to drop the case.

On October 7, 1991, the U.S. Supreme Court granted the plaintiff's petition for a writ of certiorari and agreed to hear the *Nordlinger v. Lynch* case. On June 18, 1992, the U.S. Supreme Court affirmed the Nordlinger decision (112 U.S. 2326) of the California Court of Appeal, Second Appellate District, which previously held that Article XIII A does not violate the U.S. Constitution.

The City cannot predict whether any other pending or future challenges to the State's present system of property tax assessment will be successful, when the ultimate resolution of any challenge will occur, or the ultimate effect any decision regarding the State's present system of property tax assessment will have on the City's revenues or on the State's financial obligations to local governments.

**Articles XIII C and XIII D of the California Constitution.** Proposition 218, a state ballot initiative known as the "Right to Vote on Taxes Act," was approved by California voters on November 6, 1996. Proposition 218 added Articles XIII C and XIII D to the State Constitution, and, with the exception of certain provisions, Articles XIII C and XIII D became effective on November 6, 1996.

Among other things, Proposition 218 imposed certain voting requirements and other limitations on the imposition of new or increased taxes, assessments, and property-related fees and charges. Under Proposition 218 (i) all taxes imposed by local governments are deemed to be either general taxes, or special taxes, (ii) no local government may impose, extend, or increase any general tax unless and until such tax is submitted to the electorate and approved by a majority vote, and (iii) no local government may impose, extend, or increase any special tax unless and until such tax is submitted to the electorate and approved by a two-thirds vote. Special

purpose districts, including community facilities districts and assessment districts, have no power to levy general taxes. The City believes that the issuance of the Bonds does not require the conduct of further proceedings under the Refunding Act, the 1915 Act, the 1913 Act, the Mello-Roos Act, or Proposition 218, as applicable, other than as described herein.

Proposition 218 provides that the initiative power shall “not be prohibited or otherwise limited in matters reducing or repealing any local tax, assessment, fee or charge...” Thus, Proposition 218 removes limitations on the initiative power in matters of, among other things, the Special Tax. Consequently, it is conceivable that the voters of the City or the District could, by future initiative, repeal, reduce, or prohibit the future imposition or increase of any Special Tax, subject to overriding federal constitutional principles relating to impairment of contracts.

Although the provisions of Article XIIC have not been interpreted by the courts, the City believes that the initiative power cannot be used to reduce or repeal the unpaid Special Tax that are pledged as security for payment of the Bonds or to otherwise interfere with the mandatory, statutory duty of the City and the County Auditor with respect to the unpaid Special Tax that are pledged as security for payment of the Bonds.

The Appellate District, Division One, issued its opinion in 2014 in *City of San Diego v. Melvin Shapiro, et al.* (228 Cal. App. 4th 756) (the “San Diego Decision”). The case involved a Convention Center Facilities District (the “CCFD”) established by the City of San Diego. The CCFD is a financing district much like a community facilities district established under the provisions of the Act. The CCFD is comprised of all of the real property in the entire City of San Diego. However, the special tax to be levied within the CCFD was to be levied only on hotel properties located within the CCFD.

The election authorizing the special tax was limited to owners of hotel properties and lessees of real property owned by a governmental entity on which a hotel is located. Thus, the election was not a registered voter election. Such approach to determining who would constitute the qualified electors of the CCFD was modeled after Section 53326(c) of the Act, which generally provides that, if a special tax will not be apportioned in any tax year on residential property, the legislative body may provide that the vote shall be by the landowners of the proposed district whose property would be subject to the special tax. The Court held that the CCFD special tax election was invalid under the California Constitution because Article XIII A, Section 4 thereof and Article XIIC, Section 2 thereof require that the electors in such an election be the registered voters within the district.

The facts of the San Diego Decision show that there were hundreds of thousands of registered voters within the CCFD (viz., all of the registered voters in the City of San Diego). There were no registered voters in the District at the time of formation. In the San Diego Decision, the Court expressly stated that it was not addressing the validity of landowner voting to impose special taxes pursuant to the Act in situations where there are fewer than 12 registered voters. Thus, by its terms, the Court’s holding does not apply to the Special Tax elections in the District. Moreover, Section 53341 of the Act provides that any “action or proceeding to attack, review, set aside, void or annul the levy of a special tax...shall be commenced within 30 days after the special tax is approved by the voters.” Similarly, Section 53359 of the Act provides that any action to determine the validity of bonds issued pursuant to the Act be brought within 30 days of the voters approving the issuance of such bonds. Voters in the District approved the Special Tax and the issuance of bonds on December 8, 2020. Based on Sections 53341 and 53359 of the Act and analysis of existing laws, regulations, rulings and court decisions, the City believes the Special Tax is being levied in accordance with the Rate and Method and the Act.

The interpretation and application of Proposition 218 will ultimately be determined by the courts with respect to a number of the matters discussed above, and it is not possible at this time to predict with certainty the outcome of such determination.

## **Maximum Special Tax**

Within the limits of the Special Tax, the District may adjust the Special Tax levied on all property in the District to provide an amount required to pay interest on and principal of the Bonds, and the amount, if any, necessary to cure delinquencies and replenish the Reserve Fund to an amount equal to the Reserve Requirement for the respective Bonds and to pay Administrative Expenses. However, the amount of the Special Tax that may be levied against any property in the District is subject to the Maximum Special Tax applicable to it. There is no assurance that the Maximum Special Tax on the property in the District will be sufficient to pay the amounts required to be paid by the Indenture at all times. Additionally, pursuant to the Act, the Special Tax levied in any fiscal year against any parcel of residential property in the District may not be increased as a consequence of delinquency or default by the owners of any other parcels within the District by more than 10% above the amount that would have been levied in that fiscal year had there never been any such delinquencies or defaults. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Special Tax.”

## **Payment of the Special Tax is Not a Personal Obligation of the Owners**

An owner of a parcel of Taxable Property is not personally obligated to pay the Special Tax. Rather, the Special Tax is an obligation only against the parcel of Taxable Property. If the value of a parcel is not sufficient, taking into account other obligations also payable thereby, to fully secure the Special Tax, the District has no recourse against the owner.

## **Disclosures to Future Purchasers**

The District has recorded a notice of the Special Tax Lien in the Office of the County Recorder. While title companies normally refer to such notices in title reports, there can be no guarantee that such reference will be made or, if made, that a prospective purchaser or lender will consider such Special Tax obligation in the purchase of a parcel of land, a home or a commercial or industrial facility in the District or the lending of money thereon. The Act requires the subdivider (or its agent or representative) of a subdivision to notify a prospective purchaser or long-term lessor of any lot, parcel, or unit subject to a Mello–Roos special tax of the existence and maximum amount of such special tax using a statutorily prescribed form. California Civil Code Section 1102.6b requires that in the case of transfers other than those covered by the above requirement, the seller must at least make a good faith effort to notify the prospective purchaser of the special tax lien in a format prescribed by statute. Failure by an owner of the property to comply with the above requirements, or failure by a purchaser or lessor to consider or understand the nature and existence of the Special Tax, could adversely affect the willingness and ability of the purchaser or lessor to pay the Special Tax when due.

## **Parity Taxes and Special Assessments**

The ability or willingness of a property owner in the District to pay the Special Tax could be affected by the existence of other taxes and assessments imposed upon the property. The Special Tax and any penalties thereon will constitute a lien against the lots and parcels of land on which they will be annually imposed until they are paid. Such lien is on a parity with all special tax and special assessments levied by other agencies and is co-equal to and independent of the lien for general property taxes, other special taxes, and certain special assessments regardless of when they are imposed upon the same property. The Special Tax has priority over all existing and future private liens imposed on the property. In addition, other public agencies whose boundaries overlap those of the District could, with or in some circumstances without the consent of the owners of the land in the District, impose additional taxes or assessment liens on the property in the District in order to finance public improvements to be located inside or outside of the District.

The District has no control over the ability of other entities and districts to issue indebtedness secured by special tax or assessments payable from all or a portion of the property in the District. In addition, the City is not prohibited itself from establishing assessment districts, community facilities districts or other districts which might impose assessments or taxes against property in the District. In the event any additional

improvements are financed pursuant to the establishment of an assessment district, community facilities district or other district, any taxes or assessments levied to finance such improvements will have a lien on a parity with the lien of the Special Tax. The imposition of additional liens on a parity with the Special Tax could reduce the ability or willingness of the property owners to pay the Special Tax and increase the possibility that foreclosure proceeds will not be adequate to pay delinquent Special Tax or the principal of and interest on the Bonds when due.

### **Depletion of Reserve Fund**

The Reserve Fund is to be maintained at an amount equal to the Reserve Requirement. Money in said fund may be used to pay debt service on the Bonds in the event the proceeds of the levy and collection of the Special Tax against property in the District are insufficient. If funds in the Reserve Fund are used to pay debt service on the Bonds, the funds can be replenished from the proceeds of the levy and collection of the Special Tax that are in excess of the amount required to pay all amounts to be paid pursuant to the Indenture. However, no replenishment from the proceeds of a levy of the Special Tax can occur as long as the proceeds that are collected from the levy of the Special Tax at the maximum tax rates, together with other available funds, remain insufficient to pay all such amounts. Thus, it is possible that the Reserve Fund will be depleted by its use to pay such amounts and will not be replenished by the levy of the Special Tax. There is no assurance that the amount in the Reserve Fund will, at any particular time, be sufficient to pay all such amounts or that any amounts of the Reserve Requirement used for debt service on the Bonds will be fully replenished from the proceeds of the levy and collection of the Special Tax.

### **Bankruptcy and Legal Delays**

The payment of the Special Tax and the ability of the District to foreclose the lien of a delinquent unpaid tax, as discussed in “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS,” may be limited by bankruptcy, insolvency or other laws generally affecting creditors’ rights or by the laws of the State of California relating to judicial foreclosure. In addition, the prosecution of a foreclosure action could be delayed due to crowded local court calendars or delays in the legal process. The various legal opinions to be delivered concurrently with the delivery of the Bonds (including Bond Counsel’s approving legal opinion) will be qualified as to the enforceability of the various legal instruments by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors’ rights, by the application of equitable principles and by the exercise of judicial discretion in appropriate cases.

Although bankruptcy proceedings would not cause the obligation to pay the Special Tax to become extinguished, the bankruptcy of a property owner could result in a delay in prosecuting superior court foreclosure proceedings because federal bankruptcy laws may provide for an automatic stay of foreclosure and sale of tax sale proceedings. Any such delays could increase the likelihood of a delay or default in payment of the principal of and interest on the Bonds and the possibility of delinquent tax installments not being paid in full. Moreover, if the value of the subject property is less than the lien of the Special Tax, such excess could be treated as an unsecured claim by the bankruptcy court. Further, should remedies be exercised under the federal bankruptcy laws against Taxable Property, payment of the Special Tax may be subordinated to bankruptcy law priorities. Thus, certain claims may have priority over the Special Tax in a bankruptcy proceeding even though they would not outside of a bankruptcy proceeding.

### **FDIC/Federal Government Interests In Properties**

The ability of the District to collect interest and penalties specified by the Act and to foreclose the lien of delinquent Special Tax may be limited in certain respects with regard to parcels in which the Federal Deposit Insurance Corporation (the “FDIC”), or other federal government entities such as Fannie Mae or Freddie Mac, has or obtains an interest.

In the case of the FDIC, in the event that any financial institution making a loan which is secured by parcels is taken over by the FDIC and the applicable Special Tax is not paid, the remedies available to the District may be constrained. The FDIC's policy statement regarding the payment of state and local real property taxes (the "Policy Statement") provides that taxes other than *ad valorem* taxes which are secured by a valid lien in effect before the FDIC acquired an interest in a property will be paid unless the FDIC determines that abandonment of its interests is appropriate. The Policy Statement provides that the FDIC generally will not pay installments of non-*ad valorem* taxes which are levied after the time the FDIC acquires its fee interest, nor will the FDIC recognize the validity of any lien to secure payment except in certain cases where the Resolution Trust Corporation had an interest in property on or prior to December 31, 1995. Moreover, the Policy Statement provides that, with respect to parcels on which the FDIC holds a mortgage lien, the FDIC will not permit its lien to be foreclosed out by a taxing authority without its specific consent, nor will the FDIC pay or recognize liens for any penalties, fines or similar claims imposed for the non-payment of taxes.

The FDIC has taken a position similar to that expressed in the Policy Statement in legal proceedings brought against Orange County, California, in United States Bankruptcy Court and in Federal District Court. The Bankruptcy Court issued a ruling in favor of the FDIC on certain of such claims. Orange County appealed that ruling, and the FDIC cross-appealed. On August 28, 2001, the Ninth Circuit Court of Appeals issued a ruling favorable to the FDIC except with respect to the payment of pre-receivership liens based upon delinquent property tax.

The District is unable to predict what effect the application of the Policy Statement would have in the event of a delinquency with respect to parcels in which the FDIC has or obtains an interest, although prohibiting the lien of the FDIC to be foreclosed out at a judicial foreclosure sale would prevent or delay the foreclosure sale.

In the case of Fannie Mae and Freddie Mac, in the event a parcel of Taxable Property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, or in the event a private deed of trust secured by a parcel of Taxable Property is owned by a federal government entity or federal government sponsored entity, such as Fannie Mae or Freddie Mac, the ability to foreclose on the parcel or to collect delinquent Special Tax may be limited. Federal courts have held that, based on the supremacy clause of the United States Constitution, in the absence of Congressional intent to the contrary, a state or local agency cannot foreclose to collect delinquent taxes or assessments if foreclosure would impair the federal government interest. This means that, unless Congress has otherwise provided, if a federal government entity owns a parcel of Taxable Property but does not pay taxes and assessments levied on the parcel (including the Special Tax), the applicable state and local governments cannot foreclose on the parcel to collect the delinquent taxes and assessments.

Moreover, unless Congress has otherwise provided, if the federal government has a mortgage interest in the parcel and the District wishes to foreclose on the parcel as a result of delinquent Special Tax, the property cannot be sold at a foreclosure sale unless it can be sold for an amount sufficient to pay delinquent taxes and assessments on a parity with the Special Tax and preserve the federal government's mortgage interest.

The District's remedies may also be limited in the case of delinquent Special Tax with respect to parcels in which other federal agencies (such as the Internal Revenue Service and the Drug Enforcement Administration) have or obtain an interest.

### **Geologic, Topographic and Climatic Conditions**

The District, like all California communities, may be subject to unpredictable seismic activity, fires, flood, or other natural disasters. Southern California is a seismically active area. Seismic activity represents a potential risk for damage to buildings, roads, bridges and property within the District. In addition, land susceptible to seismic activity may be subject to liquefaction during the occurrence of such event.

Like all of Southern California, the land within the District is subject to seismic activity. The District is not located in a County Designated Fault Zone or an Earthquake Fault Zone Boundary. However, faults that have the potential to generate the strongest ground shaking in the Fontana area include the Cucamonga (thrust fault), the San Jacinto (strike-slip fault), and the San Andreas (strike-slip) fault. The Cucamonga fault is an active fault that crosses the northern portion of the City, trending northwest along the foot of the San Gabriel Mountains. The Lytle Creek Branch of the San Jacinto Fault is an active fault that crosses the extreme northeast portion of the City in a southeastern direction. There are several other faults that border the Lytle Creek alluvial basin, including the Chino, San Andreas and San Jacinto faults.

The Federal Emergency Management Agency has determined that the District is located in a Zone “AE, X500” flood area (an area with a one percent chance of flood discharge contained in a structure), and flood insurance will not be required.

In recent years, wildfires have caused extensive damage throughout the State. In some instances, entire neighborhoods have been destroyed. Several of the fires that occurred in recent years damaged or destroyed property in areas that were not previously considered to be at risk from such events. The last major wildfire in the vicinity of the City was the Grand Prix Fire in October 2003. There have been smaller fires, such as the 147-acre Sierra Fire that burned in November 2018 and the 277-acre Karen Fire in July 2020. The property within the District is located in an area which the Department of Forestry and Fire Protection of the State of California has designated as a very high fire hazard severity zone. Some commentators believe that climate change will lead to even more frequent and more damaging wildfires in the future. Property damage due to wildfire could result in a significant decrease in the market value of property in the District and in the ability or willingness of property owners to pay the Special Tax.

In the event of a severe earthquake, fire, flood or other natural disaster, there may be significant damage to both property and infrastructure in the District. As a result, a substantial portion of the property owners may be unable or unwilling to pay the Special Tax when due. In addition, the value of land in the District could be diminished in the aftermath of one or more of such events, reducing the resulting proceeds of foreclosure sales in the event of delinquencies in the payment of the Special Tax.

### **Hazardous Substances**

While governmental taxes, assessments, and charges are a common claim against the value of a parcel of Taxable Property, other less common claims may be relevant. One example is a claim with regard to a hazardous substance.

In general, the owners and operators of a parcel of Taxable Property may be required by law to remedy conditions of the parcel relating to releases or threatened releases of hazardous substances. The federal Comprehensive Environmental Response, Compensation and Liability Act of 1980, sometimes referred to as “CERCLA” or the “Superfund Act,” is the most well-known and widely applicable of these laws, but California laws with regard to hazardous substances are also stringent and similar. Under many of these laws, the owner (or operator) is obligated to remedy a hazardous substance condition of property whether or not the owner (or operator) has anything to do with creating or handling the hazardous substance. The effect, therefore, should any of the Taxable Property be affected by a hazardous substance is to reduce the marketability and value of the parcel by the costs of remedying the condition, because the purchaser, upon becoming owner, will become obligated to remedy the condition just as is the seller. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of the property that is realizable upon a delinquency and foreclosure.

While the District is not aware that the owner (or operator) of any of Taxable Property has such a current liability with respect to any of the Taxable Property, it is possible that such liabilities do currently exist and that the District is not aware of them. Tri Pointe has also represented to the District that it is not aware of any

substances currently classified as hazardous by the federal government or the State located on its property within the District.

Further, it is possible that liabilities may arise in the future with respect to any of the Taxable Property resulting from the existence, currently, on the parcel of a substance presently classified as hazardous but which has not been released or the release of which is not presently threatened, or may arise in the future resulting from the existence, currently, on the parcel of a substance not presently classified as hazardous but which may in the future be so classified. Further, such liabilities may arise not simply from the existence of a hazardous substance but from the method of handling it. All of these possibilities could significantly affect the value of a parcel of Taxable Property that is realizable upon a delinquency.

### **No Acceleration Provision**

The Indenture does not contain a provision allowing for the acceleration of the Bonds in the event of a payment default or other default under the terms of the Bonds or the Indenture.

### **Bonds Are Limited Obligations**

Neither the faith and credit nor the taxing power of the District (except to the limited extent set forth in the Indenture), the City, the State or any political subdivision thereof is pledged to the payment of the Bonds or any Additional Bonds. The Bonds are limited obligations of the District; and, except as provided in the Indenture, they are payable solely from Net Special Tax Revenues and the other assets pledged therefore under the Indenture. Net Special Tax Revenues could be insufficient to pay debt service on the Bonds as a result of delinquencies in the payment of the Special Tax or the insufficiency of proceeds derived from the sale of land within the District following a delinquency in the payment of the applicable Special Tax. The District has no obligation to pay debt service on the Bonds in the event of insufficient Net Special Tax Revenues, except to the extent that money is available for such purpose in the Reserve Fund. The District's only obligation with respect to delinquent Special Tax is to pursue judicial foreclosure proceedings under the circumstances described in the Indenture. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Covenant for Superior Court Foreclosure."

### **Loss of Tax Exemption**

As discussed under "TAX MATTERS," interest on the Bonds could become includable in gross income for purposes of federal income taxation retroactive to the date of issuance, as a result of acts or omissions of the District subsequent to the issuance of the Bonds in violation of the District's covenants with respect to the Bonds. Should interest become includable in gross income, the Bonds are not subject to redemption by reason thereof and will remain outstanding until maturity or unless earlier redeemed pursuant to optional or mandatory redemption or redemption upon prepayment of the Special Tax.

### **Potential Early Redemption of Bonds from Special Tax Prepayments**

Property owners within the District are permitted to prepay their Special Tax at any time. Such payments will result in a mandatory redemption of Bonds from Special Tax prepayments on the Interest Payment Date for which timely notice may be given under the Indenture following the receipt of such Special Tax prepayment. The resulting redemption of Bonds purchased at a price greater than par could reduce the otherwise expected yield on such Bonds. See "THE BONDS — Redemption — *Mandatory Redemption from Special Tax Prepayments.*"

### **Cybersecurity**

The City, like many other public and private entities, relies on a large and complex technology environment to conduct its operations. As a recipient and provider of personal, private, or sensitive information,



the City is subject to multiple cyber threats including, but not limited to, hacking, viruses, malware and other attacks on computer and other sensitive digital networks and systems. Entities or individuals may attempt to gain unauthorized access to the City's digital systems for the purposes of misappropriating assets or information or causing operational disruption and damage. To date, the City has not experienced an attack on its computer operating systems which resulted in a breach of its cybersecurity systems that are in place. However, no assurances can be given that the City's efforts to manage cyber threats and attacks will be successful or that any such attack will not materially impact the operations or finances of the City.

In May 2021, a public facing web server of the City that was responsible for building permit and inspection scheduling was compromised. The system contained vendor and database account credentials that were promptly changed. An investigation revealed that the credentials had not been used since the compromise and that changing the credentials prevented any further unauthorized access. All traces of the compromise were removed. Mitigation measures, including a web application firewall and Secure Sockets Layer (SSL) decryption, were put into place to prevent future compromises and additional prevention measures have been implemented. No data was lost and no damage to any systems, financial or otherwise, occurred. There were no costs associated with remediation.

### **Impact of Economic Conditions on the Development in the District**

Certain events and factors which negatively affect the regional, State and national economies could have an adverse effect on the pace at which Tri Pointe is able to complete and sell homes and demand by and the ability of individuals to purchase homes within the District. Such events and factors could include rising inflation and interest rates, persistent supply chain issues, further impacts of the COVID-19 pandemic and global market instability caused by the war in Ukraine. Any adverse impact of the foregoing and other economic factors on the projects in the District and the real estate market in general cannot be predicted.

Amid an unexpected run on deposits, the Federal Deposit Insurance Corporation (the "FDIC") announced on March 10, 2023 that it had been appointed as receiver for Silicon Valley Bank ("SVB"), a large California bank and the 16th largest bank in the United States, and was liquidating SVB as a going concern. Additionally, on March 12, 2023, the FDIC announced that it had been appointed as receiver for Signature Bank, another large regional bank. However, the United States Treasury Department, the Federal Reserve and the FDIC issued a joint statement that all deposits at both institutions would be honored, regardless of dollar amount. On March 26, 2023, First Citizens BancShares announced that it would acquire SVB. On May 1, 2023, the FDIC announced that it had been appointed as receiver for First Republic Bank and reached a purchase and assumption agreement with JPMorgan Chase Bank, National Association, to assume all of the deposits and substantially all of the assets of First Republic Bank. Due to the failures of SVB, Signature Bank, and First Republic Bank, there has been uncertainty and concern in the financial markets that there may be additional bank liquidity issues.

Tri Pointe expects to use internally generated funds (which may include home sales proceeds and funding from its parent company, Tri Pointe Homes) to complete its development in the District. However, the uncertainty in the financial markets may affect homebuyers' willingness or ability to obtain financing for the purchase of new homes within the District, which, in turn, could impact Tri Pointe's ability or determination to complete its development in the District in the budget and timeframe described herein. See "PROPERTY OWNERSHIP AND THE DEVELOPMENT."

### **Increasing Mortgage Interest Rates**

30-year fixed mortgage interest rates have increased substantially within the past year. Increases in mortgage interest rates could have a negative impact on the estimated absorption rates of the planned for-sale residential units in the District described herein. With respect to entry-level households, increased mortgage interest rates may adversely impact the affordability of homes and may increase mortgage payment levels for owning a lower-priced home relative to renting a residence, thereby making purchasing less attractive. With

respect to move-up households, higher mortgage interest rates may impact the desire of current homeowners to move from their present home due to the fact that their present home likely has a relatively low mortgage interest rate. In addition, the new home would likely have a higher interest rate on a new mortgage loan as well as higher purchase price and property taxes. Such considerations may decrease the desire for move-up households to purchase a new home.

## **CONTINUING DISCLOSURE**

### **Community Facilities District**

Pursuant to a Continuing Disclosure Agreement (the “District Continuing Disclosure Agreement”) with U.S. Bank Trust Company, National Association, in its capacity as Trustee and in its capacity as dissemination agent, the District has agreed to provide, or cause to be provided, to the Electronic Municipal Market Access System of the Municipal Securities Rulemaking Board, which can be found on the Internet at [www.emma.msrb.org](http://www.emma.msrb.org) (“EMMA”), on an annual basis certain financial information and operating data concerning the District. The District has further agreed to provide notice to EMMA of certain listed events. The District’s covenants have been made in order to assist the Underwriter in complying with the Rule.

The District has not previously entered into any undertaking with respect to the Rule. However, the City, as well as the Fontana Public Financing Authority (the “Authority”), the Fontana Public Facilities Financing Authority (the “Facilities Authority”), the Successor Agency to the Fontana Redevelopment Agency (the “Successor Agency”) and various community facilities districts within the City (each, a “CFD”), all of which are entities with the City Council as the legislative body, have entered into numerous continuing disclosure undertakings.

Except as described below, within the last five years, the City and its related entities have complied in all material respects with its undertakings under the Rule: (i) the Authority with respect to two bond issues and 12 CFDs with respect to each such CFD’s bond issue(s) filed the City’s Fiscal Year 2019-20 audited financial statements late and failed to file unaudited financial statements on or before the deadlines therefore; (ii) twelve CFDs with respect to each such CFDs’ bond issue(s) and the Facilities Authority with respect to its bond issues filed unaudited financial statements for Fiscal Year 2020-21 but did so after the deadline for meeting those continuing disclosure obligations; the audited financial statement was subsequently filed to EMMA when it became available; (iii) the Successor Agency with respect to its bonds filed unaudited financial statements for Fiscal Year 2020-21 prior to the deadline therefore and posted audited financial statements when such document became available; (iv) the Successor Agency with respect to its bonds filed its Fiscal Year 2022 audited financial statements late and failed to file unaudited financial statements on or before the deadline therefore; (v) with respect to Fiscal Year 2021-22, 14 CFDs and the Facilities Authority filed unaudited financial statements prior to such CFDs’ and the Facilities Authority’s deadline to file but in the case of the Facilities Authority, such filing excluded certain required information typically included in audited financial statements; the Fiscal Year 2021-22 audited financial statements were subsequently posted to EMMA when they became available.; (vi) a CFD failed to file one annual report for one issue of bonds for which the official statement relating to such bonds contained all of the information required to be contained in such report; (vii) the District is aware that not all of the required information was included with respect to a number of annual report filings by the City, the Authority, the Successor Agency and several CFDs, including required tabular information; and (viii) the City, the Authority, the Successor Agency and certain CFDs failed to timely file certain notices of ratings changes.

The City has since made filings on behalf of itself and its related entities to correct material omissions with respect to the filings that were required to have been made within the past five years and has adopted written procedures to ensure future compliance with the City’s disclosure undertakings and those of its related entities.

Except as disclosed in this Official Statement, within the last five years, the City, the Successor Agency and the Authority have not failed to timely comply with their respective prior continuing disclosure obligations

under the Rule in all material respects. The full text of the form of the District Continuing Disclosure Agreement is set forth in Appendix G.

### **The Developer**

**General.** Although the Underwriter has concluded that Tri Pointe is not an obligated person under Rule 15c2-12, pursuant to the Developer Continuing Disclosure Certificate, Tri Pointe has agreed to provide, or cause to be provided, to EMMA, on a semi-annual basis certain information concerning Tri Pointe and the property it owns or has under option with The Land Bank within the District. Tri Pointe has further agreed to provide notice to EMMA of certain listed events, including certain events relating to The Land Bank that are known to Tri Pointe. Tri Pointe's obligation to provide semi-annual reports and notices of certain listed events will terminate upon the earlier to occur of certain events, including at such time as Tri Pointe owns or has under option no more than [38] of the residential lots in the District subject to the Special Tax levy. A default under the Developer Continuing Disclosure Certificate will not, in itself, constitute an Event of Default under the Indenture, and the sole remedy under the Developer Continuing Disclosure Certificate in the event of any failure of Tri Pointe or the dissemination agent, as applicable, to comply with the Developer Continuing Disclosure Certificate will be an action to compel performance. See APPENDIX H — "FORM OF DEVELOPER CONTINUING DISCLOSURE CERTIFICATE" for a description of the specific nature of the semi-annual reports to be filed by Tri Pointe and notices of listed events to be provided by Tri Pointe.

Neither the District nor the City has considered, or reached any conclusion as to, whether or not Tri Pointe is an obligated person under Rule 15c2-12 and takes no responsibility for any such conclusion. Additionally, neither the District nor the City has participated in the preparation, negotiation or implementation of the Developer Continuing Disclosure Certificate or in discussions regarding the form or content thereof. The District and the City take no responsibility for such form or content or for the adequacy of the Developer Continuing Disclosure Certificate for its intended purpose.

None of the District, the City or the Trustee is a party to the Developer Continuing Disclosure Certificate, and none of the District, the City or the Trustee has any obligation or responsibility to monitor, nor any right or obligation to enforce, compliance by Tri Pointe with its undertaking pursuant to the Developer Continuing Disclosure Certificate, and none of the District, the City or the Trustee will be so monitoring or enforcing such compliance.

**Tri Pointe Continuing Disclosure Compliance.** To the actual knowledge of Tri Pointe, Tri Pointe has not failed to comply in any material respect with its previous undertakings by it to provide periodic continuing disclosure reports or notices of listed events with respect to community facilities district or assessment district bond issues in southern California within the past five years.

### **TAX MATTERS**

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Bonds is not a specific preference item for purposes of the federal individual alternative minimum tax. Bond Counsel observes that, for tax years beginning after December 31, 2022, interest on the Bonds included in adjusted financial statement income of certain corporations is not excluded from the federal corporate alternative minimum tax. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. A complete copy of the proposed form of opinion of Bond Counsel is set forth in APPENDIX D hereto.

To the extent the issue price of any maturity of the Bonds is less than the amount to be paid at maturity of such Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Bonds), the difference constitutes “original issue discount,” the accrual of which, to the extent properly allocable to each Beneficial Owner thereof, is treated as interest on the Bonds which is excluded from gross income for federal income tax purposes and exempt from State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Bonds is the first price at which a substantial amount of such maturity of the Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Bonds accrues daily over the term to maturity of such Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Bonds. Beneficial Owners of the Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Bonds with original issue discount, including the treatment of Beneficial Owners who do not purchase such Bonds in the original offering to the public at the first price at which a substantial amount of such Bonds is sold to the public.

Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) (“Premium Bonds”) will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a Beneficial Owner’s basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such Beneficial Owner. Beneficial Owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

The Code imposes various restrictions, conditions and requirements relating to the exclusion from gross income for federal income tax purposes of interest on obligations such as the Bonds. The District has made certain representations and covenanted to comply with certain restrictions, conditions and requirements designed to ensure that interest on the Bonds will not be included in federal gross income. Inaccuracy of these representations or failure to comply with these covenants may result in interest on the Bonds being included in gross income for federal income tax purposes, possibly from the date of original issuance of the Bonds. The opinion of Bond Counsel assumes the accuracy of these representations and compliance with these covenants. Bond Counsel has not undertaken to determine (or to inform any person) whether any actions taken (or not taken), or events occurring (or not occurring), or any other matters coming to Bond Counsel’s attention after the date of issuance of the Bonds may adversely affect the value of, or the tax status of interest on, the Bonds. Accordingly, the opinion of Bond Counsel is not intended to, and may not, be relied upon in connection with any such actions, events or matters.

Although Bond Counsel is of the opinion that interest on the Bonds is excluded from gross income for federal income tax purposes and is exempt from State of California personal income taxes, the ownership or disposition of, or the accrual or receipt of amounts treated as interest on, the Bonds may otherwise affect a Beneficial Owner’s federal, state or local tax liability. The nature and extent of these other tax consequences depends upon the particular tax status of the Beneficial Owner or the Beneficial Owner’s other items of income or deduction. Bond Counsel expresses no opinion regarding any such other tax consequences.

Current and future legislative proposals, if enacted into law, clarification of the Code or court decisions may cause interest on the Bonds to be subject, directly or indirectly, in whole or in part, to federal income taxation or to be subject to or exempted from state income taxation, or otherwise prevent Beneficial Owners from realizing the full current benefit of the tax status of such interest. The introduction or enactment of any such legislative proposals or clarification of the Code or court decisions may also affect, perhaps significantly, the market price for, or marketability of, the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the potential impact of any pending or proposed federal or state tax legislation, regulations or litigation, as to which Bond Counsel expresses no opinion.

The opinion of Bond Counsel is based on current legal authority, covers certain matters not directly addressed by such authorities, and represents Bond Counsel's judgment as to the proper treatment of the Bonds for federal income tax purposes. It is not binding on the Internal Revenue Service ("IRS") or the courts. Furthermore, Bond Counsel cannot give and has not given any opinion or assurance about the future activities of the District, or about the effect of future changes in the Code, the applicable regulations, the interpretation thereof or the enforcement thereof by the IRS. The District has covenanted, however, to comply with the requirements of the Code.

Bond Counsel's engagement with respect to the Bonds ends with the issuance of the Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the District or the Beneficial Owners regarding the tax-exempt status of the Bonds in the event of an audit examination by the IRS. Under current procedures, Beneficial Owners would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the District legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Bonds, and may cause the District or the Beneficial Owners to incur significant expense.

Payments on the Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a non-corporate Beneficial Owner of Bonds may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("TIN") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a Beneficial Owner's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain Beneficial Owners (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

### **ABSENCE OF LITIGATION**

In connection with the issuance of the Bonds, the City Attorney of the City will deliver a certificate to the effect that, to the best of the City Attorney's knowledge, after due inquiry and investigation, there is no action, suit, proceeding or investigation at law or in equity before or by any court, public board or body, pending or threatened, or any unfavorable decision, ruling or finding, against or affecting the City or the District, which would adversely impact the ability of the City or the District to complete the transactions described in, or contemplated by, the Indenture or this Official Statement, restrain or enjoin the collection of the Special Tax, or in any way contest or affect the validity of the Bonds, the Indenture, the Special Tax, or the transactions described herein.

### **ABSENCE OF RATINGS**

The District has not made, and does not contemplate making, application to any rating organization for a rating on the Bonds.

### **CERTAIN LEGAL MATTERS**

Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the District, will render an opinion with respect to the validity and enforceability of the Indenture and as to the validity of the Bonds. A copy of the form of such

approving opinion is attached hereto as Appendix D. Bond Counsel has not undertaken any responsibility for the accuracy, completeness or fairness of the Official Statement or other offering materials relating to the Bonds and expresses no opinion relating thereto. Certain legal matters will be passed upon for the City by the City Attorney and by Stradling Yocca Carlson & Rauth, a Professional Corporation, Newport Beach, California, as Disclosure Counsel. Certain legal matters will be passed upon for the Underwriter by its counsel, Jones Hall, A Professional Law Corporation, San Francisco, California.

Although it is serving as Bond Counsel to the District in connection with the issuance and sale of the Bonds, Bond Counsel represents the Underwriter in connection with other financings and matters unrelated to the Bonds. Disclosure Counsel and the City Attorney also represent the Underwriter in connection with other financings and matters unrelated to the Bonds.

### **UNDERWRITING**

The Bonds are being purchased by Stifel, Nicolaus & Company, Incorporated (the “Underwriter”). The Underwriter has agreed to purchase the Bonds at a price of \$\_\_\_\_\_ (\$\_\_\_\_\_ principal amount, [plus/less] [net] original issue [premium/discount] of \$\_\_\_\_\_ and less an Underwriter’s discount of \$\_\_\_\_\_). The Bond Purchase Agreement relating to the Bonds provides that the Underwriter will purchase all of the Bonds if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in the Bond Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions. The Underwriter’s compensation is contingent upon the successful issuance of the Bonds.

Under certain circumstances, the Underwriter may offer and sell Bonds to certain dealers and others at prices lower than the offering prices stated on the inside front cover page hereof. The offering prices may be changed from time to time by the Underwriter.

### **FINANCIAL INTERESTS**

The fees being paid to the Municipal Advisor, Bond Counsel, Disclosure Counsel, Underwriter, and Underwriter’s Counsel are contingent upon the issuance and delivery of the Bonds.

### **MUNICIPAL ADVISOR**

The District has retained CSG Advisors Incorporated, San Francisco, California, as municipal advisor (the “Municipal Advisor”) for the sale of the Bonds. The Municipal Advisor is not obligated to undertake, and has not undertaken to make, an independent verification or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

CSG Advisors Incorporated is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal or other public securities.

### **ADDITIONAL INFORMATION**

The purpose of this Official Statement is to supply information to prospective buyers of the Bonds. Quotations and summaries and explanations of the Bonds and documents contained in this Official Statement do not purport to be complete, and reference is made to such documents for full and complete statements and their provisions.

The execution and delivery of this Official Statement by the City Manager of the City has been duly authorized by the City Council of the City of Fontana acting in its capacity as the legislative body of the District.

CITY OF FONTANA COMMUNITY FACILITIES  
DISTRICT NO. 100 (VICTORIA)

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



## APPENDIX A

### RATE AND METHOD OF APPORTIONMENT OF SPECIAL TAX

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#### RATE AND METHOD OF APPORTIONMENT FOR CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)

A Special Tax as hereinafter defined shall be levied on all Assessor's Parcels of Taxable Property in City of Fontana Community Facilities District No. 100 (Victoria) ("CFD No. 100") and collected each Fiscal Year, in an amount determined by the City Council of the City of Fontana, through the application of the Rate and Method of Apportionment as described below. All of the real property in CFD No. 100, unless exempted by law or by the provisions hereof, shall be taxed for the purposes, to the extent and in the manner herein provided.

#### A. DEFINITIONS

The terms hereinafter set forth have the following meanings:

**"Acre" or "Acreage"** means the land area expressed in acres of an Assessor's Parcel as shown on an Assessor's Parcel Map, or if the land area is not shown on an Assessor's Parcel Map, the land area shown on the applicable final map, parcel map, condominium plan, or other recorded County map or the land area calculated to the reasonable satisfaction of the CFD Administrator using the boundaries set forth on such map or plan. The square footage of an Assessor's Parcel is equal to the Acreage of such parcel multiplied by 43,560.

**"Act"** means the Mello-Roos Community Facilities Act of 1982, as amended, being Chapter 2.5, Part 1, Division 2 of Title 5 (commencing with Section 53311) of the California Government Code.

**"Administrative Expenses"** means the following actual or reasonably estimated costs directly related to the administration of CFD No. 100, including but not limited to: the costs of computing the Special Taxes and preparing the annual Special Tax collection schedules (whether by the City or designee thereof or both); the costs of collecting the Special Taxes (whether by the County or otherwise); the costs of remitting the Special Taxes to the Trustee; the costs of the Trustee (including its legal counsel) in the discharge of the duties required of it under the Indenture; the costs to the City, CFD No. 100 or any designee thereof of complying with arbitrage rebate requirements with respect to the Special Tax and CFD No. 100 Bonds; the costs to the City, CFD No. 100 or any designee thereof of complying with disclosure requirements of the City, CFD No. 100 or obligated persons associated with applicable federal and state securities laws and the Act; the costs associated with preparing Special Tax disclosure statements and responding to public inquiries regarding the Special Taxes; the costs of the City, CFD No. 100, or any designee thereof related to the reduction of the Assigned Facilities Special Tax and Backup Facilities Special Tax in accordance with Section C.1 herein; the costs of the City, CFD No. 100 or any designee thereof related to an appeal of the Special Tax; and the City's annual administration fees and third party expenses related to CFD No. 100 Bonds. Administrative Expenses shall also include amounts estimated or advanced by the City or CFD No. 100 for any other administrative purposes of CFD No. 100, including attorney's fees and other costs related to commencing and pursuing to completion any foreclosure of delinquent Special Taxes.

**"Alley Load Product"** means all Residential Property for which residential dwelling units have their garage entrance on one side of the unit, off of an alley or drive that runs behind such unit, with main house entrance from the opposite side of the unit.

**"Assessor"** means the Assessor of the County.

**“Assessor’s Parcel”** means a lot or parcel to which an Assessor’s parcel number is assigned as determined from an Assessor’s Parcel Map or the applicable assessment roll.

**“Assessor’s Parcel Map”** means an official map of the Assessor designating parcels by Assessor’s Parcel number.

**“Assigned Facilities Special Tax”** means the Facilities Special Tax for each Land Use Class of Developed Property, as determined in accordance with Section C.1.a.(2) below.

**“Assigned Services Special Tax”** means the Services Special Tax, determined in accordance with Section C.2.b herein, that can be levied in any Fiscal Year on any Assessor’s Parcel of Developed Property.

**“Authorized Facilities”** means those facilities eligible to be funded by CFD No. 100.

**“Authorized Services”** means those services eligible to be funded by CFD No. 100 in accordance with the Act, including, but not limited to, fire protection and suppression services, maintenance and lighting of parks, parkways, streets, roads and open space, flood and storm protection services and maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the City.

**“Backup Facilities Special Tax”** means the Facilities Special Tax applicable to each Assessor’s Parcel of Developed Property, as determined in accordance with Section C.1.a.(3) below.

**“Buildout”** means, for CFD No. 100, that all expected building permits for residential dwelling units and/or non-residential development to be constructed within CFD No. 100 have been issued, as determined by the CFD Administrator.

**“CFD Administrator”** means an official of the City, or designee thereof, responsible for determining the Special Tax Requirement for Facilities and the Special Tax Requirement for Services, providing for the levy and collection of the Special Taxes, and performing other duties as set forth herein.

**“CFD No. 100”** means City of Fontana Community Facilities District No. 100 (Victoria).

**“CFD No. 100 Bonds”** means any bonds or other debt (as defined in Section 53317(d) of the Act), whether in one or more series, issued by CFD No. 100 and secured by the Facilities Special Tax levy on property within the boundaries of CFD No. 100 under the Act.

**“City”** means the City of Fontana, California.

**“Cluster Product”** means all Residential Property located within CFD No. 100 that is not an Alley Load Product.

**“Contractual Impositions”** means (a) a voluntary contractual assessment established and levied on an Assessor’s Parcel pursuant to Chapter 29 of Part 3 of Division 7 of the California Streets and Highways Code (commencing with Section 5898.10 *et seq.*), as amended from time to time, (b) a special tax established and levied on an Assessor’s Parcel pursuant to Section 53328.1 of the California Government Code and related provisions of the Act, as amended from time to time, and (c) any other fee, charge, tax or assessment established and levied on an individual Assessor’s Parcel pursuant to a contractual agreement or other voluntary consent by the owner thereof.

**“Council”** means the City Council of the City acting as the legislative body of CFD No. 100.

**“County”** means the County of San Bernardino.

**“Developed Property”** means, for each Fiscal Year, (i) with respect to the Facilities Special Tax, all Taxable Property, exclusive of Taxable Public Property and Taxable Property Owner Association Property, for which a building permit for new construction, other than the construction of a garage, parking lot, or parking structure, was issued after January 1, 2020 and on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Facilities Special Taxes are being levied, and (ii) with respect to the Services Special Tax, all Taxable Property, exclusive of Taxable Public Property and Taxable Property Owner Association Property, (a) for which the Final Residential Subdivision was recorded prior to the Fiscal Year for which the Services Special Taxes are being levied, or (b) for which a building permit has been issued with respect to Non-Residential Property on or before May 1 of the Fiscal Year preceding the Fiscal Year for which the Services Special Taxes are being levied.

**“Facilities Special Tax”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Taxable Property within CFD No. 100 to fund the Special Tax Requirement for Facilities, as set forth in Section C.1 herein.

**“Final Residential Subdivision”** means a Final Subdivision that creates individual lots for which building permits may be issued for residential dwelling units without further subdivision of such property.

**“Final Subdivision”** means (i) a subdivision of property by recordation of a final map, parcel map, or lot line adjustment approved by the City pursuant to the Subdivision Map Act (California Government Code Section 66410 *et seq.*) that creates individual lots or parcels for which building permits may be issued, or (ii) for condominiums, a final map approved by the City and a condominium plan recorded pursuant to California Civil Code Section 4285 that creates an individual lot(s) for which a building permit(s) may be issued without further subdivision. The term “Final Subdivision” shall not include any Assessor’s Parcel Map or subdivision map or portion thereof that does not create individual lots for which a building permit may be issued, including Assessor’s Parcels that are designated as remainder parcels. Notwithstanding the above, a condominium plan for which one or more building permits have been issued, but no individual lots have been created for such building permits, shall be considered a Final Subdivision, and the portion of the condominium plan for which building permits have been issued shall be defined as Developed Property

**“Fiscal Year”** means the period starting July 1 and ending on the following June 30.

**“Indenture”** means the indenture, fiscal agent agreement, trust agreement, resolution or other instrument pursuant to which CFD No. 100 Bonds are issued, as modified, amended and/or supplemented from time to time.

**“Land Use Class”** means any of the classes listed in Table 1, Table 2, or Table 3 herein.

**“Lower Income Households Welfare Exemption Property”** means, for each Fiscal Year, an Assessor’s Parcel within the boundaries of CFD No. 100 that is entitled to a welfare exemption under subdivision (g) of Section 214 of the California Revenue and Taxation Code (or any successor statute), as indicated in the County’s assessment roll finalized as of the last preceding January 1.

**“Maximum Facilities Special Tax”** means the maximum Facilities Special Tax, determined in accordance with Section C.1 herein, that can be levied in any Fiscal Year on any Assessor’s Parcel of Taxable Property.

**“Maximum Services Special Tax”** means the maximum Services Special Tax, determined in accordance with Section C.2 herein, that can be levied in any Fiscal Year on any Assessor’s Parcel of Developed Property.

**“Minimum Sale Price”** means the minimum price at which parcels of a given Land Use Class have sold or are expected to be sold in a normal marketing environment and shall not include prices for such parcels that are sold at a discount to expected sales prices for the purpose of stimulating the initial sales activity with respect to such Land Use Class.

**“Non-Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit(s) has been issued by the City permitting the construction of one or more non-residential structures or facilities.

**“Outstanding Bonds”** means all CFD No. 100 Bonds which are outstanding under the Indenture.

**“Price Point Consultant”** means any consultant or firm of such consultants selected by CFD No. 100 that (a) has substantial experience in performing price point studies for residential dwelling units within community facilities districts or otherwise estimating or confirming pricing for residential dwelling units in community facilities districts, (b) has recognized expertise in analyzing economic and real estate data that relates to the pricing of residential dwelling units in community facilities districts, (c) is in fact independent and not under the control of CFD No. 100 or the City, (d) does not have any substantial interest, direct or indirect, with or in (i) CFD No. 100, (ii) the City, (iii) any owner of real property in CFD No. 100, or (iv) any real property in CFD No. 100, and (e) is not connected with CFD No. 100 or the City as an officer or employee thereof, but who may be regularly retained to make reports to CFD No. 100 or the City.

**“Price Point Study”** means a price point study or a letter updating a previous price point study prepared by the Price Point Consultant pursuant to Section C herein.

**“Product Type”** means Cluster Product or Alley Load Product, as defined in this Section A.

**“Property Owner Association Property”** means, for each Fiscal Year, (i) any property within the boundaries of CFD No. 100 for which the owner of record, as determined from the County’s assessment roll for the Fiscal Year in which the Special Tax is being levied, is a property owner’s association, including any master or sub-association, or (ii) any property located in a Final Subdivision that was recorded as of the January 1 preceding the Fiscal Year in which the Special Tax is being levied and which, as determined from such Final Subdivision, is or will be open space, a common area recreation facility, or a private street. Notwithstanding the foregoing, any property previously classified as Developed Property and subsequently owned in fee or by easement, or dedicated to, a property owner association, including any master or sub-association, shall remain classified as Developed Property.

**“Proportionately”** means that the ratio of the actual Facilities Special Tax levy to the Assigned Facilities Special Tax is equal for all Assessor’s Parcels of Developed Property, and that the ratio of the actual Services Special Tax levy to the Assigned Services Special Tax is equal for all Assessor’s Parcels of Developed Property. For Undeveloped Property, “Proportionately” means that the ratio of the actual Facilities Special Tax levy per Acre to the Maximum Facilities Special Tax per Acre is equal for all Assessor’s Parcels of Undeveloped Property. The term “Proportionately” shall similarly be applied to other categories of Taxable Property as listed in Section D herein.

**“Public Property”** means, for each Fiscal Year, any property within the boundaries of CFD No. 100 that is (i) owned by, irrevocably offered or dedicated to the federal government, the State, the County, the City, or any local government or other public agency, provided, however, that any property leased by a public agency to a private entity and subject to taxation under Section 53340.1 of the Act shall be taxed and classified according to its use; or (ii) encumbered by a public utility easement making impractical its use for any purpose other than that set forth in the easement.

**“Rate and Method of Apportionment”** means this Rate and Method of Apportionment for CFD No. 100.

**“Residential Property”** means all Assessor’s Parcels of Developed Property for which a building permit(s) has been issued by the City permitting the construction thereon of one or more residential dwelling units.

**“Services Special Tax”** means the special tax to be levied in each Fiscal Year on each Assessor’s Parcel of Developed Property within CFD No. 100 to fund the Special Tax Requirement for Services, as set forth in Section C.2 herein.

**“Special Tax”** means the Facilities Special Tax and/or Services Special Tax, as applicable.

**“Special Tax Requirement for Facilities”** means, for any Fiscal Year, that amount required, after taking into account available amounts held in the funds and accounts under the Indenture, for the following items: (i) debt service on all Outstanding Bonds due in the calendar year commencing in such Fiscal Year; (ii) periodic costs with respect to the CFD No. 100 Bonds, including but not limited to, costs of credit enhancement and federal rebate payments due in the calendar year commencing in such Fiscal Year; (iii) pay all or a portion of Administrative Expenses; (iv) any amounts required to establish or replenish any reserve funds for all Outstanding Bonds; (v) without duplicating any amounts described in clause (iv), above, reasonably anticipated Facilities Special Tax delinquencies based on the delinquency rate for the Facilities Special Tax in the previous Fiscal Year, as said levy for delinquencies shall be limited by the Act; and (vi) pay directly for the acquisition or construction of Authorized Facilities, provided that the inclusion of such amount does not increase the Facilities Special Tax levy beyond the first step in Section D.1 herein.

**“Special Tax Requirement for Services”** means that amount required in any Fiscal Year for CFD No. 100 to (i) pay directly for the Authorized Services; (ii) pay Administrative Expenses not funded through the Special Tax Requirement for Facilities as determined by the CFD Administrator; (iii) pay for reasonably anticipated Services Special Tax delinquencies based on the delinquency rate for the Services Special Tax levy in the previous Fiscal Year; less (iv) a credit for funds available to reduce the annual Services Special Tax levy, as determined by the CFD Administrator, so long as the amount required is not less than zero.

**“State”** means the State of California.

**“Taxable Property”** means all of the Assessor’s Parcels within the boundaries of CFD No. 100 which are not exempt from the Special Tax pursuant to applicable law or Section E herein.

**“Taxable Property Owner Association Property”** means all Assessor’s Parcels of Property Owner Association Property that are not exempt pursuant to Section E herein.

**“Taxable Public Property”** means all Assessor’s Parcels of Public Property that are not exempt pursuant to Section E herein.

**“Total Tax Burden”** means, for a parcel of residential property within a Land Use Class, for the Fiscal Year in which Total Tax Burden is being calculated, the sum of (a) the Assigned Facilities Special Tax for such Fiscal Year, plus (b) the Assigned Services Special Tax for such Fiscal Year, plus (c) the *ad valorem* property taxes, special assessments, special taxes for any overlapping community facilities districts, and any other governmental fees, charges (other than fees or charges for services such as sewer and trash), taxes and assessments (which, for purposes of clarity, do not include Contractual Impositions) collected by the County on *ad valorem* tax bills and that the CFD Administrator estimates would be levied or imposed on such residential property in such Fiscal Year if the residential dwelling unit thereon or therein had been completed and sold, and was subject to such fees, charges, taxes and assessments in such Fiscal Year.

**“Trustee”** means the trustee or fiscal agent under the Indenture.

**“Undeveloped Property”** means, for each Fiscal Year, all Taxable Property not classified as Developed Property, Taxable Public Property or Taxable Property Owner Association Property.

*Please refer to additional definitions in Section H herein relating to the Prepayment of Facilities Special Tax.*

## **B. ASSIGNMENT TO LAND USE CATEGORIES**

Each Fiscal Year, commencing with Fiscal Year 2021-2022, all Taxable Property within CFD No. 100 shall be classified as Developed Property, Undeveloped Property, Taxable Public Property or Taxable Property Owner

Association Property, and shall be subject to Special Taxes in accordance with this Rate and Method of Apportionment determined pursuant to Sections C and D herein.

**C. MAXIMUM SPECIAL TAX RATE**

**1. Facilities Special Tax**

At least 30 days prior to the issuance of the first series of CFD No. 100 Bonds, the Assigned Facilities Special Tax on Developed Property (set forth in Table 1) shall be analyzed in accordance with and subject to the conditions set forth in this Section C. At such time, the CFD Administrator shall request the Price Point Consultant to prepare a Price Point Study setting forth the Minimum Sale Price of residential property within each Land Use Class. If based upon such Price Point Study the CFD Administrator calculates that the Total Tax Burden applicable to one or more Land Use Classes of residential property constructed or to be constructed within CFD No. 100 shall exceed 1.95% of the Minimum Sale Price of such residential property constructed or to be constructed within CFD No. 100, the CFD Administrator shall reduce the Assigned Facilities Special Tax to the extent necessary to cause the Total Tax Burden that shall apply to residential property within such Land Use Class(es) to not exceed 1.95% of the Minimum Sale Price of such residential property. Each Assigned Facilities Special Tax reduction for a Land Use Class shall be calculated separately, and it shall not be required that such reduction be proportionate among Land Use Classes. In connection with any reduction in the Assigned Facilities Special Tax, the CFD Administrator shall also reduce the Backup Facilities Special Tax in accordance with Section C.1.a.(3) herein. Upon determining the reductions, if any, in the Assigned Facilities Special Tax and Backup Facilities Special Tax required pursuant to this Section C, the CFD Administrator shall complete the Certificate to Amend Facilities Special Tax substantially in the form attached hereto as Exhibit A (the "Certificate to Amend") and shall execute such completed Certificate to Amend and shall deliver such Certificate to Amend to CFD No. 100. Upon receipt thereof, if in satisfactory form, CFD No. 100 shall execute such Certificate to Amend. The reduced Assigned Facilities Special Tax and Backup Facilities Special Tax specified in such Certificate to Amend shall become effective upon the execution of such Certificate to Amend by CFD No. 100. The Assigned Facilities Special Tax and Backup Facilities Special Tax reductions permitted pursuant to this Section C shall be reflected in an amended notice of Special Tax lien which CFD No. 100 shall cause to be recorded with the San Bernardino County Recorder as soon as practicable after execution of the Certificate to Amend by CFD No. 100. If based upon such Price Point Study the CFD Administrator calculates that the Total Tax Burden applicable to each Land Use Class of residential property constructed or to be constructed within CFD No. 100 does not exceed 1.95% of the Minimum Sale Price of each such Land Use Class of residential property constructed or to be constructed within CFD No. 100, then there shall be no reduction in the Assigned Facilities Special Tax, nor shall there be a reduction in the Backup Facilities Special Tax.

**a. Developed Property**

**(1). Maximum Facilities Special Tax**

The Maximum Facilities Special Tax for each Assessor's Parcel classified as Developed Property shall be the greater of (i) the amount derived by application of the Assigned Facilities Special Tax or (ii) the amount derived by application of the Backup Facilities Special Tax.

**(2). Assigned Facilities Special Tax**

Residential Property shall be assigned to either Land Use Class 1 or Land Use Class 2, as identified in Table 1 below, based on the Product Type associated with such Assessor's Parcel. Non-Residential Property shall be assigned to Land Use Class 3. The Assigned Facilities Special Tax that shall be levied in any Fiscal Year for each Land Use Class is shown below in Table 1.

**Table 1**

**Assigned Facilities Special Tax for Developed Property  
City of Fontana CFD No. 100 (Victoria)**

<b>Land Use Class</b>	<b>Description</b>	<b>Product Type</b>	<b>Assigned Facilities Special Tax</b>
1	Residential Property	Alley Load Product	\$2,348 per unit
2	Residential Property	Cluster Product	\$2,229 per unit
3	Non-Residential Property	NA	\$31,660 per Acre

(3). **Backup Facilities Special Tax**

The Backup Facilities Special Tax for an Assessor's Parcel of Developed Property shall equal the lesser of (a) \$37,240 per Acre, or (b) in connection with any reduction in the Assigned Facilities Special Tax as set forth in Section C.1 herein, the amount per Acre calculated pursuant to the formula below:

$$\text{BFST} = \text{AFST} \div \text{ATP}$$

These terms have the following meaning:

BFST = the reduced Backup Facilities Special Tax

AFST = The total estimated Assigned Facilities Special Tax levy for CFD No. 100 based on the reduced Assigned Facilities Special Taxes for Developed Property permitted pursuant to Section C.1 herein which could be levied on all expected development assuming Buildout of CFD No. 100.

ATP = The sum of the Acreage of all Taxable Property within a Final Subdivision (assuming Buildout) within CFD No. 100 (after excluding Public Property and Property Owner Association Property as set forth in Section E.1 herein) multiplied by 90%.

Furthermore, all Assessors' Parcels within CFD No. 100 shall be relieved simultaneously and permanently from the obligation to pay and disclose the Backup Facilities Special Tax if the CFD Administrator calculates that (i) the annual debt service required for the Outstanding Bonds, when compared to the Assigned Facilities Special Tax that shall be levied against all Assessors' Parcels of Developed Property in CFD No. 100 results in 110% debt service coverage (i.e., the Assigned Facilities Special Tax that shall be levied against all Developed Property in CFD No. 100 in each remaining Fiscal Year based on the then existing development is at least equal to the sum of (a) 1.10 times the debt service necessary to support the remaining Outstanding Bonds in each corresponding Fiscal Year, and (b) Administrative Expenses), and (ii) all authorized CFD No. 100 Bonds have already been issued or the Council has covenanted that it shall not issue any additional CFD No. 100 Bonds (except refunding bonds) to be supported by the Facilities Special Tax in CFD No. 100.

(4). **Multiple Land Uses**

In some instances an Assessor's Parcel may contain both Developed Property and Undeveloped Property. In such cases, the Acreage of the Assessor's Parcel shall be allocated between Developed Property and Undeveloped Property based on the portion of the Assessor's Parcel for which building



permits had been issued prior to May 1 of the prior Fiscal Year and the portion of the Assessor's Parcel for which building permits had not been issued prior to May 1 of the prior Fiscal Year.

Furthermore, Developed Property may contain more than one Land Use Class. In such cases, the Acreage that is considered Developed Property shall be allocated between Residential Property and Non-Residential Property based on the amount of Acreage designated for each land use as determined by reference to the site plan approved for such Assessor's Parcel. The Maximum Facilities Special Tax that can be levied on such Assessor's Parcel shall be the sum of the Maximum Facilities Special Tax that can be levied on each type of property located on that Assessor's Parcel.

The CFD Administrator's allocation to each type of property shall be final.

**b. Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property**

The Maximum Facilities Special Tax for each Assessor's Parcel of Undeveloped Property, Taxable Public Property, and Taxable Property Owner Association Property shall be \$37,240 per Acre and shall not be subject to escalation and shall therefore remain the same in every Fiscal Year.

**2. Services Special Tax**

For purposes of the Services Special Tax, an Assessor's Parcel(s) of Developed Property within a Final Residential Subdivision shall be assigned to Land Use Class 1 as identified in Table 2 and Table 3 below. Non-Residential Property shall be assigned to Land Use Class 2. Furthermore, the Services Special Tax levied against each Assessor's Parcel within a Final Residential Subdivision shall be based on the number of residential dwelling units for which building permits have been issued or are expected to be issued for such Assessor's Parcel, as determined by the CFD Administrator based on such Final Residential Subdivision of other available documents.

**a. Maximum Services Special Tax**

The Fiscal Year 2020-2021 Maximum Services Special Tax for each Land Use Class of Developed Property is shown below in Table 2.

**Table 2**

**Maximum Services Special Tax for Developed Property  
City of Fontana CFD No. 100 (Victoria)  
Fiscal Year 2020-2021**

<b>Land Use Class</b>	<b>Description</b>	<b>Maximum Services Special Tax</b>
1	Final Residential Subdivision	\$600 per unit
2	Non-Residential Property	\$8,340 per Acre

**b. Assigned Services Special Tax**

The Fiscal Year 2020-2021 Assigned Services Special Tax for each Land Use Class of Developed Property is shown below in Table 3.

**Table 3**

**Assigned Services Special Tax for Developed Property  
City of Fontana CFD No. 100 (Victoria)  
Fiscal Year 2020-2021**

<b>Land Use Class</b>	<b>Description</b>	<b>Assigned Services Special Tax</b>
1	Final Residential Subdivision	\$430 per unit
2	Non-Residential Property	\$5,980 per Acre

**c. Increase in the Maximum Services Special Tax**

On each July 1, commencing on July 1, 2021, the Maximum Services Special Tax shall be increased by an amount equal to two percent (2%) of the amount in effect for the previous Fiscal Year.

**d. Increase in the Assigned Services Special Tax**

The Assigned Services Special Tax above shall be applicable for Fiscal Year 2020-2021, and shall increase thereafter, commencing on July 1, 2021, and on each July 1 thereafter in an amount estimated to fund the Special Tax Requirement for Services for the Fiscal Year commencing on such July 1. However, in no case shall the Assigned Services Special Tax for an Assessor's Parcel of Developed Property exceed the applicable Maximum Services Special Tax for such Assessor's Parcel of Developed Property in any Fiscal Year.

**e. Multiple Land Uses**

In some instances an Assessor's Parcel of Developed Property may contain more than one Land Use Class. In such cases, the Acreage of Developed Property shall be allocated between Residential Property and Non-Residential Property based on the amount of Acreage designated for each land use as determined by reference to the site plan approved for such Assessor's Parcel. The Maximum Services Special Tax that can be levied on such Assessor's Parcel shall be the sum of the Maximum Services Special Tax that can be levied on each type of property located on that Assessor's Parcel. The CFD Administrator's allocation to each type of property shall be final.

**D. METHOD OF APPORTIONMENT OF THE SPECIAL TAX**

**1. Facilities Special Tax**

Commencing with Fiscal Year 2021-2022, and for each following Fiscal Year, the CFD Administrator shall determine the Special Tax Requirement for Facilities and shall provide for the levy of the Facilities Special Tax each Fiscal Year as follows:

First: The Facilities Special Tax shall be levied on each Assessor's Parcel of Developed Property in an amount equal to 100% of the applicable Assigned Facilities Special Tax;

Second: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first step has been completed, the Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Undeveloped Property at up to 100% of the Maximum Facilities Special Tax for Undeveloped Property;

Third: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first two steps have been completed, then the levy of the Facilities Special Tax on each Assessor's Parcel of Developed Property whose Maximum Facilities Special Tax is determined through the application of the Backup Facilities Special Tax shall be increased in equal percentages from the Assigned Facilities Special Tax up to the Maximum Facilities Special Tax for each such Assessor's Parcel;

Fourth: If additional monies are needed to satisfy the Special Tax Requirement for Facilities after the first three steps have been completed, then the Facilities Special Tax shall be levied Proportionately on each Assessor's Parcel of Taxable Public Property and Taxable Property Owner Association Property at up to 100% of the Maximum Facilities Special Tax for Taxable Public Property and Taxable Property Owner Association Property, as needed to satisfy the Special Tax Requirement for Facilities.

Notwithstanding the above, the CFD Administrator shall, in any Fiscal Year, calculate a levy Proportionately less than 100% of the Assigned Facilities Special Tax in step one (above), when (i) the CFD Administrator is no longer required to provide for the levy of the Facilities Special Tax pursuant to steps two through four above in order to meet the Special Tax Requirement for Facilities; and (ii) all authorized CFD No. 100 Bonds have already been issued or the Council has covenanted that it shall not issue any additional CFD No. 100 Bonds (except refunding bonds) to be supported by the Facilities Special Tax.

Further notwithstanding the above, under no circumstances shall the Facilities Special Tax levied in any Fiscal Year against any Assessor's Parcel of Residential Property for which an occupancy permit for private residential use has been issued (in accordance with Section 53321(d)(3) of the California Government Code), be increased as a consequence of delinquency or default by the owner of any other Assessor's Parcel within CFD No. 100 by more than ten percent above the amount that would have been levied in that Fiscal Year had there never been any such delinquencies or defaults. To the extent that the levy of the Facilities Special Tax on Residential Property is limited by the provision in the previous sentence, the levy of the Facilities Special Tax on each Assessor's Parcel of Non-Residential Property shall continue in equal percentages up to 100% of the applicable Maximum Facilities Special Tax.

## **2. Services Special Tax**

Commencing with Fiscal Year 2021-2022 and for each following Fiscal Year, the CFD Administrator shall determine the Special Tax Requirement for Services and shall provide for the levy of the Services Special Tax until the total Services Special Tax levy equals the Special Tax Requirement for Services. The Services Special Tax shall be levied each Fiscal Year as follows:

First: The Services Special Tax shall be levied Proportionately each Fiscal Year on each Assessor's Parcel of Developed Property at up to 100% of the applicable Assigned Services Special Tax as needed to satisfy the Special Tax Requirement for Services;

Second: If additional monies are needed to satisfy the Special Tax Requirement for Services after the first step has been completed, then the levy of the Services Special Tax on each Assessor's Parcel of Developed Property shall be increased in equal percentages from the Assigned Services Special Tax up to the Maximum Services Special Tax for each such Assessor's Parcel.

## **E. EXEMPTIONS**

### **1. Facilities Special Tax**

No Facilities Special Tax shall be levied on up to 7.7 Acres of Public Property and/or Property Owner Association Property in CFD No. 100. Tax-exempt status shall be assigned by the CFD Administrator in the chronological order in which property in CFD No. 100 becomes Public Property or Property Owner Association

Property. However, should an Assessor's Parcel no longer be classified as Public Property or Property Owner Association Property, it shall, from that point forward, be subject to the Facilities Special Tax.

Notwithstanding the above, an Assessor's Parcel in CFD No. 100 that is transferred to a public agency or property owner's association prior to the issuance of the first series of CFD No. 100 Bonds that causes the Acreage of Public Property and Property Owner Association Property to exceed the 7.7 Acreage limit that can be designated by the CFD Administrator under this Section E.1 shall also be exempted from paying the Special Tax.

Public Property or Property Owner Association Property that is not exempt from the Facilities Special Tax under this Section E.1 shall be subject to the levy of the Facilities Special Tax and shall be taxed Proportionately as part of the fourth step in Section D herein, at up to 100% of the applicable Maximum Facilities Special Tax for Taxable Public Property and Property Owner Association Property.

In addition, no Facilities Special Tax shall be levied on Lower Income Households Welfare Exemption Property, provided that if, in any Fiscal Year, applicable law does not require that an Assessor's Parcel that is Lower Income Households Welfare Exemption Property be exempt from the Facilities Special Tax, then the Facilities Special Tax shall be levied on such Assessor's Parcel in accordance with this Rate and Method of Apportionment as if such Assessor's Parcel were not classified as Lower Income Households Welfare Exemption Property.

## **2. Services Special Tax**

No Services Special Tax shall be levied on Undeveloped Property, Taxable Public Property, Taxable Property Owner Association Property, Public Property, or Property Owner Association Property.

In addition, no Services Special Tax shall be levied on Lower Income Households Welfare Exemption Property, provided that if, in any Fiscal Year, applicable law does not require that an Assessor's Parcel that is Lower Income Households Welfare Exemption Property be exempt from the Services Special Tax, then the Services Special Tax shall be levied on such Assessor's Parcel in accordance with this Rate and Method of Apportionment as if such Assessor's Parcel were not classified as Lower Income Households Welfare Exemption Property.

## **F. MANNER OF COLLECTION**

The Special Tax shall be collected in the same manner and at the same time as ordinary *ad valorem* property taxes; provided, however, that CFD No. 100 may directly bill the Special Tax, and/or may collect Special Taxes at a different time or in a different manner if necessary to meet financial obligations, and, to the extent of the Facilities Special Tax, may covenant to foreclose and may actually foreclose on delinquent Assessor's Parcels.

## **G. APPEALS AND INTERPRETATIONS**

Any landowner or resident who feels that the amount of the Special Tax levied on his/her Assessor's Parcel is in error may submit a written appeal to the CFD Administrator, provided that the appellant is current in his/her payment of Special Taxes. During the pendency of an appeal, all Special Taxes previously levied must be paid on or before the payment date established when the levy was made. The CFD Administrator shall review the appeal, meet with the appellant if the CFD Administrator deems necessary, and advise the appellant of its determination. If the CFD Administrator agrees with the appellant, a cash refund shall not be made (except for the last year of levy), but the amount of the Special Tax levied shall be appropriately modified through an adjustment to the Special Tax levy in the following Fiscal Year. If the CFD Administrator disagrees with the appellant and the appellant is dissatisfied with the determination, the appellant then has 30 days in which to appeal to the Council by filing a written notice of appeal with the City Clerk, provided that the appellant is current in his/her payment of Special Taxes. This second appeal must specify the reasons for its disagreement with the CFD Administrator's determination.

The CFD Administrator shall interpret this Rate and Method of Apportionment for purposes of clarifying any ambiguity and make determinations relative to the annual administration of the Special Tax and any landowner or resident appeals. Any decision of the CFD Administrator shall be subject to appeal to the Council whose decision shall be final and binding as to all persons.

#### **H. PREPAYMENT OF FACILITIES SPECIAL TAX**

Under this Rate and Method of Apportionment, an Assessor's Parcel within CFD No. 100 is permitted to prepay the Facilities Special Tax. The obligation of the Assessor's Parcel to pay the Facilities Special Tax may be fully or partially prepaid and permanently satisfied as described herein, provided that a prepayment may be made only for Assessor's Parcels of Developed Property, or for an Assessor's Parcel of Undeveloped Property for which a building permit has been issued after January 1, 2020, and only if there are no delinquent Special Taxes with respect to such Assessor's Parcel at the time of prepayment. An owner of an Assessor's Parcel intending to prepay the Facilities Special Tax obligation shall provide the CFD Administrator with written notice of intent to prepay. Within 30 days of receipt of such written notice, the CFD Administrator shall notify such owner of the prepayment amount for such Assessor's Parcel. The CFD Administrator may charge such owner a reasonable fee for providing this service. If there are Outstanding Bonds, prepayment must be made not less than 30 days prior to a date that notice of redemption of CFD No. 100 Bonds from the proceeds of such prepayment may be given by the Trustee pursuant to the Indenture that is specified in the report of the Facilities Special Tax Prepayment Amount (defined below).

The following additional definitions apply to this Section H:

**"CFD Public Facilities Costs"** means either \$5,605,000 in 2020 dollars, which shall increase by the Construction Inflation Index on July 1, 2021, and on each July 1 thereafter, or such lower number as (i) shall be determined by the CFD Administrator as sufficient to provide funding for the Authorized Facilities under the authorized bonding program for CFD No. 100, or (ii) shall be determined by the Council concurrently with a covenant that it shall not issue any more CFD No. 100 Bonds (except refunding bonds) to be supported by the Facilities Special Tax levy under this Rate and Method of Apportionment.

**"Construction Inflation Index"** means the annual percentage change in the Engineering News Record Building Cost Index for the City of Los Angeles, measured as of the month of December in the calendar year which ends in the previous Fiscal Year. In the event this index ceases to be published, the Construction Inflation Index shall be another index as determined by the CFD Administrator that is reasonably comparable to the Engineering News Record Building Cost Index for the City of Los Angeles.

**"Future Facilities Costs"** means the CFD Public Facilities Costs minus (i) costs of Authorized Facilities previously paid from the Improvement Fund, (ii) moneys currently on deposit in the Improvement Fund available to pay costs of Authorized Facilities, and (iii) the amount the CFD Administrator reasonably expects to derive from the reinvestment of these funds.

**"Improvement Fund"** means a fund or account specifically identified in the Indenture (or prior to the issuance of the first series of CFD No. 100 Bonds a fund or account held by the City) to hold funds which are currently available for expenditure to acquire or construct Authorized Facilities.

**"Previously Issued Bonds"** means, for any Fiscal Year, all Outstanding Bonds that are outstanding under the Indenture after the first interest and/or principal payment date following the current Fiscal Year.

## 1. Prepayment in Full

The Facilities Special Tax Prepayment Amount (defined below) shall be calculated as summarized below (capitalized terms as defined below):

Bond Redemption Amount	
plus	Redemption Premium
plus	Future Facilities Amount
plus	Defeasance Amount
plus	Administrative Fees and Expenses
less	Reserve Fund Credit
less	Capitalized Interest Credit
Total: equals	Facilities Special Tax Prepayment Amount

As of the proposed date of prepayment, the Facilities Special Tax Prepayment Amount shall be calculated according to the following paragraphs:

1. Confirm that no Special Tax delinquencies apply to such Assessor's Parcel.
2. For Assessor's Parcels of Developed Property, compute the Assigned Facilities Special Tax and Backup Facilities Special Tax for the Assessor's Parcel to be prepaid. For Assessor's Parcels of Undeveloped Property for which a building permit has been issued after January 1, 2020, compute the Assigned Facilities Special Tax and Backup Facilities Special Tax for that Assessor's Parcel as though it was already designated as Developed Property, based upon the building permit which has already been issued for such Assessor's Parcel.
3. (a) Divide the Assigned Facilities Special Tax computed pursuant to paragraph 2 by the total estimated Assigned Facilities Special Tax levy for CFD No. 100 based on the Assigned Facilities Special Taxes for Developed Property which could be levied on all expected development assuming Buildout of CFD No. 100, excluding any Assessor's Parcels which have been prepaid, and  
  
(b) Divide the Backup Facilities Special Tax computed pursuant to paragraph 2 by the total estimated Backup Facilities Special Taxes at Buildout for the entire CFD No. 100, excluding any Assessor's Parcels which have been prepaid.
4. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the Previously Issued Bonds to compute the amount of Previously Issued Bonds to be redeemed (the "Bond Redemption Amount").
5. Multiply the Bond Redemption Amount computed pursuant to paragraph 4 by the applicable redemption premium (e.g., the redemption price minus 100%), if any, on the Previously Issued Bonds to be redeemed (the "Redemption Premium").
6. Compute the current Future Facilities Costs.
7. Multiply the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the amount determined pursuant to paragraph 6 to compute the amount of Future Facilities Costs to be prepaid (the "Future Facilities Amount").
8. Compute the amount needed to pay interest on the Bond Redemption Amount from the first bond interest and/or principal payment date following the current Fiscal Year until the redemption date for the Previously Issued Bonds specified in the report of the Facilities Special Tax Prepayment Amount.

9. Determine the Facilities Special Tax levied on the Assessor's Parcel in the current Fiscal Year which has not yet been paid.
10. Compute the minimum amount the CFD Administrator reasonably expects to derive from the reinvestment of the Facilities Special Tax Prepayment Amount, less any interest earnings attributed to the Future Facilities Amount, and less any interest earnings attributed to the Administrative Fees and Expenses (defined below) from the date of prepayment until the redemption date for the Previously Issued Bonds to be redeemed with the prepayment.
11. Add the amounts computed pursuant to paragraphs 8 and 9 and subtract the amount computed pursuant to paragraph 10 (the "Defeasance Amount").
12. The administrative fees and expenses of CFD No. 100 are as calculated by the CFD Administrator and include the costs of computation of the prepayment, the costs to invest the prepayment proceeds, the costs of redeeming CFD No. 100 Bonds, and the costs of recording any notices to evidence the prepayment and the redemption (the "Administrative Fees and Expenses").
13. The reserve fund credit (the "Reserve Fund Credit") shall equal the lesser of: (a) the expected reduction in the reserve requirement (as defined in the Indenture), if any, associated with the redemption of Previously Issued Bonds as a result of the prepayment, or (b) the amount derived by subtracting the new reserve requirement (as defined in the Indenture) in effect after the redemption of Previously Issued Bonds as a result of the prepayment from the balance in the reserve fund on the prepayment date, but in no event shall such amount be less than zero. No Reserve Fund Credit shall be granted if the amount then on deposit in the reserve fund for the Previously Issued Bonds is below 100% of the reserve requirement (as defined in the Indenture).
14. If any capitalized interest for the Previously Issued Bonds will not have been expended as of the date immediately following the first interest and/or principal payment following the current Fiscal Year, a capitalized interest credit shall be calculated by multiplying the larger quotient computed pursuant to paragraph 3(a) or 3(b) by the expected balance in the capitalized interest fund or account under the Indenture after such first interest and/or principal payment date (the "Capitalized Interest Credit").
15. The Facilities Special Tax prepayment is equal to the sum of the amounts computed pursuant to paragraphs 4, 5, 7, 11 and 12, less the amounts computed pursuant to paragraphs 13 and 14 (the "Facilities Special Tax Prepayment Amount").

## 2. Prepayment in Part

The amount of the prepayment shall be calculated as in Section H.1; except that a partial prepayment shall be calculated according to the following formula:

$$PP = [(PE - A) \times F] + A$$

These terms have the following meaning:

PP = the partial prepayment.

PE = the Facilities Special Tax Prepayment Amount calculated according to Section H.1.

F = the percentage, expressed as a decimal, by which the owner of the Assessor's Parcel is partially prepaying the Facilities Special Tax.

A = the Administrative Fees and Expenses calculated according to Section H.1.



### **3. General Provisions Applicable to the Prepayment of Facilities Special Tax**

#### **(a). Use of the Facilities Special Tax Prepayment Amount**

The Facilities Special Tax Prepayment Amount, less the Administrative Fees and Expenses calculated according to Section H.1 which shall be retained by CFD No. 100, and less the Future Facilities Amount calculated according to Section H.1 which shall be deposited into the Improvement Fund, shall be deposited into specific funds established under the Indenture, to fully or partially redeem as many Outstanding Bonds as possible, and, if amounts are less than \$5,000, to make debt service payments on the Outstanding Bonds.

#### **(b). Full Prepayment of Facilities Special Tax**

Upon confirmation of the payment of the current Fiscal Year's entire Facilities Special Tax obligation, the CFD Administrator shall remove the current Fiscal Year's Facilities Special Tax levy for such Assessor's Parcel from the County tax rolls. With respect to any Assessor's Parcel that is prepaid in accordance with Section H.1, the CFD Administrator shall cause a suitable notice to be recorded in compliance with the Act, to indicate the prepayment of the Facilities Special Tax and the release of the Facilities Special Tax lien on such Assessor's Parcel, and the obligation of such Assessor's Parcel to pay the Facilities Special Tax shall cease.

#### **(c). Partial Prepayment of Facilities Special Tax**

With respect to any Assessor's Parcel that is partially prepaid, the CFD Administrator shall (i) distribute or cause to be distributed the funds remitted to it according to Section H.3.(a) and (ii) indicate in the records of CFD No. 100 that there has been a partial prepayment of the Facilities Special Tax and that a portion of the Facilities Special Tax with respect to such Assessor's parcel, equal to the outstanding percentage  $(1.00 - F)$  of the remaining Maximum Facilities Special Tax, shall continue to be levied on such Assessor's Parcel pursuant to Section D herein.

#### **(d). Debt Service Coverage**

Notwithstanding the foregoing, no prepayment of the Facilities Special Tax shall be allowed unless the amount of Facilities Special Tax that may be levied on Taxable Property (assuming Buildout) within CFD No. 100 in each future Fiscal Year (after excluding Public Property and Property Owner Association Property as set forth in Section E.1 herein), after the proposed prepayment, is at least equal to the sum of (i) 1.10 times the debt service necessary to support the remaining Outstanding Bonds in each corresponding Fiscal Year, and (ii) Administrative Expenses.

### **I. TERM OF SPECIAL TAX**

The Facilities Special Tax shall be levied for a period not to exceed forty-five years commencing with Fiscal Year 2021-2022. The Services Special Tax shall be levied in perpetuity to fund the Special Tax Requirement for Services.

**EXHIBIT A**

**CERTIFICATE TO AMEND FACILITIES SPECIAL TAX**

**CFD NO. 100 CERTIFICATE**

1. Pursuant to Section C.1 of the Rate and Method of Apportionment (the “Rate and Method”) for City of Fontana Community Facilities District No. 100 (Victoria) (“CFD No. 100”), the Assigned Facilities Special Tax and the Backup Facilities Special Tax for Developed Property within CFD No. 100 has been reduced as described herein.

- (a) The information in Table 1 of the Rate and Method relating to the Assigned Facilities Special Tax for Developed Property within CFD No. 100 shall be modified as follows:

<b>Land Use Class</b>	<b>Description</b>	<b>Product Type</b>	<b>Assigned Facilities Special Tax</b>
1	Residential Property	Alley Load Product	\$[____] per unit
2	Residential Property	Cluster Product	\$[____] per unit
3	Non-Residential Property	NA	\$[____] per Acre

- (b) The Backup Facilities Special Tax for Developed Property, as stated in Section C.1.a.(3) of the Rate and Method, shall be reduced from \$37,240 per Acre to \$[\_\_\_\_] per Acre:
2. The Assigned Facilities Special Tax and the Backup Facilities Special Tax for Developed Property may only be reduced prior to the first issuance of CFD No. 100 Bonds.
3. Upon execution of the certificate by CFD No. 100, CFD No. 100 shall cause an amended notice of Special Tax lien for CFD No. 100 to be recorded reflecting the reductions set forth herein.

All capitalized terms used herein shall have the meanings set forth in the Rate and Method.

By: \_\_\_\_\_ Date: \_\_\_\_\_  
*CFD Administrator*

By execution hereof, the undersigned acknowledge, on behalf of CFD No. 100, receipt of this certificate and modification of the Rate and Method as set forth in this certificate.

CITY OF FONTANA COMMUNITY FACILITIES DISTRICT No. 100 (VICTORIA)

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

**APPENDIX B**  
**APPRAISAL REPORT**

**APPENDIX C**  
**UPDATED PRICE POINT STUDY**

**APPENDIX D**  
**FORM OF OPINION OF BOND COUNSEL**

## APPENDIX E

### GENERAL INFORMATION CONCERNING THE CITY OF FONTANA

*This appendix sets forth general information about the City of Fontana (“Fontana”) including information with respect to its finances. The following information concerning Fontana, the County of San Bernardino (the “County”) and the State of California (the “State”) are included only for general background purposes. The Bonds are not obligations of the City, County or State or any political subdivision thereof and neither the faith and credit nor the taxing power of the City, County or the State, or any political subdivision thereof, is pledged to the payment of the Bonds or any Additional Bonds*

#### **General**

The City of Fontana encompasses approximately 42.4 square miles of land and has an estimated population in 2023 of approximately 213,851. The City is located 50 miles east of Los Angeles, and approximately 10 miles west of the cities of Riverside and San Bernardino. Founded in 1913, Fontana is the second largest city in San Bernardino County, and the 20th largest in the State. The Riverside-San Bernardino area is often referred to as Southern California’s “Inland Empire.” As one of the cities in the Inland Empire, Fontana is part of a region whose population base exceeds 4.4 million people.

The earliest recorded landowner in the Fontana area was Don Antonio Maria Lugo, who received a land grant in 1813. A second grant, in 1842, secured the land known as Rancho de San Bernardino for his sons. The Lugo sons sold a portion of their land, which included part of what is now Fontana, to a group of Mormon settlers in 1851. The Mormon settlers eventually returned to Salt Lake City, and the Semi-Tropical Land & Water Company gained control of the Rancho. Active development of the area, however, did not begin until the early 1900’s when the Fontana Development Company acquired the acreage and began a community called Rosena - a name that was changed to Fontana in 1913.

Fontana quickly became a diversified agricultural area, with citrus, grain, grapes, poultry, and swine being the leading agricultural commodities. The community faced a transition beginning in 1942 when the Fontana area was selected as the site for a steel mill. Fontana incorporated in 1952 and the area became Southern California’s leading producer of steel and steel related products.

The steel industry dominated the City’s economy from the time the mill was built until the mid-1980’s. In the late 1970’s, however, Kaiser Steel began to cut down on production and manpower, and the steel mill closed in 1984. The mill site, located outside of City limits, is in the process of being developed into an integrated community of transportation-related industrial, commercial and business park uses to take advantage of the site’s excellent highway and rail access. The plate steel and rolling mill plant was acquired by California Steel Industries, which continues to produce steel products. In addition, railroad and trucking operations and a number of industrial facilities and warehousing/distribution centers are located in Fontana because of its convenient geographical location and excellent transportation network.

Auto Club Speedway (formerly California Speedway) is a two-mile (3 km), low-banked, D-shaped oval superspeedway in unincorporated San Bernardino County which has hosted NASCAR racing annually since 1997. The track was also used for open wheel racing events until 2005. The racetrack is located near the former locations of Ontario Motor Speedway and Riverside International Raceway. The track is currently owned and operated by International Speedway Corporation and is the only track owned by ISC to have naming rights sold. The speedway is served by the nearby Interstate 10 and Interstate 15 freeways as well as a Metrolink station located behind the backstretch.

## City Government

The City was incorporated as a general law city in 1952 and is governed by a Mayor and four council members elected by geographical district to serve four-year terms. The City operates under the Council - Manager form of government. Effective July 1, 2008, the Fontana City Council established the Fontana Fire Protection District, which is governed by the same members who comprise the City Council, and which provides fire and related services to the City and certain adjacent unincorporated areas by means of contract with the San Bernardino County Fire Department. The City Council appoints the City Manager who is responsible for the day-to-day administration of City business and the coordination of all departments of the City.

The City of Fontana provides police protection, street sweeping, park maintenance, building inspection, library, sewer, storm drain and sanitation services. Numerous hospitals and health care facilities are located near Fontana.

## Population

Fontana has been one of the most rapidly growing cities in Southern California. The adopted 1990 General Plan calls for a careful balance of residential, commercial and industrial development to ensure a quality urban environment with a broad range of employment and housing opportunities.

The population in Fontana increased approximately 5.98% from 2014 to 2023. The population growth in the City, County and State is shown on the following chart.

### POPULATION ESTIMATES City of Fontana, County of San Bernardino and State of California 2014-2023

<i>Year<sup>(1)</sup></i>	<i>City of Fontana</i>	<i>County of San Bernardino</i>	<i>State of California</i>
2014	201,790	2,094,951	38,556,731
2015	203,790	2,112,187	38,865,532
2016	205,180	2,122,579	39,103,587
2017	208,003	2,139,520	39,352,398
2018	209,113	2,150,017	39,519,535
2019	211,123	2,165,876	39,605,361
2020	211,519	2,175,424	39,648,938
2021	210,167	2,179,007	39,286,510
2022	212,616	2,180,777	39,078,674
2023	213,851	2,182,056	38,940,231

<sup>(1)</sup> January 1 estimate.

Source: State of California, Department of Finance.

## Transportation

The City of Fontana is strategically located in the hub of surface, rail and air transportation facilities. Union Pacific and Burlington Northern/Santa Fe rail lines provide rail service to Fontana. Switch yards and multi-modal terminals are located nearby.

Major interstate freeways and state highways provide direct access to the City, making shipping and transportation to and from seaports, North American Free Trade Agreement ports of entry, and the rest of the nation highly dependable. Interstate 10 traverses the southern section of the City, Interstate 15 borders the western portion of the City, and Interstate 210, which is the extension of Route 30, opened in November 2002,



links the San Bernardino Valley with the San Fernando Valley and traverses the northern portion of the City. State freeways 57, 60 and 91 are minutes from Fontana.

The LA/Ontario International Airport is a medium-hub, full-service airport, which offers more than 70 daily flights to cities in the U.S., Mexico and Taiwan and is served by nine commercial carriers. The airport is owned and operated by Ontario International Airport Authority, a joint powers agency, and is served by AeroMexico, Alaska Airlines, American Airlines, Delta Air Lines, Southwest Airlines, United Airlines/United Express, US Airways and Volaris. Various airlines provide freight services at Ontario International Airport.

With approximately 570,000 square feet and 26 passenger gates within two terminals, Ontario International Airport is the Western States Regional Terminal for United Parcel Service. In 2022 approximately 5.7 million passengers used the airport and cargo shipments increased 9% from the pre-pandemic 2019. Over the first six months of 2022, total passenger volume was nearly 3 million, 12.4% greater than the first half of 2021. The passenger count included 2.8 million domestic travelers and 176,000 international passengers, increases of 9.5% and 94.4%, respectively. Ontario also ranks among the fastest recovering airports in the U.S. after the severe disruption in global air travel during the early months of the pandemic

Transit services are provided by Metrolink commuter rail service to Los Angeles with connections to the numerous surrounding cities provided by Omnitrans bus service, Dial-a-Ride, Yellow Cab Company and Bell Cab Company.

## **Education**

Five school districts serve students in the City of Fontana. There are thirty public elementary schools, seven middle schools, five high schools, three alternative high schools, seven private elementary/middle schools, one School of Language Development and one adult school. Local colleges and universities include Universal Technical Institute of California Inc., Chaffey College, San Bernardino Valley College, California State University-San Bernardino, Riverside Community College, Westech College and the University of California-Riverside.

## Employment

The following table summarizes the labor force, employment and unemployment figures for the years 2017 through 2022 for the City, the County, the State and the United States.

### **CIVILIAN LABOR FORCE, EMPLOYMENT AND UNEMPLOYMENT RATE City of Fontana, San Bernardino County, State of California and United States 2017 through 2022<sup>(1)</sup>**

<i>Year and Area</i>	<i>Labor Force</i>	<i>Employment<sup>(2)</sup></i>	<i>Unemployment<sup>(3)</sup></i>	<i>Unemployment Rate (%)</i>
<u>2017</u>				
City of Fontana	96,800	92,200	4,600	4.8%
San Bernardino County	942,000	895,300	46,800	5.0
State of California	19,185,400	18,258,100	927,300	4.8
United States	160,320,000	153,337,000	6,982,000	4.4
<u>2018</u>				
City of Fontana	98,400	94,600	3,800	3.9%
San Bernardino County	955,100	915,800	39,200	4.1
State of California	19,289,500	18,469,900	819,600	4.2
United States	162,075,000	155,761,000	6,314,000	3.9
<u>2019</u>				
City of Fontana	99,600	96,000	3,600	3.6%
San Bernardino County	967,100	929,800	37,400	3.9
State of California	19,413,200	18,617,900	795,300	4.1
United States	163,539,000	157,538,000	6,001,000	3.7
<u>2020</u>				
City of Fontana	100,700	91,300	9,400	9.4%
San Bernardino County	974,700	880,900	93,800	9.6
State of California	18,971,600	17,047,600	1,924,000	10.1
United States	160,742,000	147,795,000	12,947,000	8.1
<u>2021</u>				
City of Fontana	102,500	95,200	7,300	7.1%
San Bernardino County	992,200	918,600	73,600	7.4
State of California	18,973,420	17,586,300	1,387,100	7.3
United States	161,204,000	152,581,000	8,623,000	5.3
<u>2022</u>				
City of Fontana	104,100	100,200	3,900	3.8%
San Bernardino County	1,008,500	967,200	41,300	4.1
State of California	19,252,000	18,440,900	811,100	4.2
United States	164,287,000	158,291,000	5,996,000	3.6

Note: Data is not seasonally adjusted.

(1) Annual averages, unless otherwise specified.

(2) Includes persons involved in labor-management trade disputes.

(3) The unemployment rate is computed from unrounded data; therefore, it may differ from rates computed from rounded figures in this table.

Source: U.S. Department of Labor – Bureau of Labor Statistics, California Employment Development Department. March 2022 Benchmark.

Listed below are the major employers in the City.

**CITY OF FONTANA - MAJOR EMPLOYERS – 2021**

<i>Employer</i>	<i>Number of Employees</i>
Kaiser Permanente	7,642
Fontana Unified School District	6,665
Amazon.com Services LLC	3,145
Target Stores T 553	1,788
Kaiser Foundations Hospitals	1,783
St Bernardine Medical Center	1,775
Walmart #6060 DC Drop Yard	1,034
City of Fontana (includes part-time employees)	992
Walmart D C #6060	973
Saia Motor Freight Line LLC	402

Source: City of Fontana Fiscal Year Ending June 30, 2022 Annual Comprehensive Financial Report.

Listed below are the major employers in the County.

**PRINCIPAL EMPLOYERS  
San Bernardino County  
Fiscal Year 2021-22**

<i>Rank</i>	<i>Name of Business</i>	<i>Approximate No. of San Bernardino County Employees<sup>(1)</sup></i>	<i>Type of Business</i>
1	County of San Bernardino	5,000-9,999	Public Administration
2	Amazon	5,000-9,999	Electronic Commerce
3	Loma Linda University Medical Center	5,000-9,999	Medical Center
4	Stater Brothers	1,000-5,000	Grocery Store
5	Burlington Distribution Corp.	1,000-5,000	Retail
6	Environmental Systems Research	1,000-5,000	Software
7	FedEx Ground	1,000-5,000	Package Delivery
8	Inland Empire Health Plan	1,000-5,000	Insurance
9	San Antonio Community Hospital	1,000-5,000	Medical Center
10	San Manuel Resort & Casino	1,000-5,000	Casino

<sup>(1)</sup> Due to confidentiality of reporting number of employees, ranges have been provided.

Source: San Bernardino County Annual Comprehensive Financial Report for the year ending June 30, 2022.

## Industries

Residents of the City find employment throughout the Riverside-San Bernardino-Ontario Labor Market Area. This labor market area, as defined for reporting purposes by the California Employment Development Department, has boundaries coterminous with those of Riverside and San Bernardino Counties. The following table sets forth certain employment data for the Riverside - San Bernardino-Ontario Metropolitan Statistical Area and the County for the period from 2018 through 2022.

### **RIVERSIDE-SAN BERNARDINO-ONTARIO METROPOLITAN STATISTICAL AREA INDUSTRY EMPLOYMENT & LABOR FORCE - BY ANNUAL AVERAGE**

	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
Civilian Labor Force	2,045,200	2,075,200	2,095,800	2,125,300	2,160,600
Civilian Employment	1,957,500	1,991,200	1,888,900	1,968,700	2,071,200
Civilian Unemployment	87,700	84,000	206,900	156,600	89,400
Civilian Unemployment Rate	4.3%	4.0%	9.9%	7.4%	4.1%
 Total Farm	 1,521,100	 1,568,100	 1,509,900	 1,588,800	 1,674,200
Total Nonfarm	14,500	15,400	14,100	13,700	13,900
Total Private	1,506,600	1,552,700	1,495,800	1,575,100	1,660,300
Goods Producing	1,249,400	1,291,500	1,247,800	1,333,100	1,410,900
Mining & Logging	206,800	209,700	202,200	207,700	216,400
Construction	1,200	1,200	1,300	1,400	1,600
Manufacturing	105,200	107,200	104,900	110,100	115,200
Service Providing	100,400	101,300	96,000	96,100	99,600
Trade, Transportation & Utilities	1,299,800	1,343,100	1,293,700	1,367,400	1,443,900
Wholesale Trade	379,400	395,100	406,900	443,200	464,500
Retail Trade	66,100	67,700	65,600	67,400	69,700
Transportation, Warehousing & Utilities	181,200	180,700	168,800	177,000	180,600
Information	132,100	146,600	172,500	198,800	214,200
Financial Activities	11,400	11,500	9,600	9,700	10,200
Professional & Business Services	44,600	45,000	44,100	45,200	46,800
Educational & Health Services	151,400	157,900	154,800	169,400	179,100
Leisure & Hospitality	239,500	250,300	248,800	254,300	266,400
Other Services	170,600	175,900	141,300	160,200	179,600
Government	45,800	46,200	40,200	43,600	47,900
Total, All Industries	257,200	261,200	248,000	242,000	249,400

Note: Does not include proprietors, self-employed, unpaid volunteers or family workers, domestic workers in households and persons involved in labor-management trade disputes. Employment reported by place of work. Items may not add to total due to independent rounding. The "Total, All Industries" data is not directly comparable to the employment data found in this Appendix E.

Source: State of California, Employment Development Department, March 2022 Benchmark.

## Tax Levy and Tax Collection

Below is a chart which indicates the tax levy and collection records for the City for fiscal years 2013 through 2022.

<i>Fiscal Year</i>	<i>Percent of Levy Collected to Date</i>	<i>Total Tax Collections to Tax Levy to Date</i>
2013	98.37%	\$ 95,130,535
2014	101.55	100,966,890
2015	106.51	115,888,404
2016	101.77	116,422,050
2017	104.24	125,264,871
2018	106.48	135,757,922
2019	107.57	154,079,402
2020	103.19	160,025,650
2021	103.78	172,050,509
2022	106.23	188,891,255

Note: The amounts presented include City property taxes and the Former Redevelopment Agency of the City of Fontana (the "Redevelopment Agency") tax increment. This schedule also includes amounts collected by the City and Redevelopment Agency that were passed-through to other agencies.

Source: City of Fontana Fiscal Year Ending June 30, 2022 Annual Comprehensive Financial Report.

## Largest Taxpayers

The principal property taxpayers in the City for 2022 are as follows:

<i>Taxpayer</i>	<i>2022 Assessed Valuation</i>	<i>% of Total Assessed Valuation</i>
Duke Realty LP	\$ 190,372,678	0.79%
GLC Fontana LLC	168,685,357	0.70
San Gabriel Valley Water Company	144,589,954	0.60
Vintage Park East LLC	135,437,610	0.56
Target Corporation	129,474,525	0.54
Northwestern Mutual Life Insurance Co	110,338,280	0.46
Fairfield Potomac Club LLC	109,687,838	0.46
10824 Production Owner LLC	105,633,138	0.44
Citrus Avenue LLC	99,271,641	0.41
DCT Jurupa Ranch LLC	99,192,276	0.41
TOTAL:	\$1,292,683,297	5.38%

Source: City of Fontana Fiscal Year Ending June 30, 2022 Annual Comprehensive Financial Report.

## Taxable Sales

The table below presents taxable sales for the years 2018 through 2022 for the City.

**TAXABLE SALES**  
**City of Fontana**  
**2018 through 2022**  
**(Dollars in Thousands)**

<i>Year</i>	<i>Retail and Food Permits</i>	<i>Retail and Food Taxable Transactions</i>	<i>Total Permits</i>	<i>Total Outlets Taxable Transactions</i>
2018	3,944	\$2,650,007	5,597	\$3,596,721
2019	4,101	2,688,599	5,870	3,713,487
2020	4,467	2,768,279	6,543	3,637,153
2021	3,997	3,393,088	5,969	4,374,359
2022	4,209	3,538,573	6,197	4,783,415

Source: Taxable Sales in California, California Department of Tax and Fee Administration.

The table below presents taxable sales for the years 2018 through 2022 for the County.

**TAXABLE SALES**  
**San Bernardino County**  
**2018 through 2022**  
**(Dollars in Thousands)**

<i>Year</i>	<i>Retail and Food Permits</i>	<i>Retail and Food Taxable Transactions</i>	<i>Total Permits</i>	<i>Total Outlets Taxable Transactions</i>
2018	39,837	26,905,784	61,838	40,554,024
2019	40,964	27,585,905	64,771	41,768,748
2020	44,330	28,745,277	71,145	43,265,512
2021	40,801	38,345,912	66,585	55,378,097
2022	41,690	40,003,128	68,480	59,745,218

Source: Taxable Sales in California, California Department of Tax and Fee Administration.

## Personal Income

The following tables show the personal income and per capita personal income for the City, County, State of California and United States from 2015 through 2022.

### PERSONAL INCOME<sup>(1)</sup> City of Fontana, County of San Bernardino, State of California, and United States 2015-2022

<i>Year</i>	<i>City of Fontana</i>	<i>County of San Bernardino</i>	<i>California</i>	<i>United States</i>
2015	\$3,963,623	\$74,773,589	\$2,125,430,300	\$15,681,233,000
2016	4,013,591	77,868,801	2,218,457,800	16,092,713,000
2017	4,159,001	80,514,585	2,318,280,900	16,837,337,000
2018	4,444,518	83,915,091	2,431,773,900	17,687,054,000
2019	4,775,796	89,559,909	2,567,425,600	18,575,467,000
2020	5,061,439	99,313,293	2,790,523,500	19,812,171,000
2021		108,623,799	3,006,183,900	21,288,709,000
2022		n/a	3,018,471,100	21,804,787,500

Note: Dollars in Thousands.

Source: U.S. Department of Commerce, Bureau of Economic Analysis and City of Fontana Annual Comprehensive Financial Report for the year ending June 30, 2021.

### PER CAPITA PERSONAL INCOME<sup>(1)(2)</sup> City of Fontana, County of San Bernardino, State of California, and United States 2015-2022

<i>Year</i>	<i>City of Fontana</i>	<i>County of San Bernardino</i>	<i>California</i>	<i>United States</i>
2015	\$19,400	\$35,423	\$54,546	\$48,875
2016	19,122	36,618	56,560	49,613
2017	19,545	37,537	58,804	51,550
2018	20,965	38,849	61,508	53,786
2019	22,519	41,253	64,919	56,250
2020	23,763	45,499	70,643	59,763
2021		49,493	76,800	64,117
2022		n/a	77,339	65,423

<sup>(1)</sup> Per capita personal income is the total personal income divided by the total mid-year population estimates of the U.S. Bureau of the Census. All dollar estimates are in current dollars (not adjusted for inflation).

Source: City of Fontana Comprehensive Annual Financial Report for the year ending June 30, 2022, Bureau of Economic Analysis for County, State and U.S.



## Construction Trends

Below is a table indicating residential and non-residential building permits valuations for the City.

### CITY OF FONTANA BUILDING PERMIT VALUATION (in thousands of dollars)

<i>Type</i>	<i>2018</i>	<i>2019</i>	<i>2020</i>	<i>2021</i>	<i>2022</i>
<u>Valuation (\$000's)</u>					
Residential:	\$ 145,610	\$ 241,481	\$ 311,547	\$ 216,978	\$ 211,710
Non-Residential:	<u>197,379</u>	<u>290,767</u>	<u>149,761</u>	<u>126,814</u>	<u>363,353</u>
Total Valuation:	\$ 342,989	\$ 532,248	\$ 461,308	\$ 343,792	\$ 575,063
 <u>New Housing Units:</u>					
Single Family	413	642	848	670	509
Multi Family	<u>85</u>	<u>202</u>	<u>234</u>	<u>382</u>	<u>562</u>
Total Units:	498	844	1,082	1,052	1,071

Note: Totals may not add to sums because of independent rounding.

Source: Construction Industry Research Board.

## Recreation

The City of Fontana maintains over 40 parks, tot lots, sports facilities and other facilities in the community. The City of Fontana operates eight centers throughout the community. The Center Stage Theatre was originally built in 1937 as a single screen movie theatre and was remodeled in 2008 and re-opened as the premiere performing arts venue in the City of Fontana.

**APPENDIX F**  
**SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURE**

**APPENDIX G**

**FORM OF DISTRICT CONTINUING DISCLOSURE AGREEMENT**

## **APPENDIX H**

### **FORM OF DEVELOPER CONTINUING DISCLOSURE CERTIFICATE**

**APPENDIX I**

**INFORMATION CONCERNING THE DEPOSITORY TRUST COMPANY  
AND ITS BOOK-ENTRY SYSTEM**

*The information in this section concerning DTC and DTC's book-entry only system has been obtained from sources that the District believes to be reliable, but the District takes no responsibility for the completeness or accuracy thereof. The following description of the procedures and record keeping with respect to beneficial ownership interests in the Bonds, payment of principal, premium, if any, accreted value and interest on the Bonds to DTC Participants or Beneficial Owners, confirmation and transfers of beneficial ownership interests in the Bonds and other related transactions by and between DTC, the DTC Participants and the Beneficial Owners is based solely on information provided by DTC to the District which the District believes to be reliable, but the District and the Underwriter do not and cannot make any independent representations concerning these matters and do not take responsibility for the accuracy or completeness thereof. Neither the DTC, Direct Participants, Indirect Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.*

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond will be issued for each annual maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited through the facilities of DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.6 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a Standard & Poor's rating of "AA+." The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive Bonds representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as prepayments, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being prepaid, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Trustee, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Trustee, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Trustee, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Bond Owner shall give notice to elect to have its Bonds purchased or tendered, through its Participant, to the Trustee, and shall effect delivery of such Bonds by causing the Direct Participant to transfer the Participant's interest in the Bonds, on DTC's records, to the Trustee. The requirement for physical delivery of Bonds in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Bonds are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Bonds to the Trustee's DTC account.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Trustee. Under such circumstances, in the event that a successor depository is not obtained, physical certificates are required to be printed and delivered.

The District may decide to discontinue use of the system of book-entry only transfers through DTC (or a successor securities depository). In that event, Bonds will be printed and delivered to DTC.

THE TRUSTEE, AS LONG AS A BOOK-ENTRY ONLY SYSTEM IS USED FOR THE BONDS, WILL SEND ANY NOTICE OF REDEMPTION OR OTHER NOTICES TO OWNERS ONLY TO DTC. ANY FAILURE OF DTC TO ADVISE ANY DTC PARTICIPANT, OR OF ANY DTC PARTICIPANT TO NOTIFY ANY BENEFICIAL OWNER, OF ANY NOTICE AND ITS CONTENT OR EFFECT WILL NOT AFFECT THE VALIDITY OF SUFFICIENCY OF THE PROCEEDINGS RELATING TO THE REDEMPTION OF THE BONDS CALLED FOR REDEMPTION OR OF ANY OTHER ACTION PREMISED ON SUCH NOTICE.



# APPRAISAL REPORT

## CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 100 (Victoria)

City of Fontana, San Bernardino County, California  
(Appraisers' File No. 2023-1283)



**Prepared For**  
City of Fontana  
8353 Sierra Avenue  
Fontana, California 92335

**Prepared By**  
Kitty Siino & Associates, Inc.  
115 East Second Street, Suite 100  
Tustin, California 92780

**KITTY SIINO & ASSOCIATES, INC.**  
**REAL ESTATE APPRAISERS & CONSULTANTS**

August 22, 2023

Jessica Brown, Chief Financial Officer  
**City of Fontana**  
8353 Sierra Avenue  
Fontana, CA 92335

Reference: Appraisal Report  
City of Fontana Community Facilities District No. 100 (Victoria)  
Aurora Park by TriPointe Homes  
Southwest Corner of Victoria Street and Kestrel Drive,  
East of Interstate 15, Fontana, California

Dear Ms. Brown:

At the request and authorization of the City of Fontana, we have completed an Appraisal Report for The City of Fontana Community Facilities District No. 100 (Victoria) ("Fontana CFD No. 100") which consists of a gated residential community known as Aurora Park, in the City of Fontana. Aurora Park includes a total of 193 residential units split between two product lines, Sienna at Aurora Park ("Sienna") and Goldenrod at Aurora Park ("Goldenrod"). Sienna is proposed for 82 detached alley load units and Goldenrod is proposed for 111 detached cluster units; all homes are detached condominiums. TriPointe Homes Holdings, Inc. ("TriPointe") has an agreement with Rescal Victoria 193, LLC (dba "Resmark"), in which Resmark purchased the subject lands, and TriPointe has been purchasing "takedowns" of phases in a land banking agreement. Resmark and TriPointe also have an executed Construction agreement and take down schedule detailing the partnership. TriPointe is developing and marketing the property and the majority of these takedowns have occurred. Aurora Park offers two-story floorplans ranging in size from 1,879 to 2,264 square feet for Sienna (ally load product), and 2,006 to 2,743 square feet for Goldenrod (cluster product). Out of the 193 proposed units within Aurora Park, 72 have closed to individual homeowners to date with an additional 19 in escrow which are due to close upon completion. The TriPointe-owned property ranges from completed model homes to houses under construction while the Resmark owned property is all physically finished lots/pads.

The valuation methods used in this report are the Sales Comparison Approach, a Discounted Cash Flow Analysis and a Mass Appraisal Technique as defined within this report. The fee simple estate of the subject property has been valued, subject to the Fontana CFD No. 100 special tax lien. This report is written with the hypothetical condition that the subject property is enhanced by the improvements and/or fee credits to be funded by the Special Tax Bonds of Fontana CFD No. 100. As a result of our investigation, the concluded minimum market value for the subject property is shown below.

**Aurora Park:**

Resmark Ownership (78 pads)	\$ 15,064,993
TriPointe Ownership (27 lots/pads & 16 houses)	\$ 12,152,143
Individual Owners (72 houses)	\$ 43,783,946
<b>Total Aggregate Value CFD No. 100</b>	<b>\$ 71,001,082</b>

The values are stated subject to the Assumptions and Limiting Conditions of this report, the Appraiser's Certification and as of July 17, 2023.

Jessica Brown  
City of Fontana  
August 22, 2023  
Page Two

Some supporting documentation concerning the data, reasoning and analyses may be retained in the appraiser's files. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. This Appraisal Report is intended to comply with both the Uniform Standards of Professional Appraisal Practice ("USPAP" January 2020) and with the Appraisal Standards of the California Debt and Investment Advisory Commission ("CDIAC"). The appraiser is not responsible for unauthorized use of this report.

This letter of transmittal is part of the attached report, which sets forth the data and analyses upon which our opinion of value is, in part, predicated.

Respectfully submitted,

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**KITTY SIINO & ASSOCIATES, INC.**

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A handwritten signature in black ink, reading "K. Siino". The signature is written in a cursive, flowing style.

Kitty S. Siino, MAI  
California State Certified General  
Real Estate Appraiser (AG004793)

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### ADDENDA

Fontana CFD No. 100 Boundary Map  
Tract Map No. 20229 and Condominium Maps  
Discounted Cash Flow Analysis  
Finished Lot Land Sales Map and Summary Chart  
Improved Residential Sales Map and Summary Chart  
Appraiser's Qualifications

## **ASSUMPTIONS AND LIMITING CONDITIONS**

1. This report might not include full discussions of the data, reasoning and analyses that were used in the appraisal process to develop the appraiser's opinion of value. Some supporting documentation concerning the data, reasoning and analyses may be retained in the appraiser's files. The information contained in this report is specific to the needs of the client and for the intended use stated in this report. The appraiser is not responsible for unauthorized use of this report.
2. No responsibility is assumed for legal or title considerations. Title to the property is assumed to be good and marketable unless otherwise stated in this report.
3. It is assumed that the subject property is subject to the special tax lien of Fontana CFD No. 100.
4. Responsible ownership and competent property management are assumed unless otherwise stated in this report.
5. The information furnished by others is believed to be reliable; however, no warranty is given for its accuracy.
6. All engineering is assumed to be correct. Any plot plans and illustrative material used in this report are included only to assist the reader in visualizing the property and may not be to scale.
7. It is assumed that there are no hidden or unapparent conditions of either property, subsoil or structures that would render them more or less valuable. No responsibility is assumed for such conditions or for arranging for engineering studies that may be required to discover them.
8. It is assumed that there is full compliance with all applicable federal, state and local environmental regulations and laws unless otherwise stated in this report.
9. It is assumed that all applicable zoning and use regulations and restrictions have been complied with, unless nonconformity has been stated, defined and considered in this appraisal report.
10. It is assumed that all required licenses, certificates of occupancy or other legislative or administrative authority from any local, state or national governmental or private entity or organization have been or can be obtained or renewed for any use on which the value estimates contained in this report are based.
11. Any sketch or photograph included in this report may show approximate dimensions and is included only to assist the reader in visualizing the properties. Maps, photographs and exhibits found in this report are provided for reader reference purposes only. No guarantee regarding accuracy is expressed or implied unless

otherwise stated in this report. No survey has been made for the purpose of this report.

12. It is assumed that the utilization of the land and improvements (if any) are within the boundaries or property lines of the property described and that there is no encroachment or trespass unless otherwise stated in this report.
13. The appraiser is not qualified to detect hazardous waste and/or toxic materials. Any comment by the appraiser that might suggest the possibility of the presence of such substances should not be taken as confirmation of the presence of hazardous waste and/or toxic materials. Such determination would require investigation by a qualified expert relating to asbestos, urea-formaldehyde foam insulation or other potentially hazardous materials that may affect the value of the property. The appraiser's value estimate is predicated on the assumption that there is no such material on or in the property that would cause a loss in value unless otherwise stated in this report. No responsibility is assumed for any environmental conditions or for any expertise or engineering knowledge required to discover them. The appraiser's descriptions and resulting comments are the result of the routine observations made during the appraisal process.
14. Proposed improvements, if any, are assumed to be completed in a good workmanlike manner in accordance with the submitted plans and specifications.
15. The distribution, if any, of the total valuation in this report between land and improvements applies only under the stated program of utilization. The separate allocations for land and buildings, if any, must not be used in conjunction with any other appraisal and are invalid if so used.
16. The Americans with Disabilities Act ("ADA") became effective on January 26, 1992 and have been updated several times since then. The appraiser has made no specific compliance survey and analysis of the property to determine whether they conform to the various detailed requirements of the ADA, nor is the appraiser a qualified expert regarding the requirements of the ADA. It is possible that a compliance survey of the property, together with a detailed analysis of the requirements of the ADA, could reveal that the property is not in compliance with one or more of the requirements of the ADA. If so, this fact could have a negative effect upon the value of the property. Since the appraiser has no direct evidence relating to this issue, a possible noncompliance with requirements of the ADA in estimating the value has not been considered.
17. It is assumed there are no environmental concerns that would slow or thwart development of the subject properties and that the soils are adequate to support the highest and best use conclusions.

18. Possession of this report, or a copy thereof, does not carry with it the right of publication. It may not be used for any purpose by any person other than the party to whom it is addressed without the written consent of the appraiser, and in any event, only with proper qualification and only in its entirety. Permission is given for this appraisal to be published as a part of the Official Statement or similar document for the Fontana CFD No. 100 special tax bonds
19. It is assumed that there are no conditions of approval or hindrances which could slow or thwart the obtaining of occupancy permits on the 193 subject residential units. This is the case per TriPointe.

#### **HYPOTHETICAL CONDITION**

1. It is assumed that all improvements and benefits to the subject properties, which are to be funded by the City of Fontana CFD No. 100 Special Tax Bond Proceeds are completed and in place.

#### **EXTRAORDINARY ASSUMPTION**

1. It is assumed that the sales information and remaining development costs as reported by the builder and summarized in the report are correct. Regarding sales, we have reviewed samples of closed sales against public record when available. Differences occur between the builder's sales information and public record. It is the appraiser's understanding that the differences equate to the closing cost concessions which are given by the builder on a case-by-case basis. Regarding costs; while we have reviewed the remaining land development costs and fees and they appear reasonable; we are not experts in the field of construction estimation and are relying on the costs received in the valuation analysis.



**City of Fontana**  
**Community Facilities District No. 100 (Victoria)**  
***Aurora Park by TriPointe Homes***



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## **PURPOSE OF THE APPRAISAL**

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The purpose of this appraisal report is to estimate the value of the fee simple interest of the subject property, subject to the lien of the Fontana CFD No. 100 Special Tax Bonds.

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## **THE SUBJECT PROPERTY**

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The subject property consists of 193 proposed single-family detached homes being developed into a gated community known as Aurora Park in the City of Fontana ("City"). Aurora Park is located at the southwest corner of Victoria Street and Kestrel Drive, just east of Interstate 15 ("I-15"). Aurora Park is being built and sold by TriPointe Homes, and features two product lines: Sienna which includes 82 detached alley load units sized 1,879 to 2,264 square feet, and Goldenrod which includes 111 detached cluster units sized from 2,006 to 2,743 square feet. The subject community is encompassed by Tract Map 20229 and subsequent condominium maps, which subdivide the property into 82 pads for alley-loaded detached condominiums, and 111 pads for cluster detached condominiums. TriPointe has an agreement with Resmark, who owned the property, with TriPointe acquiring certain lots/pads as needed for development. Of the total 193 lots/pads, TriPointe has taken down 115 of the lots/pads and has sold and closed on 72 of the completed houses to individuals. The remaining lots vary in status from completed models, to under homes construction to finished lots. The description, ownership and condition of the lands are detailed in the chart on the following page.



Description	No. Lots	Owner	Product / Condition / Status
<b>Sienna at Aurora Park (Ally Load Small Lot Detached) Lot 1 of Tract 20229: Modules A, AA, C, E, G, I, K, M, O, Q, S and U</b>			
Units 58-61 and 185-189 of Module G; Units 157-162 and 170-172 of Module A; Units 163-166 and 173-176 of Module C; Units 167-169 and 177-178 and 190-193 of Module E	35	Individuals	Completed Homes
Units 108-110 of Module AA	3	TriPointe	Model Homes (0 in Escrow)
Units 55-57 and 179-184 of Module I	9	TriPointe	Over 95% Complete (9 in Escrow)
Units 86-90 of Module K	5	TriPointe	Under Construction (5 in Escrow)
Units 91-93 and 121-123 of Module M	6	TriPointe	Finished Lots (0 in Escrow)
Units 94-97 and 119-120 of Module O; Units 98-101 and 117-118 of Module Q; Units 102-105 and 113-116 of Module S; Units 106-107 and 111-112 of Module U	<u>24</u>	Resmark (Land Bank)	Finished Lots (0 in Escrow)
<b>Sienna Subtotal:</b>	<u>82</u>		
<b>Goldenrod at Aurora Park (Cluster Small Lot Detached) Lot 1 of Tract 20229: Modules B, BB, D, F, H, J, L, N, P, R, T, V, W and X</b>			
Units 1-6 of Module J; Units 43-48 and 62-65 of Module H; Units 49-54 of Module F; Units 142-147 of Module B; Units 148-156 of Module D	37	Individuals	Completed Homes
Units 139-141 of Module BB1	3	TriPointe	Model Homes (0 in Escrow)
Unit 136 of BB1	1	TriPointe	Over 95% Complete (used as Sales Gallery)
Units 7-12 of Module L	6	TriPointe	Under Construction (5 in Escrow)
Units 13-18 and 82-85 of Module N	10	TriPointe	Finished Lots (0 in Escrow)
Units 19-24 and 78-81 of Module P; Units 25-30 and 74-77 of Module R; Units 31-36 and 70-73 of Module T; Units 37-42 and 66-69 of Module V; Units 124-129 of Module W; Units 130-135 of Module X; Units 137-138 of Module BB1	<u>54</u>	Resmark (Land Bank)	Finished Lots (0 in Escrow)
<b>Goldenrod Subtotal:</b>	<u>111</u>		
<b>TOTAL CFD No. 100</b>	<u>193</u>		

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## INTENDED USE OF THE REPORT

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It is the appraiser's understanding that the client, the City of Fontana, will utilize this report in disclosure documents related to the sale of the Fontana CFD No. 100 Special Tax Bonds. This report may be included in the Official Statement or similar document to be distributed in connection with the marketing and offering of the bonds. It is the appraiser's understanding that there are no other intended uses of this report.

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## DEFINITIONS

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### **Market Value**

The term "Market Value" as used in this report is defined as:

*"The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently, knowledgeably and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:*

- 1. buyer and seller are typically motivated;*
- 2. both parties are well informed or well advised, and each acting in what he or she considers his or her own best interest;*
- 3. a reasonable time is allowed for exposure in the open market;*
- 4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and*
- 5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale."*<sup>1</sup>

Inherent in the Market Value definition is exposure time or the time the subject property would have been exposed on the open market prior to the appraisal in order to sell at the concluded values. In the case at hand and considering current market conditions, the exposure time for each individually owned property or the entire TriPointe or Resmark owned properties, each in a bulk sale, is less than one year.

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<sup>1</sup> The Appraisal of Real Estate, 13<sup>th</sup> Edition

### **Finished Lot/Pad**

The term "Finished Lot/Pad" is defined as:

*"A parcel which has legal entitlements created by a recorded subdivision or condominium map, whose physical characteristics are a fine graded level pad per lot/pad with infrastructure contiguous to each individual lot/pad, asphalt paved roads and the necessary utilities. This term assumes the payment of all applicable development fees with the exception of building permit and plan check fees."*

### **Minimum Market Value**

The term "Minimum Market Value" as used in this report is defined as:

*"The base market value of a new home. That is, most buyers purchase some upgrades, options and/or lot premiums when purchasing a new home. The sales price for the new home typically includes the base price for the plan, plus any upgrades, options or lot premiums, less concessions, if any, which were given or paid for by the builder. The concluded minimum market value is for the base value of the plan only, not taking into consideration any upgrades, options or premiums."*

### **Mass Appraisal Technique**

The term "Mass Appraisal" as used in this report is defined as:

*"The process of valuing a universe of properties as of a given date using standard methodology employing common data and allowing for statistical testing"<sup>2</sup>*

In the case at hand, the statistical testing included reviewing all original builder sales and reviewing the Multiple Listing Service ("MLS") for any resales and/or current listings of each plan type. In addition, we have determined the actual range of sales prices for each plan type which will be utilized in the valuation process. The search of the MLS resulted in no resales and one current resale listing within the subject property.

### **Hypothetical Condition**

The term "Hypothetical Condition" is defined by USPAP as:

*"A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis"*

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<sup>2</sup> USPAP 2018-2019 Edition

The Hypothetical Condition within this report is that subject property is enhanced by the improvements and/or fee credits to be funded by bonds issued by Fontana CFD No. 100.

### **Extraordinary Assumptions**

The term “Extraordinary Assumption” is defined by USPAP as:

*“An assignment specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser’s opinions or conclusions”*

There is one Extraordinary Assumption within this report which is that the sales information and the cost information as received from TriPointe are true and accurate. Regarding the sales information, differences occur between the builder’s sales information and public record which, it is the appraiser’s understanding, equates to closing cost concessions which are given to the buyers on a case-by-case basis. Regarding costs, we have reviewed the remaining land development costs and fees and they appear reasonable; however, we are not experts in the field of cost estimating. It should be noted that these costs were relied upon for the value conclusion and, if the remaining costs differ, it may change the value conclusion.

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### **PROPERTY RIGHTS APPRAISED**

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The property rights being appraised are of a fee simple estate interest, subject to easements of record and subject to Fontana CFD No. 100. The definition of “fee simple estate” is defined as:

*“absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.”<sup>3</sup>*

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### **EFFECTIVE DATE OF VALUE**

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The subject property is valued as of July 17, 2023.

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<sup>3</sup> The Appraisal of Real Estate, 13<sup>th</sup> Edition

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## DATE OF REPORT

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The date of this report is August 22, 2023.

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## SCOPE OF APPRAISAL

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As previously stated, the purpose of this appraisal is to report the appraiser's best estimate of the market value for the subject property, Fontana CFD No. 100, which is known as the community of Aurora Park. TriPointe is the builder and is actively marketing the homes. Aurora Park offers two-story floorplans ranging in size from 1,879 to 2,264 square feet as marketed for Sienna (conventional small lot detached product), and 2,006 to 2,743 square feet for Goldenrod (detached cluster product). There are a total of 193 proposed homes within the subject. This appraisal will be presented in the following format:

- County of San Bernardino Description
- City of Fontana Description
- Immediate Surroundings Description
- Brief Description of Fontana CFD No. 100
- Subject Property Description
- Inland Empire Residential Market Analysis
- Highest and Best Use Analysis
- Valuation Procedure, Analysis and Conclusions
- Appraisal Report Summary

In valuing the subject property, the value estimates will be based upon the highest and best use conclusion using the Sales Comparison Approach. The Sales Comparison Approach to value is defined as:

*"...a set of procedures in which a value indication is derived by comparing the property being appraised to similar properties that have been sold recently, then applying appropriate units of comparison and making adjustments to the sales prices of the comparables based on the elements of comparison. The Sales Comparison Approach may be used to value improved properties, vacant land or land being considered as though vacant; it is the most common and preferred method of land valuation when an adequate supply of comparables is available."*<sup>4</sup>

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<sup>4</sup> Dictionary of Real Estate Appraisal, Fourth Edition, 2002

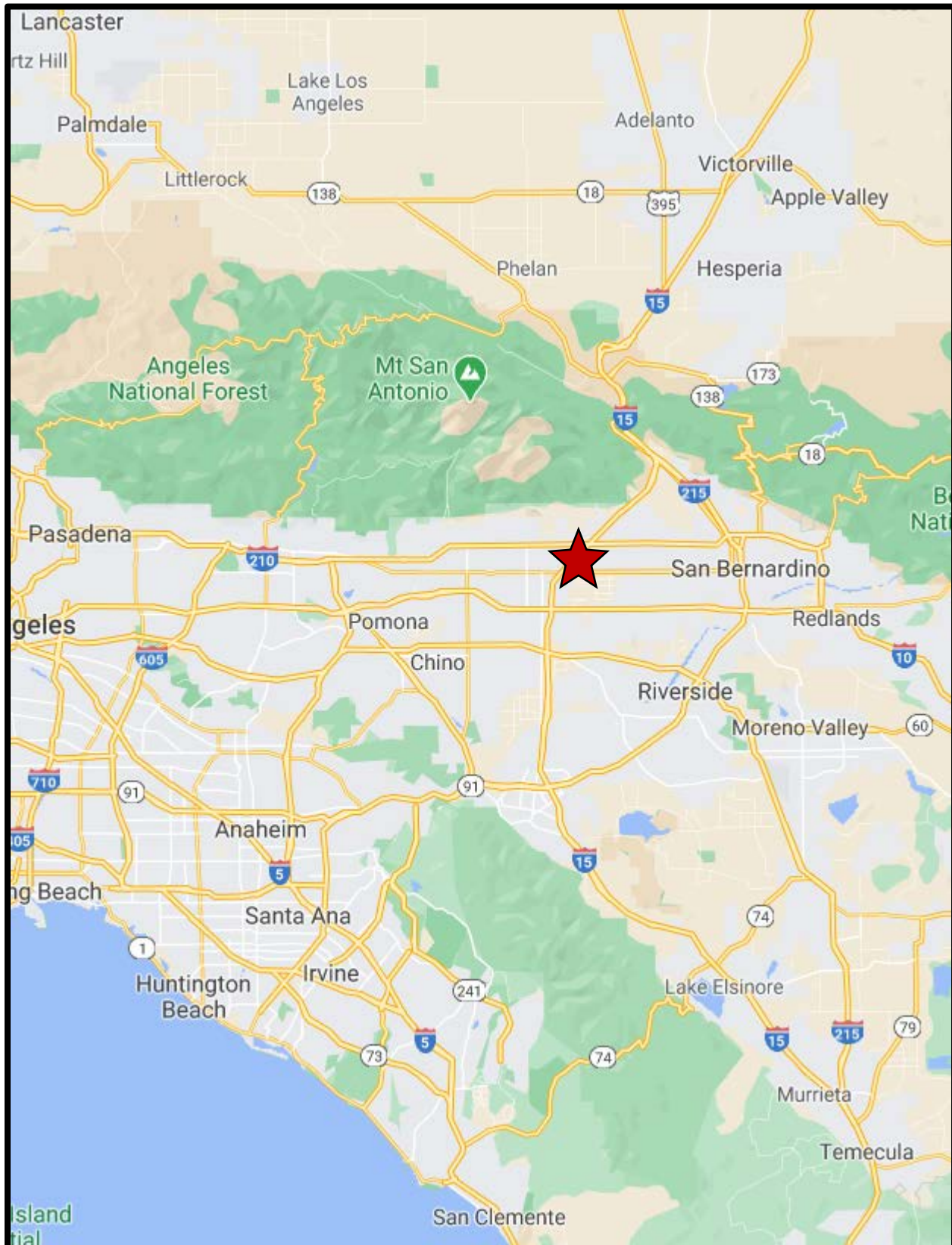


In the Sales Comparison Approach, market value is estimated by comparing properties similar to the subject that have recently been sold, are listed for sale or are under contract. Neither a cost or income approach was utilized as they were not considered necessary to arrive at credible results. In addition, we have utilized a mass appraisal technique which included reviewing all builder sales and searching the MLS for any resales and/or resale listings.

The due diligence of this appraisal report included the following:

1. Compiled demographic information and related that data to the subject property to perform a feasibility/demand analysis.
2. Gathered and analyzed information on the subject marketplace, reviewed several real estate brokerage publications on historical and projected growth in the subject market and researched the micro- and macro-economic outlook within San Bernardino County and the Fontana area.
3. Inspected the subject property between July 1, 2023 and July 25, 2023.
4. Had the site flown by an aerial photographer on July 15, 2023.
5. Interviewed representatives from TriPointe and/or their consultants in order to obtain project information.
6. Reviewed a preliminary title report on the subject property.
7. Searched the area for relevant comparable residential land sales, inspected and verified each sale with a buyer or seller or broker familiar with the transaction.
8. Searched the area for relevant comparable new home residential projects, including sales prices and concessions and interviewed representatives from each comparable project.
9. Reviewed the sales brochure and website for the subject community.
10. Reviewed developer sales information on each home within each neighborhood in the community along with reviewing public record on sample lots in each community.
11. Reviewed Multiple Listing Service information to determine if there are any resales, pending resales or listings of resale homes.

## REGIONAL AREA MAP



## **COUNTY OF SAN BERNARDINO AREA DESCRIPTION**

### **Location**

The subject property is located in the southwestern portion of San Bernardino County, in the northwestern portion of the City of Fontana. More specifically, Aurora Park is located less than 1,000 feet east of Interstate 15 ("I-15"), at the southwest corner of Victoria Street and Kestrel Drive.

San Bernardino County (the "County") is the largest county in the United States by area containing over 20,100 square miles, and includes large expanses of undeveloped deserts, valleys, canyons and mountains with deserts comprising about 90 percent of the acreage. The County is a major beneficiary of outward urban pressure from Los Angeles, Orange and Riverside Counties. Although located at the periphery of most urban activity in Southern California, the southwestern portion of San Bernardino County has been a major growth area and is perceived by most observers as an area expected to continue to grow. Riverside and San Bernardino Counties are considered distinct from Los Angeles and Orange Counties, and belong to the same Metropolitan Statistical Area ("MSA"). This area, consisting of San Bernardino and Riverside Counties, is commonly referred to as the Inland Empire.

### **Transportation**

The subject property is situated just east of I-15, approximately one-half mile south of Interstate 210 ("I-210"), and approximately four miles north of Interstate 10 ("I-10"). The I-15 and I-210 are the nearest interstates providing access to the subject. While the subject is nearly adjacent to the I-15, there is no on/off ramp from Victoria Street, so the nearest freeway access is via Baseline Avenue (one half mile south of the subject). From I-210, access is possible via Cherry Avenue (0.75 miles east) to Victoria Street. I-15 travels in a northerly/southerly direction and provides access to Barstow and Nevada to the north and San Diego to the south. I-10 begins from the west in Los Angeles and provides access into Arizona to the east. In the vicinity of the subject, I-210 provides additional east/west access about two miles north of I-10 beginning in Santa Clarita in Los Angeles County and provides access near the City of San Bernardino. The subject

is located 1.5 miles north of the historical Route 66, the original Los Angeles to Chicago cross country route.

The County is served by Amtrak and Metrolink as well as several rail-freight lines. The Ontario International Airport provides regional international air service and is located approximately seven miles southwest of the subject property. San Bernardino International Airport is located approximately 15 miles southeast of the subject. In addition, the County has extensive trucking corridors along the previously referred to interstates, highways and state freeways.

### **Population**

The County has experienced population growth for several decades and is anticipated to continue to do so in the foreseeable future. Per the California Department of Finance, the January 1, 2023 (latest available) County population was 2.182 million. This represents a one-year increase of 0.1 percent. This compares to an average annual growth rate over the past 20 years of 2.1 percent. Current projections for San Bernardino County per the California Department of Finance suggest the population is anticipated to reach approximately 2.32 million by 2030, indicating an average annual increase of approximately 0.90 percent over the next seven years. The current near zero growth rate is lower than the previous 20-year annual average of 2.1 percent, likely due to the disruption of the COVID pandemic. The future growth of 0.90 percent annually was predicted assuming a more stable market than was seen prior to the Great Recession, however doesn't take into effect the COVID pandemic.

### **Economy**

The U.S. economy is experiencing challenging times due to reactions from the COVID recession. These economic challenges include significant inflation, increasing interest rates, banks' instability and reaching an agreement on the debt ceiling. During COVID, the Federal, State, County and City Governments ("Governments") originally shut down non-essential businesses and areas where social gatherings occur in order to slow the spread of the virus. This created a strain on small and large businesses alike. Restaurants

and hotels were hit hard and travel reduced drastically as citizens were urged to stay home. Layoffs occurred with reports of 40 million people filing for unemployment the first few months of the pandemic. The Governments attempted to curtail the job losses and hardships with the approval of over 5.6 trillion in COVID relief to our nation. In addition, the Federal Reserve Board ("Board") reduced interest rates and started quantitative easing by buying bonds. This legislation helped shore up the U.S. economy; however, due to the significant amount of new money introduced into the economy, inflation began occurring at a rate not seen for 40 years. As of June 2023, the national inflation rate was at a two year low at 2.97 percent; down from February 2023's 6.0 percent and from the peak in June 2022 of 9.1 percent. This compares to a 1.24 annual percent rate for 2020 and an average of 1.74 percent annual rate for the previous ten years. Whether it is a result of the Russian/Ukraine war, supply chain issues due to COVID or from the additional money entering the economy, inflation is hitting Americans hard.

In an effort to curb inflation, the Federal Reserve Board began raising interest rates. Since March 2022, there have been ten interest rate increases rising the Federal Funds Rate ("FRR") from 0.25 – 0.50 percent to 5.0 – 5.25 percent. While these increases appeared to help slow inflation, the quick, significant increases have strained bank balance sheets. Three major banks failed in early 2023 with the government taking unprecedented action to help shore them up. At the most recent Board meeting (June 14, 2023) they paused the increases; however, additional minimal increases are expected later in the year. In addition to causing bank instability, the FRR increases over the past 15 months increased a typical 30-year fixed mortgage rate from 2.98 percent as of November 10, 2021, to 7.08 percent as of November 10, 2022; however, the rate has dropped to 6.96 percent as of July 13, 2023 (per Federal Reserve Economic Data-St. Louis). This steep increase over the past 15 months has significantly affected the real estate market.

The COVID disruption to the economy also caused extreme volatility in the stock market with the Dow Jones Industrial Average ("DJIA") dropping from 29,398 in February 2020 to 19,174 in March, 2020, a drop of 37 percent. The Government interventions resulted in a bounce back in the DJIA to 27,111 by June 2020 with the stock market then climbing

up to an all-time high of 36,799 in January 2022. In February 2022, Russia began invading Ukraine which caused volatility in world economics followed by U.S. inflation, interest rate increases and instability in the U.S. due to the debt ceiling being reached. All of these factors caused a drop in the DJIA of nearly seven percent from January 2022 to July 13, 2023 (34,395). The nation's debt limit can only be increased through government approvals. The current partisanship in our government caused a stand-off in increasing the debt limit which was in danger of being reached, and the stock market's volatility throughout May due to this stand-off was evident. However, a deal was reached in early June (before the deadline), and the stock market has shown less volatility. Current concerns include the Federal reserve decisions on interest rate increases.

The significant increase in mortgage rates over the past year is just one part of the puzzle affecting the impact of new housing on the broader economy. Additional risks include homebuilders trying to find balanced inventory levels, supply chain issues, both wage and price increases, and persistent inflation. Over the past 25 years, the Inland Empire economy has had significant cycles with home prices almost doubling from 1995 to 2005, then falling by over 50 percent during the Great Recession, taking prices back to 2002 levels. Home values appeared to hit bottom in 2009 then remained essentially flat for two to three years with the majority of the Inland Empire housing market seeing an improvement beginning in mid-2012. Contrary to homebuilder's original thoughts of a slowdown due to the pandemic, new home buyers stepped up in the spring of 2020 and new home sales were significantly higher during the second half of 2020 versus the previous year and continued extremely strong throughout 2021. This exceptional activity in new home sales was the one bright spot in the COVID recession and is thought to be due to several factors, including: a tight supply of resale homes; historically low interest rates; millennials finally buying homes; and, the work from home factor which began during the pandemic and allowed residents to live in more suburban areas without long commutes. As rates began increasing in early 2022, there was a significant slowdown in sales and softening of prices within the Inland Empire, with year-over-year decreases in sales as of July 2023 of more than 10 percent. The high mortgage rates have significantly slowed existing homeowners from moving. The limited availability of existing homes on

the market has resulted in new homes capturing a much larger share of the total home sales; however, new home sales are also down year-over-year.

While most jobs have come back, job losses were significant during the COVID recession as the Nation's unemployment rate went from 3.5 percent in February 2020 to 14.4 percent in April 2020, with the June 2023 National unemployment rate at 3.8 percent (Employment Development Department, not seasonally adjusted). The Congressional Budget Office ("CBO") Forecast for the U.S. Economy (published February 2023) predicted real GDP growth will come to a halt in 2023 then will average 2.4 percent from 2024 to 2027 and then 1.8 percent between 2028 to 2033. The CBO states they expect unemployment rates to rise through early 2024 reflecting the slowdown in economic growth. In summation, the CBO projects for 2023: stagnant output, rising unemployment, gradually slowing inflation, and interest rates to remain at or above their current levels. They believe that in 2023, non-interest spending will substantially exceed revenues with rising interest rates driving up the cost of borrowing which results in the government debt steadily increasing. Over the long term, they suggest changes in fiscal policy to address the rising costs of interest and mitigate other adverse consequences of high and rising debt.

The unemployment rate for the MSA was estimated at 5.0 percent (as of June 2023 per the Employment Development Department). This reflects a decrease from the peak during the Great Recession of 15.1 percent in 2010 and a decrease from the peak during COVID of 14.9 percent. As of June 2023, San Bernardino County's unemployment rate was 4.9 and Riverside County had a 5.0 percent unemployment rate. The current unemployment rate for the MSA of 5.0 percent is higher than the California rate at 4.1 percent and higher than the June 2023 National rate of 3.8 percent. Below is a table comparing San Bernardino County's unemployment rate to the unemployment rates of the surrounding counties as of June 2023.



Jurisdiction	As of	Unemployment Rate*
Los Angeles County	June-2023	4.9%
Riverside County	June-2023	5.0%
San Bernardino County	June-2023	4.9%
Orange County	June-2023	3.7%
San Diego County	June-2023	3.4%

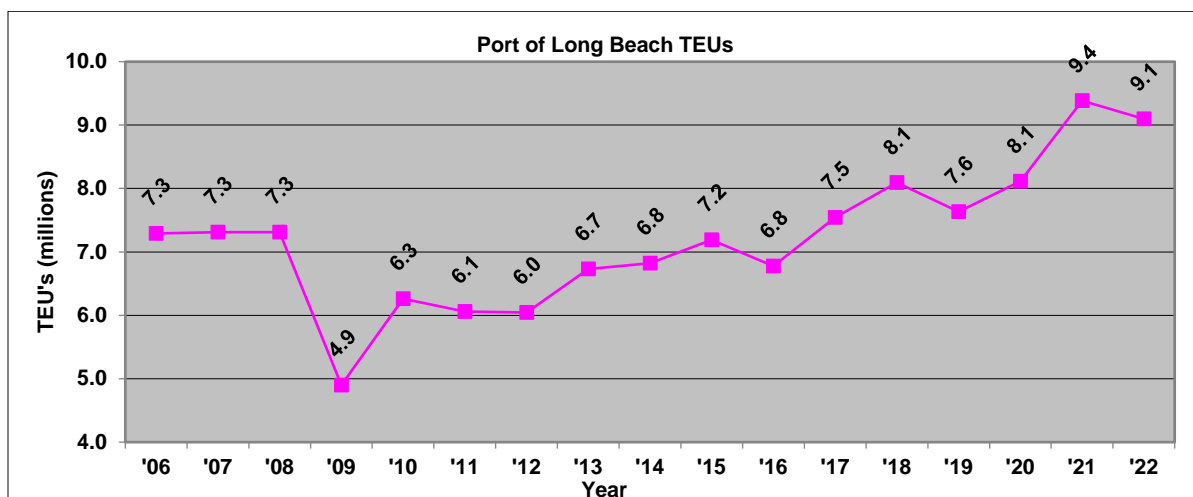
Source: State of California E.D.D.; \*Not Seasonally Adjusted

The latest UCLA Anderson Forecast ("Forecast") was issued March 15, 2023 and stated that the potential action by the Federal Reserve will determine whether the nation continues to grow or experiences a mild, short-lived recession in 2023. They believe the economy is at a recession-related fork in the road with one path leading to continued economic growth (although slower than the recent 2.4 percent growth rate) and the other would lead to a mild short-lived recession. Whether the economy slips into recession or not will depend largely on inflation stickiness and the additional action the Federal Reserve takes to bring down inflation. The Forecast states that if the Federal Reserve moderates its aggressive tightening, economic growth is expected to slow to 2.3 percent growth in first quarter 2023; 1.8 percent in 2nd quarter and 1.0 percent growth for the second half of 2023. If the Federal Reserve keeps aggressively tightening, a mild recession will occur with the economy contracting beginning in the third quarter 2023 and deepening in the fourth quarter 2023 and the first quarter 2024 followed by the beginning of a rebound. The Forecast states under both scenarios, inflation will still be elevated but will be more persistent in the recession scenario requiring tighter monetary policy. They believe both outcomes will include persistent inflation with the no-recession scenario resulting in lower inflation and thus, more moderate monetary policy.

The UCLA Forecast for California is more positive than the overall Nation due to a strong demand for defense goods, labor saving equipment and software. In the no-recession scenario unemployment rate averages by year are estimated at 4.0 percent for 2023, 3.9 percent for 2024 and 3.6 percent for 2025. In the recession scenario, unemployment rate averages are expected to be 4.3 percent for 2023, 4.8 percent for 2024 and 3.7 percent for 2025. Under both scenarios the California Forecast projects housing permits to grow to 150,000 in 2025 in spite of the higher interest rates. The fact that the California housing

market is not overbuilt will offset the decrease in the housing market. Overall, the Forecast believes that California will have a more moderate slowing or, in the case of a recession, a milder downturn than the U.S. overall.

As a final indicator of overall economic activity for the region, we have reviewed the rise and fall of TEUs (Twenty-foot Equivalent Units – i.e., containers) being processed in the local ports. This is especially important for the Inland communities, as it represents much of the growth in development of west coast distribution centers and warehouses in the Inland Empire linked to supply-chain nodes in the Pacific Rim. The chart below shows TEU activity at the Port of Long Beach. Generally, there has been increases since 2009 with the exception of a slight dip in 2016 and again in 2019 which ended with a 5.6 percent downturn. The 2022 calendar year saw a decrease of 2.6 percent from the previous year. June 2023 was running 28.5 percent below June of 2022 (597,076 versus 835,412 total TEUs). It should be noted that Spring 2022 was a time when the back-up at the ports was still occurring due to supply chain issues. Per the Orange County Register (“Lack of product demand hurts drivers,” October 31, 2022) consumer demand cooled in mid-2022 leaving fewer TEUs needing to be driven from the ports. They are stating shipments have slowed due to American demand finally waning after the pandemic coupled with some major retailers bypassing the California ports for East Coast ports to avoid a possible upheaval by West Coast dockworkers as they negotiate a new contract. It appears that the slowdown in work for the dray operators (drivers who ship containers in and out of the ports) may be resulting from a slowdown in overall TEU demand.



## **Education**

The subject area is served by the Etiwanda School District (“ESD”) and the Chaffey Joint Union High School District (“CJUHS”). ESD serves elementary and middle school age children while CJUHS serves high school and beyond. The subject is assigned to East Heritage Elementary School (K-5), Heritage Intermediate School (6-8), and Etiwanda High School. ESD and CJUHS are highly rated and are seen as stronger districts than neighboring Districts. Community Colleges are available near the subject at Chaffey College in Rancho Cucamonga (four miles northwest), at Chaffey College’s Fontana campus (4.5 miles southeast), and San Bernardino Valley College (11 miles southeast). Higher education is available approximately 11 miles northeast of the subject at California State University San Bernardino, about 15 miles southeast is University of California at Riverside, 12 miles southwest in the private Claremont Colleges (which include Claremont McKenna College, Pitzer College, Harvey Mudd College, Pomona College, and Scripps College) and 19 miles to the southwest at Cal Poly Pomona.

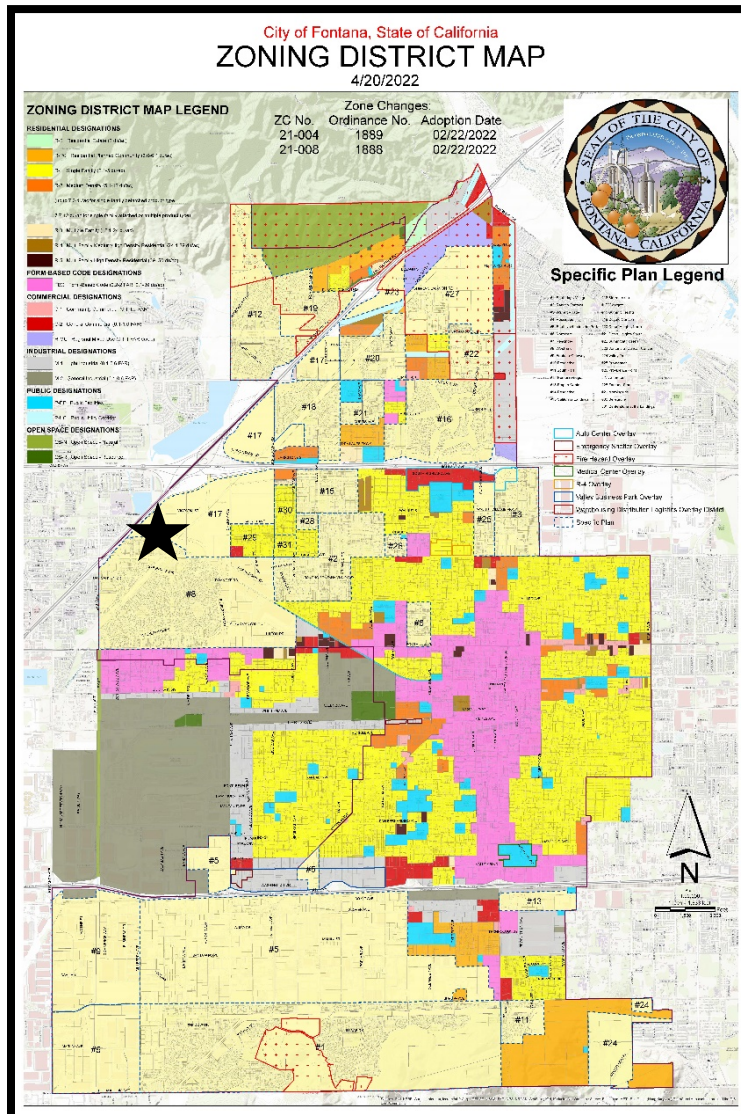
## **Conclusion**

Population in the County has increased over the past 20 years with predictions for continued population growth. The Nation’s economy has been slowing after the Board increased the FRR five percent to fight historical inflation which began during COVID. One bright spot during COVID was housing; the region’s relative affordability and low interest rates, coupled with the rising prices in the coastal market and the demand for housing, set up a new housing boom. This was followed by a significant drop in sales due to existing homeowners being unwilling to give up their low-rate mortgages. Current concerns for the Inland Empire economy include: stubborn inflation, the high prices of homes, higher interest rates, supply chain issues, recent bank failures along with the Russian invasion of Ukraine, which are all creating volatility in both local and global financial markets. A possible light recession is forecast for later this year. What effect the recent bank failures will have on the economy is unknown at this time. In conclusion, the County is expected to continue to grow in population due to its Southern California location, the availability of land, and the relatively lower land and housing prices in comparison to adjacent Orange, Los Angeles, and San Diego Counties.

## CITY OF FONTANA DESCRIPTION

### General Area

The subject property is located along the western border of the City of Fontana ("City") in southwestern San Bernardino County. The City is situated at the base of the San Gabriel Foothills, east of the cities of Rancho Cucamonga and Ontario, north of Jurupa Valley, west of the City of Rialto and the community of Bloomington, and south of the San Bernardino Mountains. The City encompasses an estimated 43 square miles with generally the northern border the San Gabriel Mountains and the southern border the Jurupa Mountains. The black star on the below map shows the approximate location of Fontana CFD No. 100 within the City limits.



## **History**

Fontana was founded in 1913 and is the second largest city in San Bernardino County and the 20<sup>th</sup> largest city in the State of California. The area was a rural farming community with citrus orchards, vineyards and chicken ranches that ran along U.S. Route 66 which is now known as Foothill Boulevard. The historic Route 66, which was built in 1926 to connect Los Angeles to Chicago, is a commercial corridor that runs east/west through the City. During World War II, Henry J. Kaiser opened the Kaiser Steel Mill near Fontana, the only steel mill west of the Mississippi River, which brought industrial employment to the area during the war. To provide for the worker's health needs, Kaiser constructed the Fontana Kaiser Permanente Medical Facility which now employs more than 5,000 people. In 1994 the San Bernardino Freeway, which later became Interstate 10, was completed connecting Los Angeles to San Bernardino and making accessibility to Fontana relatively easy. This led to substantial growth as Fontana became an industrial hub for the County.

In the 1950s and 1960s the area of Fontana was home to a drag racing strip which served as a significant venue in the National Hot Rod Association ("NHRA") circuit. In 1997, Roger Penske built the Fontana Speedway, now known as the Auto Club Speedway, which became a major NASCAR sanctioned tract. In 2006, the Auto Club Speedway opened a new NHRA sanctioned drag strip on site to resurrect Fontana's drag racing heritage. The Auto Club Speedway was purchased by NASCAR in 2019 and hosts at least one major NASCAR race each year. It was recently announced the existing raceway will close due to the redevelopment of the lands; however, a smaller short-track will be developed on a portion of the lands keeping car racing in the area of Fontana.

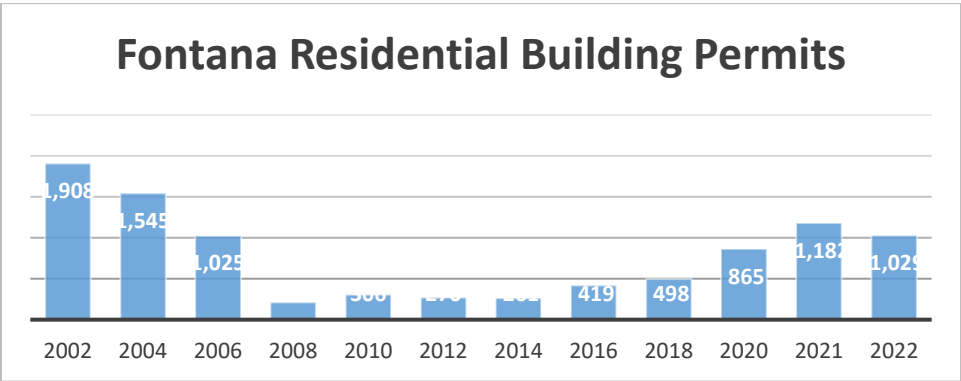
## **Population**

The January 2023 population of Fontana (per the California Department of Finance) is 213,851, which represents an increase of 0.6 percent over the previous year. The 2000 population of Fontana was 128,928, suggesting the population has increased 66 percent over the past 23 years or an average rate of 2.2 percent per year. The City population represents 9.8 percent of the County population. This compares to an increase of 0.1 percent in the County year-over-year and a negative growth of 0.4 percent in the State

year-over-year. Fontana was one of seven cities within the County with positive population growth in the past year compared to 18 cities with negative growth. The City has several new home communities currently under construction, especially in the northern portion of the City. Per the U.S. Census Bureau, the average household size in Fontana is 3.75 persons while in overall San Bernardino County the average household size is 3.26 persons. Over 78 percent of the population of the City are high school graduates and over 28 percent of the population of the City are under 18 years old.

**Housing**

According to the Southern California Association of Governments (“SCAG”), the City of Fontana has an estimated 55,632 housing units as of 2021 (latest data available), with a growth rate of 56 percent since the year 2000. This compares to the County’s housing growth rate of 22.2 percent during this time. This further illustrates Fontana’s growth spurt due to land available for development over the past 20 years. Fontana hosts over eight percent of the total number of households in the County. Below is a graph showing residential units permitted in Fontana between 2002 and 2022.



While the current numbers are not at pre-Great Recession numbers, they are the highest in the past 15 years. Per SCAG, 68 percent of the housing stock is owner occupied and 32 percent are renters. Only 22 percent of the housing stock in the City was built before 1970 and 78 percent was built since that time. There are three residential projects in final planning or under construction: a 489-unit community known as Nara Hills, northwest of I-15 and Duncan Canyon; a 257-unit project at Duncan Canyon and I-15 and a 189-unit project at Duncan Canyon and Citrus. These are in addition to 777 new single-family

residential permits and 405 multi-family residential that were issued in 2021. Per the City's 2022 annual report, there are four projects in the planning stage: Courtplace which includes 106 affordable units; Sobrato which includes 143 attached and detached units and Citrus East (75 cluster units) and Citrus West (85 cluster units). It is our understanding that the Citrus East and Citrus West buyer has cancelled both escrows, however entitlements are ongoing on these two sites with one recently entering into a new escrow. Per the 2022 annual report, there were 629 new single-family residential permits and 400 multi-family residential permits issued. Per SCAG, the median home price in the City went from \$129,000 in 2000 to a peak of \$450,000 in 2006 and a low of \$200,000 in 2009. According to Redfin Market Trends, the June 2023 median home price in Fontana was \$610,000, which represents a 8.3 percent decrease year-over-year from June 2022 which was the peak of the market at \$665,000.

Current new homes communities selling within Fontana include: Aurora Park by Tri Pointe with two neighborhoods (the subject), The Retreat by Lennar, Highland Park by Richmond American with two neighborhoods, Shady Trails with one remaining neighborhood by Tri Pointe, The Arboretum by Lennar with six neighborhoods, Monterado with two neighborhoods by Lennar and Nara Hills with five neighborhoods currently being marketed by LandSea Homes. Per the City web site Ventana is also under development proposed for 257 dwelling units at Duncan Canyon and Citrus Avenues. Per Realtor.com there are currently 388 existing homes for sale within the City (including 90 new homes and 298 existing homes) with the median listing price of \$620,000 and the median sold home price of \$597,000 (June 2023). Within the subject's zip code of 92336, there are 234 homes for sale (including 88 new homes and 146 existing homes). The median listing home price is currently \$670,000 (within the zip code) and the median sold home price is \$690,000. The lower sales price than asking price (within the overall City) is in-line with current resale trends in the Inland Empire of homes selling for lower than their list price. The higher sold price in relation to the asking price within the subject's zip code relates to the new home sales where most buyers purchase options or upgrades.



### **Access**

Fontana has good access with I-15 generally forming the northwest border of the City. The 210 Freeway provides east-west access through the upper third of the City; Route 66 (also known as Foothill Boulevard) provides east-west access through the approximate middle of the City and the I-10 provides east-west access through the bottom third of the City. Major on/off ramps to the City from I-15 include Foothill Boulevard, Baseline Avenue, the 210 Freeway, Summit Avenue, Duncan Canyon Road and Sierra Avenue. On/off ramps from the 210 Freeway within the City include Cherry Avenue, Citrus Avenue and Sierra Avenue. Route 66/Foothill Boulevard has stop lights at major intersections while the major on/off ramps from I-10 in the City include Etiwanda Avenue, Cherry Avenue, Citrus Avenue and Sierra Avenue. Access to the subject is via Baseline Avenue to North Heritage Circle to Kestrel Drive to Clair Lane, the gated entrance to the subject property.

### **Economy**

Existing commercial property within the City of Fontana is generally along the major thoroughfares including I-10, Route 66/Foothill Boulevard, Sierra Avenue and the 210 Freeway. There are several large shopping centers including Sierra Lakes Marketplace and Falcon Ridge Town Center, both which serve the subject property. The City is home to an Amazon Distribution Center, a Target Distribution Center and a FedEx transfer station. The intersection of the I-10 and I-15 is a major industrial hub which extends into the City of Fontana with generally industrial use south of I-10. The Fontana Speedway is located along Cherry Avenue north of I-10 and the Metrolink station is located along Sierra Avenue. The top-ten employers in the City (from 2018 – latest available per City's website) include the following:

<u>Employer</u>	<u>No. of Employees</u>
Kaiser Hospital	5,430
Fontana Unified School District	5,000
City of Fontana	1,030
Target Distribution Center	621
Costco Wholesale	333
U S F Reddaway	320
Estes West	317
Sierra Aluminum Company	312
Crown Technical systems	297
Walmart Store (Foothill Blvd)	290

### **Summary**

Fontana is located at the base of the San Gabriel Mountains and was incorporated over 100 years ago as a rural farming community. Kaiser Steel brought jobs to the area during World War II and the opening of the I-10 Freeway in the 1950s made it an easy commute to Los Angeles and Orange Counties. Almost 80 percent of the housing stock within the City was built since 1970. Between April 2020 and March 2022 residential building permits grew significantly after a lull in the first 10 years since the Great Recession. In the past year permits have slowed due to slowing sales. The area has excellent access via three major freeways and the historic Route 66. The area's central location, reasonable land prices and the availability of land for development combine to make the area a prime area for future growth.

## IMMEDIATE SURROUNDINGS

The subject property is located east of I-15, at the southwest corner of Victoria Street and Kestrel Drive, about one-half mile south of I-210, in the City of Fontana. The subject has convenient freeway access to the I-15 via the Baseline Avenue exit, or I-210 via the Cherry Avenue exit.

The subject lands are generally surrounded by vacant land to the east and west. To the north, on the north side of Victoria Street, is California Highway Patrol office and a Caltrans facility marked as "State of California Materials Testing Facility." The facility is large and appears to be newer, with a large parking lot and several buildings of Spanish style architecture. Adjacent east of the subject is several large vacant parcels of land which do not appear to be utilized for any current use, but do include a SoCal Edison easement running through them, in a northeast/southwest direction (southeast of the subject). Adjacent south of the subject is existing residential homes, with the immediate south community known as North Heritage, built in the late 1980s/early 1990s and featuring single family detached homes on generally 7,200 square foot lots. Southwest of the subject is another tract of homes, also part of the North Heritage neighborhood, but includes denser product with detached homes situated on smaller lots, also built in the late 1980s. In the middle of the North Heritage neighborhood, at the northwest intersection of Baseline Avenue and North Heritage Circle, is North Heritage Park, a neighborhood park less than one quarter mile southwest of the subject. Immediately west of the subject is a drainage channel with a walking/biking path. Beyond the drainage channel (known to the north as East Etiwanda Creek), is a vacant parcel of land and a storage facility (Victoria RV & Boat Storage) which abuts the I-15 freeway. The western boundary of the subject is approximately 1,000 feet east of the freeway.

There are two schools within a half mile radius of the subject: the highly ranked Etiwanda High School is located west of I-15, on the north side of Victoria Street; and Heritage Intermediate School is located on the southside of Baseline Avenue, at South Heritage Drive. Both of these schools serve the subject. Etiwanda High School is in the Chaffey Joint Union High School District, and technically is in the city of Rancho Cucamonga,

despite its close proximity to the subject. Heritage Intermediate School is part of the Etiwanda School District, which also provides elementary schools to the subject. The subject's assigned elementary school is East Heritage Elementary, which is located approximately one mile southeast of the subject (past Heritage Intermediate School) on Constitution Way, in the West End neighborhood.

There are several parks within close proximity to the subject, the closest being North Heritage Park as mentioned above. South of Baseline Avenue and adjacent to Heritage Intermediate School is Heritage Park which includes a parking lot, snack bar/restroom facility, along with Mcdermott Soccer Field, housing three full size soccer fields. Further southeast, just under one mile from the subject, is Heritage Circle Park, which features a tot lot, walking paths, covered picnic tables and barbeque areas, and a large grassy field. Approximately two miles east of the subject at the northeast corner of Beech Avenue and Walnut Street is Koehler Park, a public recreational park with large fields, basketball courts, tennis courts, play structures, covered tables and restrooms.

There are several shopping centers within one mile of the subject, with the closest retail options being at the I-15 Baseline Avenue intersection which features several dining options, including a Starbucks and Jack in the Box, as well as a gas station and several small stores. The nearest grocery store is a Vons at the southwest corner of Cherry Avenue and Baseline Avenue, located within the Heritage Village Center which includes a multitude of dining options as well as a US Bank, Shell Gas Station, Goodwill, Autozone, and Wells Fargo. At the northeast corner of Cherry Avenue and Baseline Avenue, lies the Anchored Center, complete with a Dollar Tree, Chevron gas station, KFC, Baskin-Robbins, Wienerschnitzel, Chase Bank, and more. These are all within one mile of the subject property. Slightly farther out approximately 1.5 miles southeast of the subject at Foothill Boulevard and Cherry Avenue, is a WinCo Foods grocery store and a McDonalds. Larger scale shopping is located just over two miles northeast of the subject on the southwest corner of Beech Avenue and Summit Avenue, where an additional shopping center, known as Summit Heights Gateway, includes a Kohl's, PetSmart, Aldi grocery store, a Planet Fitness, and several smaller retail stores and restaurants. Directly across

from Summit Heights Gateway is the larger Falcon Ridge Town Center. Falcon Ridge Town Center is located at the corner of Beech Avenue and Summit Avenue on the east side of I-15, and is anchored by a Stater Brothers Market, Target, Michael's craft store, Ross Dress for Less, CVS, and 24-Hour Fitness. The center also offers a multitude of dining options. Approximately 3.5 miles northeast of the subject at Sierra Lakes Parkway and Citrus Avenue, just north of I-210. This stretch of retail starts at Citrus Avenue and continues along Sierra Lakes Parkway through the Sierra Avenue on/offramp, and includes a Home Depot, Ralphs Grocery Store, Walgreens, Costco, LA Fitness, Lowes Home Improvement and more. The nearest shopping mall is approximately two miles southwest of the subject on the west side of I-15, where Victoria Gardens is anchored by a Macys and JC Penney department store in addition to a plethora of restaurant and shopping options, all located across the street from a Bass Pro Shop.

We have reviewed the City of Fontana CFD Report for Community Facilities District No. 100 (Victoria) dated November 18, 2020, as prepared by David Taussig & Associates, Inc. The CFD Report provides a brief description of Fontana CFD No. 100, a brief description of the facilities to be funded along with an estimate, a description of the boundaries and an estimate of the cost of financing the bonds used to pay for the facilities. Resolution No. 2020-129 was adopted on October 13, 2020 and approved the intention to establish Fontana CFD No. 100.

# PROPOSED BOUNDARIES OF CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)

COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.

OTO BOUNDARY

APN 0228-091-41

PACIFIC ELECTRIC TRAIL

VICTORIA STREET

NORTH HERITAGE CIRCLE

OTO BOUNDARY

**BASIS OF BEARINGS:**

LINE BETWEEN CITY OF FONTANA GPS CONTROL POINTS 20343 AND 22348,  
BEING: N44°50'S/E

**PROPOSED BOUNDARIES:**

THE PROPOSED BOUNDARIES OF CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA) CONTAINING 21.53 ACRES OF LAND MORE OR LESS.

REFERENCE IS HEREBY MADE TO THE ASSessor MAPS OF THE COUNTY OF SAN BERNARDINO FOR A DESCRIPTION OF THE LINES AND DIMENSIONS OF THE PARCELS LISTED BELOW.

APN 0228-091-41

**CITY CLERK'S CERTIFICATE:**

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF FONTANA THIS  
18th DAY OF October, 2020.

*Sharon Inaba Deputy City Clerk*  
CITY CLERK OF THE CITY OF FONTANA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA), COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF FONTANA AT A REGULAR MEETING THEREOF, HELD ON THE 15th DAY OF October, 2020, BY ITS RESOLUTION NO. 2000-0402-15th.

*Sharon Inaba Deputy City Clerk*  
CITY CLERK OF THE CITY OF FONTANA

**SAN BERNARDINO COUNTY RECORDER'S CERTIFICATE:**

FILED THIS 20 DAY OF October, 2020, AT THE HOUR OF 10:04  
CLOCK A.M. BY *Rob Dutton* OF MAPS OF ASSessor AND COMMUNITY FACILITIES DISTRICTS AT PAGE 366 AND UNDER DOCUMENT NUMBER 2000-0402-15th  
IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
AT THE REQUEST OF THE CITY OF FONTANA, IN THE AMOUNT OF \$ 600.

ROB DUTTON, ASSessor - RECORDER - COUNTY CLERK  
COUNTY OF SAN BERNARDINO

BY: *John Garcia*  
DEPUTY RECORDER

SCALE: 1"=120'

120 0 60 120 240

PROPOSED BOUNDARIES OF CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA )

COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.

ALLARD ENGINEERING  
16805 SERRA LINDA AVENUE  
FONTANA, CA 92335  
(951) 256-1815 FAX: (951) 396-1796

SHEET  
1 OF 1

Per the CFD Report, at time of formation, Fontana CFD No. 100 encompassed approximately 21.6 gross acres (13.9 acres subject to the Special Tax) proposed for 193 single family detached residential units with estimated sizes ranging from 2,154 to 2,915 square feet. Actual square footage ranges from 1,879 to 2,743 square feet.

Per the CFD Report, the types of facilities to be eligible for funding are streets, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, streetlights and parkway and landscaping related thereto, sewers, storm drains, fire protection facilities, police facilities, public facilities, landscaping, library facilities, park and recreational facilities and land, rights-of-way, and easements necessary for any of such facilities. The types of public facilities proposed to be purchased as completed facilities by CFD No. 100 are streets, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and parkway and landscaping related thereto, sewers, storm drains, park and recreational facilities and land, rights-of-way, and easements necessary for any of such facilities. Furthermore, additional public facilities authorized to be purchased as completed facilities by CFD No. 100 are additional streets, including grading, paving, curbs and gutters, sidewalks, street signalization and signage, street lights and parkway and landscaping related thereto, additional sewers, additional storm drains, fire protection facilities, police facilities, public facilities, additional landscaping, library facilities, additional park and recreational facilities, and land, rights-of-way and easements necessary for any of such facilities. The types of public services to be financed by CFD No. 100 are fire protection and suppression services, maintenance and lighting of parks, parkways, streets, roads and open space, flood and storm protection services and maintenance and operation of any real property or other tangible property with an estimated useful life of five or more years that is owned by the City. Incidental expenses also included are the cost of planning and designing public facilities to be financed, including the cost of environmental evaluations of those facilities; the costs associated with the creation of CFD No. 100, issuance of bonds, determination of the amount of taxes, collection of taxes, payment of taxes, or costs otherwise incurred in order to carry out the authorized purposes of CFD No. 100; and, any other expenses incidental to the construction, completion, and inspection of the authorized work.

Per the Rate and Method, the Assigned Facilities Special Tax for Developed Property for Fontana CFD No. 100 (Victoria) are estimated as follows:



<u>Land Use</u>			
<u>Class</u>	<u>Description</u>	<u>Product Type</u>	<u>Special Tax</u>
1	Residential Property	Alley Load Product	\$2,348 per unit
2	Residential Property	Cluster Product	\$2,229 per unit
3	Non-Residential Property	N/A	\$31,660 per acre

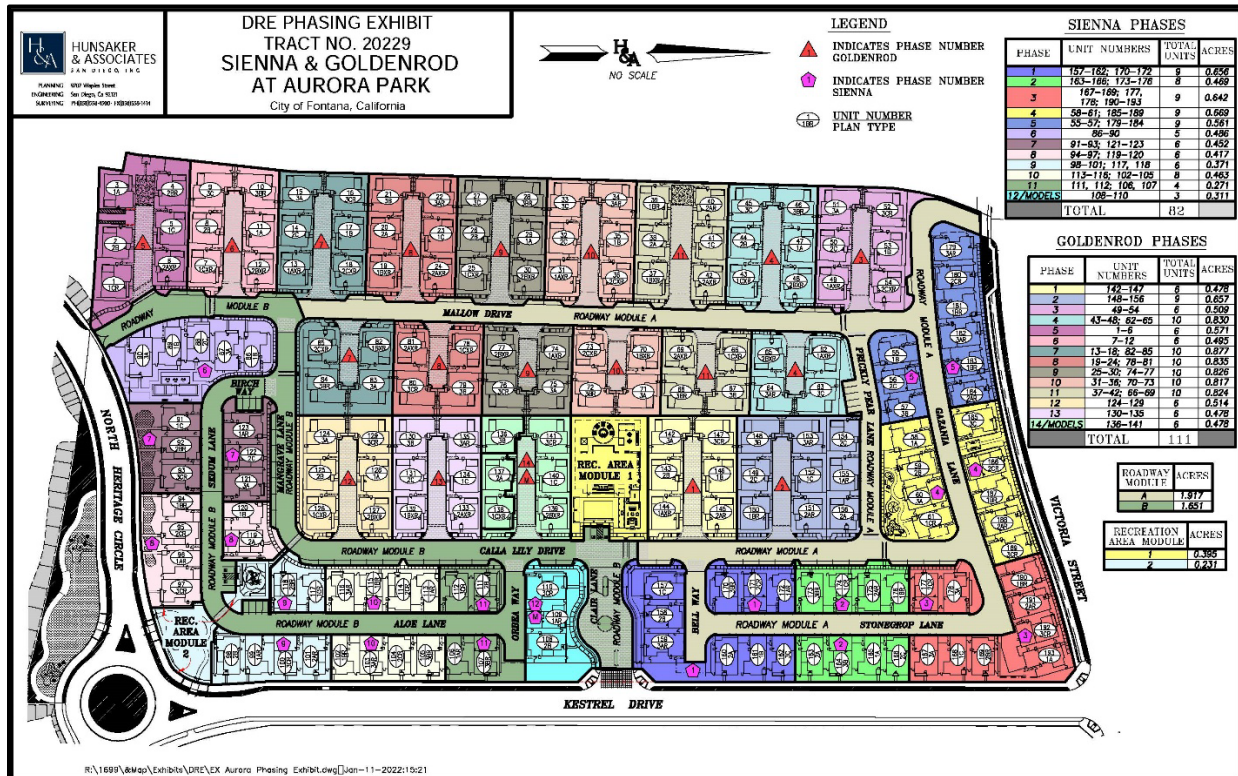
The estimated cost of public facilities at the time the Fontana CFD No. 100 Report was created were estimated as:

<b>PUBLIC FACILITIES</b>	<b>AMOUNT</b>	<b>AMOUNT</b>
<b>Acquisition Facilities:</b>		<b>\$3,877,579(1)</b>
Sewer Improvements		\$1,342,032
Park Development Improvements		\$980,709
Circulation and Traffic Improvements		\$880,282
Storm Drain Improvements		\$674,556
<b>Other Public Facilities:</b>	<b>\$3,682,270(2)</b>	<b>\$1,248,411(3)</b>
Park and Recreational Facility	\$1,154,468	\$173,759
Circulation Facility Improvements	\$1,106,662	\$226,380
Storm Drain Improvements	\$403,682	\$0
Inclusionary Housing Improvements	\$260,550	\$260,550
Sewer Improvements	\$169,186	\$0
Public Facility Improvements	\$153,678	\$153,678
Landscape Facility Improvements	\$110,628	\$110,628
Library Facility Improvements	\$102,927	\$102,927
Police Facility Improvements	\$101,618	\$101,618
Flood Control Improvements	\$87,219	\$87,219
Fire Service Protection Improvements	\$31,652	\$31,652
<b>Additional Capital Facilities Infrastructure Improvements</b>		<b>\$1,281,498</b>
<b>TOTAL ESTIMATED COSTS</b>		<b>\$6,407,488</b>
(1) Estimates provided by builder and inclusive of 10% contingency for hard costs and 25% contingency for soft costs.		
(2) Estimated amount of Permit Fees PRIOR to the application of anticipated City fee credits		
(3) Estimated among of Permit Fees AFTER the application of anticipated City fee credits.		

The maximum bonded indebtedness for CFD No. 100 is \$8,000,000. Per the latest sources and uses of funds (dated August 15, 2023) for the proposed bond issuance, there will be an estimated \$5,330,000 in Bond Par Amount and a Net Premium of \$33,870 along with \$190,081 Special Tax Collection Funds on Hand for a total bond fund deposit of \$5,553,951 with \$4,770,199 going to the Project Fund, \$361,212 in Debt Service Reserve Fund and \$387,640 in Underwriter's Discount and Cost of Issuance along with \$34,900 in Initial Deposit for Administrative Expenses (all amounts subject to change). A larger copy of the Fontana CFD No. 100 boundary map is located in the Addenda for your review.

## SUBJECT PROPERTY DESCRIPTION

The subject property consists of 193 proposed units being developed as Sienna at Aurora Park and Goldenrod at Aurora Park, both being built and marketed by TriPointe Homes. The subject site is described below.



**Location:** Southwest corner of Victoria Street and Kestrel Drive, east of I-15, Fontana, California

**Legal Property Description:** Lot 1 of Tract No. 20229 in the City of Fontana, County of San Bernardino, State of California.

**Property Owner:** Sienna: Individual Owners as Units 58-61 and 185-189 of Module G; Units 157-162 and 170-172 of Module A; Units 163-166 and 173-176 of Module C; Units 167-169 and 177-178 and 190-193 of Module E of Lot 1 of Tract 20229.

TriPointe Homes Holdings, Inc. as to Units 55-57 and 179-184 of Module I; Units 86-90 of Module K; Units 91-93 and 121-123 of Module M; and Units 108-110 of Module AA of Lot 1 of Tract 20229.

Rescal Victoria 193, LLC (dba Resmark) as to Units 94-97 and 119-120 of Module O; Units 98-101 and 117-118 of Module Q; Units 102-

105 and 113-116 of Module S; Units 106-107 and 111-112 of Module U of Lot 1 of Tract 20229.

Goldenrod: Individual Owners as Units 1-6 of Module J; Units 43-48 and 62-65 of Module H; Units 49-54 of Module F; Units 142-147 of Module B; Units 148-156 of Module D of Lot 1 of Tract 20229.

TriPointe Homes Holdings, Inc. as to Units 7-12 of Module L; Units 13-18 and 82-85 of Module N; Units 136-141 of Module BB1 of Lot 1 of Tract 20229.

Rescal Victoria 193, LLC (dba Resmark) as to Units 19-24 and 78-81 of Module P; Units 25-30 and 74-77 of Module R; Units 31-36 and 70-73 of Module T; Units 37-42 and 66-69 of Module V; Units 124-129 of Module W; Units 130-135 of Module X; Units 137-138 of Module BB1 of Lot 1 of Tract 20229.

Assessors  
Parcel Nos.:

The subject covers the following APNs: 0228-192-04 through -47; 0228-193-01 through -38; 0228-194-01 through -57; 0228-195-01 through -54.

Property Taxes:

We have reviewed the property tax invoice for sample parcel 0228-194-48-0000. The parcel has an assessed net value of \$629,156. The property taxes include \$6,291.56 for the general levy, \$203.21 for the Etiwanda Elementary Bond, \$184.97 for the Chaffey High Bond, \$86.19 for the Chaffey College Bond, and \$22.02 in miscellaneous charges. The tax invoice (as of July 19, 2023 per the County of San Bernardino Tax Collector) shows the first installment paid. The subject Fontana CFD No. 100 is not shown on this tax invoice. It is an assumption of this report that the overall property taxes and special assessments are not over two percent.

Three-Year  
Sales History:

Per TriPointe, Rescal Victoria 193, LLC (dba "Resmark") purchased the subject property for \$25,315,146 on December 23, 2020. On June 7, 2021, TriPointe Homes Holdings, Inc. purchased the first takedown from Resmark, purchasing six of the pads/lots. To date, TriPointe has taken down 115 of the lots/pads with the most recent takedown occurring July 10, 2023, and the next take down anticipated for September 5, 2023. TriPointe began closing homes within the subject to individual owners in June 2022, and has closed 72 houses between June 14, 2022, and July 14, 2023.

Size and Shape:

Tract Map 20229 is generally rectangular in shape and contains 21.539 gross acres and 19.147 net acres per the recorded map which subdivides the subject into one numbered lot and two lettered lots. Per the condominium plans, the lot was subdivided into 28 lettered modules and two recreation modules. The approved 193

units results in an overall density of 10.08 dwelling units per acre based on the net acreage of 19.147 acres per the tract map.

**Zoning:** Per the current City of Fontana General Plan Land Use Map dated April 2022, the site is designated as R-M (or Medium Density Residential 5.1-12 du/acre). The subject lands fall within the West Gate Specific Plan, which denotes the subject as PA 50 with R-1-10,000 zoning, which represents 0-5 du/acre, per the Specific Plan dated February 14, 2017. While we were unable to obtain a copy of any further amendment, we were able to find the EIR to the Westgate Specific Plan Amendment No. 18-004 (dated April 2019) and the City of Fontana Planning Commission Documents which approved Specific Plan Amendment 18-004 and General Plan Amendment No. 18-007. Specific Plan 18-004 modified the designation on the subject property from R-1-10,000 to R-2 Cluster (Residential 5.1 to 12.0 dwelling units per acre). The subject's approved density of 10.08 dwelling units per acre is within this designation.

**Entitlements:** The subject is entitled by Tract Map No. 20229 which was recorded on June 17, 2021 and divides the subject into one numbered lot. Subsequent condominium maps further divide the subject: Sienna at Aurora Park Condominium Plans and Goldenrod at Aurora Park Condominium Plans. While all 13 Goldenrod Condominium plans have been recorded, 10 of the 12 Sienna Condominium plans have been recorded, with the final two (for Phase 8 and Phase 12) were not yet recorded at the time of this appraisal. A copy of Tract Map No. 20229 and subsequent condominiums maps are located in the Addenda for your review.

**Home Owner's Association:** Aurora Park's monthly HOA fee is estimated by TriPointe representatives as \$193 per month at build out. The HOA covers maintenance of the community gate, swimming pool, spa, fire pit, barbeques, clubhouse and restrooms, community parks, as well as all walkways and community landscaping. The pool, spa and clubhouse areas appear to be complete, but there are four smaller neighborhood park areas spread throughout the community that are under construction. Per the builder's website's site plan rendering, these appear to include a tot lot with jungle gym, a park with outdoor exercise equipment, a green belt with gazebo and seating areas, and grassy area with tables and chairs. The TriPointe website currently quotes the monthly HOA fee at \$230, which is more conservative than the DRE budget provided.

**Topography:** The subject lands are generally flat and at grade with streets on the north (Victoria Street), east (Kestrel Drive), and south (generally North Heritage Circle) borders. The eastern border is the East Etiwanda Creek drainage channel which generally travels south to

the Santa Ana River. The subject has been fully graded with the lots and pads generally level with the internal streets.

**Soils Condition:** We have reviewed a "Geotechnical Report Update" for the subject site dated June 8, 2020, prepared by Leighton and Associates, Inc. of Rancho Cucamonga. The Report presents a summary of the observation and testing services provided by Leighton and Associates as well as their findings and suggestions for developing the site into Tract 20229. The Report concludes that the proposed development is geotechnically feasible, provided that the recommendations contained in the report are incorporated into the design and earthwork construction of the project as was currently planned.

It is an assumption of this appraisal that the soils are adequate to support the highest and best use conclusion and that all recommendations made within any and all reports were adhered to during construction. The appraiser is not a soils expert and it is recommended that any concerns relating to soils should be addressed to the appropriate experts.

**Seismic Information:** Per San Bernardino County's Geological Hazard Overlay map, the subject property is not located within a County Designated Fault Zone or an Earthquake Fault Zone Boundary.

**Environmental Concerns:** We have reviewed a "Master Property Disclosure Report" ("PDR") dated February 12, 2021, prepared by First American Natural Hazard Disclosures. The report determines that the subject is located in: a Special Flood Hazard Area (FEMA designated Flood Zone AE, X500 – one percent chance of flood discharge contained in a structure); a mapped area of low landslide susceptibility; a fire hazard zone designated "Very High" (Not VHRHSZ which is the highest); within one mile of property zoned to allow for commercial or industrial use; in a climate zone where properties are usually subject to duct sealing and testing requirement; and in a one-mile radius of designated "Important Farmland" that requires a statutory "Notice of Right to Farm."

It is an assumption of this report that there are no environmental issues which would slow or thwart development of the subject property. This is evidenced by construction of homes on the site and City inspectors on site during construction.

**Flood Information:** Per FEMA Map No. 06071C7895J dated September 26, 2014 the property is shown as being located in Zone AE which states 1 percent annual chance flood discharge contained in structure (the Etiwanda Creek Channel, eastern border of the stie).

**Easements and  
Encumbrances:**

We have reviewed a Preliminary Title Report prepared by First American Title Company as Order Number NHSC-6553867 dated April 10, 2023, issued for the Rescal Victoria 193, LLC and TriPointe Homes Holdings, Inc. ownerships.

Item Nos. 1-6 refers to property taxes and special assessments including CFD No. 2; CFD No. 10 and the subject CFD. Item Nos. 7 and 12 refer to abutter's rights. Item No. 8 pertains to the development agreement. Item Nos. 9, 10, 13, 14, 15 and 16 refer to easements for sewer, storm drain, utilities, roads and equipment and incidental purposes for Spectrum Pacific West LLC. Item No. 11 refers to matters shown or disclosed by Tract No. 229. Item No. 17 refers to CC & Rs. Item Nos. 18 through 43 refers to Condominium Plans for each module within both Sienna and Goldenrod. Item No. 44 is in regard to the master dispute resolution declaration. Item Nos. 45 through 53 pertains to Easements, Covenants and Conditions between Tri Pointe Homes Holdings, Inc. and the Aurora Park Homeowners Association. Item No. 54 refers to the rights of the public in any land lying within a road, street, alley or highway. Item No. 55 pertains to water rights and Item No. 56 is in regard to the rights of parties in possession.

It is an assumption of this appraisal report that the subject lands are free and clear of any liens and/or encumbrances other than Fontana CFD No. 100, the above referenced CFD Nos. 2 and 10 and the easements noted above. The appraiser is not a title expert and it is recommended that any concerns relating to title should be addressed to the appropriate experts.

**Utilities:**

All normal utilities are available to serve the subject site by the following companies:

Electrical:	Southern California Edison Company
Natural Gas:	SoCal Gas
Sewer:	Inland Empire Utilities Agency
Water:	Fontana Water Company
Schools:	Etiwanda School District and Chaffey Joint Union High School District

**Streets/Access:**

Access to the subject property is convenient via I-15 to exit 113 Base Line Road, east one-half mile to North Heritage Circle, then north on North Heritage Circle. There's an entrance to the subject from North Heritage Circle at Mallow Drive, or from Kestrel Drive (where North Heritage Circle dead ends) via Clair Lane (main gated entrance). There's a third entrance to the subject on the north from Victoria Street. For access via the I-210 exit 64B Cherry Avenue, south on

Cherry for one-half mile to Victoria Street, and west on Victoria Street. The subject is on the south side of Victoria Street, approximately three-quarters mile west of Cherry Avenue.

I-15 (less than 0.25 miles west of the subject) is a major north/south freeway, which provides access to both international borders with Mexico and Canada.

I-210 (approximately 0.6 miles north of the subject) is an east/west freeway. It begins in Santa Clarita in Los Angeles County and ends near downtown San Bernardino. I-210 provides additional access parallel to I-10 which gets congested at commuting times.

I-10 (4.0 miles south of the subject) is a major east/west freeway in San Bernardino across Los Angeles and San Bernardino Counties. I-10 provides access to Los Angeles to the west and through San Bernardino County and Riverside County to Arizona to the east. I-10 is an interstate providing a southern route across the U.S. to Florida

Base Line Road is a major east/west arterial passing through several cities. Base Line Road starts 16 miles west of the subject at Foothill Boulevard in La Verne, passes through Claremont where it provides access to the I-210/Foothill Freeway and through Upland. In Upland, it briefly becomes 16<sup>th</sup> Street, but returns to Base Line Road in Rancho Cucamonga. Base Line continues 20 miles east of the subject in the city of Highland, after passing through the cities of Fontana, Rialto, and San Bernardino. Base Line Road has on/off ramps at I-15, I-210, and I-215.

North Heritage Circle is a smaller local arterial that crosses Base Line Road twice, providing access from Base Line into shopping centers and residential neighborhoods to the north, and Heritage Intermediate School and additional residential lands to the south. The road currently terminates near the subject at Kestrel Drive, but appears to possibly be built to continue and make a full circle in the future.

Cherry Avenue has on/off ramps at I-10 and I-210 and provides access into central and south Fontana. Cherry Avenue turns into Duncan Canyon Road in the Hunter's Ridge neighborhood, approximately three miles northeast of the subject and ends at Mulberry Avenue, in the southwest industrial park area of Fontana, approximately six miles south of the subject.

Victoria Street is a smaller local arterial that runs from east/west and passes under I-15 just west of the subject, but does not provide freeway access. Victoria Street begins approximately 1.5 miles west



of the subject in the Etiwanda neighborhood, and terminates 0.75 miles east of the subject at Cherry Avenue.

Internal streets within the subject include: Kestral Drive, Clair Lane, Calla Lily Drive, Bell Way, Stonecrop Lane, Gazania Lane, Prickly Pear Lane, Mallow Drive, Sedum Lane, Mangrove Lane, Birch Way, Aloe Lane, and Orbea Way. The main entrance is from Kestrel Drive via Clair Lane (main gated entrance), directly across from the community pool and recreation center. The models are located adjacent to the community pool and clubhouse at Calla Lily Drive and Orbea Way.

**Current Condition:** The subject is being developed into 193 single-family homes consisting of motorcourt cluster pads for 111 detached condominiums and alley load pads for 82 detached condominiums. Upon our inspection, 88 of the homes were over 95 percent complete including 72 individually owned homes, six model homes, and ten additional production homes owned by the builder (nine in escrow). In addition, there were 11 homes under construction (less than 95 percent complete, ten in escrow) and 94 additional finished lots/pads (none in escrow).

**Costs to Complete:** The subject property has been developed into 193 finished lots/pads with internal streets complete and utilities stubbed to each lot. Per TriPointe representatives there are minimal remaining hard costs which include \$300,000 for a pedestrian bridge, \$590,000 for remaining in-tract landscaping and \$50,000 for remaining paving for a total of \$940,000 in remaining hard costs for land development, however \$300,000 (the pedestrian bridge) will be funded by the CFD proceeds. In addition, there is \$2,841,662 in remaining DIF fees plus \$978,286 in remaining school fees. This appraisal assumes the bonds are in place, thus there are \$640,000 (\$940,000 less \$300,000) in remaining land development costs and remaining fees of \$3,819,948 (\$2,841,662 plus \$978,286) for total remaining costs of \$4,459,948. It is our understanding that these costs are the builder's responsibility and will be spread between the TriPointe and Resmark owned lots as the individual owners are not responsible. Out of the total 193 lots/pads, 72 are individually owned leaving 121 lots, pads or homes owned by TriPointe and Resmark. TriPointe owns 43 which includes six models, ten houses over 95 percent complete and 11 houses under construction and 16 lot/pads. Resmark owns 78 lots/pads. Dividing the \$4,459,948 by the 121 lots/pads results in remaining land development costs of \$36,859.072 per lot/pad.

Improvement  
Description:

Aurora Park is a gated community with two detached product lines. Sienna is alley loaded detached condominiums and features three floorplans sized 1,879 to 2,264 square feet. The floorplans all feature two stories with three to four bedrooms and two to three-car garages. Goldenrod features detached condominiums arranged in motor courts and has three floorplans sized 2,006 to 2,743 square feet, with three to five bedrooms and two to three-car garages. Note that there are two variations of Plan 2, one at 2,292 square feet and the other at 2,301 square feet due to architectural differences in the elevation. We will utilize the smaller sized home of 2,292 square feet in our analysis. In addition, there have been some architectural changes after Phase 6 which adjusted the square footage of some of the plans. These are not taken into account in this appraisal as the homes which are over 95 percent complete are all within Phases 1 through 6. The models of the community are located at the eastern entrance to the subject off of Kestrel Drive at Calla Lily Drive and Orbea Way. There are four Goldenrod models (one of which is being utilized as a sales office) and three Sienna models. Aurora Park features two story floorplans with three exterior architectural styles: Traditional, Spanish, and Farmhouse. Home exteriors feature dual glazed low-E windows, insulated roll-up sectional garage doors, rain gutters, and 8-foot entry doors with black hardware and Smart Wi-Fi deadbolt. Aurora Park homes include tankless water heaters, 220V outlet in garage for electric car chargers, Eero Wi-Fi systems, Merv 13 air filters, and smart home system including Amazon voice control for automation of smart deadbolt, Ring doorbell, and Smart programmable Wi-Fi thermostat. Kitchens include granite countertops and white thermofoil flat panel cabinets, stainless steel double basin sinks, and GE stainless steel appliances. Seventy-two of the proposed 193 homes in the subject property have closed to individuals with closing dates between June 14, 2022 and July 14, 2023. Per TriPointe, actual closed sales prices (including premium, upgrades, options, and net all incentives) have ranged from \$529,451 to \$852,048. Current reported base asking prices range from \$567,000 to \$742,000 while grand opening base asking prices in December 2021 ranged from \$648,000 to \$752,000. Our search of the MLS revealed no resales and one current resale listing. Our physical search noted all homes appear to be in excellent condition. It should be noted that the seller is offering varying concessions including some rate buy downs, on a case-by-case basis. The closing cost/rate buy down incentives have ranged from \$0 to \$38,500 with an average amount of \$13,341.60 per home for the 91 home sales to date. The houses which are over 95 percent complete are detailed below.

<b>Aurora Park by TriPointe Homes</b>					
Plan	Bed/Bath	Floors/ Parking	Sq. Ft.	Ind. Owned	Bldr. Owned
<b>Sienna at Aurora Park (Alley Load)</b>					
1	3 / 2.5	2 / 2	1,879	12	4*
2	3 + Den / 2.5	2 / 3	1,997	12	4*
3	4 + Loft / 3	2 / 3	2,264	11	4*
<i>Sienna Subtotals:</i>				35	12
<b>Goldenrod at Aurora Park (Cluster)</b>					
1	3 + Den / 2.5	2 / 2	2,006	13	1*
2	4 + Loft / 3	2 / 2	2,292-2,301	14	1*
3	5 + Loft / 4	2 / 3	2,743	10	2*
<i>Goldenrod Subtotals:</i>				37	4
<b>Aurora Park Total:</b>				<b>72</b>	<b>16</b>

\*Each asterisk designates one model home per that plan. In addition to the above, there are 11 homes under construction (five at Sienna and six at Goldenrod) and an additional 94 finished lots/pads (30 at Sienna and 64 at Goldenrod).

## THE INLAND EMPIRE HOUSING MARKET

In analyzing the area's housing market, population growth and economic conditions need to first be considered.

### **Population**

The San Bernardino County population showed minimal 0.1 percent growth between January 2022 and January 2023, and an average of about two percent the previous 20 years. The stagnant growth during this time is thought to be due to the disruption during COVID. Prior to the COVID pandemic, predictions were for the County to grow at an average annual rate of 0.75 percent over the next eight years. This equates to an increase of approximately 20,000 residents per year suggesting the need for about 7,000 homes per year within the County. The COVID influence is still unknown on the County's population growth. New home sales in most cities in the County from 2020 were higher than the coastal communities due to affordability, the work from home factor, and the fact that millennials are finally entering the housing market. These factors may increase actual County population growth in 2023. This has been offset by minimal existing home sales resulting in less overall home sales over the past year as compared to one year ago and also as compared to 2019, before COVID.

### **Economic Conditions**

Over the past twenty-five years the Inland Empire has seen various cycles in the housing market. The Great Recession impacted the Inland Empire significantly and resulted in a longer recovery period than that of other Southern California regions. The rise and then fall of housing prices in the Inland Empire between 2004 and 2009 was considerably steeper than almost anywhere in the State. Unfortunately, this meant that the people who bought near the peak of the market likely faced significant negative equity. After essentially remaining flat for a few years, housing prices began to increase in late 2012 through January 2020. Once the COVID pandemic hit in March 2020, the economy entered what is now known as the COVID Recession. The housing market slowed down significantly early on, but by May 2020, new homes were going under contract and selling at well above average absorption rates from May 2020 through Spring of 2022 in the

region. Since May 2022, the new home market has seen a shake-up due to the increasing interest rates, the high prices of homes, and the high rate of inflation which is shaking consumer confidence, however this is partially offset by the extremely limited resale housing market which is fueling new home sales.

Economic growth in the Inland Empire was strong generally between 2015 (after the Great Recession), and until the economic shutdown due to COVID. The second half of 2020 and all of 2021 saw economic growth, however the first two quarters of 2022 saw GDP shrinking while the third and fourth quarters saw minimal growth with 2022's growth at 2.6 percent. The most recent unemployment rate for the County is 4.9 percent (per the June 2023 EDD report – most recent published), slightly higher than the County's pre-COVID unemployment rate in February 2020 of 3.7 percent. While unemployment rates are near historical lows, the inflation factor is significantly affecting the economy.

The housing market played a large role in the past two recessions. In the Great Recession, due to increased interest rates and rising home prices between June 2004 and mid-2006, the market reaction was to create non-conventional financing alternatives, such as sub-prime and non-conventional mortgages, to artificially maintain the boom housing market of 2004 and 2005. By 2007, the housing market saw a shake-up because of the problems in the sub-prime and non-conventional mortgage markets, which played a role in the 2008 upheaval of Wall Street and contributed significantly to the U.S. economic downturn of the Great Recession. Due to stricter income verification on new loans and the lack of available credit, coupled with job losses and declining home prices, sales of new homes slowed for the next few years and essentially remained flat until mid-2012 when home prices began a steady climb.

During the COVID recession, new home sales were one of the brightest spots in both the local and national economies. While new home sales slowed in March and April 2020 due to the onset of the COVID pandemic, both sales and prices increased significantly throughout COVID until spring 2022 when interest rate increases began affecting the home-buying market. The rising interest rates alone did not seem to slow sales in Spring

2022. However, a combination of increasing home prices and falling consumer confidence, added to the significant interest rate increases slowed new home sales significantly in late 2022 and the beginning of 2023.

Per the Zonda National Economic and Housing Market Update in July 2023, the rate of growth of new home sales is off from recent highs but up from pre-pandemic numbers, suggesting a healthy market. Per their survey of over 300 new-home builders nationally, the builders are stating sales are continuing but report they had to adjust pricing and incentives to “find the market.” In the January 2023 survey, 50 percent of builders surveyed were lowering their prices and the remaining 50 percent stated their pricing was flat. In July, the survey resulted in 54 percent of the builders stating they are raising their prices and 46 percent of builders stating they were keeping prices flat or decreasing pricing. This is a very different dynamic which is partly due to seasonality, partly due to builder’s readjusting concessions (interest rate buy-downs), and partly due to price changes. The larger public homebuilders are typically offering significant interest rate buy-downs in order to keep absorption rates steady, which is reportedly costing between \$30,000 to \$100,000 in incentives. The builders are attempting to find the “sweet spot” in incentives. Per Zonda a combination of price cuts of between 10-15 percent combined with a rate buy down is obtaining the best results in the marketplace.

Home loan mortgage rates have been and are still playing a huge part in the housing market. The Board held mortgage rates at all-time lows after the Great Recession and again after the COVID Recession in an attempt to assist the housing market’s recovery. Low rates helped home sales during this time. However, first-time buyers are now having a hard time entering the housing market due to rising prices and rising interest rates. Per FRED, the average 30-year fixed mortgage has gone from 2.65 percent in January 2021 to 7.08 percent as in October 2022, with a decrease since then with current rates at 6.96 percent as of July 13, 2023. Mortgage applications had been spiking in late 2020 and 2021 due to the low rates and the fear rates were going to start ticking up, which began happening in March 2022. The Board has increased the rate ten times in the past 15 months, which increased the FRR from 0-0.25 percent to 5.00-5.25 percent. At the latest

Board meeting in mid-June, they paused the increases for the month and suggested there may be additional increases later this year. Most economists believe there will be an increase at the July Board meeting with the anticipated increase of 0.25 percent. The FRR increases are supposed to help slow the high inflation rate in the Nation, which appears to be occurring as the latest reports are showing inflation in June 2023 at 3.1 percent, down from a high of 9.1 percent in June 2022. The Board has other considerations including employment numbers, wage growth and consumer confidence to balance along with inflation.

While new home builders slowed production as sales slowed in 2022, the spring of 2023 brought optimism to builders once again. Sales were up month-over-month as buyers adjusted to higher mortgage rates and existing home inventory is at all-time lows. Existing homeowners that are locked into a 3 percent mortgage are not moving up due to the current 6+ percent rates. This is creating a supply issue for existing homes. New home sales are benefiting from this supply issue as in some cases, the only option for homebuyers are new homes. Per Zonda, historically, new homes capture 10 to 13 percent of all home sales; however, due to the limited supply of existing homes currently on the market, new homes are capturing well over 30 percent of all home sales in the Inland Empire.

### **Residential Land Development**

While there had been little land development going on in most of the Inland Empire during the Great Recession years 2008-2011, the second half of 2012 saw a resurgence in the more coveted areas of the Inland Empire. The increase in housing prices since 2012 combined with the limited availability of supply made land development feasible once again for homebuilders. It is thought that the increase in regulations, which has significantly increased the timeline for processing entitlements, has limited the master developers' further entitlement of developable land in California. While prior to the recession it was not unusual to see numerous large master-planned communities selling lots to various builders, there are few currently available in the subject area. The majority of land sales over the past few years include single tracts of land with maps ready to



record or a public builder buying a larger piece of land but develops the land for its own use, such as Aurora by TriPointe Homes (subject property), The Arboretum by Lennar, Monterado by Lennar and Nara Hills by Landsea Homes, all located in Fontana.

Land sales in the Inland Empire slowly grew from 2012 up to a peak in 2017, with 2018 and 2019 showing lower land transactions. Once home sales exploded in May 2020, land sales followed with a significant number of residential land sales to builders in the Inland Empire during the second half of 2020 and throughout 2021. In late 2021 and early 2022, prior to the FRR increases, builders were paying significantly more for residential land that was ready to develop as demand was up and supply was shrinking. The beginning of 2022 continued with strong residential land sales until May, when sales began to fall sharply. According to Zonda's survey of builders regarding residential land purchases, as of January 2023 only 2 percent of builders surveyed were "full steam ahead," and almost 40 percent were pausing transactions or bidding lower on land transactions. As of July 2023, these percentages have changed drastically with 35 percent stating they are going "full steam ahead" and 41 percent moving "cautiously forward." The increase in optimism from new home builders outlook since January is partially due to the extreme slowdown of existing home inventory.

### **New Home Sales and Pricing**

We have researched new single-family homes within the subject's market in order to reflect residential trends. It should be noted these sales numbers and prices pertain to new home sales while later in this section we discuss existing home sales. In reviewing new home sales in the Inland Empire market area, per the July 16, 2023 Ryness Report, the year-to-date average sales rate (4.03 sales per month) is 10 percent lower than the same time period of the previous year (4.46 sales per month). Surprisingly, even with the increases in pricing and mortgage rates, sales of new homes are occurring at a very good pace; however this is partially due to the extreme limited supply of existing homes which is creating more demand for new homes. New home sales rates started to level off in late Spring 2022, likely due to the increase in mortgage interest rates. As rates go down, purchasing power becomes larger, which gives new-home buying a boost. However, the

flip side is that as interest rates rise, purchasing power becomes lower and therefore fewer people purchase new homes. Along with home sales comes a demand for appliances, furniture, building materials and services such as insurance, mortgage services, inspections, interior designers, and landscapers, all contributing to the area economy.

When comparing the July 16, 2023, Inland Empire Ryness Report to one year prior, there are 36 additional projects (213 in July 2022 and 249 in July 2023) and sales are about 10 percent lower year-to-date than the previous year. This does not appear to be due to limited inventory as there are additional projects, but rather because of an actual slowdown in sales activity likely due to the increase in interest rates. It should be noted that current sales rates are being compared to the shifting market of Spring/Summer of 2022. To put this in perspective, when comparing year to date average new home sales from July 2022 to July 2023, average sales numbers in the Inland Empire are down 10 percent (per the Ryness Report dated July 16, 2023); however, when comparing year to date average new home sales from July 2019 (prior to the pandemic) to July 2023, sales are actually 20 percent stronger (3.38 sales per month year-to-date average in July 2019 versus 4.03 sales per month year-to-date average in July 2023).

New single-family home pricing (combines both attached and detached) in the Inland Empire has also seen changes. The median new home price in the Inland Empire changed from the peak value of \$437,200 in the third quarter of 2006 to \$268,155 in early 2009 (decrease of 39 percent) while the current Inland Empire median new home price is \$525,000 which is down from a record high of \$646,000 in July 2022 per Zonda's latest market report (Riverside-San Bernardino-Ontario, CA CBSA April 2023). This reflects an increase of over 95 percent from the bottom of the cycle and an increase of more than 20 percent over its peak during the Great Recession, however a decrease from the 2022 peak of 18.7 percent. In reality, this decrease is actually larger as builders are buying down interest rates which costs the builder at times, up to \$100,000, however, the amount is not reflected in the recorded sales price. New home sale prices fluctuate based on the land value and competition more than on the cost of building the home. While finishes

and sizes of homes can change, the basic costs on a per square foot basis typically do not fluctuate as much as land values; however, there have been inflationary increases in construction costs adding to this increase.

We have reviewed Empire Economics' Price Point Review Study on Fontana CFD No. 100 (Victoria) dated July 17, 2023. Empire Economics did an original Price Point Study on the project in August 2020 in order to determine their market value for the various plans within the Aurora (formerly known as Victoria). The "Review Study" is to ascertain if the prices have increased or decreased since the original Study. The Empire Economics Price Point Review Study concluded that, in all cases, the current market value conclusions of the homes was, on average, 29 – 30 percent higher than the original market value conclusions in 2020.

Within our search for the most comparable actively selling new home communities, we searched the subject's city of Fontana, which currently features a multitude of actively selling new home communities. We found 10 communities comparable to Aurora Park. The comparables have base prices ranging from \$514,990 to \$857,105. While both Goldenrod's and Sienna's base prices range from \$567,000 to \$742,000, which falls well within the range of comparable new homes in the area.

### **Existing Homes Sales and Pricing**

While the previous section looked at new home sales and pricing, this section refers to existing homes in the Inland Empire. According to the California Association of Realtors' most recent data, within overall Southern California, the median price paid for an existing single-family home in June 2023 (\$815,000) reflects a decrease of 1.8 percent from the previous year (\$830,000 June 2022) however a 1.9 percent increase from the previous month (\$800,000 in May 2023). Existing home sales in Southern California overall were down 19.4 percent year-over-year as of June 2023. The overall Southern California numbers compare to San Bernardino County with \$470,000 as the median price paid for an existing home in the County in June 2023, down 4.1 percent from the previous year (\$490,000 June 2022) and an increase of 3.3 percent from the previous month (\$455,000 in May 2023). Sales of existing homes in the County were down 23.2 percent year-over-

year due to higher mortgage rates and high home prices. It is interesting to note that San Bernardino County has had a similar drop in price in the past year and increase in price since the past month, in line with what's happening in the Southern California market. The slower sales rates in the existing home sales market are reflective of homeowners not ready to sell due to the changing market. Historically, the new home market captures 10-13 percent of the overall home sales; however, in the past year, new home sales are capturing over 30 percent of total home sales. Below is a table showing the sales and prices for the Southern California area by County per the California Association of Realtors.

Southern California Existing Home Sales						
County	June 2023	May 2023	June 2022	Price MTM % Change	Price YTY % Change	Sales YTY % Change
Los Angeles	\$832,310	\$744,770	\$860,230	11.8%	-3.2%	-19.1%
Orange	\$1,260,000	\$1,256,500	\$1,265,000	0.3%	-0.4%	-12.2%
Riverside	\$628,000	\$629,000	\$645,000	-0.2%	-2.6%	-16.0%
San Bernardino	\$470,000	\$455,000	\$490,000	3.3%	-4.1%	-23.2%
San Diego	\$958,250	\$935,000	\$950,000	2.5%	0.9%	-24.3%
Ventura	\$927,500	\$925,500	\$930,000	0.2%	-0.3%	-24.3%
Southern Calif.	\$815,000	\$800,000	\$830,000	1.9%	-1.8%	-19.4%

Source: California Association of Realtors

Based on June 2023 median existing homes prices, in comparison to all of the surrounding counties, San Bernardino County has a definite price advantage. The "San Bernardino County Advantage" (price difference between San Bernardino and surrounding counties) is \$158,000 as compared to Riverside County, \$362,310 as compared to Los Angeles County, \$457,500 as compared to Ventura County, \$488,250 as compared to San Diego County and \$790,000 as compared to Orange County. That is, in June 2023, the median priced home in San Bernardino County was \$790,000 less than the median priced home in Orange County (\$1,260,000). Typically, as the price advantage widens, homebuyers are more open to commuting to further out areas. With the current work-from-home concept, the suburban areas have seen more growth which put pressure on home prices in the Inland Empire. It's worth noting that June of 2022 was the first month where the majority of Southern California counties showed median price decreases from the previous month and May 2023 showed median prices beginning to

rise suggesting that pricing may have hit bottom; however, this is due to minimal inventory/supply which is upsetting the balance in the housing market.

In a separate attempt to capture the amount of increase in home prices, the resale activity of existing homes in the subject's immediate area (per Redfin.com) has been reviewed. The number of sales and sale prices of existing homes within market areas surrounding the subject are shown in the table below.

Community Name	Location To Subject	No. of Sales June '23	Sales % Change from June '22	Jan. '23 Median Sale Price	Price % Change from Jan. '22
North Fontana	Larger Subject Vicinity	66	N/A	\$691,000	-3.8%
Etiwanda	West	26	-27.7%	\$1,132,000	8.7%
Rancho Fontana	South	9	-66.6%	\$692,000	-1.8%
Citrus Heights South	Northeast	4	-33.3%	\$821,500	2.7%
Walnut Village	Immediate East	7	-46.1%	\$570,000	-9.5%
Rialto	Far East	45	-6.0%	\$550,000	0.0%
Summit Heights	North	7	-41.6%	\$715,000	-8.7%
Sierra Lakes	Northeast	17	13/0%	\$718,000	1.1%
West End	Southwest	24	-14.3%	\$647,500	-6.2%

Source: Redfin Housing Market Trends January 2023

The median home price of a detached resale home in the subject's vicinity of North Fontana in June 2023 was \$691,000, which is within the range of the resale detached home prices in the subject area. The low-end of the range relates to the Walnut Village and Rialto areas, which have older homes, while the high-end of the range relates to Etiwanda. Etiwanda is an upscale Rancho Cucamonga neighborhood on the west side of I-15, and stands as an outlier in the subject's marketplace. This is because of Rancho Cucamonga's more desirable address as well as Etiwanda's highly ranked public schools. The above price fluctuations from year-to-year relate to the California Department of Real Estate's overall San Bernardino County detached home resale price increase of 3.3 percent year-over-year from June 2022 to June 2023. This suggests that the subject's immediate marketplace is largely outperforming the County as a whole.

According to the Ryness Report dated July 16, 2023, there are currently 38 new home projects in the subject's Central and East San Bernardino submarkets, with the City of Fontana housing 20 of them (including the subject's two).

### **Aurora Park - Sales and Pricing**

Aurora Park is comprised of 193 single family homes with marketed sizes from 1,879 to 2,743 square feet. Aurora Park grand opened in December of 2021, with opening base pricing ranging from \$648,000 to \$752,000. Current base pricing at Aurora Park ranges from \$567,000 to \$742,000 which is 1.3 to 12.8 percent lower than opening base prices. Specifically, Sienna appears to have had a larger price reduction, with differences of \$70,000 to \$87,000 (10.1 to 12.8 percent), while Goldenrod's prices have dropped significantly less (\$10,000 to \$17,000, or 1.3 to 2.7 percent). Actual closed prices, including options, upgrades, premiums, and concessions, have ranged from \$529,451 to \$852,048. The difference between the base pricing and the actual pricing is options, upgrades and premiums paid by the buyer offset by concessions given by the builder. The net closing cost and rate buy down concessions for the 91 sales within the subject property average \$13,341.60 per unit. These concessions are not considered in the reported sales prices and are decided on a case-by-case basis and have increased over the past eight months due to fluctuating mortgage rates. Within the subject, TriPointe has sold and closed 72 homes to individuals, with an additional 19 homes in escrow which are due to close at completion. The total of 91 sales equates to an absorption rate of 4.8 sales per month spread across the two product types (2.6 sales per month for Sienna and 2.2 sales per month for Goldenrod). This is considered to be a slower absorption rate for the subject marketplace. It should be noted that the community has had large time lapses in between phase releases, and therefore have been temporarily sold out with no available homes for sale from time to time, due to construction and weather delays, along with some architectural changes. Per the Ryness Report, a new home tracking service, as of July 16, 2023 the year-to-date average sales per project per month in the Inland Empire is 4.5 homes; nearly double the average sales pace of Sienna and Goldenrod.

## **Summary**

The Inland Empire had seen substantial increases in pricing since 2012 with most areas, including the subject, showing astronomical increases from mid-2020 through early 2022. While existing home sales were originally down when COVID began in spring/early summer 2020, new home sales subsequently shot up due to the existing home market supply being constrained and interest rates hitting all-time lows. The latest statistics indicate a slowdown in sales as interest rates have risen substantially. The Fontana new-home submarket is performing in line with the Inland Empire market as a whole. The subject market area saw an increase in pricing consistent with most of Southern California throughout 2020 and 2021 and appeared to be continuing in the beginning of 2022. The past year has seen sales slow and prices lowering; however, the past couple months have seen new home builders' optimism return as new home absorption is generally increasing. Despite uncertainty hitting the market due to rising interest rates and inflation, most observers agree that the Inland Empire housing market is healthy and population growth is still estimated to occur in the area. It is believed that as the population continues to increase, housing growth will also continue, despite a slowdown.

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## HIGHEST AND BEST USE ANALYSIS

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The highest and best use is a basic concept in real estate valuation due to the fact that it represents the underlying premise (i.e., land use) upon which the estimate of value is based. In this report, the highest and best use is defined as:

*"the reasonably probable and legal use of vacant land or an improved property, which is physically possible, appropriately supported, financially feasible, and that results in the highest value"<sup>5</sup>*

Proper application of this analysis requires the subject properties to first be considered "As If Vacant" in order to identify the "ideal" improvements in terms of use, size and timing of development. The existing improvements (if any) are then compared to the "ideal" improvements to determine if the use should be continued, altered or demolished preparatory to redevelopment of the site with a more productive or ideal use.

### **"As If Vacant"**

In the following analysis, we have considered the sites probable uses, or those uses which are physically possible; the legality of use, or those uses which are allowed by zoning or deed restrictions; the financially feasible uses, or those uses which generate a positive return on investment; and the maximally productive uses, or those probable permissible uses which combine to give the owner of the land the highest net return on value in the foreseeable future.

### **Physically Possible Uses**

The subject property is rectangular in shape, consists of 21.539 gross acres and 19.147 net acres per recorded Tract Map No. 20229. The site is located in the northwestern portion of the City of Fontana, at the southwest corner of Victoria Street and Kestrel Drive, just east of I-15. The lands are generally at street grade of surrounding streets and I-15, with existing residential homes to the south, vacant lands to the east, a California Highway Patrol and Caltrans facility to the north, and RV/Boat storage facility to the west, beyond which is I-15.

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<sup>5</sup> The Appraisal of Real Estate, 11<sup>th</sup> Edition



The subject site has been graded for 193 single family homes: 82 pads for detached alley load homes and 111 pads for detached cluster homes. The homes area all detached but are technically condominiums, sitting on HOA owned parcels containing approximately 2,000 square feet. We have reviewed an Environmental Site Assessment along with a Soils Report on the subject site. All reports reviewed concluded that the development of the site into single-family residential use is feasible; however, all mitigation measures recommended within the reports should be adhered to during construction. It is an assumption of this report that the soils are adequate to support the highest and best use, and that there are no environmental issues which would slow or thwart development of the property. This is evidenced by existing homes on the site which were recently built with City inspectors on site during construction.

An engineered drainage system appears to have been designed into a street drainage system for the entire tract. All standard utilities are available to serve the subject property. The site has good access via I-15, exit Baseline Avenue to North Heritage Circle Drive; or from I-210 exit Cherry Avenue to Victoria Street. There is neighborhood shopping within one mile of the subject at Baseline and Cherry Avenue.

Based on the physical analysis, the size and access make the subject property physically suited for numerous types of development; however, the grading that has occurred on the site suggests residential development.

### **Legality of Use**

The subject property is located within the City of Fontana in the County of San Bernardino. Per the City's General Plan Land Use Map, the subject site is shown as R-M, or Medium Density Residential with 5.1-12 du/acre. The subject lands fall within the West Gate Specific Plan, which denotes the subject as Planning Area 50 with 10,000 square foot lots (or 0-5 du/acre). Specific Plan Amendment No. 18-004 was approved by the City to change the designation to R-2 Cluster (Residential 5.1 – 12.0 dwelling units per acre). In addition to the General Plan and Specific Plan zoning, the subject is covered by recorded Tract Map No. 20229 (recorded June 17, 2021) which subdivides the subject property into a single lot along with condominium maps which divide the property into 193 single-

family units (pads for 82 alley load detached condominiums and 111 cluster detached condominiums), along with a community center and pool/spa, tot lot, gazebo area, outdoor exercise area, covered eating areas, setback areas and internal streets. The approved mapping results in a density of 10.08 dwelling units per acre based on the net acreage which is within the approved designation.

Based on the legality of use analysis, the type of development for which the subject properties can be utilized is narrowed to residential use. This is consistent with the findings of the physically possible uses.

### **Feasibility of Development**

The third and fourth considerations in the highest and best use analysis are economic in nature, i.e., the use that can be expected to be most profitable. As discussed under the Inland Empire Housing Market section earlier within this report, the market showed strong increases in both sales and pricing in 2020, 2021 and the beginning of 2022. The second half of 2022 and the beginning of 2023 reflected a slowdown in sales and a softening in prices as interest rates have risen substantially. The slowdown in the second half of 2022 resulted in builder's either pausing on escrows or dropping escrows resulting in few actual closings in the past twelve months. However, builders are once again entering escrows and moving forward on older escrows as new home buyers are continuing to purchase homes, even with the higher mortgage rates. Within Fontana CFD No. 100, out of 193 proposed houses, there have been 91 home sales to date including 72 home closings. All structures appear to be in excellent condition with no physical depreciation apparent. Within the new home market in the Fontana area, we found ten projects to be comparable to the subject's product lines. Homebuilding had not been able to keep up with the demand in 2020 and 2021 due to several factors including historically low interest rates, millennials joining the home buying market and the work from home factor which all add to the demand. While the market softened in the second half of 2022, the Inland Empire is still seeing demand and new homes are still selling. Our search for land sales found 10 land sales in the market area that we consider to be comparable. Population growth is still occurring in the area and will continue to create the need for housing. Based on the

above analysis, the highest and best use for the subject property appears to be for single-family detached residential development at the right price points.

### **Maximum Productivity**

Based on the market activity of residential lands in the immediate area, we have concluded there is a need/demand for residential lands.

### **Highest and Best Use Conclusion – “As If Vacant”**

The final determinant of highest and best use, as if vacant, is the interaction of the previously discussed factors (i.e., physical, legal, financial feasibility and maximum productivity considerations). Based upon the foregoing analysis, it is our opinion that the highest and best use for the subject property is for residential land use.

### **Highest and Best Use – “As Improved”**

The subject property consists of Sienna at Aurora Park and Goldenrod at Aurora Park, with 193 total proposed homes which are currently being marketed by TriPointe Homes. Aurora Park began selling in December of 2021 and has sold 91 homes, reflecting a sales rate of approximately 4.8 sales per month spread across the two product lines. Independently, Sienna has an average absorption rate of 2.6 sales per month while Goldenrod has an average absorption rate of 2.2 homes per month. Base prices at Aurora Park have decreased since grand opening, with base price decreases of 10.1 to 12.8 percent at Sienna (with most recent base pricing ranging from \$567,000 to \$622,000) and 1.3 to 2.5 percent at Goldenrod (with most recent base pricing ranging from \$657,000 to \$742,000). In marketing the homes, the builder is offering closing cost and rate buy down concessions on a case-by-case basis. These concessions have ranged from \$0 to \$38,500 with an average of \$13,341.60 on the 91 sales to date. While the incentives are showing a softening market, per Empire Economics' Price Point Review Study, the plan pricing has increased on average 33-34 percent between proposed pricing in 2020 and current pricing. The sales absorption rate within Aurora Park is considered to be slower than the average, however they have struggled with having homes available to sale with long lapses between phase releases due to construction and weather delays. As discussed under the Inland Empire Housing Market section, within the Inland Empire, the

year-to-date average sales per project is 4.0 homes per month, which the subject is underperforming (at 2.6 and 2.2 sales per month per product line). This is due in part to delays between phase releases and a lack of homes to sell. All of the homes are of good design and appear to be of good quality workmanship. There is currently one home listed as a resale that has been on the market for 78 days with no offers. The seller is asking for over 25 percent above the base price of the plan. It appears the seller may be attempting to take advantage of the current low supply of homes on the market. It appears that Aurora Park is being generally well received, despite the phase release lags, and the neighborhood is selling at the correct price points for the area. Based on the above information, it is concluded that the highest and best use for the subject property, is for the continued use, as improved.

## VALUATION ANALYSIS AND CONCLUSIONS

The Sales Comparison Approach will be used to value the subject property. This approach compares similar properties that have recently sold or are in escrow. In determining the value for the property, a unit of comparison needs to be addressed. For both attached and small lot cluster residential lands, they are typically sold on the basis of a finished pad for a townhome unit or finished lot for a detached unit. That is, the sales price is determined by a finished pad or lot value and then the remaining costs to develop the property to a finished condition are taken into account in the sales price. Therefore, in determining a current market value for the lands, the current condition of the lots will be considered. Our search revealed several projects similar to the subject in that they have some attached and some cluster lots. These transactions are typically looked at on a blended price per unit, taking into consideration the overall density of the project.

In the case of the completed home valuations, a single new-home is the unit of comparison. Our search will include all new home projects within the subject's immediate and surrounding market area to find comparable new homes for sale. In determining the value for each house, a base value will be concluded for each plan which will be considered a minimum market value as most buyers typically purchase some premiums, upgrades or options which increase the price of the home.

For the completed (over 95 percent complete) builder-owned models and production houses, the homes will be valued using the Sales Comparison Approach to conclude on a retail value for each plan, followed by a Discounted Cash Flow ("DCF") Analysis due to the single ownership. The DCF will take into account the fair market value of the completed homes (utilizing the Sales Comparison Approach), remaining development costs (if any), the marketing and carrying costs associated with selling off the homes, a profit due to the developer of the homes, and a discount rate reflecting both the risk associated with selling off the homes along with the time value of money during the estimated absorption period. A home under construction (under 95 percent complete) will be valued as a finished lot rather than attribute value to a partially complete improvement.

In the case of the individually owned homes, the concluded base value will be used for each plan and a mass appraisal technique will be addressed. In determining the concluded base value, new home sales in the area will be reviewed and compared with sales of the subject completed homes using standard methodology and statistical testing. All of the value conclusions will take into consideration improvements and/or benefits to be funded by the Fontana CFD No. 100 Special Tax Bonds and their lien. A summary of the final value conclusions will be reported at the end of this valuation section.

### **Market Data Discussion – Residential Lots**

Within Aurora Park, there are 193 pads in a physically finished condition, with 72 completed homes individually owned, 16 TriPointe-owned homes that are complete or nearly complete (including six model homes and an unfurnished, but completed production home being utilized as the sales center, located in the model complex), 11 TriPointe-owned homes that are under construction (under 95 percent complete), and 94 additional finished lots/pads (16 owned by TriPointe and 78 owned by Resmark). As we are valuing a home under construction (under 95 percent complete) on the basis of a finished lot/pad, we will be valuing 105 lots/pads in our analysis: 27 owned by TriPointe and 78 owned by Resmark. Please refer to Page 2 of this Appraisal Report to see the detailed ownership per unit.

We have searched the area and found the ten transactions summarized in the Addenda to be most comparable to the subject property. The sales are reported both on a purchase price basis and on a finished lot basis. The actual purchase price is typically less, depending on the condition of the land (lots or pads) at the time the property was acquired. Although some sales refer to “finished lots/pads,” they are typically physically finished lots/pads with some fees remaining to be paid to be considered true finished lots/pads. Below are the details of each of the comparable land sales along with a discussion of each transaction in relationship to the subject property.

**Land Sale No. 1** refers to the purchase of a 6.79-acre site located in Fontana about 2.75 miles east of the subject site. RC Homes is planning a new product which includes homes

on approximately 6,000 square foot lots, however each home will have an ADU for separate living. Based on the sales price and cost estimates from brokers familiar with the transaction, the site was purchased for \$3,525,000 which relates to \$76,630 per lot based on the detached 6,000 square foot lots with an estimated finished lot value of \$315,000. When looking at the site on the basis of 92 units (total number of units including the ADUs) the cost is \$38,315 per unit or \$165,000 per finished pad. In comparison to the subject property this location is considered to be slightly inferior (further out from Los Angeles/Orange Counties for commuters). When comparing the 92 units to the subject, this transaction is also considered to be inferior in overall density (13.5 dwelling units per acre versus the subject's 10 dwelling units per acre. When comparing the 46 unit to the subject, this transaction is considered superior in overall density (6.7 dwelling units per acre versus the subject's 10 dwelling units per acre).

**Land Sale No. 2** refers to the purchase of proposed townhomes located at the northwest corner of Pine and Meadowhouse Avenues within the master planned community of the Preserve, located in Chino about fourteen miles southwest of the subject. The Preserve is a successful master planned community with significant amenities which has been offering lots to homebuilders over the past 10 years. Beazer Homes purchased the site in June 2022 for \$19,952,500 or \$133,909 for each of the 149 units based on a reported finished lot price of \$205,000. The product consists of 2 and 3-story attached townhomes with an overall density of 14 dwelling units per acre. The lands closed in an unimproved condition with an approved tentative tract map. In comparison to the subject property, this transaction is considered to be inferior due to the higher density and the fact that this product is for all attached units versus the subject's detached product. In addition, this sale is considered to be superior due to closing in June 2022, prior to the majority of the softening in the subject market.

**Land Sale No. 3** pertains to the Meritage Homes purchase of an assemblage of land in Redlands, northwest of Texas Street and Domestic Avenue about 18 miles southeast of the subject site. The parcels were all raw land at time of sale. The site was in the East Valley Corridor Specific Plan designated for science research park; however, in May

2021, Meritage Homes processed the Bergamot Specific Plan which was approved by the City along with a change of zoning allowing for 317 dwelling units including: 53 single-family detached (“SFD”) lots with a minimum square footage of 7,200; 144 SFD lots with a minimum size of 3,500 square feet; and, 120 motor-court cluster SFD lots with a density of 10 dwelling units per acre. Meritage assembled and purchased the parcels from four landowners and closed between April 13<sup>th</sup> and June 8<sup>th</sup>, 2022. The lands were tied up over one-year prior. The total price for the lands was \$16,657,000 and the finish lot price (blended for all three products) equated to \$193,000. In comparison to the subject property this location is considered to be superior due to the lot size (7,200, 3,500 and 2,000 square feet versus the subject's alley loaded and cluster units). This transaction was negotiated in early 2021, prior to a substantial amount of appreciation in the subject marketplace. The condition of the lands for this transaction is considered to be significantly inferior as they were in a raw land state and the buyer changed the zoning and processed the mapping as compared to the subject finished lots, ready to build. While the costs are accounted for in the estimated finished lot price, the risk of development, processing time and market conditions are not considered.

**Land Sale No. 4 and 5** refer to two land sales in Pomona which is located about 15 miles west of Fontana. Land Sale No. 4 refers to a land sale for 156 proposed units about 15 miles southwest of the subject at Garey and Rio Rancho Road. Century Communities purchased the site with entitlements for 41 detached cluster lots and 115 three story attached townhomes in April 2022. The seller of the property was the Pomona Unified School District with another builder (Melia Homes) optioning the property and processing entitlements and then selling their position to Century Communities. The overall density of the site is 17 dwelling units per acre which is considered to be significantly inferior to the subject property's 10 dwelling units per acre. Century Communities purchased the site for \$13,400,000 or for \$85,897 per unit. We were not able to obtain actual finishing costs; however, based on historical costs and development fees in the area, the blended finished pad is estimated at \$185,897 per unit. Land Sale No. 5 refers to Crestwood Communities purchase of 38 lots, located about 14 miles west of the subject site. Crestwood purchased the site for \$4,695,000 or \$123,553 per unit for the 38 small,



detached lots. The overall density of this site is 10 dwelling units per acre which is considered to be similar to the subject. Again, we were unable to obtain actual finishing costs. However, based on historical costs and development fees, the finished lot is estimated at around \$238,553. This transaction also closed in April 2022. Crestwood is planning to continue their previously sold-out Crestwood at Valencia project on the site. Due to the finished lot numbers being estimates, less emphasis will be placed on these two transactions. We have included them to show the activity in the subject marketplace.

**Data No. 7** pertains to the January 2022 purchase of 56 units located at the southwest corner of Bonnie View Drive and Willow Avenue in Rialto, about ten miles south of the subject site. Century Communities purchased the property from Koba Properties for \$3,290,000 or \$58,750 per unit based on a reported finished lot estimated at \$188,000 per brokers familiar with the transaction. The site was unimproved at time of sale with an approved Tentative Tract Map and entitlements for 56 units with an overall density of 12 dwelling units per acre. In comparison to the subject site, the density is higher (considered inferior) and the Rialto location is considered to be inferior to the subject's Fontana location; however, this comparable is superior in terms of the date of sale.

**Land Sale No. 8** refers to the sale of 526 lots which are known as the Gardens at Arboretum. Lennar Homes purchased the acreage which is located about four miles northeast of the subject site, from Lewis Group of Companies (North Fontana Investment Company) in December 2021 for \$91,935,500 per public record. The purchase included at total of 526 units made up of 69 triplex units, 99 cluster lots with a minimum size of 2,200, 109 cluster lots with a minimum size of 2,600, 97 lots with a minimum lot size of 4,000 square feet, 88 lots with a minimum lot size of 4,100 square feet and 64 lots with a minimum lot size of 6,000 square feet. We were unable to obtain finished lot/pad estimates on each product however brokers familiar with the transaction reported the blended finished lot price is estimated at \$274,000. In comparison to the subject property, this transaction is considered to be superior in date of sale and lot size/overall density (4.0 dwelling units per acre versus the subject's 10 dwelling units per acre). It should be noted that this transaction is considered a bulk sale due to the number of lots/pads which

would have commanded a discount, making this transaction inferior to the subject when looking at number of pads/lots.

**Land Sale No. 9** pertains to the purchase of 107 lots located at the northeast corner of San Savaine Road and South Highland Avenue in Fontana, about 1.8 miles northeast of the subject property. Richmond American purchased the lands which had approvals for 46 alley loaded lots and 61 motorcourt cluster lots from the Stratham Group in December 2021 for \$18,691,821 based on a reported blended finished lot price of \$285,000. The site is adjacent to the 210 Freeway. Richmond American Homes is currently selling their Cascade at Highlands project is on the conventional small lots with homes from 1,860 to 2,060 square feet and current base pricing from \$560,990 to \$596,990; and their Talise product with sizing from 1,410 to 1,950 square feet with current base pricing from \$499,990 to \$573,990. The overall density of this transaction is 10 dwelling units per acre, similar to the subject. This transaction is considered to be most similar to the subject property with the exception of date of sale. This property sold in December 2021 when mortgage rates were in the 3.0 percent range and average sales rates were in the 4 to 6 homes per month range.

**Land Sale No. 10** refers to the purchase by Landsea Homes of 489 units located about 3.5 miles north of the subject, northwest of Duncan Canyon Road and Interstate 15. Landsea purchased the site in September 2021 from Richland Communities who had entitled and processed engineering on the site. The site is raw land with mapping for 129 townhomes, 127 motorcourt cluster lots, 79 lots with a minimum size of 5,000 square feet, and 154 lots with a minimum lot size of 10,000 square feet. The property was reportedly purchased for \$42,736,000 or a blended per unit price of \$87,395, based on a blended finished lot/pad price of \$285,000. The significant cost to develop the lots/pads (almost \$200,000 per unit) is due to the hillside condition of a portion of the site. In comparison to the subject property, this transaction is considered to be superior due about one-half of the lots being minimum 5,000 and minimum 10,000 square feet. In addition, this transaction is considered to be inferior due to the number of lots (considered a bulk purchase) and due to the amount of grading needed on the property. While the actual

costs of land development are taken into consideration, there is higher risk associated with the development (both time of development and grading risk), while the subject lots are all graded and finished.

The chart below summarizes the considerations used in adjusting the market data to the subject property.

Data No.	Location	Date of Sale	Lot Size / Density	Finished Lot Price	Comparison to Subject
1	Fontana	10/22	13.5 du/ac Det w/ ADU	\$315,000 / \$165,000	Slightly inferior – location
2	Chino	6/22	14 du/ac Attached	\$205,000	Superior - Amenities, Date of Sale, Inferior – Density / all attached
3	Redlands	4 / 22	7,200 3,500 Cluster 5.3 du/ac	\$193,000 Blended	Superior – Overall density & Date of Sale Inferior – Condition
4	Pomona	4 / 22	17 du/ac Attached	\$185,897*	Superior – Date of Sale Inferior – Density / All Attached
5	Pomona	4 / 22	10 du/ac Cluster	\$238,553*	Similar
6	Rialto	1/22	12 du/ac	\$188,000	Superior – Date of Sale Inferior - Location
7	Jurupa Valley	12 / 21	Cluster 3.7 du/ac	\$205,000	Superior – Date of Sale, Density Inferior - Condition
8	Arboretum, Fontana	12 / 21	Triplex up to 6,000 sf / 4 du/ac	\$274,000	Superior – Date of Sale Inferior – Number of Lots & Condition
9	Fontana	12 / 21	Small Lot / 10.3 du/ac	\$285,000	Superior – Date of Sale Inferior – Freeway Frontage
10	Fontana	9 / 21	Attach to 10,000 sf / N/A	\$285,000	Superior – Lot size & Density Inferior – Number of Lots & Condition

As discussed under the Inland Empire County Housing Market section earlier within this report the Inland Empire real estate market rose significantly between January 2020 and June 2022, softened in mid-2022 and appears to have found its bottom and stabilized in mid-2023. Median home pricing rose approximately fifty percent between January 2020 and June 2022, however a decrease was seen for about a year, with pricing appearing to rise, once again more recently in 2023 (according to the California Association of Realtor's). The increases for existing single-family homes in San Bernardino were 16.5 percent in 2020; 17.9 percent in 2021, 8.8 percent the first six months of 2022, a 9.5 percent decline until the end of 2022 and an approximate 4.0 percent increase since then.

While the new home price fluctuations do affect the quality of the home (higher finishes with higher prices), most of the price fluctuations fall to the land value.

The above market data depicts a wide range of overall finished lot/pad price range from \$165,000 to \$315,000 with the low end being for a new product type consisting of a home with an ADU on the same lot (based on two units per lot) and the high end being based on only the single home on the lot. The remainder of the market data ranges from \$185,000 to \$285,000. The market data that sold based on a finished lot under \$200,000 relates to unimproved lands (Data No. 3), a significantly higher density (Data No. 4) and an inferior location (Data No. 6). While the estimated costs of the improvements to get to a finished lot are included in the finished lot price, raw land also includes risk of development and the time it takes to process entitlements and plans on the site. The higher density product (Data No. 5) includes all attached units, while the subject lots are all detached, which is considered significantly superior. Data No. 6 is located in Rialto with a median home price of \$550,000 while Fontana has a median home price of \$615,000. The subject was purchased in June 2021 based on a finished lot value estimate of approximately \$221,000, however this was prior to significant appreciation in the marketplace. From June 2021 through June 2022, land transactions became more frequent as homes were selling at increased rates due to the low interest rates and work from home factor; thus builders, at times, paid a premium for the land. In the past year, land sale closings have become sparse as new home prices have fallen with no new closings in the subject market since October of 2022. New homebuilders had purchased land based on the higher new home sales rates and now that sales have slowed significantly, they are building out the land purchased over the past year or two much slower than originally anticipated.

Our search of the subject area resulted in two escrows for similar density projects in Fontana which were cancelled in early 2023, however one has recently gone back under contract. These were located at the northeast and northwest corner of Citrus and Summit Avenues in Fontana.

Based on the market data, we have concluded that the subject lots/pads have a blended finished price of \$230,000. There are 11 homes under construction (under 95 percent complete), all of which are owned by TriPointe. In addition, there are 94 finished lots/pads, 16 of which are owned by TriPointe and 78 of which are owned by Resmark. Based on the above and considering the remaining costs as discussed in the Property Description section, the land value is calculated as follows:

TriPointe Ownership of Lots/Pads:

27 Lots/Pads x \$230,000	\$ 6,210,000
Less: Remaining Costs (\$36,859.07 x 27)	<u>( 995,195)</u>
Current Value of 27 Lots/Pads	<b><u>\$ 5,214,805</u></b>

Resmark Ownership:

78 Lots/Pads x \$230,000	\$17,940,000
Less: Remaining Costs (\$36,859.07 x 78)	<u>(2,875,007)</u>
Current Value of 78 Lots/Pads	<b><u>\$15,064,993</u></b>

**Retail House Valuation – Aurora Park**

Within Aurora Park, there are 72 individually owned homes and 16 homes over 95 percent complete owned by TriPointe. The builder-owned homes over 95 percent complete include nine production homes and seven model homes.

Due to the single ownership of multiple houses (16 homes) by the builder within the subject property, a Discounted Cash Flow (“DCF”) analysis is needed in order to arrive at a bulk value for the homes within each neighborhood. First, a retail value for each plan within Aurora Park will be concluded followed by a DCF for the builder owned homes which will take into account the absorption time to sell off the homes, the costs associated with selling off the homes and any remaining costs owed by the builder, if any. The resulting revenue will be discounted using an appropriate rate to determine the builder-owned bulk value for the builder-owned homes. The DCF builder-owned final value will be followed by a reporting of the concluded values for the individually owned homes within each neighborhood using the concluded base retail value for each plan with a separate check of the analysis utilizing a mass appraisal technique based on actual sales prices of the homes.

Below is a summary of the floor plans within Aurora Park, with both the Sienna and Goldenrod product lines. A listing of the improved residential comparable properties is located in the Addenda of this report. All new home comparables are located within the city of Fontana, which currently houses a multitude of actively selling new home communities. Our search of the subject property and the local Multiple Listing Service (MLS) has resulted in no resales or and one current resale listing within Sienna and Goldenrod at Aurora Park. It should be noted that some architectural changes caused floorplan square footage to alter slightly in homes built after Phase 6, due to value engineering, per TriPointe. However, all of the homes that are 95 percent complete fall into the marketed square footages seen on the builder's website and brochure (built before the value engineering architectural changes). In our analysis, we will use the brochure square footage which appears to be the most widely used and applies to the existing homes over 95 percent complete. The floorplans are detailed below.

<b>Aurora Park by TriPointe Homes</b>					
Plan	Bed/Bath	Floors/ Parking	Sq. Ft.	Ind. Owned	Bldr. Owned
<b>Sienna at Aurora Park (Alley Load)</b>					
1	3 / 2.5	2 / 2	1,879	12	4*
2	3 + Den / 2.5	2 / 3	1,997	12	4*
3	4 + Loft / 3	2 / 3	2,264	11	4*
<i>Sienna Subtotals:</i>				35	12
<b>Goldenrod at Aurora Park (Cluster)</b>					
1	3 + Den / 2.5	2 / 2	2,006	13	1*
2	4 + Loft / 3	2 / 2	2,292-2,301	14	1*
3	5 + Loft / 4	2 / 3	2,743	10	2*
<i>Goldenrod Subtotals:</i>				37	4
<b>Aurora Park Total:</b>				<b>72</b>	<b>16</b>

\*Each asterisk designates one model home per that plan. In addition to the above, there are 11 homes under construction (five at Sienna and six at Goldenrod) and an additional 94 finished lots/pads (30 at Sienna and 64 at Goldenrod).

The most appropriate new home comparable data for Sienna at Aurora Park Plan 1 are shown as follows.

<b>Data</b>	<b>Model</b>	<b>Rm. Ct.</b>	<b>Flrs/Pkg.</b>	<b>Sq. Ft.</b>	<b>Price/SF</b>
Subj.	1	3 / 2.5	2 / 2	1,879	--
1	2	3 / 2.5	2 / 3	1,997	\$296.44
3	1	3 / 2.5	2 / 2	1,860	\$312.36
4	3	3 / 2.5	2 / 2	1,710	\$312.86
4	4	4 / 3	2 / 2	1,950	\$303.07
5	1	3 / 3	2 / 2	1,724	\$321.64
5	2	3 / 2.5	2 / 2	1,961	\$285.51
6	2	3 / 2.5	2 / 2	1,832	\$293.28
7	1	3 / 2.5	2 / 2	1,822	\$313.69
7	2	3 / 2.5	2 / 2	1,932	\$297.58
9	2	3 / 2.5	2 / 2	1,761	\$322.48
9	3	4 / 2.5	2 / 2	1,969	\$297.40

The comparable communities are all located in Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, school districts, lot size, master plan amenities, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$285.51 to \$322.48 per square foot, with generally the larger homes at the lower end of the range and the smaller homes at the higher end of the range. This is typical due to the economies of scale obtained during construction of the homes. Aurora Park's Sienna Plan 1 has a current base asking price of \$301.76 per square foot. There have been 12 closings of Sienna Plan 1 with sales prices ranging from \$281.77 to \$381.18 per square foot. There are five current escrows of Sienna Plan 1 with a sales price range of \$279.70 to \$319.88 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder, while the concluded value relates to a base price for the plan including closing cost concessions. Closing cost concessions do not show up in the reported sales price of the home, however, are a cost of selling the home. It has been concluded that Sienna Plan 1 has a base current market value of \$278.00 per square foot. This calculates as follows:

$$1,879 \text{ sf} \times \$278.00 = \$522,362$$

The most appropriate new home comparable data for Sienna at Aurora Park Plan 2 are shown as follows.

Data	Model	Rm. Ct.	Flrs/Pkg.	Sq. Ft.	Price/SF
Subj.	2	3 / 2.5	2 / 3	1,997	--
1	1	3 / 2.5	2 / 2	1,879	\$301.76
2	1	3 / 2.5	2 / 2	2,006	\$327.52
3	2	3 / 2.5	2 / 3	1,930	\$309.32
3	3	4 / 3	2 / 3	2,065	\$299.75
4	4	4 / 3	2 / 2	1,950	\$303.07
5	3	3 / 2.5	2 / 2	1,987	\$291.31
5	4	3 / 2.5	2 / 2	2,046	\$287.71
6	3	3 / 2.5	2 / 2	2,007	\$284.72
7	2	3 / 2.5	2 / 2	1,932	\$297.58
9	3	4 / 2.5	2 / 2	1,969	\$297.40
9	4	4 / 3	2 / 2	1,970	\$300.50
11	1	3 / 2.5	2 / 2	2,099	\$307.27

The comparable communities are all located in Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, school districts, lot size, master plan amenities, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$284.72 to \$327.52 per square foot. Aurora Park's Sienna Plan 2 has a current base asking price of \$296.44 per square foot. There have been 12 closings of Sienna Plan 2 with sales prices ranging from \$280.69 to \$356.23 per square foot. There are four current escrows of Sienna Plan 2 with a sales price range of \$282.48 to \$309.68 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder, while the concluded value relates to a base price for the plan including closing cost concessions. Closing cost concessions do not show up in the reported sales price of the home at this time, however, are a cost of selling the home at this time. There is currently one Sienna Plan 2 on the resale market with an asking price of \$375.56 per square foot. The home has been on the multiple listing service for 78 days with no offers to date. It has been concluded that Sienna Plan 2 has a base current market value of \$280.00 per square foot. This calculates as follows:

$$1,997 \text{ sf} \times \$280.00 = \$559,160$$



The most appropriate new home comparable data for Sienna at Aurora Park Plan 3 are shown as follows.

<b>Data</b>	<b>Model</b>	<b>Rm. Ct.</b>	<b>Flrs/Pkg.</b>	<b>Sq. Ft.</b>	<b>Price/SF</b>
Subj.	3	4 / 3	2 / 3	2,264	--
2	2	4 / 3	2 / 2	2,292	\$294.50
3	3	4 / 3	2 / 3	2,065	\$299.75
7	3	3 / 2.5	2 / 2	2,207	\$274.13
8	1	3 / 2.5	2 / 2	2,213	\$282.28
8	2	3 / 2.5	2 / 2	2,358	\$270.80
10	1	4 / 3	2 / 2	2,449	\$290.47
11	1	3 / 2.5	2 / 2	2,099	\$307.27
11	2	4 / 3	2 / 2	2,136	\$310.77
11	3	4 / 3	2 / 2	2,311	\$298.99

The comparable communities are all located in Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, school districts, lot size, master plan amenities, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$270.80 to \$310.77 per square foot, with generally the larger homes at the lower end of the range and the smaller homes at the higher end of the range. This is typical due to the economies of scale obtained during construction of the homes. Aurora Park's Sienna Plan 3 has a current base asking price of \$274.73 per square foot. There have been 11 closings of Sienna Plan 3 with sales prices ranging from \$277.73 to \$337.44 per square foot. There are five current escrows of Sienna Plan 3 with a sales price range of \$255.62 to \$291.03 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder, while the concluded value relates to a base price for the plan including closing cost concessions. Closing cost concessions do not show up in the reported sales price at this time however, are a cost of selling the home at this time. It has been concluded that Sienna Plan 3 has a base current market value of \$253.00 per square foot. This calculates as follows:

$$2,264 \text{ sf} \times \$253.00 = \$572,792$$

The most appropriate new home comparable data for Goldenrod at Aurora Park Plan 1 are shown as follows.

<b>Data</b>	<b>Model</b>	<b>Rm. Ct.</b>	<b>Flrs/Pkg.</b>	<b>Sq. Ft.</b>	<b>Price/SF</b>
Subj.	1	3 / 2.5	2 / 2	2,006	--
1	2	3 / 2.5	2 / 3	1,997	\$296.44
3	3	4 / 3	2 / 3	2,065	\$299.75
5	3	3 / 2.5	2 / 2	1,987	\$291.31
5	4	3 / 2.5	2 / 2	2,046	\$287.71
6	3	3 / 2.5	2 / 2	2,007	\$284.72
9	3	4 / 2.5	2 / 2	1,969	\$297.40
9	4	4 / 3	2 / 2	1,970	\$300.50
11	1	3 / 2.5	2 / 2	2,099	\$307.27

The comparable communities are all located in Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, school districts, lot size, master plan amenities, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$284.72 to \$307.27 per square foot, with generally the larger homes at the lower end of the range and the smaller homes at the higher end of the range. This is typical due to the economies of scale obtained during construction of the homes. Aurora Park's Goldenrod Plan 1 has a current base asking price of \$327.52 per square foot. There have been 13 closings of Goldenrod Plan 1 with sales prices ranging from \$313.51 to \$382.59 per square foot. There is one current escrow of Goldenrod Plan 1 with a sales price of \$342.55 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder, while the concluded value relates to a base price for the plan including closing cost concessions. Closing cost concessions do not show up in the reported sales price for the home, however, are a cost of selling the home at this time. It has been concluded that Goldenrod Plan 1 has a base current market value of \$305.00 per square foot. This calculates as follows:

$$2,006 \text{ sf} \times \$305.00 = \$611,830$$

The most appropriate new home comparable data for Goldenrod at Aurora Park Plan 2 are shown as follows.

<b>Data</b>	<b>Model</b>	<b>Rm. Ct.</b>	<b>Flrs/Pkg.</b>	<b>Sq. Ft.</b>	<b>Price/SF</b>
Subj.	2	4 / 3	2 / 2	2,292	--
1	3	4 / 3	2 / 3	2,264	\$274.73
7	3	3 / 2.5	2 / 2	2,207	\$274.13
8	1	3 / 2.5	2 / 2	2,213	\$282.28
8	2	3 / 2.5	2 / 2	2,358	\$270.80
8	3	4 / 2.5	2 / 2	2,472	\$263.09
10	1	4 / 3	2 / 2	2,449	\$290.47
11	2	4 / 3	2 / 2	2,136	\$310.77
11	3	4 / 3	2 / 2	2,311	\$298.99

The comparable communities are all located in Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, school districts, lot size, master plan amenities, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$263.09 to \$310.77 per square foot, with generally the larger homes at the lower end of the range and the smaller homes at the higher end of the range. This is typical due to the economies of scale obtained during construction of the homes. Aurora Park's Goldenrod Plan 2 has a current base asking price of \$294.50 per square foot. It's important to note that Goldenrod Plan 2 is being marketed with a square footage range of 2,292 to 2,301 square feet, with a slight variation depending upon exterior elevation and front door orientation. We have used the smaller size to represent the base Plan 2 footage; thus the 2,292 square feet is valued here. There have been 14 closings of Goldenrod Plan 2 with sales prices ranging from \$300.01 to \$358.60 per square foot. There are two current escrows of Goldenrod Plan 2 with a sales price range of \$292.39 to \$298.87 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder, while the concluded value relates to a base price for the plan including closing cost concessions. Closing cost concessions do not show up in the reported sales price of the homes, however, are a cost to the seller. It has been concluded that Goldenrod Plan 2 has a base current market value of \$285.00 per square foot. This calculates as follows:

$$2,292 \text{ sf} \times \$285.00 = \$653,220$$

The most appropriate new home comparable data for Goldenrod at Aurora Park Plan 3 are shown as follows.

<b>Data</b>	<b>Model</b>	<b>Rm. Ct.</b>	<b>Flrs/Pkg.</b>	<b>Sq. Ft.</b>	<b>Price/SF</b>
Subj.	3	5 / 4	2 / 3	2,743	--
1	3	4 / 3	2 / 3	2,264	\$274.73
2	2	4 / 3	2 / 2	2,292	\$294.50
8	3	4 / 2.5	2 / 2	2,472	\$263.09
10	1	4 / 3	2 / 2	2,449	\$290.47
10	2	4 / 3	2 / 2	2,666	\$273.70
10	3	4 / 3	2 / 2	2,877	\$261.37
11	4	4 / 3	2 / 2	2,552	\$278.27
12	1	4 / 3.5	2 / 2	2,747	\$298.17
12	2	4 / 4	2 / 2	2,961	\$289.46

The comparable communities are all located in Fontana. All are of similar quality, design, and appeal. Adjustments were considered (when applicable) for location, school districts, lot size, master plan amenities, stories, sales concessions, CFD taxes, common area benefits, total square footage, room count, garage space and other amenities. The new home comparables have a base price range from \$261.37 to \$298.17 per square foot. Aurora Park's Goldenrod Plan 3 has a current base asking price of \$270.51 per square foot. There have been 10 closings of Goldenrod Plan 3 with sales prices ranging from \$272.61 to \$310.63 per square foot. There are two current escrows of Goldenrod Plan 3 with a sales price range of \$281.48 to \$282.67 per square foot. It should be noted that the reported sales prices include upgrades, premiums, and options along with any concessions given by the builder, while the concluded value relates to a base price for the plan including closing cost concessions. Closing cost concessions do not show up in the reported sales price of the homes, however, are a cost to the seller. It has been concluded that Goldenrod Plan 3 has a base current market value of \$270.00 per square foot. This calculates as follows:

$$2,743 \text{ sf} \times \$270.00 = \$740,610$$

#### Builder Owned Retail Value – Aurora Park

Within the subject property, there are 16 TriPointe-owned houses over 95 percent complete, six of which are decorated models. Per interviews with builders, upgrades and landscape/hardscape of up to \$100,000 are installed in the model homes, however, the

builders generally consider this a marketing cost and do not anticipate recovering this investment on a dollar-for-dollar basis. Based on historical information, home sizes and fixtures, actual model home sales within the subject area and the current real estate market, a consideration of a \$50,000 premium has been included with each of the model homes. As concluded above, the retail base value conclusions for the builder-owned homes within Aurora Park are calculated as follows:

Sienna Plan 1 (4 x \$522,362)	\$ 2,089,448
Sienna Plan 2 (4 x \$559,160)	2,236,640
Sienna Plan 3 (4 x \$572,792)	2,291,168
Goldenrod Plan 1 (1 x \$611,830)	611,830
Goldenrod Plan 2 (1 x \$653,220)	653,220
Goldenrod Plan 3 (2 x \$740,610)	1,481,220
Model Upgrades (6 x \$50,000)	<u>300,000</u>
Total Retail Value	\$ 9,663,526

#### Absorption Period

In order to arrive at an absorption period for the 16 builder-owned homes, the absorption rate for the subject neighborhood along with the surrounding developments has been reviewed. Aurora Park grand opened in December 2021 and consists of 193 homes. There have been 91 sales since December 2021 suggesting an average absorption of 4.8 homes per month across the two product lines, which is considered to be a bit slow for the subject area with the subject's price points. When looking at each product line individually, Sienna have averaged a sales pace of 2.6 sales per month while Goldenrod has averaged a sales pace of 2.2 sales per month. It should be noted that there was some value engineering which created some slight changes in square footage for the future homes which has taken time to go through the approval process and delayed construction. In addition, the rainy season of 2022/23 delayed construction. Taking into consideration the product, concluded sales prices and current escrows, along with the current unstable interest rates, it has been concluded that the 16 builder-owned homes will be absorbed within a six-month period at the concluded values.

#### Remaining Costs

As discussed under the remaining costs section earlier within this report, there are \$36,859.07 per lot in remaining land development costs associated with the builder-

owned homes, which equates to a total of \$589,745 for the subject 16 homes. It is an assumption of this analysis that the remaining costs will be spread evenly over the six-month absorption time period.

### Expenses

In determining an expense rate, several builders in the subject area have been interviewed as to their expenses on selling existing inventory. Expenses include marketing and general administrative costs. These costs typically range from six to ten percent depending on varying factors such as absorption period, intensity of marketing, etc. Due to the volatile market, we are considering eight percent for marketing expenses and two percent for general and administrative costs for a total of ten percent in expenses for this analysis.

### Profit

Several interviews with merchant builders in the area were conducted in order to determine an appropriate profit percentage for the subject properties. In the early 2000s, developers typically attempted to achieve a 10 to 12 percent profit based on gross sales proceeds. During the early great recession, this range was lowered considerably to six to 10 percent with some builders drastically lowering their profit potential in order to maintain their work force. A ten percent profit is considered appropriate in the analysis for this project.

### Discount Rate

In selecting a discount rate, the following was completed:

1. Interviews with merchant builders in the San Bernardino area
2. Review of current market conditions including current market rates as well as yields reflected in other markets (i.e., municipal bonds, corporate bonds, etc.)
3. The quality, construction, historical sales and product on the subject property

The homes within Aurora Park began selling in December 2021 with the product being well received in the marketplace with a 4.8 sales per month average across the two product lines. While this sales pace is a bit below the area average, it's important to note that construction and weather delays have caused large gaps between phase releases, so there have been times when there were no homes available to sell. Based on the sales rate within both

communities in the subject project, the competition, the product and location, and current market conditions, a 10 percent discount rate is considered appropriate for this analysis.

#### Discounted Cash Flow Summary

The discounted revenue (see DCF Analyses in addenda) for the builder-owned homes within Aurora Park is **\$6,937,338**.

#### Aurora Park – TriPointe Homes Ownership

27 Lots/Pads owned by TriPointe	\$ 5,214,805
16 Houses (including 7 models) TriPointe-owned	<u>6,937,338</u>
Total TriPointe Ownership	<b><u>\$12,152,143</u></b>

#### Aurora Park – Resmark Ownership

78 Lots/Pads owned by Resmark	<b><u>\$ 15,064,993</u></b>
-------------------------------	-----------------------------

#### Individual Owners Value Conclusion – Aurora Park

There are 72 individually owned homes within the subject property. Based on the concluded value for each plan, the individually owned homes within the subject property have a minimum market value of:

Sienna Plan 1 (12 x \$522,362)	\$ 6,268,344
Sienna Plan 2 (12 x \$559,160)	6,709,920
Sienna Plan 3 (11 x \$572,792)	6,300,712
Goldenrod Plan 1 (13 x \$611,830)	7,953,790
Goldenrod Plan 2 (14 x \$653,220)	9,145,080
Goldenrod Plan 3 (10 x \$740,610)	<u>7,406,100</u>
<b>Total Individual Owned</b>	<b><u>\$43,783,946</u></b>

In an additional review, we have reviewed the original builder sales prices for the homes within the subject property. Closings for the 72 homes occurred between June 16, 2022, and July 14, 2023. The reported closing prices by the builder for the 72 individually owned homes total \$51,177,361, which is 16.9 percent higher than the concluded value. The builder's reported prices include premiums, upgrades and purchased options as well as took into consideration the concessions given by the builder, which would typically be higher than the base pricing. However, in the past year, public builders have increased

concessions with rate buy-downs occurring which have totaled up to \$100,000 in concessions with an average of over \$13,000 per sale within Aurora Park. These closing cost concessions are not included in the sales prices of the homes. The current market and most recent sales not only reflect higher incentives, but also include lower pricing. Opening base prices in December 2021 ranged from \$648,000 to \$692,000 for Sienna, while Goldenrod's opening base prices were from \$674,000 to \$752,000. Current base prices are from \$567,000 to \$622,000 for Sienna and from \$657,000 to \$742,000 for Goldenrod. This shows that prices have decreased and demonstrates the adjusting of prices to meet the market. The decreasing market and the increasing incentives have been taken into account in our analysis. The above valuation is for the minimum market value, as it takes into consideration the base plan price only and does not take into account any options, premiums or upgrades which were purchased by the buyers; however, it does take concessions into consideration. It is our conclusion that the original builder sales prices further substantiate the concluded minimum market value for the individually owned homes



## APPRAISAL REPORT SUMMARY

The appraisal assignment was to value the subject property within Fontana CFD No. 100 which consists of 193 proposed residential units. The 193 units are known as Aurora Park, being marketed, and sold by TriPointe Homes, and are located in the northwestern portion of the City of Fontana. The subject includes two product lines: Sienna, 82 alley load detached condominiums; and Goldenrod, 111 cluster detached condominiums. As of July 17, 2023, individuals have purchased and closed on 72 of the total 193 proposed houses, with an additional 19 homes in escrow which are due to close upon completion. The community has had a slower than average sales pace, in part due to the construction and weather delays causing large breaks between phase releases. All structures appear to be in excellent condition with no visible depreciation. We have reviewed builder sales and reviewed the local MLS for current listings or resales and found one current listing which is included in the report.

The subject properties were valued utilizing the Sales Comparison Approach to value, a Discounted Cash Flow Analysis, and a Mass Appraisal Technique for the individually owned homes. A minimum value was determined by concluding at a base value for the individually owned homes. The valuation took into account the improvements/benefits to be funded by the special tax Fontana CFD No. 100 bond proceeds along with the Fontana CFD No. 100 special tax lien. The concluded aggregate value for the subject properties, subject to their respective special tax lien, is:

### **Aurora Park:**

Resmark Ownership (78 pads)	\$ 15,064,993
TriPointe Homes Ownership (27 lots/pads & 16 houses)	\$ 12,152,143
Individual Owners (72 houses)	<u>\$ 43,783,946</u>
<b>Total Aggregate Value CFD No. 100</b>	<b><u>\$ 71,001,082</u></b>

The above values are stated as of said date of value and subject to the attached Assumptions and Limiting Conditions and Appraiser's Certification.

## APPRAISER'S CERTIFICATION

The appraiser certifies that to the best of his knowledge and belief:

1. The statements of fact contained in this report are true and correct.
2. The reported analyses, opinions and conclusions are limited only by the reported assumptions and limiting conditions, and are my personal, unbiased, professional analyses, opinions and conclusions.
3. The appraiser has no present or prospective interest in the property that is the subject of this report, and no personal interest or bias with respect to the parties involved.
4. The appraiser's compensation is not contingent upon the reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value estimate, the attainment of a stipulated result or the occurrence of a subsequent event.
5. This appraisal was not based on a requested minimum valuation, a specific valuation or the approval of a loan.
6. The analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the Uniform Standards of Professional Appraisal Practice.
7. Kitty Siino has made a personal inspection of the property that is the subject of this report.
8. Kitty Siino has performed any appraisal services on the subject property in the past three years. In January 2023 an appraisal was completed with a date of value of January 3, 2023. Due to a time delay, an update was needed which is this report.
9. No other appraisers have provided significant professional assistance to the persons signing this report.
10. The reported analyses, opinions and conclusions were developed, and this report was prepared, in conformity with the requirements of the Appraisal Institute's Code of Professional Ethics and Standards of Professional Appraisal Practice, which include the Uniform Standards of Professional Appraisal Practice.
11. The use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.
12. As of the date of this report, Kitty Siino has completed the requirements of the continuing education program of the Appraisal Institute.

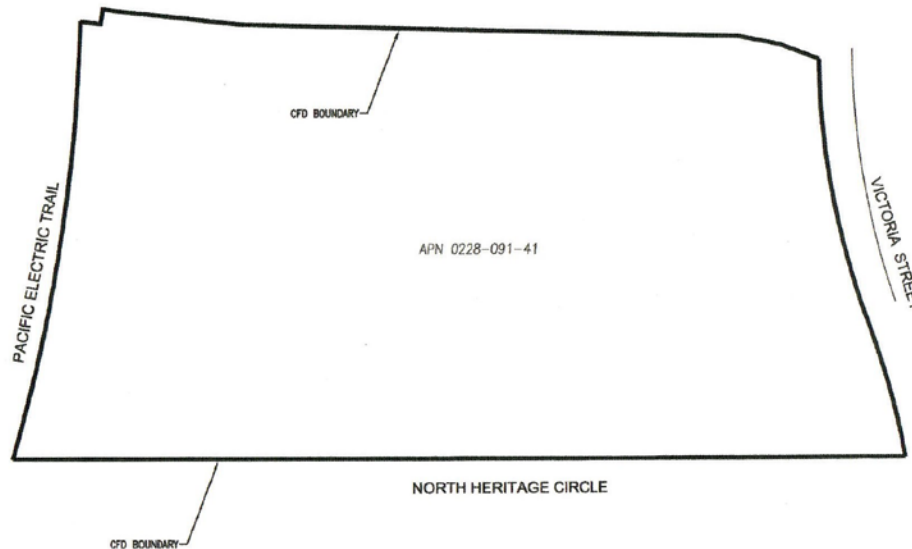


Kitty S. Siino, MAI  
State Certified General  
Real Estate Appraiser (AG004793)

# **ADDENDA**

**FONTANA CFD NO. 100**  
**BOUNDARY MAP**

PROPOSED BOUNDARIES OF CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA)  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.



BASIS OF BEARINGS:

LINE BETWEEN CITY OF FONTANA GPS CONTROL POINTS 20348 AND 21245.  
BEING: N44°58'51"E

PROPOSED BOUNDARIES:

THE PROPOSED BOUNDARIES OF CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA) CONTAINS 21.56 ACRES OF LAND MORE OR LESS.

REFERENCE IS HEREBY MADE TO THE ASSESSOR MAPS OF THE COUNTY OF SAN BERNARDINO FOR A DESCRIPTION OF THE LINES AND DIMENSIONS OF THE PARCELS LISTED BELOW.

APN 0228-091-41

CITY CLERK'S CERTIFICATE:

FILED IN THE OFFICE OF THE CITY CLERK OF THE CITY OF FONTANA THIS  
15<sup>th</sup> DAY OF October, 2020.

Loren Polad, Deputy City Clerk  
CITY CLERK OF THE CITY OF FONTANA

I HEREBY CERTIFY THAT THE WITHIN MAP SHOWING PROPOSED BOUNDARIES OF CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA), COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA, WAS APPROVED BY THE CITY COUNCIL OF THE CITY OF FONTANA AT A REGULAR MEETING THEREOF, HELD ON THE 15<sup>th</sup> DAY OF October, 2020, BY ITS RESOLUTION NO. 8560-12A.

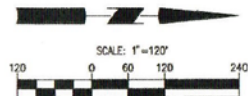
Loren Polad, Deputy City Clerk  
CITY CLERK OF THE CITY OF FONTANA

SAN BERNARDINO COUNTY RECORDER'S CERTIFICATE:

FILED THIS 20 DAY OF October, 2020, AT THE HOUR OF 10:04  
O'CLOCK A.M. IN BOOK 89 OF MAPS OF ASSESSMENT AND COMMUNITY FACILITIES  
DISTRICTS AT PAGE 36, AND UNDER DOCUMENT NUMBER 2020-0402156  
IN THE OFFICE OF THE COUNTY RECORDER IN THE COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA  
AT THE REQUEST OF THE CITY OF FONTANA, IN THE AMOUNT OF \$ 4.00

BOB DUTTON, ASSESSOR - RECORDER - COUNTY CLERK  
COUNTY OF SAN BERNARDINO

BY: John Garcia  
DEPUTY RECORDER



PROPOSED BOUNDARIES OF CITY OF FONTANA COMMUNITY FACILITIES DISTRICT NO. 100 (VICTORIA )  
COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.

ALLARD ENGINEERING  
18868 SEVILLE AVENUE  
FONTANA, CA 92335  
(909) 356-1815 FAX: (909) 356-1795



SHEET  
1 OF 1

**TRACT MAP No. 20229**  
**& CONDOMIUM PLANS**

# TRACT NO. 20229

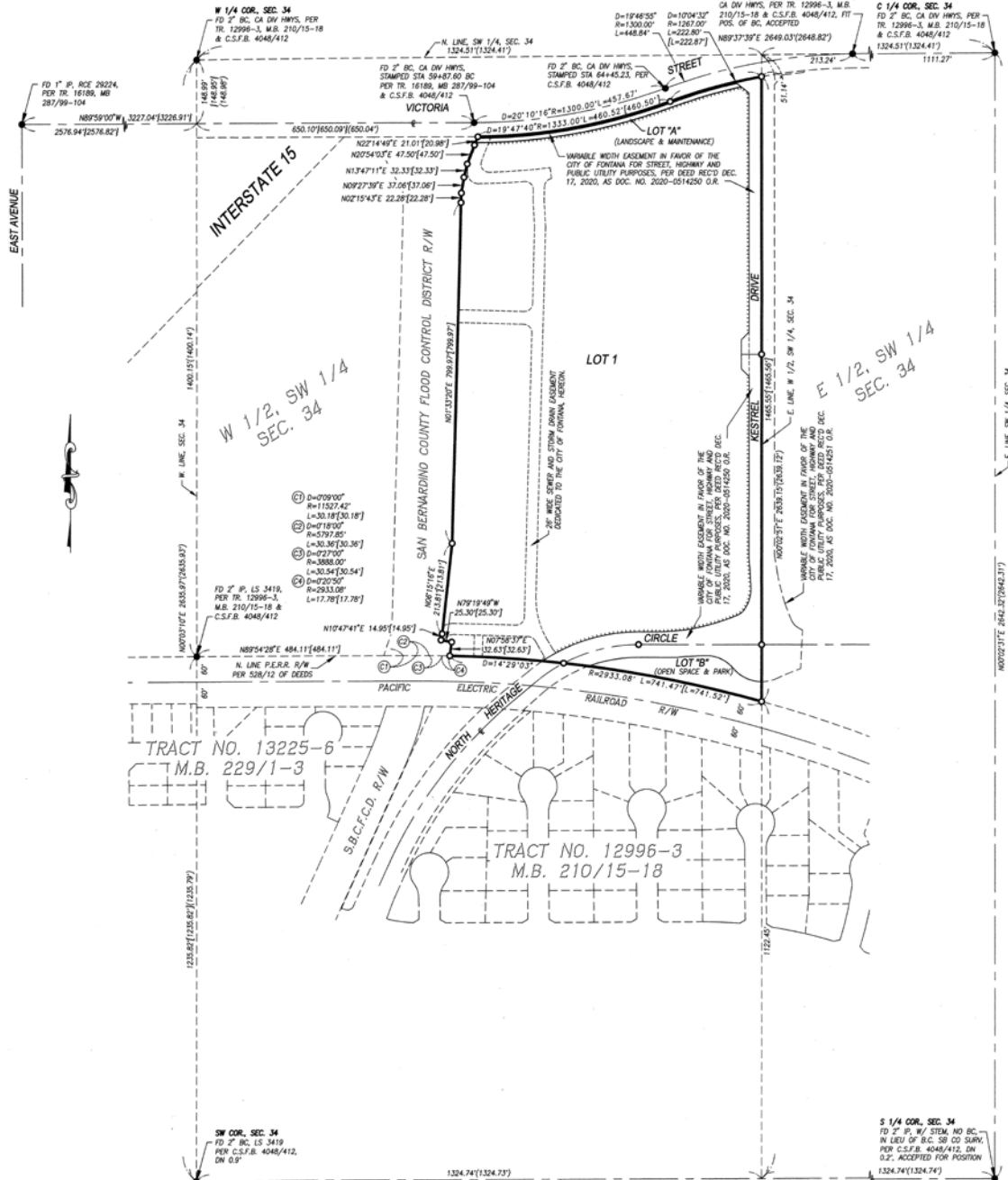
## IN THE CITY OF FONTANA FOR CONDOMINIUM PURPOSES

A SUBDIVISION OF A PORTION OF THE W 1/2 OF THE SW 1/4 OF SECTION 34, T.1N., R.6W., S.B.M.,  
IN THE CITY OF FONTANA, COUNTY OF SAN BERNARDINO, STATE OF CALIFORNIA.

ALLARD ENGINEERING

SEPTEMBER, 2020

SHEET 2 OF 3



### SURVEYOR'S NOTES

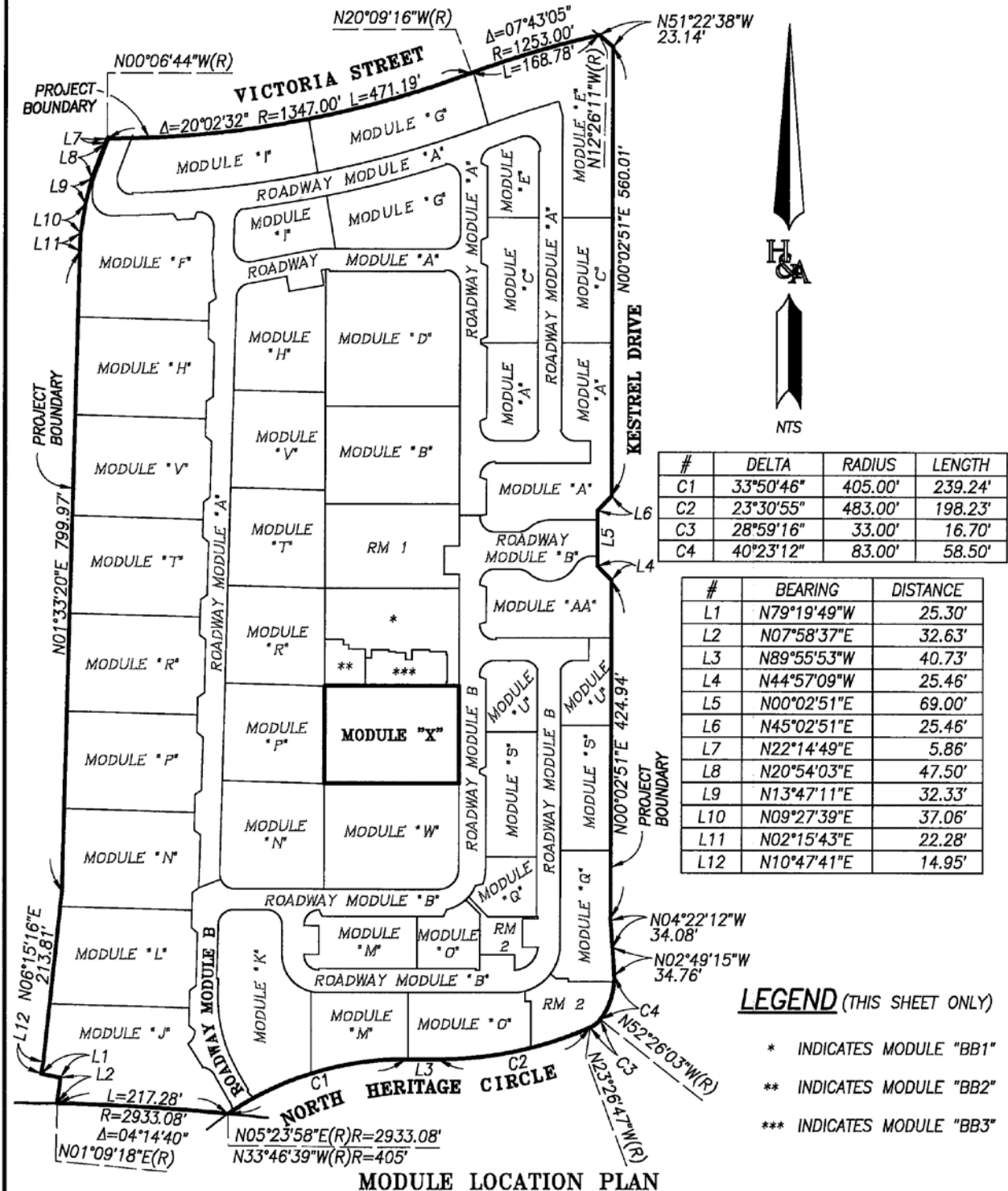
BASIS OF BEARINGS: AN INVERTED LINE BETWEEN CITY OF FONTANA GPS CONTROL, PUBLISHED VALUES FOR POINTS 20348 (N. 1886944.076, E. 671169.004) AND 21245 (N. 1886957.076, E. 6713620.323).  
BENCH: 4445851'E

- DENOTES FOUND MONUMENT AS NOTED.
- DENOTES SET 1" I.P., L.S. 5820, FLUSH, UNLESS OTHERWISE NOTED.
- IN THE EVENT THAT ANY OF THE ABOVE DESCRIBED MONUMENTS CANNOT BE SET, A TAG, L.S. 5820 WILL BE AFFIXED IN CONCRETE, STONE, WOOD OR METAL AT THE POSITION CALLED FOR ON THIS MAP.
- [ ] DENOTES RECORD PER GRANT DEED, DOC. NO. 2020-0525452 O.R., RECORDED 12/23/2020.
- ( ) DENOTES RECORD PER TRACT NO. 12996-3, M.B. 210/15-18.
- | | DENOTES RECORD PER TRACT NO. 16189, M.B. 287/99-104.
- (R) DENOTES RADIAL BEARING.
- ||||| DENOTES VEHICULAR ACCESS RELINQUISHED TO THE CITY OF FONTANA AS SHOWN HEREON.

### BASELINE AVENUE

SCALE 1" = 150'  
GRAPHIC SCALE





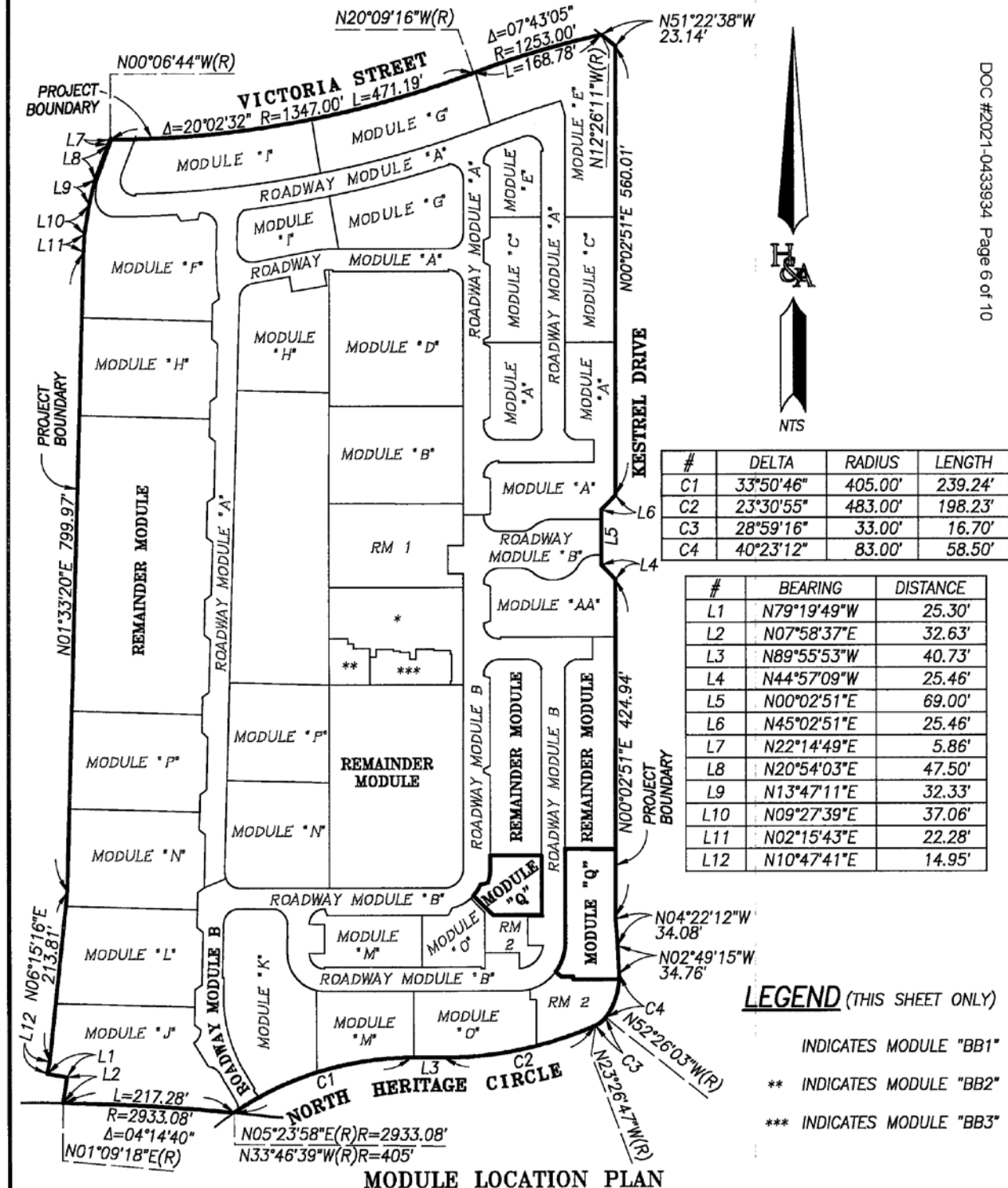
CONDOMINIUM PLAN  
**GOLDENROD AT AURORA PARK**  
**MODULE "X"**  
 (UNITS 130-135)



**HUNSAKER & ASSOCIATES SAN DIEGO, INC.**

PLANNING - ENGINEERING - SURVEYING  
 9707 WAPLES STREET - SAN DIEGO, CA 92121  
 (858) 558-4500 - FAX (858) 558-1414





MODULE LOCATION PLAN

CONDOMINIUM PLAN  
**SIENNA AT AURORA PARK**  
**MODULE "Q"**  
 (UNITS 98-101 & 117-118)



**HUNSAKER & ASSOCIATES SAN DIEGO, INC.**  
 PLANNING - ENGINEERING - SURVEYING  
 9707 WAPLES STREET - SAN DIEGO, CA 92121  
 (858) 558-4500 - FAX (858) 558-1414

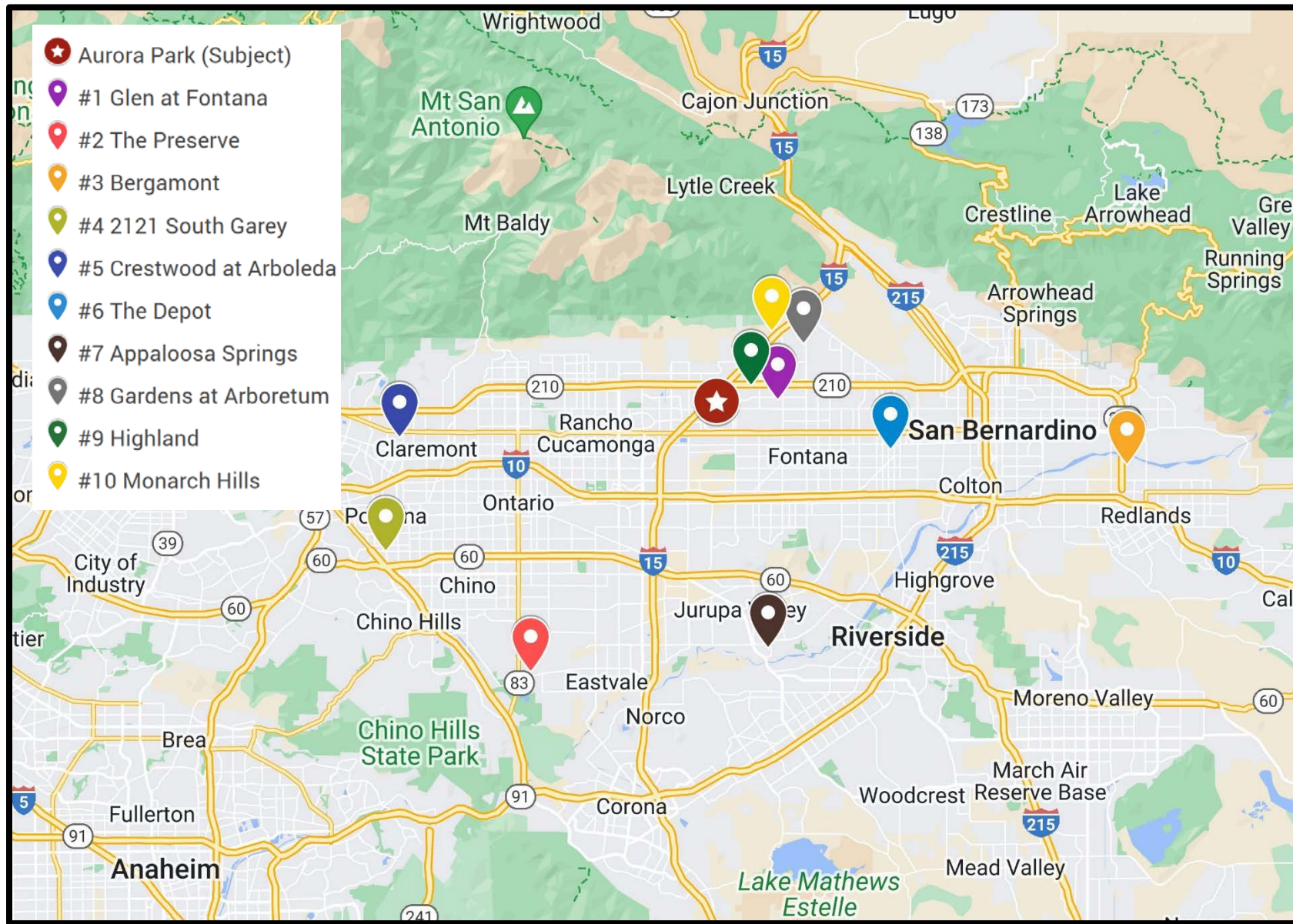
# **DISCOUNTED CASH FLOW ANALYSIS**

### Aurora Park Builder-Owned Houses Discounted Cash Flow Analysis

MONTH	<u>MONTH 1</u>	<u>MONTH 2</u>	<u>MONTH 3</u>	<u>MONTH 4</u>	<u>MONTH 5</u>	<u>MONTH 6</u>	<u>TOTAL</u>
INCOME:							
Retail Sales	\$1,610,588	\$1,610,588	\$1,610,588	\$1,610,588	\$1,610,588	\$1,610,588	\$9,663,526
TOTAL INCOME	<u>\$1,610,588</u>	<u>\$1,610,588</u>	<u>\$1,610,588</u>	<u>\$1,610,588</u>	<u>\$1,610,588</u>	<u>\$1,610,588</u>	<u>\$9,663,526</u>
EXPENSES:							
Remaining Costs	(\$98,291)	(\$98,291)	(\$98,291)	(\$98,291)	(\$98,291)	(\$98,290)	(\$589,745)
Marketing & Carrying Expenses	(\$161,059)	(\$161,059)	(\$161,059)	(\$161,059)	(\$161,059)	(\$161,059)	(\$966,353)
Profit	<u>(\$161,059)</u>	<u>(\$161,059)</u>	<u>(\$161,059)</u>	<u>(\$161,059)</u>	<u>(\$161,059)</u>	<u>(\$161,059)</u>	<u>(\$966,353)</u>
TOTAL EXPENSES	(\$420,409)	(\$420,409)	(\$420,409)	(\$420,409)	(\$420,409)	(\$420,408)	(\$2,522,450)
NET CASH FLOW	\$1,190,179	\$1,190,179	\$1,190,179	\$1,190,179	\$1,190,179	\$1,190,180	\$7,141,076
Discount Factor	<u>0.9917</u>	<u>0.9835</u>	<u>0.9754</u>	<u>0.9673</u>	<u>0.9594</u>	<u>0.9514</u>	
DISCOUNTED CASH FLOW		\$1,180,343	\$1,170,588	\$1,160,914	\$1,151,319	\$1,141,804	\$1,132,369
CUMULATIVE DISCOUNTED CASH FLOW		<u>\$1,180,343</u>	<u>\$2,350,931</u>	<u>\$3,511,845</u>	<u>\$4,663,164</u>	<u>\$5,804,969</u>	<u>\$6,937,338</u>

**FINISHED LOT LAND SALES MAP**  
**& SUMMARY CHART**

## FINISHED LOT LAND SALES MAP



### FINISHED LOT LAND SALES SUMMARY CHART

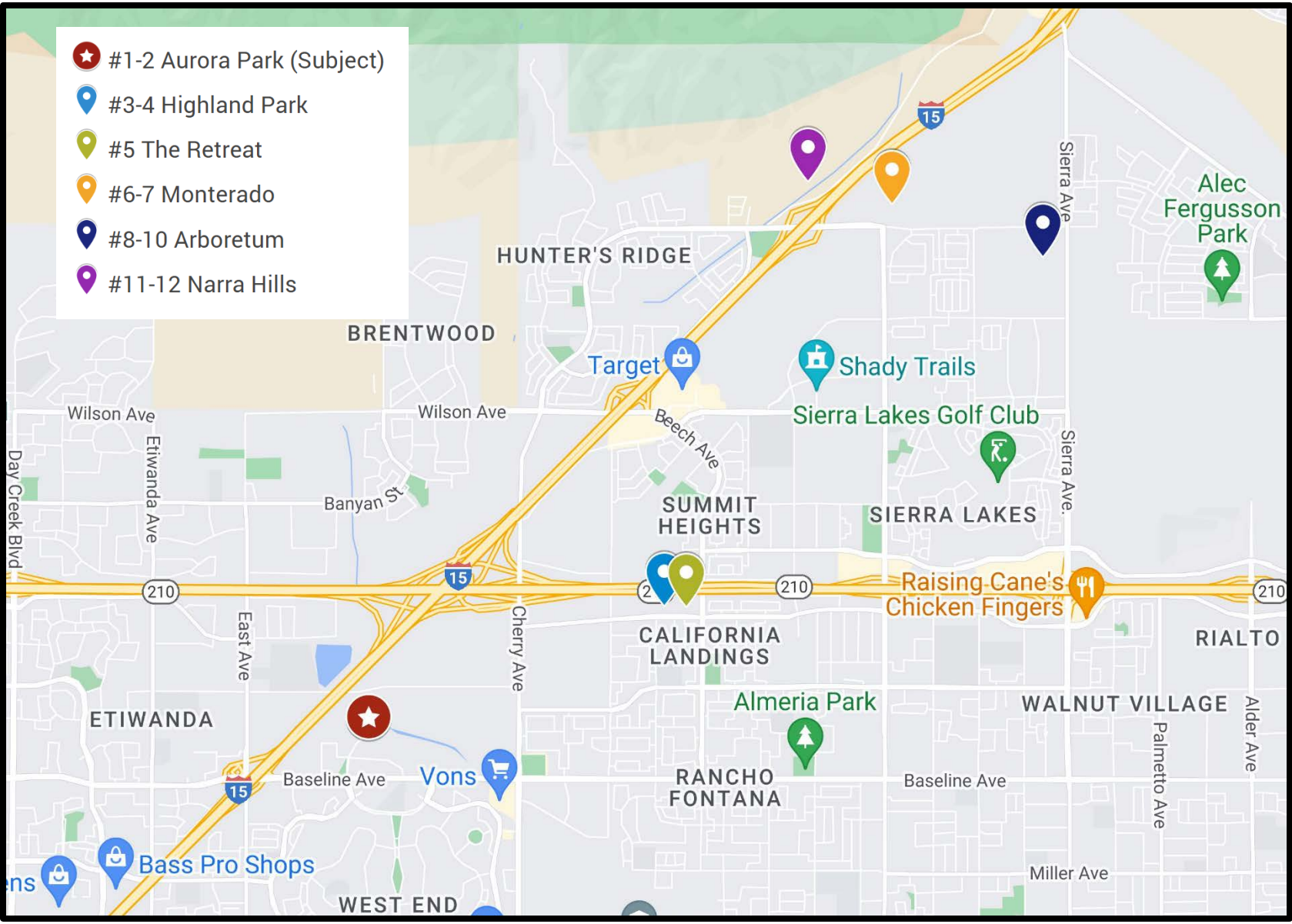
Data No.	Location / APN / Buyer / Seller	Sales Date	# Lots	Lot Size	Sales Price / Price per Lot	Est. Finished Lot Price	Comments
1	Glen at Fontana, N/S Chase Road, W/O Citrus Avenue, Fontana / 0228-151-17, 18 & 19 / RC Homes / Masjedi Family	Oct- 22	46 (92)	6.7 du/ac (13.5 du/ac)	\$3,525,000 / \$76,630 (\$38,315)	\$315,000 (\$165,000)	Product is for a house on small lot with a separate ADU which creates the 92 units rather than 46. The information is reported for both first, just the main houses and secondly for both the main house and the ADU.
2	Zinnia at the Preserve, NE/W of Pine Avenue & Meadowhouse Avenue, Chino / 1057-041-13, 1057-061-12 / Beazer Homes / Lewis Group of Companies	Jun-22	149	14 du/ac	\$19,952,500 / \$133,909	\$205,000	Closed in unimproved condition with an approved tentative tract map. This project consists of 2/3-story attached townhomes.
3	Bergamont, NW of Texas Street & Domestic Avenue, Redlands / 0167-031-02 / Meritage Homes / Various Investors (Assemblage)	Apr-22 – Jun-22	317	7,200 3,500 10 du/ac	\$16,657,000 / \$52,546	\$193,000 (blended)	Closed in unimproved condition with an approved Specific Plan, Environmental Impact Report, and Tentative Tract Map. It consists of three planning areas: - PA 1: 53 lots, SFD, 7,200 sf - PA 2: 144 lots, SFD, 3,500 sf - PA 3: 120 lots, Motorcourt Cluster, 10 du/ac
4	2121 South Garey, SWC South Garey Ave and Rio Rancho Rd, Pomona / 8344-033-902+ / Century Communities / Pomona Unified School District	Apr-22	156	17 du/ac	\$13,400,000 / \$85,897	*** \$185,897 Estimate	Another builder was involved in the transaction however public record shows it going straight from school district to Century -41 two-story detached homes -115 three-story townhomes F/L amount estimate based on historical costs
5	Crestwood at Arboleda, SE East Grove Street and Hollander Street, Pomona / 8367-011-007 / Crestwood Communities / Arboleda 38 LLC	Apr-22	38	10 du/ac	\$4,695,000 / \$123,553	*** \$238,553 Estimate	Two story all detached homes, continuation of Crestwood's previous sold-out Pomona community (Crestwood at Valencia). F/L amount estimated based on historical costs
6	The Depot, SWC Bonnie View Dr and Willow Avenue, Rialto / 0131-021-36, 37 and 38 / Century Communities / Koba Properties	Jan-22	56	12 du/ac	\$3,290,000 / \$58,750	\$188,000	Closed in an unimproved condition with an approved TTM
7	Appaloosa Springs, SW of Limonite Avenue & Clay Street, Jurupa Valley / 163-400-001, -052 / DR Horton / Inland Harbor	Dec-21	254	3,600	\$22,200,000 / \$87,402	\$205,000	Closed in unimproved condition with an approved tentative tract map. Single product line SFD with lots ranging 3,600-5,000 sf

8	Gardens at Arboretum, NWC of Sierra Avenue & Casa Grande Avenue, Fontana / 0239-131-45 / Lennar / Lewis Group of Companies	Dec-21	526	4 du/ac (blended) Triplex up to 6,000 sf	\$91,935,447 / \$174,782	\$274,000 (blended)	Gardens at Arboretum was closed in unimproved condition with an approved tentative tract map. It consists of six (6) product lines: • Triplex, 69 Units • SFD (2,200 sf), 99 Lots • SFD (2,600 sf), 109 Lots • SFD (4,000 sf), 97 Lots • SFD (4,990 sf), 88 Lots • SFD (6,000 sf), 64 Lots
9	Highland, NW of Beech Avenue & South Highland Avenue, Fontana / 0228-021-09 / Richmond American Homes / Stratham Group	Dec-21	107	10 du/ac (blended) Small Detached	\$18,691,821 / \$174,690	\$285,000 (blended)	Highland was closed in unimproved condition with final engineering in process. It consists of two (2) product lines: • Alley-Load, 46 Lots • Motorcourt Cluster, 61 Lots
10	Monarch Hills (Narra Hills), NW of Duncan Canyon Road & Interstate 15, Fontana / 0226-075-18 / Landsea Homes / Richland Communities	Sept-21	489	Varies	\$42,736,000 / \$87,395*	\$285,000*	*Represents blended price for townhomes, cluster, 5,000 sf lots and 10,000 sf lots. Sold in unimproved condition. Portion is hillside allowing for views. -PA1, 154 lots, 10,000 sf (\$360,000 FLV) - PA 2, 79 lots, 5,000 sf (\$295,000 FLV) -PA 3, 127 lots, cluster product (\$245,000 FLV) -PA 4, 129 units, townhomes (\$175,000 FLV)

**IMPROVED RESIDENTIAL**  
**SALES MAP & SUMMARY CHART**



**IMPROVED RESIDENTIAL SALES SUMMARY MAP**



### IMPROVED RESIDENTIAL SALES SUMMARY CHART

Data No.	Project Name Location/Developer	Plan	Room Count	Floors/ Parking	Size (SF)	Lot Size / Absorption	Base Sales Price	Price/SF
1	Sienna at Aurora Park, Victoria Street and Kestral Drive, Fontana / TRI Pointe Homes	1	3 / 2.5	2 / 2	1,879	2,000 sf lots	\$567,000	\$301.76
		2	3 / 2.5	2 / 3	1,997	(Alley-load)	\$592,000	\$296.44
		3	4 / 3	2 / 3	2,264	2.6 sales/mo	\$622,000	\$274.73
2	Goldenrod at Aurora Park, Victoria Street and Kestral Drive, Fontana / TRI Pointe Homes	1	3 / 2.5	2 / 2	2,006	2,000 sf lots	\$657,000	\$327.52
		2	4 / 3	2 / 2	2,292	(Det. Cluster)	\$675,000	\$294.50
		3	5 / 4	2 / 3	2,743	2.2 sales/mo	\$742,000	\$270.51
3	Cascade at Highland Park, South Highland Avenue and San Servaine Road, Fontana / Richmond American	1	3 / 2.5	2 / 2	1,860	5,000 sf lot	\$580,990	\$312.36
		2	3 / 2.5	2 / 3	1,930	2.1 sales/mo	\$596,990	\$309.32
		3	4 / 3	2 / 3	2,065		\$618,990	\$299.75
4	Talise at Highland Park, South Highland Avenue and San Servaine Road, Fontana / Richmond American	1	3 / 2.5	2 / 2	1,410		\$514,990	\$365.24
		2	3 / 2.5	2 / 2	1,650	5,000 sf lots	\$547,990	\$332.12
		3	3 / 2.5	2 / 2	1,710	3.4 sales/mo	\$534,990	\$312.86
		4	4 / 3	2 / 2	1,950		\$590,990	\$303.07
5	Chateau at The Retreat, South Highland Avenue and Beech Avenue, Fontana / Lennar	1	3 / 3	2 / 2	1,724		\$554,505	\$321.64
		2	3 / 2.5	2 / 2	1,961	3,000 sf lots	\$559,885	\$285.51
		3	3 / 2.5	2 / 2	1,987	4.5 sales/mo	\$578,840	\$291.31
		4	3 / 2.5	2 / 2	2,046		\$588,650	\$287.71
6	Rivello at Monterado, Citrus Avenue and Duncan Canyon Road, Fontana / Lennar	1	3 / 2.5	2 / 2	1,795	3,000 sf lots	\$564,350	\$314.40
		2	3 / 2.5	2 / 2	1,832	(Alley-load)	\$537,290	\$293.28
		3	3 / 2.5	2 / 2	2,007	4.8 sales/mo	\$571,440	\$284.72
7	Salerno at Monterado, Citrus Avenue and Duncan Canyon Road, Fontana / Lennar	1	3 / 2.5	2 / 2	1,822	3,000 sf lots	\$571,545	\$313.69
		2	3 / 2.5	2 / 2	1,932	(Det. Cluster)	\$574,915	\$297.58
		3	3 / 2.5	2 / 2	2,207	3.6 sales/mo	\$605,015	\$274.13

8	Acacia at Arboretum, Sierra Avenue and Casa Grande Avenue, Fontana / Lennar	1	3 / 2.5	2 / 2	2,213	2,500 sf lots	\$624,680	\$282.28
		2	3 / 2.5	2 / 2	2,358	3.8 sales/mo	\$638,555	\$270.80
		3	4 / 2.5	2 / 2	2,472		\$650,365	\$263.09
9	Blue Sage at Arboretum, Sierra Avenue and Casa Grande Avenue, Fontana / Lennar	1	3 / 2.5	2 / 2	1,651	2,000 sf lots	\$559,290	\$338.76
		2	3 / 2.5	2 / 2	1,761	(Zero Lot Line)	\$567,890	\$322.48
		3	4 / 2.5	2 / 2	1,969	4.0 sales/mo	\$585,590	\$297.40
		4	4 / 3	2 / 2	1,970		\$591,990	\$300.50
10	Silverberry at Arboretum, Sierra Avenue and Casa Grande Avenue, Fontana / Lennar	1	4 / 3	2 / 2	2,449	4,000 sf lots	\$711,355	\$290.47
		2	4 / 3	2 / 2	2,666	4.7 sales/mo	\$729,680	\$273.70
		3	4 / 3	2 / 2	2,877		\$751,950	\$261.37
11	Strata at Narra Hills, Lytle Creek Road and Duncan Canyon Road, Fontana / Landsea	1	3 / 2.5	2 / 2	2,099	2,700 sf lots	\$644,967	\$307.27
		2	4 / 3	2 / 2	2,136	(Det. Cluster)	\$663,803	\$310.77
		3	4 / 3	2 / 2	2,311	10.3 sales/mo	\$690,967	\$298.99
		4	4 / 3	2 / 2	2,552		\$710,154	\$278.27
12	Wildstar at Narra Hills, Lytle Creek Road and Duncan Canyon Road, Fontana / Landsea	1	4 / 3.5	2 / 2	2,747	5,000 sf lots	\$819,073	\$298.17
		2	4 / 4	2 / 2	2,961	8.5 sales/mo	\$857,105	\$289.46
		3	5 / 4.5	2 / 3	3,079		\$840,744	\$273.06

## **APPRAISER'S QUALIFICATIONS**

## QUALIFICATIONS OF KITTY S. SIINO, MAI

### Education

Bachelor of Arts in Business Administration, Financial Investments, California State University, Long Beach, California (1980)

Post-Graduate Study, Real Estate Development, University of California, Irvine, California

Appraisal Institute Classes: Uniform Standards of Professional Appraisal Practice, A & B; Appraisal Principles; Appraisal Procedures; Basic Income Capitalization; Advanced Income Capitalization; Narrative Report Writing; Advanced Applications, Case Studies. Successfully completed all classes in addition to successfully completing the writing of a Demonstration Report and taking the Comprehensive Exam. Became a Member of the Appraisal Institute in December 1996. Have completed over 100 hours of continuing education through the Appraisal Institute every five years.

### Employment

1988 - Present:

**Self-Employed Real Estate Appraiser.** Duties include the appraisal of various types of properties such as commercial, retail, industrial and vacant land. More complex assignments include easements, right-of-ways and special assessment districts. From 1996 to present, specialized in special assessment districts and community facilities districts appraisals for public entities, including Jurupa Community Services District, Corona Norco Unified School District, City of Corona, City of Chula Vista, City of San Marcos and City of Moreno Valley.

1986-1988:

**Project Manager of Development for Ferguson Partners, Irvine, California.** Duties included land acquisitions; review of fee appraisals and valuations; analysis of proposed development; planning and design; and management of development, construction and lease-up. The types of properties developed were commercial and industrial. Duties ranged from raw, vacant site development through property management of recently developed projects.

1981 - 1986

**Manager of Finance, Construction for Community Development Division, The Irvine Company, Irvine, California.** Duties included originating and managing a newly formed division of finance to bridge between the accounting functions and project management functions. Worked with analysis and budgets for Community Development Division. Coordinated with cities in forming new Assessment Districts and Community Facilities Districts to finance major infrastructure improvements. Types of properties were apartments and single-family residential lots on a for sale basis to apartment and homebuilders.

1980 - 1981

**Investment Counselor, Newport Equity Funds, Newport Beach, California.** Duties included obtaining private financing for residential properties, working with appraisals of properties and analyzing the investments.

**Licenses**

Real Estate Sales Person, State of California, 1980  
Certified General Appraiser, State of California (#AG004793)

**Organizations**

MAI #11145 - The Appraisal Institute

**Public Financing**

CASTOFF Meetings, 2006, 2007, 2008, 2009, 2010, 2011, 2013, 2014, 2015, 2016, 2017, 2018, 2019 and 2022

Speaker, Mello-Roos & Special Assessment Financing, UCLA Extension Public Policy Program, February 2009 and March 2011